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From:

George P. Shultz

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Stalemate Over Lebanon

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S/S NEA **PMA IMB** IMC RF (JAB)

Following a round of talks by Phil Habib and Morris Draper in Beirut, Damascus and Jerusalem, the Israeli Cabinet finally S/S-S:DIR agreed to start talks below the ministerial level but insisted that Jerusalem and Beirut be the alternate negotiating sites. The Lebanese could not accept this without grave jeopardy to their relations with the other Arabs. The outlook is for continued stalemate.

> In the course of wide-ranging discussions in Beirut, Phil found Lebanese leaders eager for discussions with Israel and ready for far-reaching compromises intended to satisfy Israel's interest in the security of its northern border. To get talks started, Gemayel would be willing to seek his government's approval for starting substantive negotiations on political and military matters with a delegation headed by a senior Lebanese civilian. The Lebanese felt unable to meet Israel's other procedural demands.

Phil also urged the Lebanese to accelerate their contacts with the PLO and Syria. Gemayel assured him that he would but stressed that it would greatly strengthen his hand if he could begin negotiations with Israel.

Phil's talks in Damascus were less encouraging. Assad made himself unavailable, and Foreign Minister Khaddam did not reveal any new positions. Khaddam confirmed Syrian readiness to begin negotiations with Lebanon on Syrian withdrawal, making clear that Syria would only leave after Israel.

During his meeting with Foreign Minister Shamir, Phil advanced a compromise calling for an initial Lebanese-Israeli meeting at the sub-ministerial political level which would proceed right away to substance. The venue of the negotiations



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would alternate between Israel and Lebanon but would be outside the two capitals. Subsequently, Defense Minister Sharon alleged we were preventing Gemayel from improving relations with Israel and asserted that Israel had created strategic opportunities for the U.S. which we were neglecting.

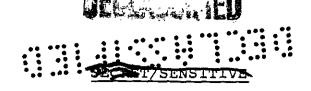
Sharon and Shamir were both present when Phil met with Begin, but Sharon seemed to have the upper hand. Sharon made the point that Israel was in no hurry to withdraw, stating, "If we wait, Lebanon will agree to our position." Habib urged the Israelis to enter negotiations and then raise their desires directly. He emphasized that the mood in Lebanon is now as favorable as possible but that the situation can only deteriorate in the absence of negotiations. The Israelis contended that procedure and substance cannot be divorced, and it appears they were trying to win substantial political concessions from the Lebanese as the price for talks.

In the Cabinet meeting on Sunday, there was reportedly sharp disagreement between those ready to compromise on procedural points and ministers like Sharon who argued that time was on Israel's side and that Israel must make political gains from the war in Lebanon. In the end, the Cabinet agreed that heads of delegations need only be "properly authorized civilians" but insisted on Jerusalem as an alternate venue.

Having publicly staked out their position, the Israelis are likely to remain adamant on the question of holding negotiations in Jerusalem. This has broader implications than Israeli-Lebanese negotiations; Hussein, who will be visiting Washington December 21, will be looking closely at how we deal with this Israeli demand as he ponders whether to enter negotiations on the basis of your initiative.



- I. Major Objectives of U.S. Policy for Lebanon: The Next Steps
- A. Ambassador Habib agrees with the formulation that we should seek a two-stage disengagement and withdrawal of all foreign forces. We would want to avoid a "Sinai-type phased disengagement," in pressing instead for a rapid and full withdrawal. However, if we could negotiate a single stage full withdrawal that already would be preferrable.
- B. We agree that an essential part of any agreement will be a workable plan to relocate the Palestinian fighters still in Lebanon. However, we would add that the possibility should be left to the Lebanese that some fighters may disarm and return to live in peace with their families in Lebanon, subject to Lebanese laws and authority.
- C. The welfare and physical security of Palestinians in Lebanon is properly a responsibility of the government of Lebanon (GOL) and we will encourage the GOL to fully assume its obligations in this regard.
- D. We cannot describe the mission or deployment areas of the MNF with any precision at this time. Specific MNF requirements will become better defined as the negotiations proceed. It seems unlikely, however, that MNF will have any responsibilities for internal security. We also believe that a role for UNIFIL should be maintained.
- E. An ambitious program to re-equip and retrain the LAF is in progress. Although the U.S. contingent now in Beirut is prepared to conduct limited training of LAF units, we do not envisage any substantial training responsibilities for the MNF. We will endeavor to use every opportunity for MNF to bolster the LAF but recognize that training will be more difficult with an expanded Phase II mission. At the same time, the LAF will benefit from close association with MNF deployments. We expect the effort to rebuild and train the LAF to proceed in parallel with but separate from the MNF.
- F. We are encouraging others to support our efforts for the reconstruction of the Lebanese economy.

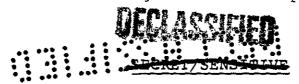


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II. A Strategy for Progress Toward Our Objectives

A. We agree that a disengagement from the Beirut-Damascus highway is a first step toward full withdrawal of all foreign forces. An area between the separated forces could be secured by an MNF. The timing of the initial disengagement will depend on the progress of the negotiations.

- B. We agree that relocation of Palestinian combatants is primarily an Arab problem, but our experience is that an active U.S. role is essential.
- C. The GOL has previously rejected proposals that UN forces should secure the Palestinian camps. The GOL must offer its own protection and guarantees in the context of its negotiations with the PLO. Moreover, we believe UNIFIL can play a very important role in peacekeeping operations following the withdrawal of foreign forces; we prefer, therefore, to retain UNIFIL as an option for the latter role.
 - D. (1) Early responses to our appeal for additional contributors to the MNF have been mostly negative, especially from the UK and other Commonwealth countries. We are exploring other possibilities. One problem is the financial assistance new participants will expect.
 - (2) As far as we are aware, no decisions have been taken on the possible size of a U.S. contingent for an expanded MNF. In any event, we will want to conform this to the anticipated mission of the MNF and its duration. The ongoing planning for a substantial increase should continue.
 - (3) See Section I.D. above.
 - (4) We would prefer to reserve the primary peacekeeping role in southern Lebanon for the LAF, perhaps in conjunction with UNIFIL. We should not reject a role for UNIFIL in the 40 km zone Israel has proposed for southern Lebanon. An MNF role along the Syrian border would require substantially greater numbers, which may not be available and may not be needed if the Syrians agree to prevent infiltration as part of the withdrawal arrangements. The specific deployment



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areas for the respective MNF contingents will need to be worked out as the negotiations proceed and requirements for the MNF become better defined. There is no reason a priori to place U.S. forces in southern Lebanon, although such a role should not be excluded.

- (5) We agree, but anticipate that less force will be needed for this task.
- E. An effort to rebuild the LAF is underway. See Section I.E. The UK may be a good candidate for providing training and other assistance to the ISF.
- F. We believe the U.S. should make every possible effort to internationalize the reconstruction effort in Lebanon. We do not believe the French government should be encouraged to take the lead. On the contrary, we would prefer to give the IBRD a leading role and to draw as much as possible on Arab sources of funding.
- III. Ambassador Habib arrives in Beirut on November 19. As his initial consultations in the area proceed, we will have a better idea of appropriate timing for U.S. diplomatic efforts, with the objective of the expeditious withdrawal of all foreign forces.



