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WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name EXECUTIVE SECRETARIAT, NSC: COUNTRY FILE

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File Folder

BEIRUT EMBASSY BOMBING AND AMBASSADOR

MURPHY MISSION (10/04/1984-11/20/1984)

FOIA

M10-361

Box Number

34

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ID	Doc Type	Docu	ument Description	1	No of Pages	Doc Date	Restrictions
109493	CABLE	TEL.	AVIV 14035		. 12	10/4/1984	B1
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109496	CABLE	TEL.	AVIV 14057		3	10/4/1984	B1
		R	10/12/2012	M361/2			
109497	CABLE	TEL.	AVIV 14040		3	10/4/1984	B1
		R	10/12/2012	M361/2			
109499	CABLE	TEL .	AVIV 14035		12	10/4/1984	B1
		R	10/12/2012	M361/2			
109501	CABLE	TEL .	AVIV 14040		3	10/4/1984	B1
		R	10/12/2012	M361/2			
109502	CABLE	TEL .	AVIV 14057		3	10/4/1984	B1
		R	10/12/2012	M361/2			
109503	CABLE	STAT	ГЕ 296664		6	10/5/1984	B1
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109505	CABLE	STAT	TE 298902		10	10/7/1984	B1
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109506	CABLE	STAT	TE 321447		7	10/30/1984	B1
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Freedom of Information Act - [5 U.S.C. 552(b)]

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B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name EXECUTIVE SECRETARIAT, NSC: COUNTRY FILE

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BEIRUT EMBASSY BOMBING AND AMBASSADOR

MURPHY MISSION (10/04/1984-11/20/1984)

FOIA

M10-361

Box Number

34

BIRD

ID	Doc Type	Docume	nt Description		No of Pages	Doc Date	Restrictions
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FM AMEMBASSY TEL AVIV

TO SECSTATE WASHDC IMMEDIATE 4387

INFO AMCONSUL JERUSALEM PRIORITY

NLRR MID 3 61/2 + 109 493
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S E C R E T SECTION Ø1 OF Ø4 TEL AVIV 14035

NODIS

FOR THE SECRETARY AND MURPHY FROM LEWIS

PLEASE REPEAT TO USDEL SECRETARY

E.O. 12356: DECL: OADR

TAGS: PREL, ECON, OPDC, US, IS

SUBJ: MEETING WITH PRIME MINISTER PERES - OCTOBER 2, 1984

REF: (A) T.E.L. AVIV 13755, (B) TEL AVIV 13867,

(C) TEL AVIV 13986

- 1. (SECRET ENTIRE TEXT.)
- 2. SUMMARY: IN A TWO-HOUR TETE-A-TETE ON TUESDAY EVENING, OCTOBER 2, IN HIS OFFICE, PERES AND I WENT OVER MOST OF THE ISSUES TO BE ADDRESSED DURING HIS FORTHCOMING VISIT TO WASHINGTON, INCLUDING INTER ALIA THE STATE OF ECONOMIC DECISION MAKING AND THE WAY HE INTENDS TO APPROACH ISRAEL'S ECONOMIC PROBLEMS AND ITS NEED FOR FUTURE ADDITIONAL ASSISTANCE, THE OUTCOME OF DICK MURPHY'S SWING AROUND THE AREA (SEPTEL), ISRAEL-EGYPT RELATIONS, ISRAELI EFFORTS TO INTEREST JORDAN IN SOME KIND OF DIALOGUE AND RENEWAL OF THE PEACE PROCESS (SEPTEL), AND PERES' HOPES AND EXPECTATIONS FOR

.



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PAGE 03 OF 04 TEL AV 14035 01 OF 04 0418397 C06/14 003083 NOD841

THE OUTCOME OF HIS VISIT. SUBSEQUENT TO OUR MEETING, THE MEDIA HAS BEEN REFLECTING THE VIEW WHICH HE EXPRESSED TO ME THAT HE WANTS TO LOWER PUBLIC EXPECTATIONS HERE. ESPECIALLY WITH RESPECT TO IMMEDIATE NEW ECONOMIC AID COMMITMENTS AND WITH RESPECT TO ANY EARLY BREAKTHROUGHES ON SOUTH LEBANON NEGOTIATIONS. PERES IS NOT DEFENSIVE ABOUT WHAT HAS THUS FAR BEEN ACHIEVED ON ECONOMIC BELT-TIGHTENING, WHICH HE WILL DESCRIBE IN WASHINGTON AS REPRESENTING SIGNIFICANT ALBEIT VERY DIFFICULT FIRST STEPS TOWARD THE COMPREHENSIVE ECONOMIC PROGRAM WHICH HE INSISTS WILL BE FULLY DEVELOPED OVER THE NEXT FEW WEEKS. HE HOPES TO OBTAIN A COMMITMENT FOR A "FINANCIAL STAND-BY FACILITY" OF AN UNSPECIFIED AMOUNT TO PROVIDE A SAFETY NET-FOR ISRAEL'S SHRINKING FOREIGN EXCHANGE RESERVES SHOULD THE SITUATION SPIN OUT OF CONTROL, DESPITE THE EFFORTS BEING TAKEN CURRENTLY TO STEM THE RESERVE HEMORRHAGE. HE WILL WANT TO TALK ABOUT LONGER TERM AID PROSPECTS FOR FUTURE YEARS, BUT UNDERSTANDS THAT WE WILL BE IN NO POSITION TO GIVE SPECIFIC RESPONSES AT THIS TIME. HE ALSO BELIEVES THAT IT IS IMPORTANT TO GIVE THE ISRAELI PUBLIC A SENSE THAT THEIR LONGER TERM FUTURE IS NOT ALL DARK, ONCE A DIFFICULT PERIOD OF RETRENCHMENT HAS BEEN GOTTEN OVER. AND THAT RENEWED GROWTH IN THE ECONOMY AS A WHOLE AND PARTICULARLY IN THE EXPORT SECTOR CAN BE ANTICIPATED. FOR THIS REASON. HE INTENDS TO PUT FORWARD A CONCEPT OF A FIVE-YEAR SPECIAL INVESTMENT FUND FOR REVITALIZING AND MODERNIZING THE LEADING SECTORS OF ISRAEL'S INDUSTRY, ESPECIALLY THOSE OPERATING IN THE HIGH-TECHNOLOGY FIELD. TO BE OBTAINED FROM BOTH ADDITIONAL U.S. GOVERNMENT LONG-TERM SOFT LOANS AND FROM PRIVATE JEWISH INVESTORS. HE LIKES THE IDEA OF SOME KIND OF JOINT U.S.-ISRAELI COMMITTEE OR COUNCIL TO DIRECT SUCH AN EFFORT AND

PERHAPS ALSO TO SERVE AS AN UMBRELLA FOR A JOINT ADVISORY BODY ON ISRAEL'S ECONOMIC PROBLEMS IN GENERAL. PERES



Secret Department of State

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NOD841

04 OF 04 TEL AV 14035 01 OF 04 041839Z C06/14 003083 WILL HAVE SOME ENCOURAGING THINGS TO SAY ABOUT THE NEW GOVERNMENT'S INTENTIONS WITH RESPECT TO THE MANAGE-MENT OF LIFE IN THE OCCUPIED TERRITORIES AND THE SORT OF ISSUES WHICH SECRETARY SHULTZ HAS BEEN PRESSING FOR SOME TIME UNDER THE GENERAL RUBRIC OF "THE QUALITY OF LIFE" INITIATIVE. HE STRESSES THAT HE IS NOT COMING TO WASHINGTON "WITH HIS HAT IN HIS HAND TO BEG FOR ASSISTANCE." BUT TO ACHIEVE A POSITIVE OUTCOME IN THREE GENERAL AREAS: (A) A CONFIRMATION THAT OVERALL U.S.-ISRAEL RELATIONS WITH THE NEW NATIONAL UNITY GOVERNMENT WILL BE STRONG AND WILL CONTINUE TO EXPAND THE CLOSER COOPERATION WHICH HAS DEVELOPED IN RECENT MONTHS UNDER THE SHAMIR GOVERNMENT; (B) TO EXCHANGE VIEWS AND REACH CONCEPTUAL AGREEMENT, INSOFAR AS POSSIBLE, ON THE BROAD ISSUES OF HOW TO PROCEED TO REJUVENATE THE PEACE PROCESS IN THE MONTHS AHEAD, AND HOW TO STRENGTHEN FURTHER ISRAEL'S DEFENSE AND SECURITY SITUATION IN THE REGION AT A TIME OF INEVITABLE FINANCIAL AND ECONOMIC CONSTRAINTS, AND (C) TO EXCHANGE IDEAS ON-HOW TO ATTACK SUCCESSFULLY ISRAEL'S PRESSING ECONOMIC CRISIS, INCLUDING WAYS IN WHICH FUTURE U.S. ASSISTANCE CAN CONTRIBUTE TO THAT RESOLUTION. CLEARLY WHAT HE IS LOOKING FOR ABOVE ALL IS A DEMONSTRATION FROM THE PRESIDENT AND OTHER KEY OFFICIALS THAT THE U.S. WILL STAND BEHIND ISRAEL FIRMLY AS IT STRUGGLES TO COPE WITH ITS PROBLEMS AND THAT WE HAVE CONFIDENCE IN HIS GOVERNMENT AND IN HIM PERSONALLY. END SUMMARY.

3. A SIGNIFICANT PART OF MY TWO-HOUR PRIVATE CONVERSATION

NOTE: SECTIONS 2, 3, AND 4 SERVICED FOR.



Department of State

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INFO OCT-00 ADS-00 /000 W

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FM AMEMBASSY TEL AVIV

TO SECSTATE WASHDC IMMEDIATE 4388.

INFO AMCONSUL JERUSALEM PRIORITY

S E C R E T SECTION 02 OF 04 TEL AVIV 14035

NODIS

FOR THE SECRETARY AND MURPHY FROM LEWIS

PLEASE REPEAT TO USDEL SECRETARY

E.O. 12356: DECL: OADR

TAGS: PREL, ECON, OPDC; US, IS

SUBJ: MEETING WITH PRIME MINISTER PERES - OCTOBER 2, 1984.

WITH PRIME MINISTER PERES ON OCTOBER 2 REVOLVED AROUND THE APPROACH PERES PLANS TO TAKE IN WASHINGTON IN DISCUSSING THE ECONOMIC CRISIS AND FUTURE U.S. ASSISTANCE. I HAD JUST COME FROM A SEPARATE MEETING WITH FINANCE MINISTER MODAY (REF C) IN WHICH MODAY HAD DESCRIBED WHAT HAD BEEN DONE TO DATE BY THE GOVERNMENT AND HIS STRATEGY FOR THE NEXT FEW WEEKS. PERES ACKNOWLEDGED THAT THE MEDIA AND PUBLIC RECEPTION OF THE GOVERNMENT'S ACTIONS WAS GENERALLY UNFAVORABLE. BUT HE INSISTED IT WAS MUCH TOO INFLUENCED BY THE LAMENTABLE BUT QUINTESSENTIALLY ISRAELI AIRING OF ARGUMENTS AMONG MINISTERS ABOUT WHETHER THIS OR THAT SPECIFIC MEASURE WAS APPROPRIATE. THOUGH OBVIOUSLY STUNG BY SOME OF THIS CRITICISM, HE INSISTED THAT IT DID NOT BOTHER HIM. TAKING AND INTENDS TO TAKE AN ASSERTIVE POSTURE IN ARGUING THAT IN ITS FIRST TWO AND A HALF WEEKS IN



S/S-O INCOMING

PAGE Ø3 OF Ø4 TEL AV 14Ø35 Ø2 OF Ø4 Ø41959Z CØ6/14 ØØ3211 NOD852

OFFICE, THE GOVERNMENT HAD MADE VERY DIFFICULT, MEANINGFUL DECISIONS, FIRST TO CUT THE BUDGET EFFECTIVELY BY NEARLY ONE BILLION DOLLARS AND SECOND, TO LOWER THE LEVEL OF CONSUMPTION BY FOUR TO FIVE PERCENT ANNUALLY BY CANCELLATION OF SUBSIDIES AND LEVYING OF NEW TAXES. HE TOLD ME THAT FURTHER DIRECT PAINFUL MEASURES WOULD BE ADOPTED LATER THAT EVENING (AS INDEED THEY WERE) TO CURTAIL LUXURY IMPORTS AND RESTRICT THE AMOUNT OF FOREIGN EXCHANGE ISRAELI TOURISTS CAN TAKE ABROAD IN ORDER TO STEM THE HEMORRHAGE OF EXCHANGE RESERVES WHICH HAD CONTINUED DURING THE MONTH OF SEPTEMBER. LAMENTED THE FACT THAT A FULL-FLEDGED "PACKACE DEAL" AMONG THE HISTADRUT, THE GOVERNMENT AND THE EMPLOYERS HAD NOT YET BEEN ACHIEVED, BUT WAS CONFIDENT IT WOULD BE ACHIEVED WITHIN A FEW WEEKS AND THAT A FULLY ARTICULATED, COMPREHENSIVE ECONOMIC REFORM PROGRAM WOULD EVOLVE FROM THE SPECIFIC MEASURES BEING TAKEN AND PLANNED, WITHIN A REASONABLE PERIOD OF TIME. HE IS CERTAINLY SENSITIVE TO THE DISRUPTIVE EFFECT OF DAVID LEVY'S P-OPULIST APPROACH, DESIGNED TO ENHANCE HIS OWN COMPETITIVE POSITION WITHIN THE HERUT HIERARCHY AND TO PERMIT LIKUD TO CHALLENGE LABOR'S CONTROL OVER THE HISTADRUT AT THE NEXT HISTADRUT ELECTIONS. HE ALSO ACKNOWLEDGED THAT THERE WERE INEVITABLE DIFFERENCES OF OPINION AMONG MINISTERS ABOUT HOW TO CUT AND WHERE TO CUT AND WHAT TAXES WERE MOST APPROPRIATE TO ADOPT. HE STRESSED, HOWEVER, THAT THE WHOLE CABINET WAS FULLY PERSUADED OF THE NEED FOR DRASTIC MEASURES TO SET THE ECONOMY BACK ON A RATIONAL COURSE, AND THAT THE GOVERNMENT WOULD SUPPORT HIM AND THE FINANCE MINISTER WHEN THE CHIPS WERE DOWN. 4. WHILE DETERMINED THAT ISRAEL MUST DEAL WITH THE PROBLEMS OF INFLATION AND FOREIGN EXCHANGE DEFICITS BY ITS OWN ACTIONS, AND INSISTENT THAT IT WILL DO SO,

PERES SAID HE IS CONVINCED THAT A POLICY LIMITED ONLY TO BELT-TIGHTENING AND PAINFUL AUSTERITY IS NOT ENOUGH



S/S-O INCOMING

NOD852

PAGE 04 OF 04 TEL AV 14035 02 OF 04 041959Z C06/14 003211 AFTER SEVERAL YEARS OF ESSENTIALLY NO ECONOMIC GROWTH IN THE ECONOMY. HE BELIEVES THAT IT IS IMPORTANT. IN ORDER TO RETAIN PUBLIC SUPPORT FOR AUSTERITY MEASURES NOW. TO HOLD OUT SOME VISION FOR THE LONGER RUN FUTURE THAT ISRAEL CAN REGAIN A GROWTH TRACK. THIS VISION DEPENDS IN HIS JUDGMENT ON A LARGE · INCREASE IN INVESTMENT IN THE LEADING SECTORS OF ISRAELI INDUSTRY, ESPECIALLY THOSE IN THE HIGH-TECHNOLOGY AREA, ORIENTED TOWARD EXPORT. HE THEREFORE INTENDS TO PROPOSE THE IDEA OF A FIVE-YEAR SPECIAL INVESTMENT FUND OF ONE BILLION DOLLARS PER YEAR, TO BE USED SOLELY FOR INVESTMENT PURPOSES RATHER THAN BUDGET SUPPORT OR BALANCE OF PAYMENTS SUPPORT. CREATED FROM LONG-TEPM U.S. GOVERNMENT SOFT LOANS AND FROM LOANS FROM PRIVATE JEWISH BUSINESSMEN IN THE U.S. AND ELSEWHERE. HE HOPES TO ENGAGE THE USG IN A DISCUSSION OF THIS CONCEPT DURING HIS VISIT, THOUGH HE RECOGNIZES THAT NO IMMEDIATE AGREEMENT ON IT WOULD BE POSSIBLE. (HE ALSO WILL BE MEETING WITH REPRESENTATIVES OF THE PRIVATE SECTOR WHILE IN THE UNITED STATES TO TRY TO SPUR MORE DIRECT AND JOINT-VENTURE INVESTMENT IN ISRAELI INDUSTRY AND AS WELL TO INTEREST PRIVATE INDIVIDUALS IN THIS FIVE-YEAR INVESTMENT FUND CONCEPT.)

5. SO FAR AS MORE TRADITIONAL ISSUES OF U.S. ASSISTANCE ARE CONCERNED, PERES IS HOPING TO OBTAIN AN ASSURANCE THAT THE U.S. WILL PROVIDE A "STANDBY FACILITY" OF AN UNSPECIFIED AMOUNT (WE HAVE OTHER INDICATIONS THAT THE FIGURE UNDER CONSIDERATION MAY BE LESS THAN ONE BILLION

NOTE BY OC/T: NOT REPEATED USDEL SECRETARY.



