Nou 22, 1991

THE WHITE HOUSE

SECRET

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Memorandum of Conversation between Prime Minister Shamir and President Bush (U)

PARTICIPANTS:

The President James A. Baker, III, Secretary of State Brent Scowcroft, Assistant to the President for National Security Affairs.

Yitzak Shamir, Israeli Prime Minister Zalman Shoval, Israeli Ambassador to U.S.

President Bush and Prime Minister Shamir met at 9:00 a.m. in the Oval Office. (U)

The President: I have great respect for your leadership and for your decision to go to Madrid. It turned out to be a very good thing. I hope we can bring it to a long sought conclusion. I told Jewish leaders that the security of Israel is foremost in our minds. I have no doubt about it. I would welcome any comments you might have. (C)

<u>Prime Minister Shamir</u>: Thank you for inviting me. Madrid was a clear success. It was achieved thanks to our initiative and the efforts of Secretary Baker, but I am not happy about the decision to move the talks to Washington despite my presence here. \mathcal{AC}

The President: Why? (U)

<u>Prime Minister Shamir</u>: They won't be free to come and negotiate. The Arab perception is that the U.S. President and government support their position, so they like Washington, not to negotiate with us but to work on you and the American people. We want negotiations without any effort by you in the negotiations. *L*CT

The President: I am not intimately involved but it is my understanding that the Arabs don't like Washington. They want Madrid. I think they will worry about Washington and the traditional U.S.-Israeli relationship. I am not sure your analysis is right.

<u>Prime Minister Shamir</u>: It is not a fact, but they are sure about that perception. There are many questions, like Jerusalem, etc., we will seek agreement to and there are differences with the U.S. -- and they will anticipate U.S. pressure. (2)

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The President: It just won't happen. We have said we won't use pressure. I just think you are wrong about Arab reactions. They like Madrid. (e)

<u>Prime Minister Shamir</u>: Madrid is too far away. Cyprus would be convenient to both. To send our best people to Washington would take them away for weeks or months. I am personally upset because it happened during my presence here and was sent to my government. (C)

<u>Secretary Baker</u>: Let me explain. It was me, not the President, although he knew. As you know, I was going to put Washington in my speech and you asked me to take it out. You all couldn't reach agreement. I was going to invite but time was running out and your people said don't do it before you got home, so I waited until you got here. What is it? \mathcal{LC}

<u>Prime Minister Shamir</u>: I wanted to discuss it with my government. (2)

Secretary Baker: I did discuss it with them. (U)

The President: What is wrong with Cyprus? (C)

[What follows is a long and complicated discussion on what happened with the Cyprus possibility.]

<u>Secretary Baker</u>: The Prime Minister is right that the Arabs want us to play the middleman. We don't want to do that. But we could not get agreement on venue from all the parties. We bent over backwards with you. If you don't want to come, don't come. \mathcal{M}

<u>Prime Minister Shamir</u>: I hoped to discuss this with the President. I have nothing personal against you, but we won't be able to agree here. It would help if we could say we would go to the area after one or two meetings in Washington. (2)

<u>Secretary Baker</u>: I could say publicly that after some time we would support running the talks in the region, thus supporting Israel's position. (C)

<u>Prime Minister Shamir</u>: The fact is the Arabs don't want to talk with us, but with the co-sponsors. (C)

<u>The President</u>: The thing you may be misjudging is that the Arabs may think Washington is more hospitable for Israel than the Arabs. (2)

<u>Prime Minister Shamir</u>: Not so, they think the U.S. has decided to change its policy towards Israel and support the Arabs. (C)

<u>The President</u>: If they think that . . . but it certainly is not true. (\mathcal{C})

<u>Secretary Baker</u>: We have been faithful to Israel's needs. We have bent over backwards. We have made it quite clear we won't and can't deliver Israel and that we do not support an independent Palestinian state. What more can we do? (C)

<u>Prime Minister Shamir</u>: If you could say we would move to the region after one or two meetings. (2)

<u>Secretary Baker</u>: I don't think I can be that specific. Let's get the talks rooted first and then try to move. After a certain period we might be able to move to Switzerland or to Cyprus, but if you lock yourself in you might $\ldots \ldots + C$

The President: Are you worried about outside pressure? (U)

<u>Secretary Baker</u>: He is worried about you and me being honest. (\mathcal{Q})

<u>Prime Minister Shamir</u>: I will be honest. We worry about the media and the Arabs who will come to talk to you and not to us.

