

Confidential filing

The proposed visit of President Sadat of Egypt
in June 1981.

EGYPT.

S
805

February 1981.

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
27-2-81							
15-4-81							
15-6-81							
3-8-81							
10-8-81							
PREM 19/4/80							

Egypt

10 August 1981

The Prime Minister has asked me to thank you for forwarding to her the magnificent present from President and Mrs. Sadat. Mrs. Thatcher is extremely grateful and hopes that you will accept her sincere thanks.

I also take this opportunity of sending you a present that she would like you to forward to the President.

CAROLINE STEPHENS

S

His Excellency Mr. Hassan A.H. Abou-Seeda



EMBASSY OF THE
ARAB REPUBLIC OF EGYPT
26, SOUTH STREET, LONDON, W.1
TELEPHONE: 01-499 2401

The Ambassador of the Arab Republic of Egypt has the honour to forward His Excellency President Anwar El-Sadat and Mrs. Sadat's present to The Prime Minister, The Rt. Hon. Margaret Thatcher, MP, on the occasion of their visit to Great Britain which took place from 2nd August to the 4th August 1981.

H.A.S.

Mr. C. A. Whitmore,
Private Secretary to
The Prime Minister,
The Rt. Hon. Margaret Thatcher MP,
10 Downing Street,
LONDON SW1.

7th August 1981

Egypt

PRESIDENT SADAT'S SPEECH AT THE LUNCH GIVEN IN HIS HONOUR BY
THE PRIME MINISTER ON MONDAY, 3 AUGUST, 1981 AT 10 DOWNING STREET

Prime Minister Thatcher, dear friends. Thank you very much for your kind welcome and warm reception. I am happy to meet you once again to pursue our friendly exchange of views and opinions. I am also glad to say that our views converge over a wide range of issues. This is so because we share the same concern and opinions. Like you we are keenly interested in the maintenance of world peace and security. We are committed to work tirelessly for the elimination of suffering and injustice throughout the world. We are determined to generate a spirit of co-operation and harmony among nations.

We realise that the real challenge of today is to fight hunger, injustice and insecurity in every corner of the globe. This is a challenge that requires a universal confrontation.

We are grateful to the people of the UK for the invaluable support they rendered to our drive for peace in the Middle East. In all circumstances you remain consistent in your principled stand and faithful to the ideals you believe in. You clearly understand the objectives we are pursuing and the historic transformation we are striving to achieve.

On the other hand, you fully realise the close interdependence between peace and the security and prosperity of Europe.

Hence, the active role you play within the European Community. When you responded swiftly to our call for mutual and simultaneous recognition between Israel and Palestine you demonstrated your firm commitment to peace and justice in the region.

As we pave the way for a resumption of the peace process, we anticipate an active and dynamic role to be assumed by the UK. Your presidency of the EC Council is an added source of reassurance and optimism.

/Mrs. Thatcher,

Mrs. Thatcher, we admire your qualities of dedication and determination. Your contribution to the cause of peace and friendship among nations is appreciated by every Egyptian. We are certain that you will continue to play this constructive role in the years ahead for the good of your nation and that of my country. We are also looking forward to strengthening the ties of friendship and co-operation between our two peoples.

Dear friends, let me congratulate all your countrymen and women on the wedding of Prince Charles and his consort.

May this occasion bring more joy and happiness to every heart and allow me to invite you to pay tribute to The Queen, to the Prime Minister and to the people of the UK.

PRIME MINISTER'S SPEECH AT THE LUNCH FOR PRESIDENT SADAT ON MONDAY
3 AUGUST 1981 AT 10 DOWNING STREET

It really is a special delight and pleasure with which we welcome our Guest of Honour, President and Mrs. Sadat to London today.

It has been a long time, Sir, since you came previously, that was in 1975, and we have missed you, and we hope it won't be quite so long before you and your distinguished delegation come again.