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FM AMEMBASSY TEL AVIV

TO SECSTATE WASHDC IMMEDIATE 4389
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S E C R E T SECTION Ø3 OF Ø4 TEL AVIV 14Ø35

NODIS

FOR THE SECRETARY AND MURPHY FROM LEWIS

PLEASE REPEAT TO USDEL SECRETARY

E.O. 12356: DECL: OADR

TAGS: PREL, ECON, OPDC, US, IS

SUBJ: MEETING WITH PRIME MINISTER PERES - OCTOBER 2, 1984

DOLLARS) TO BE AVAILABLE FOR IMMEDIATE USE ONLY IN THE EVENT OF AN IMPENDING COLLAPSE IN THE RESERVE POSITION. BEFORE THE NEW MEASURES BEING TAKEN HERE HAVE ACHIEVED THEIR ANTICIPATED EFFECTS ON THE BALANCE OF PAYMENTS. HE WILL PROBABLY ASK FOR IMMEDIATE DISBURSEMENT OF THE 1985 ESF FUNDS OF \$1.2 BILLION TO SHORE UP RESERVES, HOPING THAT THIS ALONE WOULD MAKE IT UNNECESSARY TO CALL ON THE ADDITIONAL "STAND-BY". HE ALSO WILL UNDOUBTEDLY WANT TO DISCUSS THE "NORMAL AID ISSUES" OF ESF AND FMS LEVELS FOR FUTURE YEARS, THOUGH AGAIN HE UNDERSTANDS CLEARLY THAT WE WILL NOT BE IN A POSITION TO FIX ANY AGREEMENT ON THESE LEVELS AT THIS JUNCTURE. I WENT OVER WITH HIM OUR NEW, MORE SYSTEMATIC APPROACH TOWARD FMS BUDGETING AND ARMS ACQUISITION PLANNING WHICH RABIN HAS ENDORSED, STRESSING THAT THIS WILL BE THE PROPER, ORDERLY WAY TO APPROACH FUTURE FMS LEVELS.

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HE SEEMED PERSUADED, THOUGH I ASSUME SOME OF HIS ADVISORS WILL TRY TO PERSUADE HIM TO TRY FOR MORE PRECISE FMS LEVEL COMMITMENTS NOW, BEFORE OUR ELECTION.

6. IN ARGUING, AS HE WILL, THE SERIOUSNESS OF THE BUDGET-CUTTING EXERCISE WHICH HAS GONE ON HERE IN RECENT DAYS. PERES WILL ALSO STRESS THAT A SECOND BILLION DOLLARS IN CUTS COULD ONLY BE ACHIEVED BY SLASHING THE ISRAELI MILITARY BUDGET TO AN EXTENT WHICH WOULD UNDOUBTEDLY REDUCE SUBSTANTIALLY THE IDF FORCE STRUCTURE AND WEAKEN ISRAEL MILITARILY. HE WILL POSE THE ISSUE TO US AS TO WHFTHER OR NOT SUCH A WEAKENING OF ISRAEL'S MILITARY CAPABILITIES WOULD BE IN ISRAEL'S INTERESTS OR INDEED IN THE BROADER INTERESTS OF THE UNITED STATES.

ISRAELI-EGYPTIAN RELATIONS

7. PRIOR TO MY MEETING WITH PERES, I HAD A LENGTHY TALK WITH EZER WEIZMAN AND HIS SIDE-KICK, NOW THE DIRECTOR GENERAL OF THE PRIME MINISTRY. ABRASHA TAMIR. WE WENT OVER THE TABA ISSUE IN SOME DETAIL. TAMIR AND WEIZMAN ARE BOTH REVIEWING ALL OF THE OPTIONS AND ARE BOTH TRYING TO FIND A FORMULA FOR ARBITRATION OR ARBITRATION PLUS SOME POSSIBLE PRIOR UNDERSTANDING THAT IN THE EVENT ISRAEL LOSES IN ARBITRATION, EGYPT WOULD BE WILLING TO ENTER INTO SOME KIND OF JOINT-USE ARRANGEMENT FOR THE HOTEL AND ITS ENVIRONS, OR SOME KIND OF LONG-TERM LEASE. THEY ARE CONSIDERING HOW TO WORK OUT SUCH A PRE-COOKED OUTCOME VIA AN EMISSARY TO MUBARAK, PRIOR TO A FORMAL PERES-MUBARAK MEETING. THE MEETING COULD THEN PUT THE SEAL OF APPROVAL ON TRANSFERRING THE TABA ISSUE ONCE AND FOR ALL INTO ARBITRATION. THEY WERE INTERESTED IN THE QUESTION,

AS PERES WAS LATER, OF HOW THE ARBITRATORS MIGHT BE SELECTED. I REMINDED THEM THAT TWO YEARS AGO WE HAD



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BEEN PREPARED TO SUGGEST A PANEL OF DISTINGUISHED
PRIVATE JURISTS OR LAWYERS WITH EXPERIENCE IN INTERNATIONAL ARBITRATION, FROM WHICH PANEL THE TWO PARTIES
COULD EACH SELECT A CANDIDATE AND THOSE TWO IN TURN
WOULD SELECT THE THIRD. I ALSO REMINDED THEM THAT
OUR LEGAL ADVISOR HAD OFFERED ON SEVERAL OCCASIONS TO BE OF ASSISTANCE IN WORKING OUT THE FORMAL TERMS OF
REFERENCE FOR THE ARBITRATION, IF THAT WERE DESIRED BY
ISRAEL AND EGYPT. HOWEVER, I STRESSED THAT WE WERE
NOT ANXIOUS TO GET INTO THE ROLE IF THE TWO PARTIES
THEMSELVES COULD HANDLE IT BILATERALLY. TAMIR SAID
THAT THE EGYPTIAN CHARGE HAD INDICATED THAT EGYPT WOULD
WANT THE THIRD OF THE THREE ARBITRATORS TO BE AM
AMERICAN.

8. PERES CONFIRMED THAT HE IS ANXIOUS TO FIND A FORMULA TO GET TABA OUT OF THE POLITICAL ARENA AND TO CLEAR THE WAY FOR A MEETING. WE WENT OVER SOME OF THE SAME HISTORY THAT I HAD EARLIER DISCUSSED WITH TAMIR AND WEIZMAN. HE IS INCLINED TO THINK THAT ARBITRATION IS THE ONLY SENSIBLE OUTCOME, BUT HE IS HIGHLY CONSCIOUS OF THE FACT THAT SHARON MAY MAKE A BIG ISSUE OUT OF ANY CHANGE IN THE ISRAELI POSITION ON TABA AND COULD CAUSE GREAT TURMOIL IN THE CABINET. HE SAID THAT BEFORE DECIDING ON A COURSE OF ACTION, HE WANTED TO "COUNT HEADS CAREFULLY" TO ASSESS THE DEGREE OF OPPOSITION HE MIGHT ENCOUNTER. HE HAS NOT YET HAD TIME TO DO SO AND WILL NOT BE ABLE TO UNTIL AFTER HE RETURNS FROM HIS WASHINGTON VISIT. BUT THERE IS NO QUESTION THAT PERES

NOTE BY OC/T: NOT PASSED USDEL SECRETARY.



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S E C R E T SECTION Ø4 OF Ø4 TEL AVIV 14035

NODIS

FOR THE SECRETARY AND MURPHY FROM LEWIS

PLEASE REPEAT TO USDEL SECRETARY

E.O. 12356: DECL: OADR

TAGS: PREL, ECON, OPDC, US, IS

SUBJ: MEETING WITH PRIME MINISTER PERES - OCTOBER 2, 1984

IS ANXIOUS TO FIND A FORMULA TO MOVE THE TABA ISSUE OUT OF THE WAY AND ELIMINATE THIS MAJOR ROADBLOCK IN PREPARING A MEETING WITH MUBARAK AND WARMING UP THE RELATIONSHIP OVERALL.

9. THIS SUBJECT OF EGYPT-ISRAELI RELATIONS WILL SURELY BE ON THE AGENDA FOR THE WASHINGTON TALKS, AND WE SHOULD BE PREPARED TO GIVE WHATEVER ADVICE PERES MAY SEEK AT THAT TIME. HOWEVER, I WOULD CAUTION AGAINST OUR INTERJECTING OURSELVES ANY MORE THAN NECESSARY AT THIS STAGE, SINCE THE DETERMINATION IS CLEARLY PRESENT NOW AT THE HIGHEST LEVELS IN THE ISRAELI GOVERNMENT TO MOVE, AND THE MORE THAT CAN BE ACHIEVED BILATERALLY THE BETTER IT WILL BE FOR THE OVERALL TREND OF EGYPTIAN-ISRAELI RELATIONSHIPS. THERE MAY BE POSSIBILITIES OTHER THAN A SIMPLE MOVE TO ARBITRATION WHICH WILL DEVELOP.

Department of State

S/S-O INCOMING

PAGE Ø3 OF Ø3 TEL AV 14Ø35 Ø4 OF Ø4 Ø42ØØ4Z CØ6/14 ØØ3214 NOD854

I WAS STRUCK, FOR EXAMPLE, BY A REMARK THAT AL-ARABI RECENTLY MADE TO NEA/MFO DIRECTOR GRANT SMITH (CAIRO 29607. PARA SEVEN), TO THE EFFECT THAT "WE ARE ALSO WILLING TO DISCUSS MANY POSSIBILITIES WITH ISRAEL, INCLUDING JOINT VENTURES. THE ONLY PROVISO IS THAT ISRAEL TAKE. ITS FORCES OUT OF TABA." THIS THOUGHT MIGHT PROVIDE AN OPENING FOR A FORMULA INVOLVING MFO DEPLOYMENT IN TABA TO HANDLE SECURITY, PLUS AN AGREEMENT ABOUT THE WAY IN WHICH THE HOTEL AND ASSOCIATED TOURIST FACILITIES WOULD BE MANAGED, IF PERES WERE POLITICALLY ABLE TO GIVE WAY ON THE SOVEREIGNTY ISSUE EVEN WITHOUT GOING TO ARBITRATION. I IMAGINE, HOWEVER, THAT THE POLITICAL REALITIES HERE, AS IN EGYPT, WILL ARGUE FOR ARBITRATION AS BEING THE ONLY WAY DECISIONS ABOUT SOVEREIGHTY OVER TABA CAN BE SWALLOWED BY EITHER OR BOTH PARTIES. LEWIS

NOTE BY OC/T: NOT REPEATED USDEL SECRETARY.

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INFO OCT-00 ADS-00 /000 W

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0 Ø4185ØZ OCT 84 FM AMEMBASSY TEL AVIV TO SECSTATE WASHDC IMMEDIATE 4404

S E C R E T TEL AVIV 14057 NODIS

NERR MID-361/2#109496
BY CN NARADATE 11/12/12

FOR THE SECRETARY AND MURPHY FROM LEWIS

FOR S/S - HILL ONLY

RECOMMEND REPEATING TO USUN, BEIRUT, DAMASCUS AND JERUSALEM FOR AMBASSADORS, CHARGES AND CONSUL GENERAL ONLY

E.O. 12356: DECL: OADR TASG: PREL, PBOR, UNSC. IS, US, LE. SY SUBJECT: RABIN'S REACTION TO THE STATE OF PLAY CONCERNING EXPANSION OF THE UNIFIL MANDATE

- 1. (S ENTIRE TEXT)
- 2. AFTER REVIEWING THE RECENT MESSAGES OF CONVERSATIONS IN NEW YORK WITH BRIAN URQUHART AND OTHERS, AND AFTER CON-SULTING BY SECURE PHONE WITH THE DEPARTMENT, I TELEPHONED DEFENSE MINISTER RABIN TO CLARIFY THE CHANGE IN APPROACH TOWARD UNIFIL RENEWAL WHICH HAS EVOLVED SINCE MURPHY'S MEETINGS HERE WITH HIM AND HIS COLLEAGUES LAST WEEK. I FOUND HIM IN A RATHER GRUMBLY FRAME OF MIND. HE HAD JUST FINISHED READING A REPORT OF DAVID KIMCHE'S MEETING WITH DICK MURPHY AND WAS QUITE BAFFLED AS TO WHAT HAD TRANS-PIRED ON THE UNIFIL EXPANSION QUESTION. HE HAD UNDERSTOOD THAT WE WERE IN AGREEMENT TO PRESS FOR EXPANSION IN CON-

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NECTION WITH THE OCTOBER 19 RENEWAL.

- 3. I EXPLAINED AS BEST I COULD WHAT HAD TRANSPIRED IN RECENT DAYS IN NEW YORK, STRESSING THAT THE UN SECRETARIAT AND BRIAN URQUHART IN PARTICULAR ARE CONVINCED THAT IT IS PREMATURE TO MOVE FOR A FORMAL CHANGE IN THE UNIFIL MANDATE BETWEEN NOW AND OCTOBER 19. I STRESSED THAT IT WAS STILL VERY MUCH URQUHART'S VIEW AND OURS THAT AN EXPANSION OF THE MANDATE WOULD BE AN ESSENTIAL COMPONENT OF WORKING OUT SATISFACTORY SECURITY ARRANGEMENTS IN SOUTH LEBANON TO FACILITATE ISRAELI WITHDRAWAL. HOWEVER, I SAID THAT IT WAS URQUHART'S VIEW, WHICH THE U.S. NOW SHARED, THAT A MOVE PREMATURELY FOR A FORMAL CHANGE IN THE MANDATE COULD LEAD TO GRIEF AND STIMULATE THE SOVIETS TO THROW A SPANNER IN THE WHEELS. I SAID THAT IT WAS UROUHART'S CONVICTION THAT MORE CONSULTATION AMONG THE PARTIES IS REQUIRED BEFORE THIS STEP OCCURS, AND THAT WHEN THE TIME IS RIPE, IT WILL BE EASY TO CALL THE UNSC INTO SESSION ON SHORT NOTICE TO EFFECT THE CHANGE. I SAID THAT WE HAD NOW ACCEPTED THIS JUDGMENT AS WELL AND WERE SUPPORTING A SIMPLE RENEWAL OF THE MANDATE AS IT PRESENTLY STANDS, ON THE UNDERSTANDING THAT THE SECRETARY GENERAL IN HIS REPORT TO THE COUNCIL WILL USE SOME LANGUAGE WHICH WILL LAY THE GROUNDWORK FOR AN EXPANSION OF THE MANDATE WHEN THE FURTHER CONSULTATIONS REQUIRED HAVE BEEN SATISFACTORILY CARRIED OUT.
- 4. RABIN SAID HE NOW UNDERSTOOD WHAT HAD GONE ON BUT HE WAS NOT VERY ENTHUSIASTIC ABOUT IT. HE STILL THOUGHT IT WOULD HAVE BEEN WISER TO PROCEED NOW TO EXPAND THE MANDATE. SINCE THE SYRIANS APPARENTLY WOULD SUPPORT THE CHANGE, AND IT WAS RATHER STRANGE THAT ONLY THE GOVERNMENT OF LEBANON WAS NOW IN POSITION OF PUSHING FOR AN EXPANDED UNIFIL MANDATE, UNLESS THEY HAVE ALSO REVERSED FIELD IN THE LAST

COUPLE OF DAYS. RABIN SAID THAT, READING BETWEEN THE LINES HE UNDERSTOOD THAT THE U.S. WOULD NOT WANT TO BECOME ANY



S/S-O INCOMING /4

NOD850

PAGE Ø4 OF Ø4 TEL AV 14Ø57 Ø42ØØ2Z CØ4/Ø4 ØØ32Ø8
MORE ACTIVE ON THE LEBANESE ISSUE UNTIL AFTER THE FIRST
WEEK OF NOVEMBER. CONSEQUENTLY, HE DID NOT EXPECT ANYTHING
MORE TO HAPPEN UNTIL A FEW WEEKS HAVE PASSED. HE UNDERSTANDS HOWEVER THAT WE EXPECT TO DISCUSS THESE ISSUES
FURTHER DURING PRIME MINISTER PERES' AND FOREIGN MINISTER
SHAMIR'S VISIT NEXT WEEK. ONLY AFTER THAT VISIT WILL WE
DECIDE WHAT OUR NEXT STEPS WILL BE. LEWIS

NOTE BY OC/T: NOT REPEATED ABOVE ADDRESSEES.

