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FROM TEL AVIV 291112Z JAN 83

TO PRIORITY FCO

TELNO 30 OF 23 JANUARY 1983

INFO BEIRUT, AMMAN, CAIRO, DAMASCUS, JEDDA, WASHINGTON, UKMIS
NEW YORK AND MODUK.

INFO SAVING PARIS AND ROME.

MY TELNO 24: ISRAEL/LEBANON

1. WITH NEGOTIATIONS FOR WITHDRAWAL LOOKING DEADLOCKED ALMOST BEFORE THEY HAVE GOT OFF THE GROUND, IT MAY BE USEFUL TO TRY AND ASSESS WHERE THE ISRAELIS STAND.

2. WE KNOW THAT ISRAEL IS PUTTING FORWARD A NUMBER OF CONDITIONS WHICH THE LEBANESE AND ALSO THE AMERICANS FIND UNREASONABLE. IN ESSENCE THE ISRAELI CASE IS THAT SECURITY IN SOUTHERN LEBANON SHOULD BE LEFT TO HADDAD'S FORCES BACKED BY A SMALL IDF RESIDUAL PRESENCE. NO ROLE IS SEEN FOR UNIFIL OR THE MFO IN THE PROPOSED 45 KM SECURITY ZONE SEMICOLON RECENT EXPERIENCE OF THE MFO'S INABILITY TO PREVENT SOME PLO FILTERING BACK NEAR BEIRUT IS ADDUCED IN SUPPORT. THE ISRAELIS ARE FURTHER INSISTING ON A POINT-BY-POINT COMMITMENT IN WRITING FROM THE LEBANESE ABOUT NORMALISING RELATIONS.

3. ON THE FACE OF IT, THESE DEMANDS CONFLICT WITH THE GENERAL MOOD IN ISRAEL OF WISHING TO SEE THE ARMY BROUGHT HOME FROM LEBANON, WHICH IS INCREASINGLY SEEN AS AN UNREWARDING PLACE FOR THE IDF TO BE STUCK IN. BUT THIS MOOD DOES NOT EXTEND TO WITHDRAWAL AT ALL COSTS, ONLY IF NORTHERN ISRAEL CAN CONTINUE TO BE ASSURED OF FREEDOM FROM PLO ATTACK. SHARON HAS STATED PUBLICLY THIS WEEK THAT SECURITY ARRANGEMENTS IN SOUTHERN LEBANON ARE A HIGHER PRIORITY THAN THE WITHDRAWAL OF ALL FOREIGN FORCES FROM LEBANON. THE IMPLICATION IS THAT UNLESS ADEQUATE SECURITY ARRANGEMENTS CAN BE NEGOTIATED, ISRAEL WOULD PREFER TO STAY INDEFINITELY THAN WITHDRAW UNILATERALLY. IN THIS I BELIEVE HE ACCURATELY REFLECTS ISRAELI OPINION, WHATEVER ONE MAY THINK OF HIS NEGOTIATING DEMANDS IN DETAIL.

4. THE QUESTION IS WHAT WOULD CONSTITUTE REASONABLE SECURITY ARRANGEMENTS. ISRAELIS ARGUE THAT IT WILL BE A SOURCE OF ENDLESS TROUBLE FOR EVERYONE CONCERNED WITH MIDDLE EAST PEACE TO ALLOW A RETURN TO ANYTHING LIKE THE PREVIOUS SITUATION WHEN THE PLO MANAGED ALL TOO EASILY TO GET WITHIN RANGE OF SETTLEMENTS IN NORTHERN ISRAEL. ONLY FORCES WITH LOCAL KNOWLEDGE AND LOCAL PEOPLE ARE SEEN AS BEING ABLE TO PROVIDE AN EFFECTIVE BARRIER TO PLO RE-INFILTRATION. HENCE THE ISRAELI INSISTENCE ON HADDAD'S FORCES BEING GIVEN A PRIMARY ROLE AT THIS STAGE IN SOUTHERN LEBANON, ALTHOUGH SOME FORM OF RE-INTEGRATION INTO THE LEBANESE ARMY IS ACCEPTED AS BEING NECESSARY FOR PRESENTATIONAL PURPOSES. BOTH GOVERNMENT AND OPPOSITION HERE AGREE ABOUT THE IMPORTANCE OF HADDAD FORCES HAVING THIS ROLE.