In the meantime you have received and entertained our Royal Family and many many of our Ministers. Try as we may Mr. President we cannot offer the same attractions with the Thames as you can offer with the Nile. But we continue to keep the balance for that is the way our Ministers will come to you, not really for the pleasures of the Nile but to see you and talk over great things with the leading statesmen in your country. You are on your way to Washington to see President Reagan for what could be another historic meeting. We are certain that that meeting will go extremely well because we too are great friends of President Reagan. We welcome you, Sir, here not only as a country which has great historic links with Britain. Not only as a country, a leader in the Arab world. Not only as a country with a great past and a great future. We welcome you above all as a country with a great President.

Well that fact, Mr. President, will be universally acclaimed throughout the whole of the Western world. If ever one wished to explain what leadership means one only has to do it by giving as an example what the President of Egypt has done in recent years. You, Mr. President, have struggled for peace. It has brought great benefits to your country. Peace is worth struggling for and we hope that you will continue to struggle for it and that your great struggles will meet with success. And we hope that in that struggle we in Europe can do everything which is in our power to do to help that process, along with our Allies, the United States. We congratulate you and hope that your efforts will bear fruit in the years that are to come, and may they bear fruit before too long. We are delighted that you have brought Madam Sadat with

you. We too give her a very, very warm welcome. And we wish you, Madam Sadat, and all our good and kind friends in Egypt a peaceful and prosperous future and continuing friendship with the peoples of the United Kingdom. Will you therefore rise to drink a toast with me to:

the continuing friendship and interest between the peoples of Egypt and the peoples of the United Kingdom - a mutual friendship.

CONFIDENTIAL



CC CO
MOD
DOT
D/N

HL

10 DOWNING STREET

From the Principal Private Secretary

3 August, 1981

Dear Brian,

Visit of President Sadat

I attach the records of the Prime Minister's tête-à-tête conversation with President Sadat and of the plenary meeting between British and Egyptian Ministers.

I am sending a copy of this letter and of the records to David Wright (Cabinet Office). I am also sending copies of this letter to Brian Norbury (Ministry of Defence), John Rhodes (Department of Trade) and Julian West (Department of Energy), together with copies of that part of the record of the plenary meeting that is concerned with bilateral matters.

Yours sincerely,

Anne Blenkinsop.

Brian Fall Esq
Foreign and Commonwealth Office

CONFIDENTIAL

HL

CONFIDENTIAL

SUBJECT

cc Master

RECORD OF A MEETING BETWEEN THE PRIME MINISTER AND THE PRESIDENT
OF THE ARAB REPUBLIC OF EGYPT AT 10 DOWNING STREET AT 1130 on
MONDAY 3 AUGUST 1981

Present: Prime Minister
Mr. Clive Whitmore

President Sadat of Egypt
Dr. Osama El Baz

* * * * *

Arab/Israel

The Prime Minister said that she was very grateful to President Sadat for taking time to come to London to talk to British Ministers before his momentous visit to Washington. She had discussed the Middle East with President Reagan when they had been in Ottawa for the Economic Summit. She regarded the Israeli attack on Beirut as a wholly disproportionate response to anything the PLO had done. Those who tried to be friends of Israel were finding things very difficult at present and it was hard not to be critical of Mr. Begin. She had the impression that President Reagan had not yet decided what the next steps in the peace process should be but what was clear was that the return to Egypt of the rest of Sinai by April 1982 had to be secured. She would be very glad to know how President Sadat saw the present position and how he thought matters should be carried forward.

President Sadat said that he was very glad to be in London and to have the opportunity to explain to the Prime Minister his view of the Arab/Israel problem. The situation was a very fast moving one. Changes were occurring very rapidly at present and anything could happen. The position in Iran was full of uncertainty; and that in turn caused a sense of insecurity in the Gulf. It was not easy to see how the Iran/Iraq war would be resolved. In the Lebanon not only were Israel and the Palestinians involved but so was Syria. The activities of Libya were another unpredictable ingredient. And behind everything the Soviet Union were busy.