109497 S/S-0

INCOMING

PAGE 02 OF 04 TEL AV 14040 042001Z C04/04 003207 ACTION NODS-00

NOD849

INFO OCT-00 ADS-00 /000 W

-----305416 042006Z /62

O Ø418Ø1Z OCT 84 FM AMEMBASSY TEL AVIV TO SECSTATE WASHDC IMMEDIATE 4395

S E C R E T TEL AVIV 14040

NODIS

DECLASSIFIED NLRR MID 316/2 #109497
BY CH NARADATE 10/12/12

FOR S/S HILL ONLY FROM LEWIS

E.O. 12356: DECL: OADR TAGS: PREL, LE, SY, IS

SUBJECT: MEETING WITH PERES ON SOUTH LEBANON --

OCTOBER 2, 1984

REF: TEL AVIV 13867

(S - ENTIRE TEXT)

- 2. DURING MY TETE-A-TETE MEETING WITH PRIME MINISTER PERES ON OCTOBER 2, I CONFIRMED THAT DEFENSE MINISTER RABIN HAD GIVEN HIM A SUMMARY ACCOUNT OF OUR MEETING THE PREVIOUS DAY, AT WHICH I HAD GONE OVER IN SOME DETAIL FOR RABIN THE RESULTS OF THE MURPHY MISSION (REFTEL). HOWEVER, PERES WANTED TO HEAR THE GENERAL OUTLINES FROM ME DIRECTLY. I WENT OVER THE SAME GROUND WITH HIM IN A MORE SUMMARY FASHION, DESCRIBING WHAT MURPHY FOUND IN DAMASCUS AND THE TENOR OF HIS DISCUSSIONS WITH GEMAYEL AND KARAMI IN BEIRUT.
- 3. I THEN SHARED WITH PERES DICK MURPHY'S PERSONAL ASSESS-MENT OF THE SYRIAN POSITION, AS CONVEYED IN STATE 291043. I CONCLUDED BY STRESSING THE POINT THAT THE SECRETARY AND OTHERS WERE HIGHLY SKEPTICAL, BASED ON MURPHY'S REPORTS.

STATES OF AMERICA

SECRET Department of State

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NOD849

THAT IT IS TIMELY FOR THE U.S. TO GET INTO A FORMAL, ACTIVE, ROLE AS MEDIATOR. HOWEVER, I SAID, WE ARE WAITING UNTIL YOUR VISIT TO WASHINGTON WHERE THESE QUESTIONS CAN BE DISCUSSED FURTHER WITH YOU AND FOREIGN MINISTER SHAMIR. AFTER THAT, THE PRESIDENT AND THE SECRETARY WILL DECIDE WHAT ADDITIONAL STEPS WE SHOULD OR CAN USEFULLY TAKE TO MOVE THE PROCESS FORWARD.

- 4. PERES SAID HE UNDERSTOOD, THAT HE SHARED OUR SKEPTICISM, BUT THAT HE LIKE RABIN HAD NOT REALLY EXPECTED MORE FROM DAMASCUS THAN MURPHY ENCOUNTERED ON HIS FIRST TWO STOPS THERE. HE KNEW THAT IT WOULD BE A LONG DRAWN OUT PROCESS AND HE WAS ENCOURAGED THAT THE SYRIANS SEEMED INTERESTED IN CONTINUING TO TALK WITH US. HE ALSO REPEATED THE VIEW HE HAD EXPRESSED IN OUR LAST MEETING THAT IT IS NECESSARY TO HAVE DIRECT TALKS OF SOME KIND WITH THE LEBANESE ABOUT CONCRETE ARRANGEMENTS IN THE SOUTH, EVEN THOUGH HE REMAINS HIGHLY SKEPTICAL THAT ONE CAN REACH ANY REAL AGREEMENT WITH THE GOVERNMENT OF LEBANON AND EXPECT TO SEE IT CARRIED OUT. "NONETHELESS, IT IS IMPORTANT TO TRY AND WE MUST DO SO DIRECTLY IF THERE IS TO BE ANY UTILITY IN THE EFFORT."
- 5. HE SAID HIS VIEW REMAINED THAT IT IS IMPORTANT, INDEED ESSENTIAL, FOR ISRAEL TO WITHDRAW FROM LEBANON AS SOON AS POSSIBLE. IF, HOWEVER, THE SYRIAN AND LEBANESE POSITIONS DID NOT PERMIT THAT TO BE DONE IN A WAY WHICH PROVIDES MINIMAL ASSURANCES FOR ISRAELI SECURITY, IT MIGHT BE NECESSARY TO THINK OF LEAVING FORCES IN THE BEKA'A LONGER THAN IN THE WESTERN PORTION OF SOUTH LEBANON. WE DID NOT PURSUE THIS THOUGHT, ALTHOUGH IT HAS LONG ANTECEDENTS IN EARLIER DISCUSSIONS WITH THE ISRAELIS UNDER THE PREVIOUS GOVERNMENT.
- 6. I ASKED PERES WHETHER ANYTHING FURTHER HAD DEVELOPED ON THE SUBJECT OF DIRECT CONTACT WITH GEMAYEL. HE SAID:



S/S-O INCOMING

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"NOT REALLY." THERE WAS A MEETING WITH AN INTERMEDIARY,
BUT HE REALLY HAD NOTHING TO SAY TO MY REPRESENTATIVE. HE
MERELY KEPT ASKING: "WHAT ARE THE PARAMETERS OF YOUR
REQUIREMENTS?" PERES WAS NOT ENCOURAGED. LEWIS



SECRET Department of State 1999 S/S-0

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INFO OCT-00 ADS-00 /000 W

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O 841741Z OCT 84 FM AMEMBASSY TEL AVIV TO SECSTATE WASHDC IMMEDIATE 4387°. INFO AMCONSUL JERUSALEM PRIORITY

DECLASSIFIED NLRR MIU-361/2# BY CN NARA DATE!

RET SECTION Ø1 OF Ø4 TEL AVIV 14035

NODIS

FOR THE SECRETARY AND MURPHY FROM LEWIS

PLEASE REPEAT TO USDEL SECRETARY

E.O. 12356: DECL: OADR

TAGS: PREL, ECON, OPDC, US, IS

SUBJ: MEETING WITH PRIME MINISTER PERES - OCTOBER 2, 1984

REF: (A) TEL AVIV 13755, (B) TEL AVIV 13867,

- (C) TEL AVIV 13986

1. (SECRET - ENTIRE TEXT.)

SUMMARY: IN A TWO-HOUR TETE-A-TETE ON TUESDAY EVENING, OCTOBER 2, IN HIS OFFICE, PERES AND I WENT OVER MOST OF THE ISSUES TO BE ADDRESSED DURING HIS FORTHCOMING VISIT TO WASHINGTON, INCLUDING INTER ALIA THE STATE OF ECONOMIC DECISION MAKING AND THE WAY HE INTENDS TO APPROACH ISRAEL'S ECONOMIC PROBLEMS AND ITS NEED FOR FUTURE ADDITIONAL ASSISTANCE, THE OUTCOME OF DICK MURPHY'S SWING AROUND THE AREA (SEPTEL), ISRAEL-EGYPT RELATIONS. ISRAELI EFFORTS TO INTEREST JORDAN IN SOME KIND OF DIALOGUE AND RENEWAL OF THE PEACE PROCESS (SEPTEL), AND PERES' HOPES AND EXPECTATIONS FOR



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THE OUTCOME OF HIS VISIT. SUBSEQUENT TO OUR MEETING, THE MEDIA HAS BEEN REFLECTING THE VIEW WHICH HE EXPRESSED TO ME THAT HE WANTS TO LOWER PUBLIC EXPECTATIONS HERE. ESPECIALLY WITH RESPECT TO IMMEDIATE NEW ECONOMIC AID COMMITMENTS AND WITH RESPECT TO ANY EARLY BREAKTHROUGHES ON SOUTH LEBANON NEGOTIATIONS. PERES IS NOT DEFENSIVE ABOUT WHAT HAS THUS FAR BEEN ACHIEVED ON ECONOMIC BELT-TIGHTENING. WHICH HE WILL DESCRIBE IN WASHINGTON AS REPRESENTING SIGNIFICANT ALBEIT VERY DIFFICULT FIRST STEPS TOWARD THE COMPREHENSIVE ECONOMIC PROGRAM WHICH HE INSISTS WILL BE FULLY DEVELOPED OVER THE NEXT FEW WEEKS. HE HOPES TO OBTAIN A COMMITMENT FOR A "FINANCIAL STAND-BY FACILITY" OF AN UNSPECIFIED AMOUNT TO PROVIDE A SAFETY NET FOR ISRAEL'S SHRINKING FOREIGN EXCHANGE RESERVES SHOULD THE SITUATION SPIN OUT OF CONTROL. DESPITE THE EFFORTS BEING TAKEN CURRENTLY TO STEM THE RESERVE HEMORRHAGE. HE WILL WANT TO TALK ABOUT LONGER TERM AID PROSPECTS FOR FUTURE YEARS, BUT UNDERSTANDS THAT WE WILL BE IN NO POSITION TO GIVE SPECIFIC RESPONSES AT THIS TIME. HE ALSO BELIEVES THAT IT IS IMPORTANT TO GIVE THE ISRAELI PUBLIC A SENSE THAT THEIR LONGER TERM FUTURE IS NOT ALL DARK, ONCE A DIFFICULT PERIOD OF RETRENCHMENT HAS BEEN GOTTEN OVER, AND THAT RENEWED GROWTH IN THE ECONOMY AS A WHOLE AND PARTICULARLY IN THE EXPORT SECTOR CAN BE ANTICIPATED. FOR THIS REASON. HE INTENDS TO PUT FORWARD A CONCEPT OF A FIVE-YEAR SPECIAL INVESTMENT FUND FOR REVITALIZING AND MODERNIZING THE LEADING SECTORS OF ISRAEL'S INDUSTRY, ESPECIALLY THOSE OPERATING IN THE HIGH-TECHNOLOGY FIELD. TO BE OBTAINED FROM BOTH ADDITIONAL U.S. GOVERNMENT LONG-TERM SOFT LOANS AND FROM PRIVATE JEWISH INVESTORS. HE LIKES THE IDEA OF SOME KIND OF JOINT U.S.-ISRAELI COMMITTEE OR COUNCIL TO DIRECT SUCH AN EFFORT AND

PERHAPS ALSO TO SERVE AS AN UMBRELLA FOR A JOINT ADVISORY BODY ON ISRAEL'S ECONOMIC PROBLEMS IN GENERAL. PERES



S/S-O INCOMING

NOD841

04 OF 04 TEL AV 14035 01 OF 04 041839Z C06/14 003083 WILL HAVE SOME ENCOURAGING THINGS TO SAY ABOUT THE NEW GOVERNMENT'S INTENTIONS WITH RESPECT TO THE MANAGE-MENT OF LIFE IN THE OCCUPIED TERRITORIES AND THE SORT OF ISSUES WHICH SECRETARY SHULTZ HAS BEEN PRESSING FOR SOME TIME UNDER THE GENERAL RUBRIC OF "THE QUALITY OF LIFE" INITIATIVE. HE STRESSES THAT HE IS NOT COMING TO WASHINGTON "WITH HIS HAT IN HIS HAND TO BEG FOR ASSISTANCE, " BUT TO ACHIEVE A POSITIVE OUTCOME IN THREE GENERAL AREAS: (A) A CONFIRMATION THAT OVERALL U.S.-ISRAEL RELATIONS WITH THE NEW NATIONAL UNITY GOVERNMENT WILL BE STRONG AND WILL CONTINUE TO EXPAND THE CLOSER COOPERATION WHICH HAS DEVELOPED IN RECENT MONTHS UNDER THE SHAMIR GOVERNMENT; (B) TO EXCHANGE VIEWS AND REACH CONCEPTUAL AGREEMENT, INSOFAR AS POSSIBLE. ON THE BROAD ISSUES OF HOW TO PROCEED TO REJUVENATE THE PEACE PROCESS IN THE MONTHS AHEAD. AND HOW TO STRENGTHEN FURTHER ISRAEL'S DEFENSE AND SECURITY SITUATION IN THE REGION AT A TIME OF INEVITABLE FINANCIAL AND ECONOMIC CONSTRAINTS, AND (C) TO EXCHANGE IDEAS ON HOW TO ATTACK SUCCESSFULLY ISRAEL'S PRESSING ECONOMIC CRISIS, INCLUDING WAYS IN WHICH FUTURE U.S. ASSISTANCE CAN CONTRIBUTE TO THAT RESOLUTION. CLEARLY WHAT HE IS LOOKING FOR ABOVE ALL IS A DEMONSTRATION FROM THE PRESIDENT AND OTHER KEY OFFICIALS THAT THE U.S. WILL STAND BEHIND ISRAEL FIRMLY AS IT STRUGGLES TO COPE WITH ITS PROBLEMS AND THAT WE HAVE CONFIDENCE IN HIS GOVERNMENT AND IN HIM PERSONALLY. END SUMMARY.

3. A SIGNIFICANT PART OF MY TWO-HOUR PRIVATE CONVERSATION

NOTE: SECTIONS 2, 3, AND 4 SERVICED FOR.



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THE ATTACHED DOCUMENT MAY BE SEEN ONLY BY THE ADDRESSEE AND. IF NOT EXPRESSLY PRECLUDED, BY THOSE OFFICIALS UNDER HIS AUTHORITY WHOM HE CONSIDERS TO HAVE A CLEAR-CUT "NEED TO KNOW." IT MAY NOT BE REPRODUCED, GIVEN ADDITIONAL DISTRIBUTION, OR DISCUSSED WITH NON-RECIPIENTS WITHOUT PRIOR APPROVAL OF THE EXECUTIVE SECRETARIAT.

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EXECUTIVE SECRETARY DEPARTMENT OF STATE



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INFO OCT-00 ADS-00 /000 W

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FM AMEMBASSY TEL AVIV

TO SECSTATE WASHDC IMMEDIATE 4388.

INFO AMCONSUL JERUSALEM PRIORITY

S E C R E T SECTION 02 OF 04 TEL AVIV 14035

NODIS

FOR THE SECRETARY AND MURPHY FROM LEWIS

PLEASE REPEAT TO USDEL SECRETARY

E.O. 12356: DECL: OADR

TAGS: PREL, ECON, OPDC; US, IS

SUBJ: MEETING WITH PRIME MENNISTER PERES - OCTOBER 2, 1984

WITH PRIME MINISTER PERES ON OCTOBER 2 REVOLVED AROUND THE APPROACH PERES PLANS TO TAKE IN WASHINGTON IN DISCUSSING THE ECONOMIC CRISIS AND FUTURE U.S. ASSISTANCE. I HAD JUST COME FROM A SEPARATE MEETING WITH FINANCE MINISTER MODAY (REF C) IN WHICH MODAY HAD DESCRIBED WHAT HAD BEEN DONE TO DATE BY THE GOVERNMENT AND HIS STRATEGY FOR THE NEXT FEW WEEKS. PERES ACKNOWLEDGED THAT THE MEDIA AND PUBLIC RECEPTION OF THE GOVERNMENT'S ACTIONS WAS GENERALLY UNFAVORABLE, BUT HE INSISTED IT WAS MUCH TOO INFLUENCED BY THE LAMENTABLE BUT QUINTESSENTIALLY ISRAELI AIRING OF ARGUMENTS AMONG MINISTERS ABOUT WHETHER THIS OR THAT SPECIFIC MEASURE WAS APPROPRIATE. THOUGH OBVIOUSLY STUNG BY SOME OF THIS CRITICISM, HE INSISTED THAT IT DID NOT BOTHER HIM. TAKING AND INTENDS TO TAKE AN ASSERTIVE POSTURE IN ARGUING THAT IN ITS FIRST TWO AND A HALF WEEKS IN



S/S-O INCOMING

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OFFICE, THE GOVERNMENT HAD MADE VERY DIFFICULT, MEANINGFUL DECISIONS, FIRST TO CUT THE BUDGET EFFECTIVELY BY NEARLY ONE BILLION DOLLARS AND SECOND, TO LOWER THE LEVEL OF CONSUMPTION BY FOUR TO FIVE PERCENT ANNUALLY BY CANCELLATION OF SUBSIDIES AND LEVYING OF NEW TAXES. HE TOLD ME THAT FURTHER DIRECT PAINFUL MEASURES WOULD BE ADOPTED LATER THAT EVENING (AS INDEED THEY WERE) TO CURTAIL LUXURY IMPORTS AND RESTRICT THE AMOUNT OF FOREIGN EXCHANGE ISRAELI TOURISTS CAN TAKE ABROAD IN ORDER TO STEM THE HEMORRHAGE OF EXCHANGE RESERVES WHICH HAD CONTINUED DURING THE MONTH OF SEPTEMBER. LAMENTED THE FACT THAT A FULL-FLEDGED "PACKAGE DEAL" AMONG THE HISTADRUT. THE GOVERNMENT AND THE EMPLOYERS HAD NOT YET BEEN ACHIEVED, BUT WAS CONFIDENT IT WOULD BE ACHIEVED WITHIN A FEW WEEKS AND THAT A FULLY ARTICULATED. COMPREHENSIVE ECONOMIC REFORM PROGRAM WOULD EVOLVE FROM THE SPECIFIC MEASURES BEING TAKEN AND PLANNED, WITHIN A REASONABLE PERIOD OF TIME. HE IS CERTAINLY SENSITIVE TO THE DISRUPTIVE EFFECT OF DAVID LEVY'S POPULIST APPROACH, DESIGNED TO ENHANCE HIS OWN COMPETITIVE POSITION WITHIN THE HERUT HIERARCHY AND TO PERMIT LIKUD TO CHALLENGE LABOR'S CONTROL OVER THE HISTADRUT AT THE NEXT HISTADRUT ELECTIONS. HE ALSO ACKNOWLEDGED THAT THERE WERE INEVITABLE DIFFERENCES OF OPINION AMONG MINISTERS ABOUT HOW TO CUT AND WHERE TO CUT AND WHAT TAXES WERE MOST APPROPRIATE TO ADOPT. HE STRESSED. HOWEVER. THAT THE WHOLE CABINET WAS FULLY PERSUADED OF THE NEED FOR DRASTIC MEASURES TO SET THE ECONOMY BACK ON A RATIONAL COURSE, AND THAT THE GOVERNMENT WOULD SUPPORT HIM AND THE FINANCE MINISTER WHEN THE CHIPS WERE DOWN. 4. WHILE DETERMINED THAT ISRAEL MUST DEAL WITH THE PROBLEMS OF INFLATION AND FOREIGN EXCHANGE DEFICITS BY ITS OWN ACTIONS, AND INSISTENT THAT IT WILL DO SO,