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5. THE LABOUR ALIGNMENT PART COMPANY WITH THE GOVERNMENT ON 3 POINTS:

- (A) THEY DISAGREE ABOUT IDF-MANNED STATIONS, BELIEVING THEM TO BE UN-NEGOTIABLE WITH A LEBANESE GOVERNMENT WHOSE OBLIGATIONS TO THE ARAB WORLD, ACCORDING TO LABOUR, ARE UNDER-ESTIMATED BY LIKUD SEMICOLON
- (B) LABOUR WOULD WELCOME AN MFO PRESENCE IN SOUTHERN LEBANON, NOT AS A SUBSTITUTE FOR HADDAD'S FORCES BUT AS A MARK OF POLITICAL COMMITMENT BY THE AMERICANS AND EUROPEANS SEMICOLON
- (C) LABOUR WOULD SETTLE FOR INFORMAL ARRANGEMENTS TO PERMIT FREE TRAFFIC ACROSS THE ISRAEL/LEBANON FRONTIER WITHOUT INSISTING ON WRITTEN ARRANGEMENTS WHICH IN THE LABOUR VIEW ARE HARDER TO NEGOTIATE AND NOT NECESSARILY BETTER CAPABLE OF STANDING THE TEST OF TIME.

IN MAKING THESE POINTS TO ME THIS WEEK, ABBA EBAN COMMENTED THAT LEBANON IS INCREASINGLY DISTRACTING ATTENTION FROM EVEN MORE IMPORTANT ISSUES FROM ISRAEL'S POINT OF VIEW, NAMELY THE FUTURE OF THE WEST BANK AND RELATIONS WITH EGYPT AND THE UNITED STATES.

6. THE ISRAEL GOVERNMENT'S TOUGH NEGOTIATING LINE IS PARTLY A MATTER OF HABIT. ISRAELIS GO FOR THE MAXIMUM, AND ONLY SLOWLY CONCEDE LESS ESSENTIAL POINTS UNDER PRESSURE. BEGIN AND SHARON HAVE EVERYTHING TO GAIN HERE FROM BEING SEEN TO HAVE SECURED GREATER SECURITY ON ISRAEL'S NORTHERN BORDER THAN BEFORE THE INVASION OF LEBANON. MOREOVER, THE SHADOW OF A POSSIBLY CRITICAL REPORT ON THE BEIRUT MASSACRES NOW LOOMS ACROSS THE DOMESTIC SCENE. THE GOVERNMENT MAY WELL FEEL THE NEED TO BE OCCUPYING THE POLITICAL HIGH GROUND WHEN THE REPORT IS PUBLISHED, PROBABLY IN FEBRUARY.

7. IT IS OF COURSE A HIGH RISK POLICY. IT MAY PARTLY REFLECT ISRAELI UNCERTAINTY AS TO SYRIAN INTENTIONS. THE ISRAELIS ARE PERHAPS ALSO BEING MISLED AS TO HOW FAR THE LEBANESE CAN GO BY RELYING TOO MUCH ON WHAT THEY HEAR FROM THE PHALANGISTS, WITH WHOM PEOPLE LIKE KIMCHE HAVE BEEN WORKING CLOSELY SINCE THE MID-1970'S. SHARON MAY BE PARTICULARLY PRONE TO THIS ERROR.

8. HARD AS IT IS TO FORECAST, I DO NOT THINK WE HAVE HEARD THE LAST ISRAELI WORD. NOR I IMAGINE WILL THE US ADMINISTRATION LEAVE IT AT THAT. I WOULD JUDGE THERE IS STILL ROOM FOR MANOEUVRE IN THE ISRAELI REQUIREMENTS. BEGIN HAS SHOWN HIMSELF QUITE SKILFULL IN THE PAST AT JUDGING WHAT HE CAN AND CANNOT GET AWAY WITH. BUT THEY ARE MAKING IT VERY DIFFICULT BOTH FOR THEMSELVES AND FOR OTHERS AND WILL NOT EASILY BE BUDGED FROM POSITIONS THEY JUDGE ESSENTIAL FOR SECURITY. IN THE FINAL ANALYSIS IT WILL BE BEGIN RATHER THAN SHARON WHO DECIDES THE ISRAELI BOTTOM LINE.

9. FCO PLEASE PASS SAVING PARIS AND ROME.

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