

THE WHITE HOUSE  
WASHINGTON

## MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Foreign Minister Arens of  
Israel

PARTICIPANTS: United States  
The President  
Secretary of State James A. Baker, III  
John Sununu, The Chief of Staff to the President  
Brent Scowcroft, The Assistant to the President  
for National Security Affairs  
Marlin Fitzwater, The Press Secretary  
Ambassador William Brown, US Ambassador to Israel  
Paul Hare, Acting Assistant Secretary  
of State (NEA)  
Richard N. Haass, Senior Director  
National Security Council (notetaker)

Israel  
Foreign Minister Moshe Arens  
Israeli Ambassador Moshe Arad  
Sallai Meridor, Policy Advisor

DATE, TIME: March 13, 1989, 2:00 p.m. - 2:30 p.m.  
AND PLACE: Oval Office

Foreign Minister Arens began the meeting by noting that this March 26 marked the tenth anniversary of the Israel-Egypt Peace Treaty. He stated his hope that the event could be commemorated by a ceremony involving Prime Minister Shamir and Egyptian President Mubarak. Such a ceremony would also provide a reminder of the lack of diplomatic progress achieved since.

The President said that his role in any ceremony would be affected by his schedule. He added that the real question was how to negotiate progress. His hope was that PM Shamir would come to this country with new ideas. This would be important given the climate in the United States and his desire to move the peace process forward.

Foreign Minister Arens said that he would give this message to PM Shamir, that Israel also had a great desire for peace and that US help would be welcome. The problem was that this interest in peace was not widely shared in the Arab world. Qadhafi in Libya and Assad in Syria had no interest in peace. Israel wanted to talk to West Bank/Gaza Palestinians, but potential partners for

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Israel were being intimidated. The challenge was to produce legitimate Palestinian partners. Elections were a possibility. In addition to increasing Jordan's role and bringing about Palestinian participation, Israel also sought to bring into the peace process another Arab country -- Saudi Arabia -- currently in a state of war with Israel.

The President noted that Hussein favored a conference as a form of international umbrella. The President added that there had been no shift in US policy toward a conference and that one would be acceptable if it really promoted direct dialogue with Hussein.

Foreign Minister Arens agreed that the aim was to bring about direct negotiations. He stated that Mubarak shared this view, although the Egyptian president wanted an international conference to break the psychological barrier on direct contacts. The conference raised the question of the Soviet role. He described the Soviets as "hungry" to get involved, but expressed the view that including them might be too high a price to pay. There might be other ways to reassure Hussein.

The President stated that he did not see an ongoing role for the Soviets in the area. He added that he did not want to miss an opportunity, that the situation on the West Bank deeply troubled Americans, and that he wanted to bring about a better climate.

Foreign Minister Arens noted that there was much soul-searching in Israel about the West Bank and Gaza. Violence had become a daily reality. The key was to find local Palestinian interlocutors. The best way to move forward would be with a coordinated US-Israeli position.

The President agreed with this point and asked whether the Foreign Minister saw any positive developments involving the PLO.

Foreign Minister Arens responded that the negatives outweighed the positives. Non-Fatah PLO attacks were being mounted with increasing frequency. The PLO was encouraging those involved in the intifada to use violent methods. The PLO was also terrorizing the local population to discourage its cooperating with Israel. "This is terrorism pure and simple and constitutes the biggest obstacle to peace."

Secretary Baker stated that this concern once again raises the issue of finding an acceptable interlocutor. Foreign Minister Arens reiterated that elections might be the best answer.

The President noted King Hussein's enthusiasm for Arafat's recent moves. Hussein was concerned about radicals threatening Arafat from the far left. The President observed that a terrorist incident involving Arafat would be "very badly received" here. He stated too the need to encourage further moderation by Arafat.

Foreign Minister Arens stated that the facts suggested that Arafat was not becoming more moderate. There was evidence he was

directly involved in threats against Palestinians (Arens cited the alleged threat to Bethlehem Mayor Freij) and was associated with non-Fatah (but still PLO) terrorism stemming from Lebanon.

The President stated that it was important that we work to agree on a common set of facts concerning terrorism before PM Shamir's visit. The President then noted that he did not want to do something just to do something, but did not want to miss an opportunity either. He stated he was looking for a plan to support, that we did not wish to be passive, that we wanted to play a useful role, that we remained strongly committed to Israel, and that we would decide based on our own national interests the best thing to do. We would listen carefully to PM Shamir. The President added that it was not in our interest to have the Soviets be involved in an intrusive manner, but that there may be new opportunities to engage them. He added his desire that West Bank events not be allowed to undermine the US-Israeli relationship and reiterated his desire to avoid either moving too fast or missing what opportunities did exist.

Foreign Minister Arens responded that he shared the President's eagerness to move forward, that Israel was paying a high price for the absence of peace, that the US was the key, and that the two governments should coordinate closely. He noted the inconsistency between Soviet statements indicating new thinking and those resembling harsh "Brezhnev-like" policy. Restoring diplomatic ties to Moscow was desirable, but not that important for Israel. The Soviets had to understand that they had no chance of playing a major diplomatic role without restoring relations.

The President mentioned that the creation of any new settlements in the occupied territories would pose a tough issue for us.

Foreign Minister Arens responded that additional exchanges were required on this topic. Some 10% of the West Bank population was Israeli, and the presence of Israelis on the West Bank was a reality. He suggested that this was possibly good as it showed Jews and Arabs could live together. He added that this was a political issue of considerable sensitivity in Israel.

The President said that it was important the PM appreciate the significance of this issue here and avoid surprises.

Foreign Minister Arens stated that he would work to close any gaps between our two governments, but that some might remain.

The President repeated his desire to avoid missing opportunities to promote peace. He stated he would resist pressures to do too much. He closed the meeting by noting his great respect for PM Shamir and by noting that he was looking forward to his visit.