PERES SAID HE IS CONVINCED THAT A POLICY LIMITED ONLY TO BELT-TIGHTENING AND PAINFUL AUSTERITY IS NOT ENOUGH

S/S-O INCOMING

NOD852

94 OF 94 TEL AV 14935 92 OF 94 941959Z C96/14 993211 AFTER SEVERAL YEARS OF ESSENTIALLY NO ECONOMIC GROWTH IN THE ECONOMY. HE BELIEVES THAT IT IS IMPORTANT. IN ORDER TO RETAIN PUBLIC SUPPORT FOR AUSTERITY MEASURES NOW. TO HOLD OUT SOME VISION FOR THE LONGER RUN FUTURE THAT ISRAEL CAN REGAIN A GROWTH TRACK. THIS VISION DEPENDS IN HIS JUDGMENT ON A LARGE-INCREASE IN INVESTMENT IN THE LEADING SECTORS OF ISRAELI INDUSTRY, ESPECIALLY THOSE IN THE HIGH-TECHNOLOGY AREA, ORIENTED TOWARD EXPORT. HE THEREFORE INTENDS TO PROPOSE THE IDEA OF A FIVE-YEAR SPECIAL INVESTMENT FUND OF ONE BILLION DOLLARS PER YEAR, TO BE USED SOLELY FOR INVESTMENT PURPOSES RATHER THAN BUDGET SUPPORT OR BALANCE OF PAYMENTS SUPPORT, CREATED FROM LONG-TEPM U.S. GOVERNMENT SOFT LOANS AND FROM LOANS FROM PRIVATE JEWISH BUSINESSMEN IN THE U.S. AND ELSEWHERE. HE HOPES TO ENGAGE THE USG IN A DISCUSSION OF THIS CONCEPT DURING HIS VISIT, THOUGH HE RECOGNIZES THAT NO IMMEDIATE AGREEMENT ON IT WOULD BE POSSIBLE. (HE ALSO WILL BE MEETING WITH REPRESENTATIVES OF THE PRIVATE SECTOR WHILE IN THE UNITED STATES TO TRY TO SPUR MORE DIRECT AND JOINT-VENTURE INVESTMENT IN ISRAELI INDUSTRY AND AS WELL TO INTEREST PRIVATE INDIVIDUALS IN THIS FIVE-YEAR INVESTMENT FUND CONCEPT.)

5. SO FAR AS MORE TRADITIONAL ISSUES OF U.S. ASSISTANCE ARE CONCERNED, PERES IS HOPING TO OBTAIN AN ASSURANCE THAT THE U.S. WILL PROVIDE A "STANDBY FACILITY" OF AN UNSPECIFIED AMOUNT (WE HAVE OTHER INDICATIONS THAT THE FIGURE UNDER CONSIDERATION MAY BE LESS THAN ONE BILLION

NOTE BY OC/T: NOT REPEATED USDEL SECRETARY.



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INFO OCT-00 ADS-00 /000 W

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O Ø41741Z OCT 84

FM AMEMBASSY TEL AVIV

TO SECSTATE WASHDC IMMEDIATE 4389
INFO AMCONSUL JERUSALEM PRIORITY

S E C R E T SECTION Ø3 OF Ø4 TEL AVIV 14035

NODIS

FOR THE SECRETARY AND MURPHY FROM LEWIS

PLEASE REPEAT TO USDEL SECRETARY

E.O. 12356: DECL: OADR

TAGS: PREL, ECON, OPDC, US, IS

SUBJ: MEETING WITH PRIME MINNISTER PERES - OCTOBER 2, 1984

DOLLARS) TO BE AVAILABLE FOR IMMEDIATE USE ONLY IN THE EVENT OF AN IMPENDING COLLAPSE IN THE RESERVE POSITION. BEFORE THE NEW MEASURES BEING TAKEN HERE HAVE ACHIEVED THEIR ANTICIPATED EFFECTS ON THE BALANCE OF PAYMENTS. HE WILL PROBABLY ASK FOR IMMEDIATE DISBURSEMENT OF THE 1985 ESF FUNDS OF \$1.2 BILLION TO SHORE UP RESERVES. HOPING THAT THIS ALONE WOULD MAKE IT UNNECESSARY TO CALL ON THE ADDITIONAL "STAND-BY". HE ALSO WILL UNDOUBTEDLY WANT TO DISCUSS THE "NORMAL AID ISSUES" OF ESF AND FMS LEVELS FOR FUTURE YEARS. THOUGH AGAIN HE UNDERSTANDS CLEARLY THAT WE WILL NOT BE IN A POSITION TO FIX ANY AGREEMENT ON THESE LEVELS AT THIS JUNCTURE. I WENT OVER WITH HIM OUR NEW, MORE SYSTEMATIC APPROACH TOWARD FMS BUDGETING AND ARMS ACQUISITION PLANNING WHICH RABIN HAS ENDORSED, STRESSING THAT THIS WILL BE THE PROPER, ORDERLY WAY TO APPROACH FUTURE FMS LEVELS.



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HE SEEMED PERSUADED, THOUGH I ASSUME SOME OF HIS ADVISORS WILL TRY TO PERSUADE HIM TO TRY FOR MORE PRECISE FMS LEVEL COMMITMENTS NOW, BEFORE OUR ELECTION.

6. IN ARGUING, AS HE WILL, THE SERIOUSNESS OF THE BUDGET-CUTTING EXERCISE WHICH HAS GONE ON HERE IN RECENT DAYS.
PERES WILL ALSO STRESS THAT A SECOND BILLION DOLLARS
IN CUTS COULD ONLY BE ACHIEVED BY SLASHING THE ISRAELI
MILITARY BUDGET TO AN EXTENT WHICH WOULD UNDOUBTEDLY
REDUCE SUBSTANTIALLY THE IDF FORCE STRUCTURE AND WEAKEN
ISRAEL MILITARILY. HE WILL POSE THE ISSUE TO US AS TO
WHFTHER OR NOT SUCH A WEAKENING OF ISRAEL'S MILITARY
CAPABILITIES WOULD BE IN ISRAEL'S INTERESTS OR INDEED IN

ISRAELI-EGYPTIAN RELATIONS

7. PRIOR TO MY MEETING WITH PERES, I HAD A LENGTHY TALK WITH EZER WEIZMAN AND HIS SIDE-KICK, NOW THE DIRECTOR GENERAL OF THE PRIME MINISTRY, ABRASHA TAMIR. WE WENT OVER THE TABA ISSUE IN SOME DETAIL. TAMIR AND WEIZMAN ARE BOTH REVIEWING ALL OF THE OPTIONS AND ARE BOTH TRYING TO FIND A FORMULA FOR ARBITRATION OR ARBITRATION PLUS SOME POSSIBLE PRIOR UNDERSTANDING THAT IN THE EVENT ISRAEL LOSES IN ARBITRATION. EGYPT WOULD BE WILLING TO ENTER INTO SOME KIND OF JOINT-USE ARRANGEMENT FOR THE HOTEL AND ITS ENVIRONS, OR SOME KIND OF LONG-TERM LEASE. THEY ARE CONSIDERING HOW TO WORK OUT SUCH A PRE-COOKED OUTCOME VIA AN EMISSARY TO MUBARAK, PRIOR TO A FORMAL PERES-MUBARAK MEETING. THE MEETING COULD THEN PUT THE SEAL OF APPROVAL ON TRANSFERRING THE TABA ISSUE ONCE AND FOR ALL INTO ARBITRATION. THEY WERE INTERESTED IN THE QUESTION.

AS PERES WAS LATER, OF HOW THE ARBITRATORS MIGHT BE SELECTED. I REMINDED THEM THAT TWO YEARS AGO WE HAD



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BEEN PREPARED TO SUGGEST A PANEL OF DISTINGUISHED
PRIVATE JURISTS OR LAWYERS WITH EXPERIENCE IN INTERNATIONAL ARBITRATION, FROM WHICH PANEL THE TWO PARTIES
COULD EACH SELECT A CANDIDATE AND THOSE TWO IN TURN
WOULD SELECT THE THIRD. I ALSO REMINDED THEM THAT
OUR LEGAL ADVISOR HAD OFFERED ON SEVERAL OCCASIONS TO.
BE OF ASSISTANCE IN WORKING OUT THE FORMAL TERMS OF
REFERENCE FOR THE ARBITRATION, IF THAT WERE DESIRED BY.
ISRAEL AND EGYPT. HOWEVER, I STRESSED THAT WE WERE
NOT ANXIOUS TO GET INTO THE ROLE IF THE TWO PARTIES
THEMSELVES COULD HANDLE IT BILATERALLY. TAMIR SAID
THAT THE EGYPTIAN CHARGE HAD INDICATED THAT EGYPT WOULD
WANT THE THIRD OF THE THREE ARBITRATORS TO BE AM

8. PERES CONFIRMED THAT HE IS ANXIOUS TO FIND A FORMULA TO GET TABA OUT OF THE POLITICAL ARENA AND TO CLEAR THE WAY FOR A MEETING. WE WENT OVER SOME OF THE SAME HISTORY THAT I HAD EARLIER DISCUSSED WITH TAMIR AND WEIZMAN. HE IS INCLINED TO THINK THAT ARBITRATION IS THE ONLY SENSIBLE OUTCOME, BUT HE IS HIGHLY CONSCIOUS OF THE FACT THAT SHARON MAY MAKE A BIG ISSUE OUT OF ANY CHANGE IN THE ISRAELI POSITION ON TABA AND COULD CAUSE GREAT TURMOIL IN THE CABINET. HE SAID THAT BEFORE DECIDING ON A COURSE OF ACTION, HE WANTED TO "COUNT HEADS CAREFULLY" TO ASSESS THE DEGREE OF OPPOSITION HE MIGHT ENCOUNTER. HE HAS NOT YET HAD TIME TO DO SO AND WILL NOT BE ABLE TO UNTIL AFTER HE RETURNS FROM HIS

NOTE BY OC/T: NOT PASSED USDEL SECRETARY.



S/S-O INCOMING

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INFO OCT-00 ADS-00 /000 W

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FM AMEMBASSY TEL AVIV

TO SECSTATE WASHDC IMMEDIATE 4390°.
INFO AMCONSUL JERUSALEM PRIORITY

S E & R E T SECTION Ø4 OF Ø4 TEL AVIV 14035

NODIS

FOR THE SECRETARY AND MURPHY FROM LEWIS

PLEASE REPEAT TO USDEL SECRETARY

E.O. 12356: DECL: OADR

TAGS: PREL, ECON, OPDC, US, IS

SUBJ: MEETING WITH PRIME MINISTER PERES - OCTOBER 2, 1984

IS ANXIOUS TO FIND A FORMULA TO MOVE THE TABA ISSUE OUT OF THE WAY AND ELIMINATE THIS MAJOR ROADBLOCK IN PREPARING A MEETING WITH MUBARAK AND WARMING UP THE RELATIONSHIP OVERALL.

9. THIS SUBJECT OF EGYPT-ISRAELI RELATIONS WILL SURELY BE ON THE AGENDA FOR THE WASHINGTON TALKS, AND WE SHOULD BE PREPARED TO GIVE WHATEVER ADVICE PERES MAY SEEK AT THAT TIME. HOWEVER, I WOULD CAUTION AGAINST OUR INTERJECTING OURSELVES ANY MORE THAN NECESSARY AT THIS STAGE, SINCE THE DETERMINATION IS CLEARLY PRESENT NOW AT THE HIGHEST LEVELS IN THE ISRAELI GOVERNMENT TO MOVE, AND THE MORE THAT CAN BE ACHIEVED BILATERALLY THE BETTER IT WILL BE FOR THE OVERALL TREND OF EGYPTIAN-ISRAELI RELATIONSHIPS. THERE MAY BE POSSIBILITIES OTHER THAN A SIMPLE MOVE TO ARBITRATION WHICH WILL DEVELOP.



S/S-O INCOMING

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I WAS STRUCK, FOR EXAMPLE, BY A REMARK THAT AL-ARABI RECENTLY MADE TO NEA/MFO DIRECTOR GRANT SMITH (CAIRO 29607. PARA SEVEN), TO THE EFFECT THAT "WE ARE ALSO WILLING TO DISCUSS MANY POSSIBILITIES WITH ISRAEL, INCLUDING JOINT VENTURES. THE ONLY PROVISO IS THAT ISRAEL TAKE, ITS FORCES OUT OF TABA." THIS THOUGHT MIGHT PROVIDE AN OPENING FOR A FORMULA INVOLVING MFO DEPLOYMENT IN ... TABA TO HANDLE SECURITY. PLUS AN AGREEMENT ABOUT THE WAY IN WHICH THE HOTEL AND ASSOCIATED TOURIST FACILITIES WOULD BE MANAGED. IF PERES WERE POLITICALLY ABLE TO GIVE WAY ON THE SOVEREIGNTY ISSUE EVEN WITHOUT GOING TO ARBITRATION. I IMAGINE, HOWEVER, THAT THE POLITICAL REALITIES HERE, AS IN EGYPT, WILL ARGUE FOR ARBITRATION AS BEING THE ONLY WAY DECISIONS ABOUT SOVEREIGNTY OVER TABA CAN BE SWALLOWED BY EITHER OR BOTH PARTIES. LEWIS

NOTE BY OC/T: NOT REPEATED USDEL SECRETARY.

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S/S-O INCOMING

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PAGE 02 OF 04 TEL AV 14040 042001Z ACTION NODS-00 CØ4/Ø4 ØØ32Ø7

NOD849

INFO OCT-00 ADS-00 /000 W

---305416 042006Z /62

O Ø418Ø1Z OCT 84

FM AMEMBASSY TEL AVIV

TO SECSTATE WASHDC IMMEDIATE 4395

S E C R E T TEL AVIV 14040

NODIS

NLRR MID 361/2 100150/ BY (X/ NARA DATE 11/12/12

FOR S/S HILL ONLY FROM LEWIS

E.O. 12356: DECL: OADR TAGS: PREL LE, SY, IS

SUBJECT: MEETING WITH PERES ON SOUTH LEBANON --

- OCTOBER 2, 1984

REF: TEL AVIV 13867

1. (S - ENTIRE TEXT)

- 2. DURING MY TETE-A-TETE MEETING WITH PRIME MINISTER PERES ON OCTOBER 2. I CONFIRMED THAT DEFENSE MINISTER RABIN HAD GIVEN HIM A SUMMARY ACCOUNT OF OUR MEETING THE PREVIOUS DAY, AT WHICH I HAD GONE OVER IN SOME DETAIL FOR RABIN THE RESULTS OF THE MURPHY MISSION (REFTEL). HOWEVER, PERES WANTED TO HEAR THE GENERAL OUTLINES FROM ME DIRECTLY. I WENT OVER THE SAME GROUND WITH HIM IN A MORE SUMMARY FASHION, DESCRIBING WHAT MURPHY FOUND IN DAMASCUS AND THE TENOR OF HIS DISCUSSIONS WITH GEMAYEL AND KARAMI IN BEIRUT.
- 3. I THEN SHARED WITH PERES DICK MURPHY'S PERSONAL ASSESSMENT OF THE SYRIAN POSITION, AS CONVEYED IN STATE 291043.
 I CONCLUDED BY STRESSING THE POINT THAT THE SECRETARY AND OTHERS WERE HIGHLY SKEPTICAL, BASED ON MURPHY'S REPORTS.



\$/\$-0 INCOMING

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CØ4/Ø4 ØØ32Ø7 NOD849

THAT IT IS TIMELY FOR THE U.S. TO GET INTO A FORMAL, ACTIVE, ROLE AS MEDIATOR. HOWEVER, I SAID, WE ARE WAITING UNTIL YOUR VISIT TO WASHINGTON WHERE THESE QUESTIONS CAN BE DISCUSSED FURTHER WITH YOU AND FOREIGN MINISTER SHAMIR. AFTER THAT. THE PRESIDENT AND THE SECRETARY WILL DECIDE WHAT ADDITIONAL STEPS WE SHOULD OR CAN USEFULLY TAKE TO MOVE THE PROCESS FORWARD.

