MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telephone Conversation with Prime Minister Shamir of Israel

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

DATE, TIME AND PLACE: February 22, 1990; 10:30 - 10:50 a.m. EST  
The Oval Office

Prime Minister Shamir initiated the call to The President. (P)

The President: Hello, my friend, it's good to hear your voice. (U)

Prime Minister Shamir: Thank you, Mr. President. I'm excited to hear your voice. (U)

The President: We salute you for your strong display of leadership at the recent meeting (of the Likud Central Committee). (P)

Prime Minister Shamir: I wanted to thank you for raising with the Soviets the issues of Jewish emigration, direct flights, anti-Semitism, and establishment of diplomatic relations. We are truly very grateful. Secondly, I wanted to tell you personally what I have been saying publicly several times -- we are not sending these people to any specific place and particularly not to the territories. They have a free choice where they go. Very few are going to such places. I am very upset at the Arab campaign against this immigration on this basis. It is only a pretext, Mr. President, only a pretext. Many Arabs are against any Jews coming to our country. This has us very upset. We know your views and we will not do anything that you don't want. I know your attitude toward settlements. But these people are going to big cities and the center of the country. (P)

The President: I appreciate that representation and your gratitude about our weighing in with the Soviets. I have talked with Jim Baker after his trip and he has had direct talks with the Soviets on the four questions you listed. I don't know if I can offer you any hope on these matters, but I want you to know that we weighed in strongly and they know our views. (P)

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The President: Regarding the West Bank and settlements, I appreciate what you have said. Our policy is clear: we oppose any and all settlement activity in the territories occupied by Israel in 1967. Our problem now is that legislation is coming up on the Hill (concerning U.S. assistance to the resettlement of Soviet Jews). Unless we get assurances that settlement has been curbed we are in a direct dilemma since such assistance would conflict with our policy. I cannot accept legislation in Congress that would conflict with our policy. If you could end direct and indirect support for settlement activity, then we could support the initiative on the Hill. If you don't make as clear a statement as possible, then I'm going to face a problem with the Hill. 

Prime Minister Shamir: Thank you for so many efforts you have made on these issues with the Soviet Union. You know that the immigration is the main issue here; we are all thinking about it and working very hard on it. All of us are devoted to it. But we make a clear distinction between the immigration and settlements -- there is no relation between the two. We are not sending these people to settlements. Regarding the legal situation -- I know it was studied before and was a point in the past. If someone says it's (settlement) illegal, I don't know if it will help. We are doing very little anyway on these subjects; we don't have the resources. We are instead concentrating on the immigration. I repeat that we will do nothing against your will. Legally, it is not a simple matter for me to do something.

The President: A cessation of the incentives and subsidies (to settlement activity) would help here, so that your policy would not fly in the face of our policy. Is Arens coming to see Baker?

Prime Minister Shamir: Yes, Mr. President, he will be seeing him on Friday.

The President: Well, then I will let Jim know of your call. Please take a look at the incentives and subsidies -- a statement on your part would clear the way for us to look at support for immigration overall.

Prime Minister Shamir: Mr. President, there are, I assure you, no subsidies for people going to these places. All immigrants get the same amount; there is no special encouragement for them to go anywhere. It does not exist.

The President: Let's let our foreign ministers discuss this in more depth. That is our hang-up with this question. But I want you to know that it will not interfere with our representations to the Soviets. I hope we can iron this out.

Prime Minister Shamir: I am ready to send you a letter if you like, repeating what I have said.
The President: That will not be necessary, but Jim and Moshe Arens should discuss this. Anything you can do on the incentives and subsidies would be helpful. (§)

Prime Minister Shamir: They will do it. (U)

The President: Regarding the peace process, what I like to call the Shamir plan, I believe we are at the point where we must either go forward or fall backward. We have worked with you to protect your key concerns, such as the PLO issue, an advanced agenda, and who will be there. I think it is time to get our three foreign ministers together and convene the Israeli and Palestinian delegations. I think we should get on with it. Given your magnificent victory -- I know this is your internal affair -- we should be able to go forward now. (§)

Prime Minister Shamir: I hope Baker and Arens will have a successful talk. Thanks for your concern with my internal difficulties. My hope is to move forward with the initiative, the Shamir initiative, because we want to see the peace process move forward. (§)

The President: The TV pictures of the meeting made a powerful impression on the American people. It was a strong message, strong politics, your taking a principled stand. Now is the time to go forward. Jim and Arens can discuss this tomorrow. (U)

Prime Minister Shamir: Thank you for your concern with my problems within my constituency. We struggle on for our ideals -- this is politics, what happened. (U)

The President: What should we say to the press about our call? Can I say that it was constructive? (U)

Prime Minister Shamir: I will say that it was constructive and helpful, that I expressed our gratitude for your efforts on the Soviet Jewish emigration, and that I clarified that it (the immigration of Soviet Jews) has nothing to do with settlements. (U)

The President: Can I say that I congratulated you on your political stand, or is it better to remain silent on the internal matters? (§)

Prime Minister Shamir: It is better not to say anything. Good intentions are unfortunately not enough. I prefer not to mention internal political problems here. (§)

The President: We will continue to work on the Soviets, we won't lighten up. (§)

Prime Minister Shamir: Thank you. I hope the talks between Baker and Arens go well. (U)
The President: Let me ask you -- are you concerned about the rise in anti-Semitism in Eastern Europe? (S)

Prime Minister Shamir: I am concerned, but I think we should not exaggerate this. We should not think that people are going to start killing people tomorrow. We must make efforts to get the people out. (S)

The President: Well, we can continue to speak out and make our concerns known. We handed over examples of anti-Semitic material to the top Soviet leadership. (S)

Prime Minister Shamir: The U.S. voice on this issue is loud and is heard. If you say it is important then people will listen. We thank you very much. I am very glad for this phone call. (U)

The President: I am also very glad to have spoken to you. Good-bye. (U)