

THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

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

PARTICIPANTS: The President
The Vice President
James A. Baker, Secretary of State
John H. Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President
for National Security Affairs
Robert M. Gates, Assistant to the President
and Deputy for National Security Affairs
John Kelly, Assistant Secretary, Near East
and South Asian Affairs, Department of
State
Dennis Ross, Director, Policy Planning Staff
William Brown, U.S. Ambassador to Israel
Richard N. Haass, NSC (Notetaker)

Yitzhak Shamir, Israeli Prime Minister
Eli Rubenstein, Secretary to the Israeli
Cabinet
Moshe Arad, Israeli Ambassador to the U.S.
Oded Eran, Deputy Chief of Mission
Yosi Ben Aharon, Advisor to the Prime
Minister
BG Azriel, Military Adviser to PM Shamir

DATE, TIME AND PLACE: November 15, 1989, 1:30 p.m. - 2:20 p.m.,
Cabinet Room

The President: Welcome to the White House. The Prime Minister and I had a chance to go over a matter where we disagree. I am talking about settlements. He explained his point of view; I explained mine. I will simply repeat that the recent announcement by the Government of Israel (despite what the Prime Minister told me) causes me problems and puts me in an embarrassing position personally. There is no point in fencing around when we do disagree as we do here. If it is acceptable to you, what I would like to do is explain frankly to you where I see tensions and differences between us, and then invite you to do the same. (Z)

As President, I see a strong relationship with Israel as good for the United States. It is my job to ask what is in the national interest of the United States. A strong relationship with Israel is in our interest. We all agree, as I know you do. We start

from a common base, but the relationship has gotten off the track. I would like to do something not normally done at diplomatic meetings such as this. We are not at some crossroads, but I do want you to hear my personal assessment of where things stand. I want this visit to be characterized as a success. I hope that what I have to say will be taken as intended. A strong relationship is in the interests of both countries. (Ø)

Prime Minister Shamir: I fully accept the principle that relations must be strong and friendly. This is in the interests of both countries. We are a loyal ally of the United States who will stand with you in good times and bad times. This doesn't mean that we don't have differences from time to time. But despite these differences, we will try to keep and develop this relationship. As for settlements, this is an important matter for Israel. It is a subject where there are differences. It is tied to the ultimate or permanent solution of the conflict between Israel and her Arab neighbors. But we believe that despite any differences we can and must work together on the peace process. One day, we will reach a permanent solution. We are therefore interested in working together to implement the peace initiative we are supporting. Settlements are only a detail. If we are right that the territory belongs to us, there will be Israeli centers of population. If the Arabs are right, settlements won't change the political or legal situation. The difference between us is not one created by the Bush Administration. We need though to minimize it and not allow it to become an obstacle to the overall relationship. (Ø)

The President: I just want to make our position clear. I was embarrassed by the timing of your announcement. If any settlements are used for Soviet Jews, it will put us in an extremely difficult position and limit sharply our ability to facilitate their resettlement. We are trying to help promote your elections plan with others, but they see settlements as a de facto situation on the ground that makes it harder for them to work with us to facilitate a peace process. I have not changed my views on this. What we have is a direct confrontation of views on something we both feel strongly about. I want to put this front and center. Your policy on settlements is causing us problems. I will make this clear when I respond to press questions on this. As for the peace process, we are together in this Administration. There are no divisions. Our goal is to try to move the Israeli plan forward. No one will try an end run regarding the PLO or the agenda or conditions. Secretary Baker was very open on this. I know there is tension, but it is important for our relationship that we get all this on the table. (Ø)

Secretary Baker: We spent most of two hours on the peace process. We understand where one another stands. (U)

Prime Minister Shamir: We discussed the philosophy of our activity as well as the details. There are no essential differences between us. You and we are awaiting the Egyptian

response to advance the discussion and pave the way for the first meeting between Israel and a Palestinian group to discuss the modalities of elections. This is a necessary first step but one that is very important. After this there will be additional obstacles. It will require that we work hard as we go to interim arrangements and permanent solution. I am grateful to the President and the Secretary of State for giving so much of their time and energy to accomplish this. I know you have other issues to worry about, many of which are for you more important. But for us peace in the Middle East is first on our agenda. (Ø)

The President: Thank you. Let me list three or four things that have diminished support for Israel in this country, especially among young people. I do so in the spirit of frankness. (Ø)

I understand that you have the feeling that we are attuned more to Labor. This is not so. We had a closeness to Labor when it was in charge as regards such issues as settlements and an international conference. But that doesn't mean that we are interested in dealing with Labor and not you. I want to clear the air here. I have heard this from respected Jewish-Americans, but it is not true. It is possible that on some issues that our position is closer to Labor's, but we are in no way trying to get involved much less interfere in your politics. I have enough trouble here at home without trying to get involved in your business. (Ø)

Let me turn to something I am seeing in American public opinion. What I am saying is subjective, although there may be polls to support it. The automatic or reflexive sympathy for Israeli is diminishing here. Whatever the reason, the use of force and violence associated with the intifada -- the detentions, home demolitions, school closings -- (and despite the need to keep order) are having an impact. Again, reflexive support for Israeli here is diminishing. (Ø)

South Africa is another matter. We have an arms length relationship with South Africa and will continue to until they get rid of apartheid. What you are doing tends to undermine the blanket support you once enjoyed here. I hope there will be visible manifestations of a change in your policy here. (Ø)