- 4. PERES SAID HE UNDERSTOOD, THAT HE SHARED OUR SKEPTI-CISM, BUT THAT HE LIKE RABIN HAD NOT REALLY EXPECTED MORE FROM DAMASCUS THAN MURPHY ENCOUNTERED ON HIS FIRST TWO STOPS THERE. HE KNEW THAT IT WOULD BE A LONG DRAWN OUT PROCESS AND HE WAS ENCOURAGED THAT THE SYRIANS SEEMED INTERESTED IN CONTINUING TO TALK WITH US. HE ALSO REPEATED THE VIEW HE HAD EXPRESSED IN OUR LAST MEETING THAT IT IS NECESSARY TO HAVE DIRECT TALKS OF SOME KIND WITH THE LEBANESE ABOUT CONCRETE ARRANGEMENTS IN THE SOUTH, EVEN THOUGH HE REMAINS HIGHLY SKEPTICAL THAT ONE CAN REACH ANY REAL AGREEMENT WITH THE GOVERNMENT OF LEBANON AND EXPECT TO SEE IT CARRIED OUT. "NONETHELESS, IT IS IMPORTANT TO TRY AND WE MUST DO SO DIRECTLY IF THERE IS TO BE ANY UTILITY IN THE EFFORT."
- 5. HE SAID HIS VIEW REMAINED THAT IT IS IMPORTANT, INDEED ESSENTIAL, FOR ISRAEL TO WITHDRAW FROM LEBANON AS SOON AS POSSIBLE. IF, HOWEVER, THE SYRIAN AND LEBANESE POSITIONS DID NOT PERMIT THAT TO BE DONE IN A WAY WHICH PROVIDES MINIMAL ASSURANCES FOR ISRAELI SECURITY. IT MIGHT BE NECESSARY TO THINK OF LEAVING FORCES IN THE BEKA'A LONGER THAN IN THE WESTERN PORTION OF SOUTH LEBANON. WE DID NOT PURSUE THIS THOUGHT, ALTHOUGH IT HAS LONG ANTECEDENTS IN EARLIER DISCUSSIONS WITH THE ISRAELIS UNDER THE PREVIOUS GOVERNMENT.
- 6. I ASKED PERES WHETHER ANYTHING FURTHER HAD DEVELOPED ON THE SUBJECT OF DIRECT CONTACT WITH GEMAYEL. HE SAID:

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NOD849

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"NOT REALLY." THERE WAS A MEETING WITH AN INTERMEDIARY,
BUT HE REALLY HAD NOTHING TO SAY TO MY REPRESENTATIVE. HE
MERELY KEPT ASKING: "WHAT ARE THE PARAMETERS OF YOUR
REQUIREMENTS?" PERES WAS NOT ENCOURAGED. LEWIS

E IV



109505 2\2-0 INCOMING 33

PAGE 02 OF 04 TEL AV 14057 0420027 C04/04 003208 ACTION NODS-00

NOD850

INFO OCT-00 ADS-00 /000 W

----305456 042008Z /62

O Ø4185ØZ OCT 84 FM AMEMBASSY TEL AVIV TO SECSTATE WASHDC IMMEDIATE 4404

S E C R E T TEL AVIV 14057

DECLASSIFIED BY CH NARADATE 0 2,2

NODIS

FOR THE SECRETARY AND MURPHY FROM LEWIS

FOR S/S - HILL ONLY

RECOMMEND REPEATING TO USUN, BEIRUT, DAMASCUS AND JERUSALEM FOR AMBASSADORS. CHARGES AND CONSUL GENERAL ONLY

E.O. 12356: DECL: OADR TASG: PREL PBOR, UNSC, IS, US, LE, SY SUBJECT: RABIN'S REACTION TO THE STATE OF PLAY CONCERNING EXPANSION OF THE UNIFIL MANDATE

(S - ENTIRE TEXT)

2. AFTER REVIEWING THE RECENT MESSAGES OF CONVERSATIONS IN NEW YORK WITH BRIAN URQUHART AND OTHERS, AND AFTER CON-SULTING BY SECURE PHONE WITH THE DEPARTMENT, I TELEPHONED DEFENSE MINISTER RABIN TO CLARIFY THE CHANGE IN APPROACH TOWARD UNIFIL RENEWAL WHICH HAS EVOLVED SINCE MURPHY'S MEETINGS HERE WITH HIM AND HIS COLLEAGUES LAST WEEK. FOUND HIM IN A RATHER GRUMBLY FRAME OF MIND. FINISHED READING A REPORT OF DAVID KIMCHE'S MEETING WITH DICK MURPHY AND WAS QUITE BAFFLED AS TO WHAT HAD TRANS-PIRED ON THE UNIFIL EXPANSION QUESTION. HE HAD UNDERSTOOD THAT WE WERE IN AGREEMENT TO PRESS FOR EXPANSION IN CON-



\$/\$-0 INCOMING 34

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NOD850

NECTION WITH THE OCTOBER 19 RENEWAL.

- 3. I EXPLAINED AS BEST I COULD WHAT HAD TRANSPIRED IN RECENT DAYS IN NEW YORK, STRESSING THAT THE UN SECRETARIAT AND BRIAN URQUHART IN PARTICULAR ARE CONVINCED THAT IT IS PREMATURE TO MOVE FOR A FORMAL CHANGE IN THE UNIFIL MANDATE BETWEEN NOW AND OCTOBER 19. I STRESSED THAT IT WAS STILL VERY MUCH URQUHART'S VIEW AND OURS THAT AN EXPANSION OF THE MANDATE WOULD BE AN ESSENTIAL COMPONENT OF WORKING OUT SATISFACTORY SECURITY ARRANGEMENTS IN SOUTH LEBANON TO FACILITATE ISRAELI WITHDRAWAL. HOWEVER, I SAID THAT IT WAS URQUHART'S VIEW, WHICH THE U.S. NOW SHARED, THAT A MOVE PREMATURELY FOR A FORMAL CHANGE IN THE MANDATE COULD LEAD TO GRIEF AND STIMULATE THE SOVIETS TO THROW A SPANNER IN THE WHEELS. I SAID THAT IT WAS UROUHART'S CONVICTION THAT MORE CONSULTATION AMONG THE PARTIES IS REQUIRED BEFORE THIS STEP OCCURS, AND THAT WHEN THE TIME IS RIPE, IT WILL BE EASY TO CALL THE UNSC INTO SESSION ON SHORT NOTICE TO EFFECT THE CHANGE. I SAID THAT WE HAD NOW ACCEPTED THIS JUDGMENT AS WELL AND WERE SUPPORTING A SIMPLE RENEWAL OF THE MANDATE AS IT PRESENTLY STANDS, ON THE UNDERSTANDING THAT THE SECRETARY GENERAL IN HIS REPORT TO THE COUNCIL WILL USE SOME LANGUAGE WHICH WILL LAY THE GROUNDWORK FOR AN EXPANSION OF THE MANDATE WHEN THE FURTHER CONSULTATIONS REQUIRED HAVE BEEN SATISFACTORILY CARRIED OUT.
- 4. RABIN SAID HE NOW UNDERSTOOD WHAT HAD GONE ON BUT HE WAS NOT VERY ENTHUSIASTIC ABOUT IT. HE STILL THOUGHT IT WOULD HAVE BEEN WISER TO PROCEED NOW TO EXPAND THE MANDATE. SINCE THE SYRIANS APPARENTLY WOULD SUPPORT THE CHANGE, AND IT WAS RATHER STRANGE THAT ONLY THE GOVERNMENT OF LEBANON WAS NOW IN POSITION OF PUSHING FOR AN EXPANDED UNIFIL MAN-DATE, UNLESS THEY HAVE ALSO REVERSED FIELD IN THE LAST

COUPLE OF DAYS. RABIN SAID THAT, READING BETWEEN THE LINES HE UNDERSTOOD THAT THE U.S. WOULD NOT WANT TO BECOME ANY



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NOD850

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MORE ACTIVE ON THE LEBANESE ISSUE UNTIL AFTER THE FIRST
WEEK OF NOVEMBER. CONSEQUENTLY, HE DID NOT EXPECT ANYTHING
MORE TO HAPPEN UNTIL A FEW WEEKS HAVE PASSED. HE UNDERSTANDS HOWEVER THAT WE EXPECT TO DISCUSS THESE ISSUES
FURTHER DURING PRIME MINISTER PERES' AND FOREIGN MINISTER
SHAMIR'S VISIT NEXT WEEK. ONLY AFTER THAT VISIT WILL WE
DECIDE WHAT OUR NEXT STEPS WILL BE. LEWIS

NOTE BY OC/T: NOT REPEATED ABOVE ADDRESSEES.

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OSC S/S-O OUTGO

OUTGOING 36

PAGE 02 OF 07 STATE 296664 ORIGIN NODS-ØØ

CØ9/14 ØØ3546 NOD892

INFO OCT-00 ADS-00 /000 R

DRAFTED BY NEA/IAI: KLOKEN: KC APPROVED BY NEA: RWMURPHY S/S: BMCKINLEY S/S-0: RAYLING

NLRR MID-361/24/09\$5
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SECRET STATE 296664

NODIS

FOR AMBASSADOR AND CHARGE ONLY

E.O. 12356: DECL: OADR

TAGS:

PREL, US, IS, XF

SUBJECT:

MURPHY OCTOBER 2 MEETING WITH DAVID KIMCHE:

LEBANON

- 1. (S) ENTIRE TEXT.
- 2. SUMMARY: ASST SEC MURPHY MET WITH ISRAELI MFA DIR GEN DAVID KIMCHE IN NEW YORK OCTOBER 2 TO DISCUSS THE PROSPECTS FOR ISRAELI WITHDRAWAL FROM LEBANON IN LIGHT OF MURPHY'S RECENT TALKS IN THE REGION. KIMCHE WAS PRIMARILY INTERESTED IN OPERATIONAL ISSUES, AND MURPHY INDICATED THAT IN THIS REGARD RENEWAL OF THE UNIFIL MANDATE IS THE IMMEDIATE FOCUS. IT APPEARS THAT TIME WILL NOT PERMIT A CHANGE IN THE UNIFIL MANDATE BEFORE THE UNIFIL RENEWAL ON OCTOBER 19, ALTHOUGH AN EXPANDED ROLE

THENT ON THE PROPERTY OF THE P

SEGRET Department of State

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IS A FUTURE POSSIBILITY. COMMENTING ON HIS TRIP, MURPHY EXPLAINED THAT THE SYRIAN RESPONSE WAS SOMEWHAT ENCOURAGING, BUT THAT SYRIAN MOTIVES WERE NOT CLEAR. KARAMI SEEMS TO BE PLAYING AN UNHELPFUL ROLE IN HIS VARIOUS PUBLIC STATEMENTS. APART FROM ILMAC, WHICH THE GOI CONSIDERS A DEAD LETTER, ISRAEL, MURPHY UNDERSTANDS, IS OPEN TO SUGGESTIONS FOR ARRANGING GOL-GOI CONTACTS TO TALK ABOUT WITHDRAWAL. MURPHY SAID HE HAS NO IMMEDIATE PLANS TO RETURN TO THE REGION, AND THAT THE USG IS WARY OF INVOLVEMENT IN ANOTHER MEDIATION PROCESS WITH UNCERTAIN PROSPECTS. END SUMMARY.

- 3. ISRAELI MFA DIRECTOR GENERAL CALLED ON ASSISTANT
 SECRETARY MURPHY IN NEW YORK OCTOBER 2 FOR A DISCUSSION
 OF MURPHY'S RECENT CONSULTATIONS IN THE REGION ON
 LEBANON. ALSO PRESENT WERE ROBBIE SABEL, ISRAELI EMBASSY
 POLITICAL COUNSELOR, AND NEA/IAI LOKEN (NOTETAKER). AT
 THE OUTSET KIMCHE SAID THAT HE WOULD PREFER NOT TO BURDEN
 MURPHY BY ASKING THAT HE REPEAT THE DETAILED READOUT ON
 THE TRIP ALREADY GIVEN TO OTHER TOP ISRAELIS. INSTEAD,
 KIMCHE WANTED TO FOCUS ON WHERE THE USG AND GOI COULD GO
 FROM HERE FROM AN OPERATIONAL POINT OF VIEW.
- 4. MURPHY NOTED THAT, IN LOOKING AT NEXT STEPS, THE PRINCIPAL FOCUS AT THIS TIME WAS ON THE UNIFIL MANDATE DUE FOR RENEWAL ON OCTOBER 19. KIMCHE SAID HE UNDERSTOOD THAT UN UNDER SECRETARY URQUHART WOULD SUBMIT A REPORT ON UNIFIL RENEWAL TO THE SECRETARY GENERAL ON OCTOBER 10. THE REPORT IS SAID TO INCLUDE LANGUAGE ABOUT THE POSSIBILITY OF EXPANDING UNIFIL'S ROLE IN SOUTH LEBANON IN THE FUTURE, BUT NO CHANGE IN THE MANDATE IS ANTICIPATED FOR THE OCTOBER 19 RENEWAL. MURPHY SAID THAT THE USG WAS CAUTIOUS ABOUT ANY PRECIPITATE CHANGING OF

UNIFIL'S MANDATE BECAUSE THE PROCEDURE MIGHT PROVIDE AN OPPORTUNITY FOR SOVIET MISCHIEF. ACCORDING TO KIMCHE,

S/S-O OUTGOING 38

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UNSYG DE CUELLAR HAD ASKED GROMYKO ABOUT THE SOVIET
POSITION ON AN EXPANDED ROLE FOR UNIFIL. GROMYKO
REPORTEDLY SAID THAT, ASSUMING THE SYRIAN VIEW IS
FAVORABLE, THE SOVIETS MIGHT SUPPORT AN EXPANDED ROLE,
DEPENDING UPON THE COMPOSITION OF THE FORCES.

- 5. AT THIS JUNCTURE, MURPHY EXPLAINED, THERE ARE NO OTHER IMMEDIATE OPERATIONAL ISSUES. HIS OWN ROUND OF DISCUSSIONS IN THE REGION WERE STRICTLY EXPLORATORY IN NATURE, AND WE EXPECT NO WHITE HOUSE DECISION ON NEXT STEPS UNTIL AFTER THE VISIT OF PRIME MINISTER PERES NEXT WEEK.
- 6. MURPHY OFFERED HIS IMPRESSIONS OF ATTITUDES IN BEIRUT AND DAMASCUS ALONG THE LINES OF HIS BREAKFAST MEETING WITH SHAMIR EARLIER THAT DAY (SEPTEL). HE ALSO BRIEFED KIMCHE EXTENSIVELY ON HIS TALKS WITH KHADDAM DURING MURPHY'S SECOND STOPOVER IN DAMASCUS. KIMCHE AGREED IT WAS SIGNIFICANT THAT THE SYRIAN REACTION WAS NOT A BLANKET REFUSAL, AND THAT THE DOOR HAD BEEN LEFT OPEN FOR FURTHER APPROACHES.
- 7. MURPHY NOTED THAT IN HIS MEETING WITH SHAMIR THERE HAD BEEN MUCH SPECULATION OVER POSSIBLE SYRIAN MOTIVES IN ENCOURAGING A GOL-GOI ACCOMMODATION ON ISRAELI WITHDRAWAL. KIMCHE WONDERED IF SYRIA'S APPARENT WILLINGNESS TO COOPERATE MIGHT STEM FROM SARG CONCERN ABOUT THE POSSIBILITY OF RENEWED ISRAELI-JORDANIAN CONTACTS ON THE PEACE PROCESS, FROM WHICH SYRIA WOULD BE EXCLUDED. KIMCHE SAID HE SEES LEBANON AS SYRIA'S "DOOR" TO DIALOGUE ON MIDDLE EAST ISSUES. MURPHY RESPONDED THAT THE SYRIANS HAD KEPT THE ISSUES OF LEBANON AND THE PEACE PROCESS STRICTLY SEPARATE. THE SYRIANS HAD MADE NO CONNECTION, FOR EXAMPLE, BETWEEN LEBANON AND JORDAN'S

RESTORATION OF FORMAL TIES WITH EGYPT. MURPHY NOTED THAT ASAD HAS SAID BEFORE THAT LEBANON SHOULD BE DEALT WITH

S/S-O OUTGOING 39

NOD892

PAGE Ø5 OF Ø7 STATE 296664 CØ9/14 ØØ3546 SEPARATELY. IN HIS OWN SEVERAL HOURS OF DISCUSSION IN DAMASCUS THE SYRIANS DID NOT EVEN MENTION GOLAN.

