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PRIME MINISTER

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TO PRIORITY FCO
TELEGRAM NO 2196 OF 3 AUGUST
INFO PRIORITY TEL AVIV CAIRO UKMIS NEW YORK

P.A.

TEL AVIV TEL 376: US/ISRAEL RELATIONS

1. SEEN FROM HERE, HM AMBASSADOR TEL AVIV IS RIGHT THAT US/ISRAEL RELATIONS ARE GOING THROUGH A VERY TENSE PHASE. FIRST, HOWEVER, TWO POINTS OF FACT:

(I) AMBASSADOR STRAUSS WILL NOT (NOT) BE ATTENDING THE AUTONOMY NEGOTIATIONS ON 5 AUGUST. HE WILL NEXT APPEAR AT THE SEPTEMBER ROUND:

(II) STATE DEPARTMENT ARE CATEGORICAL THAT BEGIN DID NOT (NOT) DISCUSS UNTSO WITH MAYNES IN MAY AND CLAIM THAT THE ISRAELIS ARE PUTTING ABOUT A HIGHLY DISTORTED VERSION OF WHAT TOOK PLACE AT THAT MEETING.

2. THERE ARE MANY ISSUES BEDEVILLING US/ISRAEL RELATIONS AT THE MOMENT. OF THESE, THE FORTHCOMING UN RESOLUTION ON PALESTINIAN RIGHTS IS IN A CATEGORY OF ITS OWN. THE ISRAELIS HAVE NO DOUBT WORKED OUT FOR THEMSELVES THAT, HAVING REQUESTED MORE TIME BEFORE BEING REQUIRED TO VOTE ON THE ISSUE, THE AMERICANS HAVE RAISED THE STAKES. THIS, TAKEN WITH A NUMBER OF HIGH LEVEL PUBLIC HINTS (WASHINGTON TELNOS 2103 AND 2170) AND MUCH PRESS SPECULATION HERE MUST BE CAUSING THE ISRAELIS CONSIDERABLE CONCERN ABOUT AMERICAN INTENTIONS VIS A VIS THE PLO. THE AMERICANS AGREE THAT PLO RECOGNITION, HOWEVER INDIRECT, OF ISRAEL'S RIGHT TO EXIST IS THE LAST THING THE ISRAEL GOVERNMENT WANTS.

3. THE SECOND, BUT LESS IMPORTANT, AREA OF FRICTION CONCERNS UNTSO WHERE THE AMERICANS ARE GENUINELY PUZZLED BY THE ISRAELI ATTITUDE. ON BALANCE THEY THINK IT IS LIKELY TO BE TACTICAL, BUT THEY ALSO ADMIT TO NOT HAVING HANDLED THE PREPARATIONS WELL ENOUGH. THEY CONSIDERED THAT AT OFFICIAL LEVEL THEY PREPARED THE GROUND AND HAD RATHER TOO READILY ASSUMED THAT ISRAELI OFFICIALS WOULD PASS ON THE MESSAGE TO THEIR MINISTERS. THEY ALSO SEE AN ELEMENT OF DAYAN GETTING BACK INTO THE GAME. THEY DO NOT BELIEVE, HOWEVER, THAT THE PROBLEM IS INSOLUBLE. ONE PARTICULAR AREA WHICH NEEDS TO BE DISCUSSED IN MORE DETAIL WITH THE ISRAELIS IS THE EXTENT TO WHICH UNTSO MIGHT CARRY OUT THE BUFFER FUNCTION AFTER FULL ISRAELI WITH-

DRAWAL

DRAWAL FROM SINAI. THE AMERICANS ARE QUITE CLEAR WHAT THE TREATY MEANS AND THAT THE COMMITMENT TO PROVIDE AN ALTERNATIVE FORCE DOES NOT APPLY TO THE INTERIM WITHDRAWAL PERIOD. THEY CAN SEE, HOWEVER, THAT THE ISRAELIS MIGHT HAVE JUSTIFIABLE WORRIES ABOUT UNTSO IN ITS PRESENT FORM ATTEMPTING TO DO THE JOB AFTER FULL WITHDRAWAL.

4. THE AMERICANS BELIEVE THAT THE ISRAELIS HAVE GREATLY OVERSTATED WHAT WENT ON AT THE LAST ROUND OF AUTONOMY NEGOTIATIONS. THEY ARE MUCH MORE INCLINED TO SEE THIS AS DELIBERATE MISINTERPRETATION, PARTLY DIRECTED AT DISCREDITING LEONARD AND PARTLY TO BUILD UP THE ATMOSPHERE.

5. ON THE OTHER HAND TEL AVIV TEL UNDER REF. HAS, I THINK, UNDERSTIMATED THE PROBLEM OF THE 22 JULY RAIDS ON LEBANON. THE AMERICANS ARE SERIOUSLY CONSIDERING WHETHER THAT ISRAELI ACTION VIOLATED THE CONDITIONS UNDER WHICH AMERICAN AIRCRAFT WERE SUPPLIED. THEY HAVE BEEN GATHERING EVIDENCE ABOUT WHAT REALLY TOOK PLACE ON THE GROUND AS COMPREHENSIVELY AS POSSIBLE AND, UNDER PRESSURE PARTICULARLY FROM REPRESENTATIVE FINDLEY, WILL HAVE TO TAKE SOME KIND OF DECISION ON THIS. ON BALANCE I THINK IT IS UNLIKELY THAT THEY WILL USE THE ULTIMATE SANCTION OF REDUCING MILITARY SUPPLIES IN ANY WAY BUT THEY ARE TAKING THE 22 JULY RAIDS EXTREMELY SERIOUSLY.

6. AMONG OTHER MINOR IRRITANTS IN US/ISRAEL RELATIONS I WOULD LIST THE POSSIBLE SALE OF M60 A3 TANKS TO JORDAN (ABOUT WHICH WE MAY STILL HEAR MORE AFTER THE CONGRESSIONAL RECESS), CARTER'S REMARKS ABOUT THE PALESTINIAN ISSUE BEING COMPARABLE TO THE AMERICAN CIVIL RIGHTS MOVEMENT (WHICH MAY BLOW OVER QUITE QUICKLY), THE RUNNING SORE OF ISRAEL/HADDAD'S RELATIONS WITH UNIFIL AND PRESS REPORTS THAT CARTER GAVE HIS BLESSING IN ADVANCE TO THE KREISKY/ ARAFAT MEETING.

7. THE FULL FORCE OF THE ISRAELI LOBBY HAS NOT YET BEEN TURNED ON. SO FAR THE THRUST OF THE ISRAELI COUNTERATTACK, AS IT COMES THROUGH HERE, SEEMS TO BE THAT ON BOTH THE PLO AND UNTSO THE ADMINISTRATION ARE SHOWING SIGNS OF GOING BACK ON FORMAL COMMITMENTS.

8. ON THE OTHER HAND AN INTERESTING COUNTERTHEME OF WHICH THE

/ISRAELIS

ISRAELIS WILL HAVE TO TAKE ACCOUNT IS GAINING SOME CURRENCY HERE, NAMELY THAT ISRAELI ACTIONS IN THE LEBANON ARE DESIGNED TO WEAKEN THE POSITION OF MODERATE PALESTINIANS AND DRIVE THEM INTO EXTREMEIST ATTITUDES WHICH WILL EFFECTIVELY PREVENT THE US FROM DOING BUSINESS WITH THEM. (C.F. BEIRUT TEL 211).

ROBINSON

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