

THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Prime Minister Shamir of Israel
(U)

PARTICIPANTS: The President
Richard Haass (Notetaker)

Yitzhak Shamir, Israeli Prime Minister
Yosi Ben Aharon, Advisor to the Prime
Minister

DATE, TIME November 15, 1989, 1:20 p.m. - 1:30 p.m.,
AND PLACE: Oval Office

Prime Minister Shamir: Mr. President, it is very important to clarify misunderstandings if indeed there are any. I am aware that there has been some misunderstanding regarding settlements. I would like to explain. When the current coalition government was formed, all parties to it agreed to establish eight settlements. We respect this agreement, and have implemented it without celebration or much noise. What I want to explain is that we are committed to establishing these eight settlements in this first year of the coalition government. Now, some ten months into this year, we have established the first five. In these five, there is a total of 43 huts. As you can see, this is hardly a great matter. We are doing what we need to do without making any special effort. We have received no complaints from the Arab side. It is not an important matter. Nor is it an obstacle to the peace process we are trying to advance. (Ø)

The President: You and I had a frank discussion alone on this. I tried to be clear that U.S. policy is to discourage settlements. This is not new with this Administration. Settlements are unacceptable to us. We are aware of your position and the difference between us. What I want to do is get out on the table the strains in our relationship. This is a relationship that is important to us because of our own interests. But this new settlement that you have announced puts me in a difficult and embarrassed position. I owe you my frankness here. I know the Secretary of State raised this too. What I don't understand is why just before coming here you would confront me with this embarrassment. (Ø)

Prime Minister Shamir: This is the third of eight settlements decided upon some six months ago. What was decided now by the government was to change the location. There is no new settlement. (Ø)

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The President: But why does it have to happen now? This all puts me in an embarrassing position with the press and the American people. I can't say to them that we in any way acquiesce. I cite this as an example of what bothers us about our relationship. I want us to be able to speak frankly so that the relationship may improve. (Ø)

Prime Minister Shamir: You can tell your people that this settlement is only one of eight and that it is nothing new other than a changed location. (Ø)

The President: I take your point, but the world will see it as your staking a flag, creating a fait accompli. It leaves a bad impression. I am glad you raised the subject though. It has exacerbated the difficulties that face us both. (Ø)

Prime Minister Shamir: We have a difference in our view as regards the fate of the territories. We don't want to make difficulties for you, however. We are convinced that we can work together in the peace process and reach a permanent solution. This is feasible and possible if for now we put aside what is our desired bottom line. (Ø)