- ON THE GOL. KIMCHE COMMENTED THAT KARAMI IS BEING UNHELPFUL IN PUBLICLY TAKING THE LINE THAT, SINCE ISRAEL IS COMMITTED TO WITHDRAW FROM LEBANON ANYWAY, THERE IS NO NEED FOR THE GOL TO TALK WITH ISRAEL OR MAKE CONCESSIONS. KARAMI ALSO REPORTEDLY CLAIMS THAT, REGARDLESS OF GOL INTEREST, SYRIA WOULD NEVER AGREE TO LEBANESE-ISRAELI TALKS ON WITHDRAWAL. MURPHY POINTED OUT THAT THIS CONTRADICTS WHAT HE WAS TOLD BY GEMAYEL AND KARAMI IN HIS MEETINGS IN BEIRUT, IN WHICH KARAMI HAD SAID THAT "ANYTHING INDIRECT" IS ACCEPTABLE IN WORKING THINGS OUT WITH THE ISRAELIS. ALSO, ASAD HIMSELF HAD AGREED IN PRINCIPLE TO GOL-GOI MILITARY LEVEL CONTACTS. ASAD HAD SUGGESTED THE ISRAEL-LEBANON MIXED ARMISTICE COMMISSION (ILMAC) AS AN APPROPRIATE FRAMEWORK FOR TALKS, AND HAD ALSO SAID THAT THE SARG IS WILLING TO CONSIDER OTHER PROPOSALS. KIMCHE EMPHASIZED THAT WE MUST TELL THE LEBANESE -- ESPECIALLY KARAMI -- THAT THEY ARE MISREADING THE SITUATION.
- 9. ACCORDING TO KIMCHE, KARAMI'S PREFERRED MEANS OF PURSUING WITHDRAWAL ARRANGEMENTS WITH THE GOI IS FOR MURPHY TO RETURN TO THE REGION AND SHUTTLE BACK AND FORTH AS A MEDIATOR, THEREBY OBVIATING THE NEED FOR DIRECT GOI-GOL DIALOGUE. MURPHY ASSURED HIM THAT SUCH A ROLE IS NOT REPEAT NOT IN THE CARDS. WHILE IN BEIRUT MURPHY HAD STRESSED TO GEMAYEL AND KARAMI THAT THE GOI CURRENTLY HAS ZERO-CONFIDENCE IN THE LEBANESE GOVERNMENT AND THUS THERE IS AN URGENT NEED TO START SOME KIND OF DIALOGUE. HE HAD

URGED THE GOL TO FOCUS ON PRACTICAL REALITIES. THE LAF CANNOT NOW REALISTICALLY FILL THE GAP IN SOUTH LEBANON WHEN THE IDF LEAVES. MURPHY'S LEBANESE AND SYRIAN INTERLOCUTORS HAD ALL SAID THAT A ROLE FOR LAHAD'S SLA IS UNACCEPTABLE, BUT WHO ELSE CAN FILL THE GAP IN THE

S/S-O OUTGOING

PAGE Ø6 OF Ø7 STATE 296664 SOUTH? REALISTIC INTERIM MEASURES ARE NEEDED. CØ9/14 ØØ3546 NOD892

- IØ. FOR ISRAEL, KIMCHE SAID, ILMAC IS A DEAD LETTER. HOWEVER, THE GOI IS OPEN TO OTHER SUGGESTIONS FOR FACILITATING LEBANESE-ISRAELI CONTACTS, INCLUDING THE PARTICIPATION OF A THIRD PARTY. ACCORDING TO KIMCHE UROUHART HAS EXPRESSED WILLINGNESS TO ALLOW UNIFIL TO PLAY A MEDIATING ROLE IF NECESSARY. KIMCHE SAID HE SEES NO ALTERNATIVE TO LAHAD'S FORCE IN THE SOUTH. HE PROPOSED THAT THE SLA BE REORGANIZED AS A TERRITORIAL BRIGADE OF THE LAF, SIMILAR TO THE PROVISION MADE FOR HADDAD'S ARMY IN THE MAY 17 AGREEMENT.
- REGION SOMETIME SOON, MURPHY TOLD KIMCHE IT HAD NOT YET BEEN DECIDED. HE EMPHASIZED THAT THE USG IS WARY OF GETTING DIRECTLY INVOLVED AGAIN IN ANY MEDIATING ROLE WHEN THE PROSPECTS OF SUCCESS ARE SO UNCERTAIN. MURPHY ALSO MENTIONED THAT REPORTS FROM TEL AVIV INDICATE THAT DEFENSE RABIN IS ALSO WORKING TO DEFLATE SPECULATION IN ISRAEL ABOUT THE POSSIBILITY OF ANY IMMEDIATE BREAKTHROUGHS.
- 12. IN CLOSING, KIMCHE ASKED ABOUT MURPHY'S MEETINGS IN EGYPT AND JORDAN. MURPHY NOTED THAT MUBARAK HAS EXPRESSED INTEREST IN MEETING SOON WITH PERES, AND THAT HE IS HOPING FOR PROGRESS ON TABA AND SOME SIGN OF ISRAELI CONFIDENCE-BUILDING MEASURES IN THE WEST BANK. HUSSEIN IS VERY APPREHENSIVE ABOUT SYRIA, AND IS AFRAID THAT WHEN AN ACCOMMODATION IS REACHED ON WITHDRAWAL OF FORCES FROM LEBANON, SYRIA WILL THEN BE ABLE TO FOCUS ITS

FULL ATTENTION ON JORDAN. MURPHY, HOWEVER, SAID THAT HE DISCOUNTS THIS THEORY, BECAUSE HE DOES NOT BELIEVE THAT SYRIA IS TIED DOWN THAT HEAVILY IN LEBANON NOW ANYWAY. KIMCHE COMMENTED THAT THE HARSH SYRIAN REACTION TO JORDAN'S RESTORATION OF DIPLOMATIC TIES WITH EGYPT MAY



S/S-O OUTGOING 41

PAGE Ø7 OF Ø7 STATE 296664 CØ9/14 ØØ3546 HAVE CONTRIBUTED TO THE UNCONCILIATORY TONE OF HUSSEIN'S OCTOBER 1 PARLIAMENTARY SPEECH. DAM NOD892

WHITE HOUSE SITUATION ROOM

PAGE Ø1 OF 1Ø SECSTATE WASHDC 89Ø2

DTG: Ø71736Z OCT 84 PSN: Ø655Ø2

ANØØ8975

TOR: 281/1929Z

DISTRIBUTION: MCF JP KIMM VP SIT EOB /009

WHSR COMMENT: NODIS/CHECKLIST

OP IMMED /OP IMMED DE RUEHC #8902 2811745 0 0 Ø71736Z OCT 84 ZFF6 FM SECSTATE WASHDC

NLRR MID-36/2#10995 BY CN NARA DATE 18/12/12

TO AMEMBASSY BEIRUT NIACT IMMEDIATE ØØØØ

INFO AMEMBASSY DAMASCUS IMMEDIATE ØØØØ AMEMBASSY TEL AVIV IMMEDIATE ØØØØ

S E CR E T STATE 298902

NODIS

EYES ONLY FOR AMBASSADOR. CHARGES

E.O. 12356: DECL: OADR

TAGS: PREL, PINS, LE, SY, IS, UN

SUBJECT: NEA ASSISTANT SECRETARY MURPHY'S OCTOBER 5

MEETING WITH LEBANESE PRIME MINISTER KARAMI

- 1. SECRET ENTIRE TEXT.
- 2. SUMMARY: MURPHY TOLD THE LEBANESE THAT HE WAS HOPEFUL THAT ISRAELI/LEBANESE MILTITARY-TO-MILITARY TALKS COULD HEGIN SOON UNDER "UN AUSPICES." HE CAUTIONED THEM THAT THIS SHOULD BE TREATED IN A LOW-KEY MANNER. AND THERE SHOULD BE AS LITTLE PUBLIC DISCUSSION ABOUT THE FORMAT AS POSSIBLE. HE EMPHASIZED THAT THE ISRAELIS HAD LITTLE FAITH IN LEBANESE ABILITIES TO FILL THE VACUUM THAT WITHDRAWAL WOULD CREATE, AND THAT THE GOL SHOULD TRY

NODIC

SECRÉT SUMMETE HOUSE SITUATION ROOM

PAGE Ø2 OF 1Ø SECSTATE WASHDC 8902

DTG: Ø71736Z OCT 84 PSN: Ø655Ø2

THROUGH DIRECT TALKS TO INCREAS' THAT CONFIDENCE. HE SAID THAT THE MOMENT WAS NOT RIGHT FOR A MAJOR U.S. COMMITMENT, BUT THAT THE UN FRAMEWORK WAS THE MOST ADVANTAGEOUS FOR LEBANON'S IMMEDIATE REQUIREMENTS. THE U.S. WOULD HELP.

KARAMI SAID THE .EBANESE ERE PREPARED TO MEET SECURITY REQUIREMENTS WITH THEIR OWN RESOURCES. THERE WAS NO PLACE FOR LAHAD, AND HE EXPRESSED DOUBT THAT THE LAF COULD INTEGRATE MORE THAN A FEW OF LAHAD'S SOLDIERS INTO ITS RANKS. BOTH KARAMI AND NABIH HARRI EXPRESSED CONCERN ABOUT THE IMPACT OF ISRAELI OCCUPATION OF THE SOUTH, PARTICULARLY THE BLOCKAGE OF THE COASTAL ROAD, AND BARRI SAID IT WAS UNWISE FOR ISRAEL TO CREATE NEW ANIMOSITIES IN THE SOUTH IF IT INTENDED TO WITHDRAW. KARAMI SAID THAT HE WOULD BE TAKING THE UN PLAN BACK TO BEIRUT FOR CONSIDERATIOM BY THE CABINET AND THE PRESIDENT, AND THAT THEY COULD HAVE A DECISION SHORTLY. END SUMMARY.

- 3. NEA ASSISTANT MURPHY MET WITH LEBANESE PRIME MINISTER KARAMI OCTOBER 5 IN NEW YORK. PRESENT WITH KARAMI WERE NABIH BARRI, LEBANESE AMBASSADOR ABDULLAH BOUHABIB, A'D KHALIL MAKKAWI. MURPHY WAS ACCOMPANIED BY NEA/ARN BRUCE EHRNMAN, NOTETAKER.
- 4. MURPHY TOLD KARAMI THAT AFTER THIS FURTHER WEEK OF DISCUSSIONS, THINGS NOW SEEMED SOMEWHAT CLEARER FOR ALL OF US. HE ASKED IF THE PRIME MINISTER SENSED ANY POSSIBILITY FOR EARLY PRACTICAL STEPS TOWARDS MOVEMENT FOR WITHDRAWAL. MURPHY SAID HE HAD MET EARLIER IN THE DAY (OCTOBER 5) WITH URQUHART AT THE UN AND HAD ACCOMPANIED THE SECRETARY IN A MEETING 'ITH SYRIAN FOREIGN MINISTER AL-SHAR'. WE HAD TALKS EARLIER IN THE WEEK WITH THE ISRAELIS. ALL TOGETHER, IT APPEARS THAT IT IS POSSIBLE TO ORGANIZE MILITARY-TO-MILITARY TALKS

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BETWEEN ISRAEL AND LEBANON UNDER "UN AUSPICES."

- 5. MURPHY SAID THAT LEBANESE SENSITIVITIES ARE VERY CLEAR TO US. NEVERTHE.ESS. WE THINK THESE CAN BE PROTECTED WITHIN A UN FORMULA. HE EMPHASIZED THAT THE AMERICAN AND LEBANESE GOALS WERE THE SAME: TO GET ALL FOREIGN FORCES OUT OF LEBANON AND TO EXTEND GOL CONTROL TO LEBANON'S BORDERS. BUT WHILE THE GOAL AND THE PRINCIPLE WERE BEYOND DOUBT, WE NOW NEED TO MAKE A PRACTICAL START WITH CONCRETE STEPS TO SECURE THESE GOALS.
- 6. MURPHY SUGGESTED THE LEBANESE THINK ABOUT DESCRIBING WHATEVER ARRANGEMENTS CAN ØE DEVELOPED FOR TALKS AS SIMPLY "UNDER UN AUSPICES." THIS CONCEPT COULD EMBRACE SEVERAL POSSIBI. ITIES, SUCH AS UNIFIL. IT SHOULD BE DESCRIBED BOTH PRIVATELY AND PUBLICLY IN A LOW-KEY FASHION. THE PRIME MINISTER KNOWS THAT PUBLICITY WILL NOT HELP ACHIEVE OUR GOALS QUICKLY. MURPHY SAID. IF THERE CAN BE AGREEMENT TO TALKS UNDER THIS FORMULA. WHICH WE WILL DISCUSS WITH THE ISRAELIS IN WASHINGTON NEXT WEEK. IT SHOULD NOT TAKE LONG TO GET THEM UNDERWAY. THE FRAMEWORK IS ALREADY THERE. IT WOULD NOT BE USEFUL. HOWEVER, TO TALK IN PUBLIC EVEN ABOUT TIMING.
- 7. MURPHY TOLD KARAMI THAT THE SYRIANS HAD TOLD US THEY WOULD WELCOME CLOSE COOPERATION WITH THE U.S. TO ACHIEVE ISRAELI WITHDRAWAL. HE CAUTIONED, HOWEVER, THAT WE STILL BELIEVE THIS IS NOT THE MOMENT FOR A MAJOR AMERICAN COMMITMENT IN THE PROCESS. RATHER, THE PROCESS CAN BEST BEGIN WITH THE UN, WHICH GIVES THE LEBANESE COVER AND WE BELIEVE WILL BE ACCEPTABLE TO SYRIA. WE THINK IT MAY ALSO BE ACCEPTABLE TO THE ISRAELIS.

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- MURPHY SAID THAT WHEN HE LEFT THE REGION LAST WEEK. 8. HE HAD BEEN STRUCK BY BOTH THE PRESENT OPPORTUNITY AND THE BITTER MEMORIES IN THE AREA OF PREVIOUS OPPORTUNITIES THAT HAD NOT BEEN SEIZED. WHILE THE ISRAELI GOVERNMENT MAY BE BUILT ON DISAGREEMENT, THERE IS NO DISAGREEMENT ON WITHDRAWAL. THE BEGINNING OF MILITARY-TO-MILITARY TALKS WOULD START A PROCESS FOR WITHDRAWAL, BUT NO ONE SHOULD EXPECT THE TALKS TO BE CONCLUDED IN A WEEK. MUCH HAD TO BE CONSIDERED, INCLUDING UNIFIL'S ROLE, CONTRIBUTORS, THE NATURE AND DEPLOYMENT OF THE LAF, ETC.
- THE ISRAELI GOVERNMENTAL CONSENSUS NOTWITHSTANDING. THE LEBANESE SHOULD ALSO UNDERSTAND THAT POTENTIAL FOR DISAGREEMENT REGARDING WITHDRAWAL DOES EXIST IN ISRAEL. THERE ARE ISRAELIS WHO ARE PREPARED TO STAY IN LEBANON FOR TEN YEARS IF THAT SHOULD BE REQUIRED TO OBTAIN THEIR GOAL OF BORDER SECURITY. WE NEED TO MOVE NOW WHILE THESE ELEMENTS ARE RELATIVELY QUIESCENT.
- MURPHY SAID HE HAD TO STRESS TO THE LEBANESE THAT ISRAELI CONFIDENCE IN THE LEBANESE POLITICAL AND MILITARY CAPABILITIES TO FILL THE GAP THE IDF WOULD LEAVE IS ZERO. TALKS MIGHT HELP BUILD CONFIDENCE. AND HELP YOU GET THE KIND OF WITHDRAWAL YOU WANT -- A WITHDRAWAL THAT OCCURS WITHOUT THE KIND OF INCIDENTS THAT OCCURRED IN THE SHUF. THE GOL SHOULD BE HEARING SHORTLY FROM THE UN ABOUT A TIMETABLE FOR TALKS UNDER ITS AUSPICES.
- 11. KARAMI SAID THAT HE IS STILL OPTIMISTIC, AND THAT WITHDRAWAL WILL BE ACHIEVED SOMETIME DURING THE COMING WINTER. "WE HAVE LOOKED AT THE MODALITY OF THIS. AND WHO WILL MEDIATE WITH ISRAEL AND HELP PREPARE ARRANGEMENTS SO THAT ISRAEL CAN WITHDRAW. WE WOULD WELCOME THE UN." IMPLIED HE WOULD PREFER THE U.S.) LEBANON IS WILLING TO MAKE ARRANGEMENTS WITH ITS OWN MEANS. THE ARMY IS



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READY. KARAMI EXPLAINED THAT WHEN THERE ARE DIFFERENCES

AMONG THE LEBANESE, THE ARMY CANNOT MOVE AND IS INCAPABLE OF TAKING ACTION. IN THE SOUTH, HOWEVER, THE ARMY WOULD SERVE A NATIONAL AIM AND, WITH THE POPULATION BEHIND IT, WOULD BE ABLE TO DO THE JOB.

12. THE PRIME MINISTER UNDERSCORED THAT THERE WAS NO PLACE FOR LAHAD. THE LAF MIGHT BE ABLE TO ACCEPT A FEW INDIVIDUAL SOLDIERS WITH PROPER BACKGROUNDS AND MOTIVATIONS. BUT HE EXPRESSED DOUBT THAT THERE WERE ANY OF THIS SORT WITHIN LAHAD'S FORCES. IN ADDITION TO THE ARMY, THERE WOULD BE UNIFIL. KARAMI SAID HE HAD DISCUSSED THIS WITH THE SECRETARY GENERAL AND URQUHART. LEBANON IS READY TO DO EVERYTHING TO SEE LEBANON FREE AGAIN. RESERVING ONLY ITS SOVEREIGNTY AND INDEPENDENCE. HE WOULD LIKE TO SEE THE U.S. PLAY THE LEADING ROLE. BUT HE UNDERSTOOD THE FACTORS MAKING US HESITANT AT THE MOMENT. HE HOPED WE WOULD BE ABLE TO DO SO AT A LATER TIME.

13. MARPHY EMPHASIZED THAT THE TYPE OF MEASURES WE WERE TALKING ABOUT REPRESENT A TRADITIONAL UN ROLE. THE U.S. WOULD NOT SEEK UNIFIL CONTRIBUTORS OR COORDINATE UNIFIL DEPLOYMENTS IN ANY CASE, AND WOULD NOT GET INTO COMPETITION WITH THE UN. IN URQUHART, THE LEBANESE HAVE THE MOST EXPERIENCED MAN POSSIBLE IN THESE THINGS. EFFORTS WILL SUPPORT AND PARALLEL THOSE OF THE UN. THE MOMENT, THE UN GIVES LEBANON THE BEST AND MOST ADVANTAGEOUS FRAMEWORK. KARAMI SHOULD KNOW, THOUGH, THAT EVEN IF WE ARE NOT SEEN OUT IN FRONT PUBLICLY, WE ARE PREPARED TO BE HELPFUL. WE THINK WE CAN BE, AND SHAR'A INDICATED THAT EVEN SYRIA IS VERY WILLING TO SEE AN AMERICAN ROLE.