/ The recent

CONFIDENTIAL

CONFIDENTIAL

- 2 -

The recent cease fire between Israel and the Palestinians was a very important event. Never before had it been possible to bring the Palestinians into an agreement of this kind. He believed that they had finally accepted that the Arab/Israel problem would not be solved through military action but that a diplomatic solution had to be found. That was why they had said they would respect the cease fire. We now had to seize the opportunity presented by this new development and to build on it. He was sure that the way forward lay in the resumption of the Camp David process. The peace between Egypt and Israel was the one solid fact in a shifting world in the Middle East and we had to bend all our efforts to stabilise that peace, for this was the only approach to a comprehensive settlement. Far from being gloomy about the prospects, he was optimistic. The original Camp David negotiations had shown that Mr. Begin could be brought to accept an agreement, even if a great deal of pressure had to be exerted upon him in the process. It might be necessary to do the same again. Once President Reagan had met Mr. Begin in September negotiations should start at Ministerial level between Egypt, Israel and the US. He hoped that they would be able to reach tripartite agreement on full autonomy, though he thought it likely that there might be an intermediate stage where the US and Egypt reached agreement and then virtually blackmailed Mr. Begin into accepting the agreement by threatening to expose the unreasonableness of his position to the world.

He thought that Saudi Arabia might have a useful role to play in the next stage of the peace process. They had shown in the Lebanon cease fire agreements that they could deal with the Syrians and the Palestinians. They could apply the pressure which money provided, and Egypt could not. He wanted the Americans to persuade the Saudis to help build on the cease fire. He did not object to Saudi participation in the process. For him it was not a matter of prestige but of peace.

Another possible approach he had in mind, which was designed to make things easier for Mr. Begin, was to propose that when agreement had been reached on full autonomy for both Gaza and the West Bank, it should be applied in the first instance only to Gaza.

Moving towards a comprehensive settlement - for that was the

CONFIDENTIAL

/ objective -

CONFIDENTIAL

- 3 -

objective - would take time. The problem remained a very big one and it could not be solved in one step. Nonetheless, he was, as he had already said, optimistic. Contrary to what other Arab governments said, Egypt was not isolated. He was "full of manoeuvrability", as his visits to the European Parliament, the UK and, later, the US showed.

The Prime Minister said that she agreed that a new situation had come about in the Middle East. Nobody could foresee how events would turn out in Iran, where she feared the Tudeh Party were gaining ground. Nor did anybody know how to bring the Iran/Iraq war to a conclusion. Mr. Begin's military operations in the Lebanon before his election and the bombing of the Iraqi nuclear plant had also profoundly affected the general situation. She also believed that there was a commonality of interests between the US and Saudi Arabia that brought them close together, and we had been urging Saudi Arabia to use its influence with the Americans. All these developments had created the new situation she had mentioned earlier and she agreed with President Sadat that we should take advantage of it. She wondered whether President Sadat could say a little more about the timetable of events, as he saw it.

President Sadat said that he hoped that, following President Reagan's meeting with Mr. Begin, it would be possible to prepare for another summit meeting on the lines of Camp David. This time, however, it was essential that there were appropriate preparations. If there were not, the meeting would fail. In this process it would be important to have the full weight of the UK and the other European countries behind the US and Egypt. With this kind of impetus it should be possible to reach agreement. A decision for full autonomy would be a decision for a comprehensive settlement. This was the last big issue; and if the preparations for the negotiations lasted into 1982, that was acceptable to him. They were so important that we should not be harrassed by time.

President Sadat continued that he wanted to refute the allegation that after Israel had completed the withdrawal from Sinai in April 1982, Egypt would change its position on the Arab/Israel dispute. This was totally untrue. The Egyptian position would remain unchanged after final Israeli withdrawal. This was a responsibility of Egyptian leadership in the Arab and Muslim world.