Another issue that caused us problems was Sheikh Obeid. We were blindsided. Some Americans said that Israel knew Higgins was dead but didn't tell us. And if you didn't know, they are wondering why you did what you did. I cannot contain my emotions on this. I am trying to sort out our problems, and this is still one. These are the main issues I wanted to raise. On the peace process, we have known differences, and it is up to Jim Baker and Foreign Minister Arens to try. If Israel is perceived as unwilling to go forward on its own plan it will undermine the relationship. If there are just tactical differences, it need not undermine the relationship. What would undermine our ties would be if Israel is seen as stepping away from its own plan because of internal forces. Here though we seem to be moving in

the right direction. The basic question though is how to we build back an automatic approval for Israel that is being eroded. I invite you to be equally frank. (Ø)

Prime Minister Shamir: I thank you Mr. President for your frankness. It can help strengthen the friendly relationship that we have had and still do. No one in Israel doubts our close tie with the United States. I will try to answer the questions you have raised. (Ø)

As for charges that the U.S. Government prefers Labor, I know no one in Likud who claims this. I never dreamt of it. It is nonsense. The only differences with us involve the terms for a permanent solution. (Ø)

Regarding the intifada, it is a painful problem that we have to deal with. We have to defend our civilians and soldiers while sparing human life and not causing too much suffering and loss of life. The Israeli army has precise orders not to shoot except in emergencies. But a soldier knows how to use arms, not refrain from doing so. We try to protect human lives, including Arab lives. But it is reality that Palestinian Arabs are being killed by other Palestinian Arabs who are terrorists. We know that those who view the violence on television are not pleased. It is a tragedy. An aim of our peace initiative is to put an end to these confrontations. We are doing our utmost to reduce the use of force, but sometimes we must use violence to fight violence. You know the Defense Minister. He is someone who tries to be strong and just at the same time. (Ø)

As for South Africa, you know we strongly oppose apartheid. We have some links, mainly because of the large Jewish community there. Since 1987 we have decided to reduce our ties. We have done so, except for those contracts in force. We decided to implement them but not make new ones. This cooperation will come to an end in a few years and the problem will disappear. (Ø)

Regarding Sheikh Obeid, one feature of living in the Middle East is that one must deal with terrorists and violence. In this case it was our thought that by taking this man of violence we would gain the release of kidnapped people, Israelis and non-Israelis alike. Unfortunately, so far this has not happened. As for Colonel Higgins, our assessment was that he was not alive when we acted. This issue falls in the realm of defense. It is part of Israel's security problem on its borders, particularly our northern one. In Lebanon, Israel has no territorial ambitions. We want a free and independent Lebanon. We will be happy when Israel can withdraw its few hundred soldiers. I don't know if our presence there helps the new President, but we hope our presence comes to an end. (Ø)

As for the peace process, we have explained to you that we are fully committed to our peace initiative. We will do everything possible to make this a reality. We are grateful to the United States for its efforts to facilitate the implementation of our

initiative. We are willing and happy to work with you, but it is normal that there will be various points of view and positions. But in principle we are working along the same lines. We know how to work together. We agree with the philosophy as articulated by the Secretary of State. We cannot foresee any difficulty. (S)

Secretary Baker: What I said was that we need to move without putting forward a bottom line, something that would prove to be a "deal-breaker" at this point. (S)

Prime Minister Shamir: As for the future of our relationship, I would like to compliment you on the victory of the free world. In Eastern Europe there is a huge victory for the free world. This would not have happened without U.S. strength. (U)

The President: It could come to be that these changes will make it possible for you to establish new relationships. (S)

Prime Minister Shamir: We already have normal relations with Hungary, and soon should have with Poland. Other possibilities are the GDR, Czechoslovakia and Bulgaria. What has happened is a great victory without bloodshed. (S)

The President: We will try at Malta to facilitate change. I am glad that we have had this talk. I wanted to clear the air. I don't like tensions. I am relieved to hear you do not think we are playing "footsie" with Labor. There is the perception here that you are having great problems with those who are less forthcoming vis-a-vis the peace process in your own party. We want to move the peace process forward, but we do not want to dictate. We want to help. Forward motion on this would be the best way to eliminate difficulties in our own relationship. It would improve the public perception of Israel in the United States. We can't change this perception, but we can help the peace process which in turn will ease the intifada. Time should help take care of tensions relating to Obeid. South Africa we've discussed. Our objective is to move the peace process forward. If it can be seen that Prime Minister Shamir wants to advance the peace process, this will reduce tensions in the bilateral relationship. (S)

Eli Rubenstein: What has been lacking in this exchange is any mention of the real affinity that Israelis feel for the United States. If there is a crisis, Israel will be the one friend of the United States in the Middle East. There is no anti-Americanism in Israel. To the contrary: Likud and Labor compete as to who likes America more. (S)

The President: I agree with what you say. (U)

Secretary Baker: You are correct. There exists a gut feeling here of support for and concern for Israel. But what the President is saying is that we risk losing the battle for public opinion. For example, just the fact that we now have to respond

to questions about whether we are pressing you on human rights reflects a change in the atmosphere. (S)

The President: To end on a positive note, I believe that if we can move forward on the peace process it will help with the public view of Israel and the overall relationship. I am glad we could have this frank talk. (S)