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- 13. THERE WILL BE SOME TOUGH QUESTIONS AHEAD, MURPHY SAID, AND AT THIS MOMENT NO ONE HAS ALL THE ANSWERS. HOW, FOR EXAMPLE, WILL THE GOL PROHIBIT THE MOVEMENT BACK TO THE SOUTH OF GROUPS BENT ON VIOLENCE AND THE RETURN TO A SITUATION IN WHICH PLO FORCES ARE BACK ON ISRAEL'S BORDER> BARRI INTERJECTED THAT THE LEBANESE HAVE TALKED TO THE PLO. AND HAVE BEEN ASSURED THAT THE PALESTINIANS HAVE NO INTENTION TO RETURN TO SOUTHERN LEBANON. THE PLO HAS ALSO SAID THIS TO URQUHART.
- MURPHY SAID WE CANNOT DO EVERYTHING OVERNIGHT, BUT MUST TAKE ONE STEP AT A TIME. HE ALSO CAUTIONED THAT EVERYTHING CANNOT BE DONE WITHIN THE UN FRAMEWORK. THE

LEBANESE MUST WORK AMONG THEMSELVES, WITH ISRAEL, AND WITH SYRIA.

- 15. KARAMI SAID THAT HE HAD DISUSSED A FORMULA FOR A UN ROLE WITH URQUHART, AND THAT THERE HAD BEEN UNDERSTANDING BETWEEN THEM. HE PLANNED TO RETURN TO BEIRUT AND DISCUSS IT WITH THE PRESIDENT, AND WILL THEN CONTACT THE UN TO BEGIN THINGS. HE SAID THAT LEBANON WANTS TO SEE THE MEASURES ISRAEL HAS TAKEN AGAINST THE PEOPLE OF SOUTHERN LEBANON STOP. THE GOL CANNOT DO ANYTHING TO OBTAIN RELIEF. WITH SUCH A LONG LIST OF GRIEVANCES IT IS DIFFICULT TO KEEP QUIET. THE AMERICANS NEED TO HELP US WITH THIS. BARRI SAID THAT THINGS ARE NOW SO DIFFICULT IN THE SOUTH, HE HAD TO ASK IF ANY MOVEMENT ON ANY TALKS WAS POSSIBLE BEFORE THERE WAS SOME IMPROVEMENT.
- 16. MURPHY AGAIN WARNED THAT THINGS MUST START QUIETLY. WITH A LOW PROFILE. HE SAID ISRAEL HAS NO INTENTION OF STAYING IN LEBANON. IF IT CAN GET SECURITY ARRANGEMENTS WORKED OUT, PERHAPS IT COULD BEGIN TO REVIEW SOME OF ITS

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PRACTICES IN THE SOUTH. IF A PRACTICAL PLAN FOR WITHDRAWAL CAN BE INITIATED. THE OTHER PROBLEMS SHOULD BEGIN TO BE RESOLVED.

- BARRI SAID THE ROAD TO THE SOUTH WAS PARTICULARLY 17. IMPORTANT. THE MOVEMENT OF PRODUCE AND PETROLEUM WAS HLOCKED. MURPHY POINTED OUT THAT THE ISRAELIS HAD REASONS FOR THEIR CONTROLS. BOTH SECURITY AND POLITICAL. BUT SECURITY IS THEIR PRIME PURPOSE. IF THE LEBANESE WANT TO RESOLVE THESE PROBLEMS, THEY KNOW WITH WHOM THEY HAVE TO TALK. WE HAVE DISCUSSED THIS WITH THE ISRAELIS SEVERAL TIMES. AND THEY CONSISTANTLY TELL US THAT THESE THINGS CAN ONLY BE WORKED OUT DIRECTLY WITH THE LEBANESE.
- 18. BARRI STATED THAT IT TAKES THREE DAYS TO GO TO THE SOUTH. IT IS ALL RIGHT NOW WHILE THE WEATHER REMAINS GOOD, BUT IT WILL BE CATASTROPHIC ONCE WINTER COMES. THE ISRAELIS SHOULD UNDERSTAND THAT IT IS NOT WISE TO CREATE HOSTILITY IN SOUTHERN LEBANON. THE PEOPLE OF THE SOUTH HAD NEVER PREVIOUSLY BEEN HOSTILE TO ISRAEL. IF ISRAEL DOES IN FACT INTEND TO LEAVE, IT IS IN THEIR INTEREST TO ALLEVIATE THE HARDSHIPS. BARRI SAID THAT THE PSP AND AMAL ARE ALREADY IN THE AREA AROUND DAMUR, AND ARE PREPARED TO PROVIDE SECURITY FOR THE ROAD IMMEDIATELY.
- MURPHY TOLD BARRI THAT, AS HE HAD PREVIOUSLY SAID AT BIKFAYYA. LEBANESE ASSURANCES TO THE ISRAELIS WOULD CARRY MORE WEIGHT IF DELIVERED DIRECTLY TO THEM. RELATED THE STORY OF ISRAEL AND EGYPT DURING THE 1949 TALKS WHEN THE EGYPTIANS REFUSED TO SIT AT THE SAME TABLE. EVENTUALLY SOMEONE REMOVED THE TABLE AND LEFT ONLY THE CHAIRS. THE UN FRAMEWORK, HE SAID, ALLEVIATED THE NECESSITY TO TALK ABOUT TABLES AND CHAIRS. SAID HE THOUGHT IT COULD WORK. PARTICULARLY IF THERE IS

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NOW THE POLITICAL WILL IN BEIRUT, JERUSALEM, AND DAMASCUS TO MAKE IT WORK. THAT WILL HAD NOT BEEN THERE UNTIL THE LAST FEW WEEKS. HE AGAIN HAD TO EMPHASIZE, HOWEVER, THAT THERE IS NOT MUCH TIME.

- 20. KARAMI SAID THAT THIS WAS THE LEBANESE VIEW AS WELL, AND BARRI STATED THAT THEY WERE READY TO START EVEN BEFORE OCTOBER 19 (THE UNIFIL RENEWAL). MURPHY TOLD BARRI THAT URQUHART HAD SAID THERE IS NOT SUFFICIENT TIME TO CHANGE THE LANGUAGE OF THE SC RESOLUTION ON UNIFIL. THERE IS TIME, HOWEVER, TO INSERT APPROPRIATE LANGUAGE INTO THE SYG'S REPORT. THERE IS NO NEED. HOWEVER. TO WAIT FOR THE 19TH TO START DISCUSSING HOW TO ORGANIZE THE TALKS.
- 21. BARRI AGAIN RETURNED TO THE SUBJECT OF THE ROAD, SAYING IT WAS NEEDED TO MOVE THE ARMY SOUTH. MURPHY REMINDED HIM THAT LEBANON HAD THE RESPONSIBLITY TO TAKE THE FIRST STEP. KARAMI INTERJECTED THAT LEBANON'S POSITION HAD BEEN MADE CLEAR IN HIS GENERAL ASSEMBLY ADDRESS. MURPHY REPLIED THE PRIME MINISTER KNEW FROM EXPERIENCE THAT MORE THAN A SPEECH IS NEEDED. HE CAUTIONED ABOUT TALKING ABOUT OPTIMISM, REMINDING THE LEBANESE THAT EVEN AMONG ISRAELIS WHO WANT TO WITHDRAW. THERE IS NO CONFIDENCE IN THE LEBANESE OR IN THEIR ABILITY TO DECIDE, TO ACT, OR TO DELIVER. HE SAID HE KNEW THEY (THE LEBANESE) DISAGREED, BUT THAT IS THE WAY THEY ARE PERCEIVED IN ISRAEL.
- 22. MURPHY ASKED IF KARAMI WAS CONFIDENT THE GOL WOULD HAVE THE COOPERATION OF THE PLO. KARAMI SAID YES, HE WAS CERTAIN. THEY WANT THE ISRAELIS OUT, TOO. THEY HAVE NO DESIRE TO RETURN TO THE SOUTH. BARRI SAID THE BEST GUARANTEE IS THE PEOPLE, WHO NEVER WANTED THE PLO THERE

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AND DOES NOT WANT THEM BACK. MURPHY ASKED IF THERE WAS A DANGER TO THE PALESTINIANS IN THE CAMPS. BARRI SAID HE DIDN'T THINK SO.

- 23. MURPHY TOLD KARAMI WE WOULD BE IN TOUCH AFTER NEXT WEDNESDAY (FOLLOWING U.S. DISCUSSIONS WITH THE ISRAELIS). BARRI ASKED WHETHER MURPHY WOULD BE RETURNING TO THE REGION. AND MURPHY SAID IT REMAINED UNCLEAR. WOULD IN ANY CASE EXCHANGE MESSAGES THROUGH AMBASSADOR BARTHOLOMEW. HE ALSO SAID THAT HE HOPED, AS WE MOVED AHEAD. EVERYTHING POSSIBLE WOULD BE DONE FOR THE SECURITY OF OUR PEOPLE IN LEBANON.
- 24. AMBASSADOR BOUHABIB ASKED ABOUT GETTING A PL 480 PROGRAM FOR LEBANON, SAYING THAT IT IS NOW HARD TO IMPORT FOOD. KARAMI SAID THAT LEBANON DESERVES A PROGRAM, AND HOPED THAT WE WOULD CONSIDER ONE. MURPHY PROMISED TO

FOLLOW-UP WITH BOUHABIB IN WASHINGTON.

- 25. BARRI SAID THAT WITHDRAWAL IS THE KEY TO THE SECURITY OF BEIRUT. THE ISRAELI OCCUPATION HAS MADE THE CITY A PRESSURE-COOKER, WITH THOUSANDS OF YOUNG MEN EXPELLED FROM THE SOUTH FLOCKING INTO IT. THIS HAS CREATED AN IMBALANCE, WHICH HAS A NEGATIVE IMPACT ON THE SECURITY SITUATION. FOLLOWING ISRAELI WITHDRAWAL. THEY WOULD RETURN TO THE SOUTH, RELIEVING THE PRESSURE.
- 26. KARAMI TOLD MURPHY THE NEXT STEP WAS TO DISCUSS THE UN FRAMEWORK WITH THE CABINET AND THE PRESIDENT. THE PRESIDENT WOULD DECIDE. HE TOLD MURPHY THIS COULD BE DONE IN A FEW DAYS. MURPHY AGAIN CAUTIONED ABOUT RHETORIC, EVEN WITHIN THE CABINET. HE SAID HE DID NOT

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ANTICIPATE ANY RHETORIC FROM THE ISRAELI SIDE, BUT THERE COULD BE IF THERE WAS A GREAT DEAL OF PUBLIC DISCUSSION IN LEBANON. PARTICULARLY ABOUT REJECTION OF DIRECT TALKS. THE REQUIREMENT FOR AN ILMAC FRAMEWORK AND SUCH LIKE.

- KARAMI MUTTERED IN ARABIC HIS PREFERENCE FOR A 27. MEETING WHICH TOOK PLACE ON SEPERATE FLOORS OF THE SAME BUILDING. BOUHABIB ASKED IN ENGLISH HOW WOULD THE TWO SIDES MEET> IN THE SAME ROOM> ON SEPARATE FLOORS> MURPHY SAID IT WAS UP TO THE UN TO ORGANIZE.
- 28. COMMENT: BASED ON OUR READINGS OF THE SYRIAN AND ISRAELI POSITIONS AND OUR READOUT FROM URQUHART OF HIS TALKS WITH ALL PARTIES, OUR PRIMARY GOAL IN THIS MEETING WAS TO LOOSEN UP KARAMI'S POSITION ON GETTING MILITARY-TO-MILITARY TALKS STARTED. AMBASSADOR BARTHOLOMEW WILL KNOW HOW TO FOLLOW-UP IN FURTHER TALKS WITH GEMAYEL, KARAMI, AND OTHER CABINET MEMBERS. BARRI APPEARED EAGER TO FIND A WORKABLE FORMULA.
- 29. MINIMIZE CONSIDERED. ARMACOST BT

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EYES OLY FOR ASSISTANT SECRETARY MURPHY FROM THE SECRETARY

E. O. 12356: DECL: OADR

TAGS: PEPR US IS XF

SUBJECT: YOUR CONSULTATIONS WITH MIDDLE EAST

GOVERNMENTS

- 1. SECRET ENTIRE TEXT.
- 2. YOUR VISIT TO THE MIDDLE EAST SHOULD SERVE TO DEMONSTRATE TO REGIONAL GOVERNMENTS CONTINUING U.S. INTEREST IN DEVELOPING GREATER COOPERATION AND UNDERSTANDING WITH THEM ON BOTH A BILATERAL AND A REGIONAL BASIS. IN PARTICULAR, YOU WILL WANT TO FOCUS ON THREE SPECIFIC AREAS:

SOUTHERN LEBANON - YOU SHOULD CONTINUE THE EXPLORATORY



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TALKS AIMED AT ASSISTING IN BRINGING ABOUT A COORDINATED ISRAELI WITHDRAWAL FROM LEBANON. THIS WILL AID IN DETERMINING WHETHER THE ROLE THE U.S. PLAYS CAN HELP FACILITATE AND STRUCTURE SUCH AN ISRAELI WITHDRAWAL IN A WAY THAT IMPROVES THE ATMOSPHERE IN THE REGION FOR BROADER PEACE.

ISRAEL-JORDAN - YOU WILL WANT TO DO WHAT YOU CAN TO PROMOTE THE ESTABLISHMENT OF GREATER TRUST AND QUIET COOPERATION BETWEEN ISRAEL AND JORDAN, BUILDING ON OUR

CONVERSATIONS WITH PERES.

ISRAEL-GYPT - YOU WILL HAVE TO ADDRESS THE INCREASINGLY VEXING ISSUE OF HOW WE CAN ENCOURAGE IMPROVEMENT IN EGYPTIAN-ISRAELI RELATIONS.

SOUTHERN LEBANON - DESPITE OCTOBER 28 ISRAELI CABINET DECISION FORMALLY TO REQUEST U.S. MEDIATION, OUR POSITION ON SOUTHERN LEBANON IS FOR THE PRESENT UNCHANGED - WE ARE WILLING TO PLAY A HELPFUL ROLE. BUT GREATER FLEXIBILITY IS NEEDED ON ALL SIDES. YOU SHOULD REITERATE OUR VIEW THAT AN AMERICAN MEDIATORY ROLE IS PRECLUDED FOR THE MOMENT BECAUSE OF THE WIDE GAPS AMONG THE THREE PARTIES. WE ARE IN A STRONG POSITION. WITH ALL THREE ANXIOUS FOR U.S. INVOLVEMENT WHILE WE TAKE A DELIBERATE AND CAREFUL POSITION. ONCE YOU RETURN TO WASHINGTON, WE WILL WANT TO REVIEW WITH YOU THE STATE OF THE UN'S EFFORTS ON SOUTH LEBANON AND ISRAELI, SYRIAN AND LEBANESE VIEWS. WE WILL HAVE TO DETERMINE THEN WHETHER A MORE ACTIVE U.S. ROLE TO HELP BREAK ANY DEADLOCKS WOULD BE ADVISABLE. WE WANT THIS ROUND TO GIVE US AS MUCH BACKGROUND AS POSSIBLE SO WE CAN MAKE AN EDUCATED DECISION, AFTER YOUR RETURN, ON NEXT STEPS. BY SEPTEL YOU WILL RECIEVE AN UPDATE ON UN EFFORTS.

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4. ISRAEL - IN ISRAEL, YOU WILL WANT TO ENSURE THERE IS NO CONFUSION RESULTING FROM THE LARGE NUMBER OF VISITS AND CONTACTS THAT HAVE OCCURRED SINCE YOUR LAST CONSULTATIONS THERE. TO EACH OF THESE VISITORS. THE ISRAELIS HAVE DESCRIBED THEIR POSITION ON SOUTH LEBANON AT SOME LENGTH AND OCCASIONALLY WITH SOME MINOR VARIATION. YOU WILL NEED TO REESTABLISH YOURSELF WITH THE GOI AS THE CENTRAL INTERLOCUTOR OF THE U.S. WITH RESPECT TO THE SOUTH LEBANON ISSUE.

5. IT WILL BE WORTHWHILE TO TAKE STOCK WITH THE ISRAELIS ABOUT THE CURRENT STATE OF AFFAIRS WITH RESPECT TO THE SYRIAN GOVERNMENT, THE LEBANESE GOVERNMENT, AND RECENT UN ACTIVITIES. RABIN TOLD WEINBERGER THAT ISRAEL HAD TIME AND WOULD BE PATIENT BUT KARAMI'S PIGHEADEDNESS MAY ALREADY BE CAUSING ISRAELI PATIENCE TO WEAR THIN. YOU WILL WANT TO DISCUSS WHAT MIGHT BE ACCOMPLISHED DURING YOUR CONSULTATIONS IN DAMASCUS AND BEIRUT. YOU SHOULD ALSO DISCUSS FRANKLY WITH THE ISRAELIS HOW THEIR PUBLIC AIRING OF THEIR CONDITIONS IS UNHELPFUL. COMMUNIQUE FOLLOWING OCTOBER 28 CABINET MEETING IS LATEST EXAMPLE. ISRAEL SHOULD UNDERSTAND THAT NEGOTIATION THROUGH THE

MEDIA IN THIS WAY WILL INEVITABLY STIFFEN THE SYRIAN

POSITION AND MAKE IT LESS LIKELY THAT ANY POTENTIAL MEDIATION COULD SUCCEED. FYI. A MAJOR CONSIDERATION IN WHETHER WE DECIDE TO UNDERTAKE ACTIVE MEDIATION WILL BE WHETHER GOI IS ABLE AND WILLING TO CONTROL ITS PRESS STATEMENTS. END FYI.

