MEMORANDUM OF CONVERSATION

SUBJECT: Telephone Conversation with Prime Minister Yitzhak Shamir of Israel (U)

PARTICIPANTS: The President
Prime Minister Shamir
Notetaker: C. David Welch

DATE, TIME, AND PLACE: August 9, 1989, 1:46 p.m. - 2:02 p.m.
The Oval Office

After an exchange of greetings and pleasantries, Prime Minister Shamir mentioned that he had sent a letter to the President through Ambassador Brown. Prime Minister Shamir said that he wanted to have this personal conversation to explain Israel's position better. (♀)

Prime Minister Shamir expressed his admiration of the President's handling of the hostage crisis and his respect for the President's concern for the families of the hostages. PM Shamir said that he was aware of the pain of this problem and of the enormous burden on the President's shoulders. He repeated his admiration for how the President was handling the situation. (♀)

The only reason for Israel's operation, PM Shamir continued, was the "sacred principle" of a small nation that must struggle all the time. It was necessary to show the nation that Israel protected its soldiers, Shamir added. (♀)

Prime Minister Shamir concluded by saying that he thought that the result of this operation would be positive and would bring the successful release of all the hostages, "because of your brilliant diplomacy." (♀)

The President replied that he was a little less optimistic and that he did not know how serious Iran was. The President said that he had told a recent press conference that he didn't want to miss any signals. He said that he was interested in Shamir's thought that it would all turn out positively. The President noted that the United States was upset now, as much as it had ever been in the history of this problem. The American people are unified and deeply concerned. A release would be very good, the President concluded. (♀)
Prime Minister Shamir thanked the President for this "optimistic note." Only America can achieve it, he continued. Thank God for the United States, Shamir said. (U)

The President offered to tell Shamir what we had been trying to do. He noted that we had heard some very interesting signals from Iran. Rafsanjani's position was far from certain, since certain elements are opposed to him. As for the Syrians, the President continued, we don't know that they were involved in the hostage matter, but it was clear that they were not doing anything. The President mentioned that he had been in touch with the Soviets, the ICRC, and the United Nations Secretary General. (C)

Noting that he had heard of the death of an Israeli soldier in a recent terrorist incident, the President said that people all over the world shared a revulsion at this sort of brutality. (U)

Continuing, the President stated that the United States and Israel had experienced some difficulties in communication between ourselves and that he did not want there to be any differences in the period ahead. The President referred to the meeting between NSC Advisor Brent Scowcroft and Israeli Ambassador Moshe Arad; this meeting cleared the air and we wanted to continue along those lines. (C)

Prime Minister Shamir replied that Israel would keep the United States informed and would stay in close touch. He said they would pray for your success and for all of us. PM Shamir expressed his hope that "our connection" would continued to be strong. (C)

The President said that Shamir should have no doubt regarding the strength of U.S. support for Israel and for the U.S.-Israeli relationship. He urged that we take each other into confidence so that there were no disconnects. The relationship should be a two-way street. (C)

Prime Minister Shamir responded that he was happy to hear the President's views. There were no doubts about the friendly feelings and great friendship between us. Israel relied on the United States. The Soviets have told Israel that the USSR was ready to do something, but Israel relied on the United States, PM Shamir stated. (C)

If the USSR could be helpful, that would not bother us, the President said. He had no reservations about their help and Israel trying to improve relations with them. It was not our business (to tell Israel how to respond), but if the Soviets could help, then the United States would not object. However, the President said that so far he had not seen any results from the Soviets. (C)
Prime Minister Shamir replied that the Soviets' "great interest" was to be involved, but they did not demonstrate any readiness to do something. (C)

The President raised the peace process, expressing his hope that some moderate Palestinians would come forward to address the Israeli government's peace initiative. He noted that the United States was trying to encourage this. (C)

Prime Minister Shamir said that the United States and Israel shared the same views and sentiments about looking for moderate Palestinian elements. Peace was Israel's great dream. Returning to the hostages issue, PM Shamir stated that with combined efforts we would achieve our goal. (C)

The President asked if Israel's POW's were still alive. (C)

Prime Minister Shamir replied that he did not know. We thought one was still alive, he said, but we did not know about the others. Israel wanted some sign of life. If negotiations were to begin, then this sign of life was the necessary first step. There was no reason to give anything for someone not alive. (C)

The President mentioned his interest in recovering Higgins' body. (C)

PM Shamir expressed his condolences for the death of Higgins. (U)

The President thanked PM Shamir for taking the initiative to call. He said that he was glad he had done so and that he should continue to feel free to call anytime. (U)

After parting pleasantries, the conversation concluded. (U)