<u>Secretary Baker</u>: We won't even be in the room -- and it is not at the Ministerial level. (e)

Prime Minister Shamir: All the same . . . (U)

<u>The President</u>: We had better leave it here. I hope you will be able to come and the Arabs too. \mathcal{AC}

<u>Secretary Baker</u>: Why don't you get approval from your government for two meetings and then we will move it as soon as possible?

Prime Minister Shamir: You said that was unacceptable. (C)

<u>Secretary Baker</u>: You would commit to not more than two meetings, then we will seek to move it. (P)

Prime Minister Shamir: How long are you thinking about? (U)

<u>Secretary Baker</u>: Until there is movement. If there are only one or two meetings they won't come here to negotiate but to decide where to go next. (c)

<u>Prime Minister Shamir</u>: If it is agreed that after two meetings the talks will move elsewhere, we won't talk about venue. Let

<u>Secretary Baker</u>: If this is just a quick meeting, they won't come to negotiate. (C)

<u>Prime Minister Shamir</u>: My view is that they will not come to negotiate anyway but to talk to you to put pressure on us. (S)

<u>Secretary Baker</u>: Test them at the table, but give us a little running room. If we could have four meetings and then Cyprus, wouldn't that be better than two meetings and no agreement? (C)

<u>Prime Minister Shamir</u>: Yes, but you are leaving it too openended. It is impossible for us to send our people here for a long time. It will prolong negotiations this way. (C)

<u>Secretary Baker</u>: But if we put a time limit, all we will talk about is the next meeting.

Ambassador Shoval: If it is vague it will be even worse. (U)

<u>Prime Minister Shamir</u>: If you will agree to two meetings, then we will agree to talk--not about venue but only substance. (C)

<u>Secretary Baker</u>: You'll say I will only come for two meetings?

Prime Minister Shamir: I won't say anything if we agree. (C)

Secretary Baker: But we need some flexibility. (U)

The President: How do we leave this? (U)

<u>Secretary Baker</u>: We have sent invitations to everyone last night. (C)

The President: But we haven't heard back. (e)

<u>Secretary Baker</u>: No. The only issue is whether we put a specific limit on number. We <u>will</u> propose it at some point -- moving to the region. The questions is when we propose it. Let

<u>Prime Minister Shamir</u>: You are forcing us to accept something we are not willing to accept. It is not good when we start out with such disagreements. (8)

<u>Secretary Baker</u>: I agree with that but we are putting a lot on the Arabs. We couldn't get agreement, so what could we do? We can make sure we won't dictate but simply provide for direct talks. (2)

Prime Minister Shamir: I have a feeling that something has to be worked out. Let

The President: Maybe we got a little closer today. Have you said you have to bring it before the cabinet? (C)

<u>Prime Minister Shamir</u>: I have to do that. I hope to be able to recommend approval, but I am not in that position. (C)

Secretary Baker: Whatever the Prime Minster wants he can get. The Cabinet can condition it all they want. You get them to the region by giving them enough involvement in the talks that they will accept going to the region. (S)

<u>Prime Minister Shamir</u>: If we can agree to a specific limit of one or two meetings, I can recommend acceptance, but without a specific limit. . . . (G)

<u>Secretary Baker</u>: Suppose we could get them to go to a new venue after a time? That is better than here. Let

Prime Minister Shamir: That is better, but does not depend on you. (U)

<u>Secretary Baker</u>: We can't get it to Switzerland after only one or two meetings. *HC*

<u>Prime Minister Shamir</u>: The process is complicated and the beginning is always the most complicated. (C)

<u>The President</u>: We don't want this to appear to be a very difficult meeting. There are too many of these. We will salute your leadership and your willingness to move forward on talks. \mathcal{M}