6. YOU SHOULD ALSO REAFFIRM WITH PRIME MINISTER PERES THAT THE U.S. REMAINS WILLING TO DELIVER HIS PRIVATE

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MESSAGE TO KING HUSSEIN AND THAT YOUR VISIT TO AMMAN APPEARS A PROPITIOUS TIME TO DO SO. YOU SHOULD DISCUSS WITH SAM IF THE EAST GHOR CANAL ISSUE SHOULD BE RAISED WITH PERES IN THE CONTEXT OF THE PERES MESSAGE TO HUSSEIN. IN THIS CONNECTION TOO YOU WILL WANT TO REVIEW WITH PERES WHAT PROGRESS HE HAS MADE ON ACTIONS, WHICH HE OUTLINED DURING HIS VISIT HERE. CONCERNING THE OCCUPIED TERRITORIES. IT WILL BE USEFUL IN AMMAN FOR YOU TO HAVE A FULL UNDERSTANDING OF THESE STEPS SO THAT YOU CAN INTERPRET THEM IN AN APPROPRIATELY POSITIVE WAY TO HUSSEIN AND URGE CONSTRUCTIVE JORDANIAN RESPONSES.

- 7. WITH REGARD TO THE PEACE PROCESS OR ISRAELI-JORDA IAN RAPPROCHEMENT, WE WANT TO ENCOURAGE A POSITIVE DIALOGUE, BUT SHOULD NOT LET EITHER SIDE ASSUME THE U.S. WILL ACTIVELY LEAD THEM TO A SOLUTION OF THEIR DIFFERENCES. ONCE YOU RETURN. BASED ON YOUR TALKS IN BOTH COUNTRIES AND THE STEPS THEY EACH TAKE, WE CAN REVIEW OUR ROLE CAREFULLY.
- 8. JORDAN THE ATMOSPHERE OF YOUR VISIT TO JORDAN SHOULD BE IMPROVED BY OUR FAVORABLE RESPONSE TO BEN SHAKER'S REQUEST FOR DISCUSSIONS NOVEMBER 5-7 ON THUMB ARROW AND TIN BUCKET. COMPLETION OF THE THUMB ARROW EXERCISE WILL BE A STRONG AND IMPORTANT DEMONSTRATION OF US SUPPORT FOR JORDANIAN SECURITY. MOVING TIN BUCKET INTO THE NEGOTIATION PHASE IS A FURTHER INDICATION OF US CONFIDENCE IN JORDAN AND THE VALUE WE PLACE ON BILATERAL MILITARY COOPERATION. BOTH THESE PROGRAMS SHOULD CARRY WEIGHT IN PERSUADING THE KING AGAINST ANY SHIFT IN ORIENTATION TOWARD MOSCOW. WHILE IT IS PREMATURE TO DISCUSS THE POSSIBILITY OF US ARMS SALES IN 1985, YOU SHOULD REITERATE OUR STRONG SUPPORT FOR KING HUSSEIN AND UNDERSTANDING OF HIS POLITICAL AND SECURITY DILEMMAS.

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9. IN AMMAN, YOU WILL ALSO WANT TO DESCRIBE THE IMPORTANCE OF SOME JORDANIAN MOVES IN RESPONSE TO PERES'

GESTURES ON THE WEST BANK. YOU SHOULD ALSO REMIND THE JORDANIANS THAT WE ARE NOT SEEKING ACCEPTANCE OF THE PRESIDENT'S PEACE INITIATIVE FROM ANY PARTY IN ADVANCE OF NEGOTIATIONS. (WE ARE INCREASINGLY HEARING FROM GOJ OFFICIALS THAT THE NEXT STEP IS FOR THE U.S. TO OBTAIN ISRAELI ACCEPTANCE OF OUR INITIATIVE).

- 10. EGYPT-ISRAEL THERE HAS BEEN A GOOD DEAL OF DISCUSSION ON THE ISSUE OF IMPROVING EGYPTIAN-ISRAELI RELATIONS IN GENERAL AND TABA IN PARTICULAR SINCE THE PERES VISIT TO WASHINGTON. WE ARE DEEPLY CONCERNED ABOUT NICK'S CONVERSATION WITH OSAMA AND THE FURTHER RETREAT FROM IMPROVED ISRAELI-GYPTIAN RELATIONS IT REPRESENTED. MOST DISTURBING IS OSAMA'S IMPLICATION THAT IMPROVEMENT IN RELATIONS WITH ISRAEL IS BASICALLY HOSTAGE TO EGYPT'S STEPS TO REINSERT ITSELF INTO THE ARAB MAINSTREAM.
- 11. YOU WILL WANT TO REVIEW THE STATE OF PLAY WITH SAM AND NICK TO DETERMINE HOW WE CAN BEST STIMULATE POSITIVE MOVEMENT. IT IS PREMATURE TO GIVE PERES THE DEFINITIVE U.S. JUDGMENT HE HAS REQUESTED ON EGYPT'S POSITION ON TABA AND WHAT COULD BE EXPECTED TO FLOW FROM AN ISRAELI COMMITMENT TO ARBRITRATION. ON THE OTHER HAND, YOU MAY BE ABLE TO ACCELERATE MINISTERIAL AND SUB-MINISTERIAL EXCHANGES BETWEEN THE TWO GOVERNMENTS AS A WAY TO IMPROVE DIALOGUE AND TRUST BETWEEN THEM.
- 12. SYRIA THE FOCUS OF YOUR DISCUSSIONS WITH KHADDAM AND ASSAD WILL BE SOUTH LEBANON BUT YOU WILL ALSO WANT TO ENCOURAGE THEIR EFFORTS TO SECURE THE RELEASE OF US

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HOSTAGES IN LEBANON. IN ADDITION. YOU SHOULD URGE SYRIA'S LEADERSHIP IN THE STRONGEST POSSIBLE TERMS TO CLAMP DOWN ON TERRORIST ACTIVITIES IN THE BEKAA. CEASE SYRIA'S SUPPORT AND SANCTUARY FOR ABU NIDAL OPERATIONS AND RESTRAIN POTENTIAL TERRORIST ACTIONS AGAINST JORDAN FROM SYRIA.

- 13. LEBANON YOUR PRIMARY FOCUS WILL AGAIN BE THE SOUTH AND PROMOTION OF CONDITIONS THAT WOULD FACILITATE A FULL ISRAELI WITHDRAWAL FROM LEBANESE TERRITORY. YOU SHOULD ALSO EXPRESS OUR CONTINUED SUPPORT FOR LEBANESE POLITICAL RECONCILIATION. THE EXTENSION OF GOVERNMENTAL AUTHORITY AND WILLINGNESS TO RESUME ECONOMIC RECONSTRUCTION ACTIVITIES AS SOON AS SECURITY CONDITIONS PERMIT.
- 14. IRAQ YOUR VISIT TO IRAQ WILL PROVIDE THE OCCASION FOR A TIMELY RESUMPTION OF THE DIALOGUE YOU AND I HAD WITH TARIQ AZIZ IN NEW YORK. WE HOPE TO BE ABLE TO PROVIDE YOU WITH SPECIFIC DATES FOR HIS VISIT TO

WASHINGTON. EVEN WITHOUT THAT, YOU WILL WANT TO DISCUSS THE NEXT PHASE IN OUR IMPROVING RELATIONSHIP INCLUDING POTENTIAL UPGRADING OF OUR RESPECTIVE MISSIONS. ARE A NUMBER OF NAGGING OPERATIONAL PROBLEMS, AND THE QUESTION OF OUR SEIZED DIPLOMATIC PROPERTIES, WHICH YOU WILL WANT TO RAISE. YOU SHOULD ENCOURAGE IRAQI SUPPORT FOR KING HUSSEIN AND REPRESENTATIVE NON-PLO PALESTINIANS TO ENTER BROADENED PEACE PROCESS NEGOTIATIONS WITH THE PERES GOVERNMENT.

15. IN EGYPT, JORDAN AND IRAQ, YOU MAY WISH TO PROBE FOR A BETTER UNDERSTANDING OF WHERE THEIR EMERGING COALITION IS MOVING AND THE POTENTIAL RISKS AND BENEFITS OF THIS

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NEW ALIGNMENT TO THE US. WHILE CONTAINMENT OF SYRIA IS AN OBVIOUSLY ATTRACTIVE OBJECTIVE, "PROTECTION" OF THE GULF IS LIKELY TO BE VIEWED AMBIGUOUSLY BY THE SAUDIS AND OTHER WOULD BE BENEFICIARIES. INDEED, THE SAUDIS ARE EFFECTIVELY PROVIDING FOR THEIR OWN AIR DEFENSE, AND MAINTAINING AND IMPROVING THEIR SELF-DEFENSE CAPABILITY WILL BE THE MAIN RATIONALE SUPPORTING FUTURE ARMS SALES. THE POTENTIAL ADHESION OF ARAFAT AND FATAH TO SUCH A GROUPING AND WHETHER THIS COULD ADVANCE OR RETARD THE PEACE PROCESS REQUIRES FURTHER CLARIFICATION.

YOU SHOULD TOUCH BASE AGAIN IN ISRAEL AFTER YOUR DISCUSSIONS IN DAMASCUS AND BEIRUT. ON YOUR RETURN TRIP TO WASHINGTON, YOU SHOULD PLAN CONSULTATIONS IN ROME, DUBLIN, PARIS AND LONDON. THIS WILL SERVE THE DUAL PURPOSE OF KEEPING KEY EUROPEAN GOVERNMENTS BRIEFED ON THE RESULTS OF YOUR MIDDLE EAST DISCUSSIONS AND HOPEFULLY SUPPORTIVE OF OUR DIPLOMACY. AND DISSUADING THEM FROM INDEPENDENT EC INITIATIVES THAT COULD IMPEDE REALISTIC PROSPECTS FOR PROGRESS IN THE PEACE PROCESS AND OTHER MIDDLE EAST ISSUES. WE WILL BE SENDING YOU POINTS TO MAKE WITH THE EUROPEANS ON THIS QUESTION.

17. GOOD LUCK. SHULTZ BT

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E. O. 12356: DECL: OADR

TAGS: PINS, IR, SY, LE, US

SUBJECT: MURPHY/KHADDAM: TERORISM AND THE KIDNAPPED

AMERICANS

- 1. S ENTIRE TEXT.
- 2. DURING HIS NOVEMBER 4 MEETING WITH KHADDAM
 (FONMIN SHARA' WAS ALSO PRESENT), ASSISTANT SECRETARY
 MURPHY RAISED AS HIS FIRST ORDER OF BUSINESS THE
 CONTINUING CAPTIVITY OF THE THREE KIDNAPPED AMERICANS.
- 3. MURPHY STRESED OUR CONTINUING PROFOUND CONCERN AND RECALLED THAT BOTH ASAD AND KHADDAM HAD PROMISED ALL HELP POSSIBLE. KHADDAM RESPONDED THAT SARG CONTINUED THE SEARCH BUT HAS SO FAR TURNED UP NO TANGIBLE RESULTS WITH REGARD TO THE THREE AMERICANS OR THE SAUDI. HE SAID THAT HE DID NOT RPT NOT BELIEVE THEY HAD BEEN BROUGHT TO THE BIQA' BECAUSE OUR PEOPLE' HAD FOUND NO TRACE OF THEM THERE.
- 4. LATER IN THE CONVERSATION, MURPHY TURNED SPECIFICALLY TO THE OVERALL PROBLEM OF TERRORISM. HE RECALLED HE HAD TOLD KHADDAM IN SEPTEMBER THAT WE HAD STRONG INDICATIONS THAT THE OPERATION AGAINST

Secret Department of State

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THE AWKAR ANNEX HAD BEEN MOUNTED FROM THE SHAYKH ABDALLAH BARRACKS. ONCE AGAIN, WE URGED SARG TO TAKE THE MOST VIGOROUS ACTION AGAINST THE IRANIANS IN THE BIQA' / MURPHY ADDED IT IS IMPOSSIBLE TO OVERSTATE THE GRAVITY WITH WHICH THIS SUBJECT IS REGARDED IN THE WHITE HOUSE, BY SEC. SHULTZ, AND BY ALL AMERICANS. THE SYRIAN ARMY IS IN THE BIQA' AND CAN TURN THE SCREWS FAR MORE THAN IT HAS SO FAR. THE USG WANTS A SERIOUS DIALOGUE WITH SARG ON CURTAILMENT OF AREA TERRORISM, FROM WHICH KHADDAM HAD HIMSELF PHYSICALLY SUFFERED ON MORE THAN ONE OCASION. ANY ADVANCE IN OUR MUTUAL RELATIONS CAN BE SPEEDED IF WE CAN GET INTO GENUINE DIALOGUE ON THIS PAINFUL ISSUE.

5. KHADDAM ACKNOWLEDGED MURPHY'S PRESENTATION WITHOUT SPECIFIC COMMENT. EAGLETON

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E.O. 12356: DECI: OADR

TAGS: PREL, MARR, SY, US, LE, PTER

SUBJECT: ASAD-MURPHY MEETING, NOVEMBER 13--KIDNAPPED

AMERICANS

REF: STATE 336366

1. SECRET - ENTIRE TEXT.

2. AT THE OUTSET OF THE SUBSTANTIVE PART OF HIS MEETING WITH PRESIDENT ASAD NOVEMBER 13 (OTHER SUBJELTS BY SEPTELS), ASSISTANT SECRETARY MURPHY RAISED THE ISSUE OF THE KIDNAPPED AMERICANS. HE ASKED THE PRESIDENT'S INTERPRETER TO READ ALOUD PRESREAGAN'S LETTER IN FULL (TEXT IN REFTEL). ASAD IMMEDIATELY RESPONDED, "WE ARE REALLY TRYING AT VARIOUS DIFFERENT LEVELS." HE SAID HE WAS NOT AT THE MOMENT IN A POSITION TO PROVIDE DETAILS, BUT HE EMPHASIZED THAT HE HAD NOT EXPECTED THE DIFFICULTIES HE IS NOW FACING IN SEEKING TO OBTAIN THE SAFE RELEASE OF THE FOUR CAPTIVES. HE OBSERVED THAT ANY MISHANDLING OF THE SITUATION, INCLUDING BY THE SYRIAN GOVERNMENT, COULD BE DANGEROUS TO THEIR SAFETY. "PLEASE ASSURE THE PRESIDENT," ASAD STRESSED TWICE, "THAT WE ARE TRYING HARD AND WE HAVE HOPE."



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- 3. ASAD THEN STARTED TO SAY THAT THERE WAS NO PRECEDENT IN HIS EXPERIENCE FOR THE NUMBER OF "EXCHANGES" WHICH HAD ALREADY TAKEN PLACE ON THIS DIFFICULT ISSUE, BUT THEN AMENDED HIS REMARK BY RECALLING THAT THE DODGE CASE HAD ALSO REQUIRED AN EXTRAORDINARY AND PROLONGED EFFORT. HE SAID HE WAS AWARE THAT THE WIFE OF ONE OF THE KIDNAPPEES (I.E., MRS. LEVIN) WAS PRESENTLY IN DAMASCUS. HE SAID THAT HE WAS FRANKLY EMBARRASSED BY HER PRESENCE. SINCE HE WOULD LIKE TO SEE HER (FOR COMPASSIONATE REASONS), BUT ON THE OTHER HAND. HE DIDN'T WANT TO RAISE FALSE HOPES, SINCE HE ASSUMED SHE WOULD BELIEVE AN AUDIENCE WITH HIM MEANT A VIRTUALLY IMMINENT RELEASE. THE FOREIGN MINISTER HAD RECEIVED HER. (COMMENT: THE PRESIDENT LEFT THE IMPRESSION THAT HE WOULD NOT REPEAT NOT SEE MRS. LEVIN.)
- 4. MURPHY RESPONDED THAT WE ARE DEEPLY APPRECIATIVE OF PRESIDENT ASAD'S PERSONAL INVOLVEMENT. PRESIDENT REAGAN'S SHOWS THAT HE TOO IS PERSONALLY CON-CERNED. MURPHY THEN PROVIDED THE PRESIDENT WITH THE LATEST SPECIFIC INFORMATION AVAILABLE TO THE USG ON THE RECENT WHEREABOUTS OF THE CAPTIVES. IN THE HOPE THAT THIS WOULD ASSIST THE SARG IN ITS EFFORTS.
- 5. DEPARTMENT PLEASE REPEAT TO BEIRUT AND TEL AVIV.
- 6. ASSISTANT SECRETARY MURPHY HAS CLEARED THIS CABLE. EAGLETON