

THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Defense Minister Yitzhak Rabin of Israel

PARTICIPANTS: Brent Scowcroft, Assistant to the President for National Security Affairs
Richard N. Haass, Senior Director for Near East and South Asian Affairs, NSC staff
C. David Welch, Director for Near East and South Asian Affairs, NSC staff (Notetaker)

Yitzhak Rabin, Israeli Defense Minister
Moshe Arad, Israeli Ambassador to the U.S.
Oded Eran, Minister, Israeli Embassy
Avraham Ben Shoshan, Defense Attache
BG Yekutiel Mor, Military Secretary

DATE, TIME January 17, 1990, 3:05 p.m. - 3:30 p.m.
AND PLACE: General Scowcroft's Office

Defense Minister Rabin: There are four points to be dealt with on the peace process: (S)

- First, there is the question of the composition of the Palestinian delegation. I am not aware of agreement even between the Palestinians and the Egyptians. No wisdom has been proposed so far. (S)
- Second, there is the issue of the agenda (for the dialogue). Should it be real, leading to practical results? If it deals with the major issues, it will lead nowhere. (S)
- Third, who is to announce the Palestinian delegation and what they are coming for? (S)
- Fourth, who are the other participants in the talks? (S)

Assurances are not really the focus now. After all, assurances were a U.S. idea. (S)

Dr. Haass: You didn't have to take us up on this idea. (S)

Defense Minister Rabin: We gave a positive response to the Baker five points and we are ready for a tripartite meeting. We hope to work out the details so this can proceed. (S)

General Scowcroft: I hope so too -- I am getting pessimistic. (S)

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Defense Minister Rabin: There is a realization in the Territories that the attention of the world has shifted to Eastern Europe and the Soviet Union, and that they need to recapture the headlines. They are deadlocked in their effort. Romania beat out Desmond Tutu in Beit Sahour when TV crews covering this event were ordered to go immediately to Romania. All this has increased internal tension. 132 Palestinians were killed by fellow Palestinians in 1989. This is not controlled by any authority; it is controlled by locals. Arafat can't control it, although he agrees with it in principle, but under the right authority -- and everyone can interpret that. A second problem I am here to discuss is the set of issues related to the continuation of various programs that I will discuss with Secretary Cheney. This general situation, plus specific problems like the Arrow ATBM, are under discussion between DOD and Israel. (S)

General Scowcroft: Let me say a couple of words about that in general. We face serious budget problems, for the defense budget in general but also special problems like Panama, whose economy we have been destroying for two years. Plus there are the pressing needs in Eastern Europe. It is fair to say -- and I don't know the specifics of bilateral programs -- but they are going to be squeezed. These changes are related to our budget problems; do not misinterpret them. Strategic cooperation in general terms may be a less critical area in view of the changes in the Soviet Union. Regarding Dole's statement, we are sympathetic with the part that the President ought to have flexibility to administer this part of the foreign aid account. The President doesn't like earmarking. I hope you understand how serious our situation is -- I just came from a meeting where we discussed how to find several hundred million dollars for Panama. (S)

Defense Minister Rabin: We supported your action in Panama. We derived satisfaction from your exercise of the justified use of force. When you do it 500 miles from the United States, we hope you will see how we are justified in doing it three miles from Jerusalem. (S)

General Scowcroft: I don't know that you need our action to justify yours. (S)

Defense Minister Rabin: And you see that there are civilian casualties -- it's not always just the bad guys who get killed. (S)

Dr. Haass: Mr. Minister, I would like you to know that we took Israeli interests into account before we acted in Panama. (S)

Defense Minister Rabin: The flow of Soviet arms continues to the Middle East. Whereas the Europeans are not doing enough to help you in Eastern Europe, when we come for aid we come with a clear conscience -- 10% of our GNP and three years of national service for every Israeli is our price for defense. If there has been a reduction in tension in Eastern Europe, it hasn't happened in the

Middle East, where the Soviets are not directly involved but work through proxies. A second point is that today there is a unique opportunity because of the Jews coming from the Soviet Union. (S)

Much depends on how they are absorbed. The Territories are not the issue; how they are absorbed is the issue. We will have a new system of freedom of choice so that they can go wherever they want, and this will be mainly to the populated areas. (S)

General Scowcroft: How is the prospect of more emigration being received? (S)

Defense Minister Rabin: There are some problems. The amount of aid to a newcomer is greater than to a youngster after his military service and greater than for those who came ten years ago and still have no housing. It is also related to those who come from Europe and those who come from Islamic countries. We are therefore increasing our budget to \$500-600 million for housing and absorption, not only for newcomers but also for others too. I know what you have offered Egypt in the way of surplus military equipment. The Soviets will offer even more and at lower prices. Nothing will be more welcome in the Arab world. We have to cope with a two-fold problem: the balance of power; and the refugees. (S)

General Scowcroft: Last time you were here we discussed Lebanon. You were apprehensive. What is your feeling about the situation now? (S)

Defense Minister Rabin: There is a continuation of the process of disintegration. Even the divisions of Iran's parliament are reflected in Lebanon, where the Shia community is divided. Witness the fighting in the Iqlim, with Hizballah trying to move south. The readiness of Syrian forces there has gone up. There is a stalemate that no one knows how it will end. I think the Syrian rapprochement with Egypt is designed to give Syria more freedom of action and as a signal to Iraq. Mubarak wants to be a peacemaker between Asad and Arafat. In the longer term, there is the question of Jordanian stability. (S)

General Scowcroft: King Hussein seems very worried about the course of events in the area. He is not in a good mood. He is troubled by the rise in fundamentalism everywhere. (S)

Defense Minister Rabin: The parliamentary election results were a surprise. Their GID (General Intelligence Directorate) chief, General Tariq (ala ad-Din) was fired, along with 16 other brigadier generals, because of the failure to predict what happened. I see changes in the Soviet Union and Eastern Europe, but no changes in the Middle East. On the one hand, we respond by pursuing the peace process; on the other, without Israeli strength there will be no peace process. (S)

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General Scowcroft: King Hussein told us that the elections were worthwhile in any case, despite the results. (S)

Defense Minister Rabin: King Hussein will have to bear with his problems. All that has gone on with Israel and the United States in the framework of strategic cooperation will continue. It is the assurance for us to take risks for peace. (S)

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