

THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: One-on-One Meeting with Prime Minister Shamir
of Israel

PARTICIPANTS: United States
The President
Brent Scowcroft, Assistant to the President
for National Security Affairs, Notetaker

Israel
Prime Minister Yitzhak Shamir
Elyakim Rubinstein, Cabinet Secretary

DATE, TIME Thursday, April 6, 11:00-11:45 a.m.
AND PLACE: Oval Office

The President began by saying he liked one-on-one sessions because we could get more done than was possible in a plenary, and could remove misunderstandings. He expressed his delight that the Prime Minister was here, and made it clear that he was prepared to talk about a full range of subjects, whatever the Prime Minister wished. He explained that this small meeting would be followed by a plenary session, then public statements, an outing to the Air and Space Museum, and dinner, before which they could meet for an additional moment to discuss anything.

The Prime Minister thanked the President for inviting him and for the opportunity to meet. His talks with Secretary Baker were encouraging. He hoped to make progress and believed we were going in the right way. Taking out his notes, Prime Minister Shamir observed that the President was a promoter of the program of strategic cooperation. He said that the program was going well and that he hoped the two countries could go even further to encompass more elements.

The President replied that we were unshakable in our commitment to Israel. There had been no shift in our fundamental support and the Prime Minister should have no concern on that score.

Prime Minister Shamir said that the Middle East had many serious problems. At the same time, the influence of the United States was very strong -- stronger than ever. The Arabs saw the Soviet Union getting weaker; it was no competition for the United States. The United States kept its prestige by keeping its commitments. US policy in the Persian Gulf had been a great

success. Anyone wishing to see peace initiatives knew there was only one power on which to rely. The United States was the only power that enjoyed the confidence of both sides to the Middle East dispute.

The President said that what worried him was terrorism. We wanted a secure and very strong Israel. He agreed with the Prime Minister's analysis of America's position in the Middle East. Of course, we had no influence with certain Arab states, such as Libya. But the Prime Minister's assessment was correct; he saw the US position as strong. There was also a potential erosion he was concerned about.

Prime Minister Shamir said that the United States was respected by Arabs because of its consistent friendship for Israel. The Arabs knew that if they wanted something from Israel they had to come to the United States, not the Soviet Union. Only the United States could deliver. Therefore, they depended on the United States and respected the United States.

Turning to Lebanon, the Prime Minister said it was an agony and a tragedy. Israel, however, could not help. No one could do anything. We watched without the possibility to help. Even the media were silent. He unfortunately had no proposal to offer.

The President agreed, saying his heart went out to them; he was totally frustrated. He expressed the hope that the two countries could think of something together to do to help.

Prime Minister Shamir said he now wanted to say a word about what was happening in Israel. He knew the President had been impressed, as had the American people, by the violence they had seen on television. The Prime Minister said it was difficult for him too. Israel wanted to stop what was going on; they thought of it day and night. They had to get out of it. They couldn't live with it. They must change it and would do so, with American help.

The Prime Minister said he wanted to say just a word in passing about the PLO. To see the US-PLO dialogue made Israel suffer. Israel would not say anything in public (friends should not do that) but the PLO was the most extreme enemy Israel had. The main reason for worry was that everyone was thinking about their minimum desire -- a Palestinian state. The Prime Minister said his conscience demanded that he say that Israel could not live with a Palestinian state.

The President responded that he had not changed his views on a Palestinian state. He was still opposed. But the United States thought our dialogue with the PLO could be useful for peace. He knew what Shamir thought of Arafat but he thought Arafat had said some good things. Our dialogue with the PLO was not aimed against Israel. Nor should Israel link it with any specific negotiating outcome. We would not be pressing for a Palestinian state in our dialogue. We understood that Israel disagreed with our dialogue, but it should know that we had no intention of ceasing the dialogue. We would continue to discuss the issues and exchange views with the PLO.

Prime Minister Shamir said he wanted to stress his categorical opposition to a Palestinian state. Any support for that would be support for the disappearance of the State of Israel. The Prime Minister then summarized Israel's proposed solutions saying he was prepared to launch an initiative. We needed to move in two directions. There were two Arab countries with whom Israel was in a state of war; this must change. The Camp David agreements were a good basis, and it was necessary to see what had happened since then and where we might go. Second, it was necessary to solve the problem of the refugees and the camps and to improve the quality of life for the people in them. This wouldn't replace a political solution but it would help. It would cost \$1 billion over a decade.

The President asked whether this last step could happen without addressing the political dimension of the problem.

The Prime Minister said it could. The refugees were ready to start tomorrow. The Prime Minister then turned to what he referred to as the steps that he knew would interest the President: Israel would hold discussions with the Palestinians living in Palestine or "Eretz Israel." There was a way to solve this problem.

As for the content of the negotiations, the Prime Minister believed it must be a gradual process. First, there would be interim arrangements for a transitional period. The people would have autonomy except for defense and foreign affairs. This period would provide a test of how Israelis and Palestinians could work and talk together. Then the two sides would talk about permanent status.

The Prime Minister emphasized that he was not for the status quo. The status quo could not last because of the lack of peace. Israel was prepared to negotiate about permanent status without preconditions and without defining the outcome in advance. Israel sought a solution that was acceptable to both sides. It was possible. He wouldn't say it (publicly) because that would kill it. There was a solution consistent with Palestinians' aspirations. But he said, let us accept a negotiation in two steps.

Who would participate, the Prime Minister asked rhetorically? If Egypt and Jordan would participate, that would be fine. But Jordan had problems with this. As a result, Israel's idea was to let the population elect the people with whom Israel could negotiate. The details of elections could be worked out. The local people would accept it with enthusiasm.

Prime Minister Shamir acknowledged that Israel had a conflict with the Palestinians; it was true. It was part of the general problem. Israel thought Palestine belonged to it, Palestinians believed it was theirs. Let's not confront each other but negotiate an outcome. There were problems but the United States could help to achieve this. This was more or less Israel's idea on how to engage. He had discussed this with Secretary Baker.

The President said that Secretary Baker had raised the six points with him. We were anxious to get on with it. Foreign Minister Arens said that Israel would accept the results of elections. But what if the PLO won? The President said he did not want to raise issues in the plenary that the PM preferred not to raise there.

Prime Minister Shamir agreed that he would rather not talk about this subject at this point. He said that Israel first needed to work out the details at home and would then get back in touch. There were many problems, and not just the six questions raised by Secretary Baker. The Prime Minister said that he had a coalition and wanted to work it out first with Israel's two main political parties. He expressed confidence that it "would go OK" but that he had to work it out.

The President expressed his concern that we had lost the high ground on the issue, Israel and the United States, and needed to regain it.

Cabinet Secretary Rubenstein said there was no experience with elections in this region (except for Israel) and that it was like reinventing the wheel.

The President said that he knew that. But he pointed to the recent experience with legislative elections in the Soviet Union -- such as Yeltsin's election -- and he was hopeful.

The President then said he wished to speak to the PM alone about certain issues.

Alone with the Prime Minister, the President said it was important that Israel and the United States avoided surprising one another. In particular, he said that he did not want to learn of an attack by Israel on Syria or Iraq. Second, the President said he wanted to discuss the matter of Israeli settlements. He was greatly upset by the fact that soon after the visit of FM Arens here, Israel went ahead and started up new settlements. If they went ahead with settlements now, the United States could well have no alternative but to support a critical resolution in the UN. This was an issue of great concern to us.

Prime Minister Shamir said that settlements ought not to be such a problem.