CONFIDENTIAL

/ Soviet

CONFIDENTIAL

- 4 -

Soviet policy in the Middle East and the Gulf

President Sadat said that President Brezhnev had made it clear publicly that the Soviet Union was trying to reach the warm waters of the Gulf. There was now an imminent danger surrounding the countries of the Middle East and the oil fields which the West needed. Moreover, Libya on Egypt's western border was a Soviet arsenal. The Libyan armed forces were of no significance in themselves but they used mercenaries from East Germany, Cuba, Yugoslavia and Syria. Soviet penetration needed a check from all of us, but this would be difficult to achieve without an Arab/Israel settlement first. It would be wrong to postpone a solution to the Arab/Israel problem in order to look for a strategy for dealing with Soviet penetration. To the ordinary Arab Israel was the immediate danger and not the Soviet Union, which was hundreds of miles away. Nonetheless, he had said publicly that Egypt was ready to give the US any military facilities they needed to help them deal with any danger to Arab and other Muslim states; and he was ready to give the UK the same kind of facilities. If anything happened in the Gulf, it would be a terrible blow for the West.

The Prime Minister said that if there was a threat to the oil supplies from the Gulf, the economy of the West and with it the freedom of the West would be at stake.

Oil supplies

President Sadat said that in two or three years time Egypt would be exporting large quantities of oil, perhaps 20 million tons a year. Even so he was not happy with the price of oil. If it went up, commodity prices rose, and this brought new problems in its train. We should deal with this situation by means of an agreement between the oil producers and the oil consumers. He could not see why such an agreement could not be reached. The oil producers needed Western technology, and the West needed the oil. They should be partners and work as such. He had discussed this with the President of Mexico who shared his view.

/ Visits to Egypt

CONFIDENTIAL

CONFIDENTIAL

- 5 -

Visits to Egypt

The Prime Minister said that she was very grateful for the hospitality which President Sadat was extending to the Prince and Princess of Wales.

President Sadat said that he very much hoped that the Prime Minister would be able to find the time to visit Egypt. Winter would be the best time to come.

The Prime Minister said that she would very much like to visit Egypt.

The meeting ended at 1210.

AW

3 August 1981

CONFIDENTIAL

SUBJECT

CONFIDENTIAL

cc master

RECORD OF THE PLENARY MEETING BETWEEN THE PRIME MINISTER AND THE
PRESIDENT OF THE ARAB REPUBLIC OF EGYPT ON MONDAY 3 AUGUST 1981

<u>Present:</u> Prime Minister	President Sadat
Foreign and Commonwealth Secretary	General Kamal Hassan Ali
Sir John Graham	Mr. Mansour Hassan
Sir Michael Weir	Mr. Abou Seeda
Mr. R.O. Miles	Dr. Osama El Baz

* * * * *

Arab/Israel

The Prime Minister said that in their private meeting she and President Sadat had discussed the general situation in the Middle East. President Sadat's view was that the ceasefire on the Israeli-Lebanon border, following recent events, including the Israeli bombing of Baghdad and Beirut, had produced a new situation and a new opportunity. There had never been a ceasefire between Israelis and Palestinians in the whole history of the dispute since 1948. The Saudis were working actively. The new opportunity must not be missed. President Sadat had spoken of the possibility of a new tripartite conference involving Egypt, Israel and the US, but had insisted that it would need very careful preparation.

The Foreign and Commonwealth Secretary said that we were considering the opportunities created by the ceasefire to strengthen the authority of the Lebanese Government and UNIFIL. How did President Sadat see them?

President Sadat said that there were several options. He repeated that the opportunity had no precedent since 1948, even though Mr. Begin insisted that the ceasefire was not with the Palestinians but with Lebanon. He had discussed Lebanon with Mr. Begin at Sharm al-Shaikh. (The Prime Minister commented that President Sadat had been so kind to Mr. Begin at that meeting, and it was amazing to see how he had been repaid.) Mr. Begin had told him that he was ready to sign a Camp David type agreement with Lebanon at any time.

CONFIDENTIAL

/ But the real

CONFIDENTIAL

- 2 -

But the real area of opportunity was in the conflict between Israel and the Palestinians. The Saudis, for example, should be persuaded to build on the ceasefire - they had the money. President Sadat reminded the Foreign and Commonwealth Secretary that he had urged him in Aswan in January to put pressure on the Saudis, who had great respect for Britain for historical reasons.

President Sadat said that one option was a new summit somewhat like Camp David. But Camp David had been unprepared, and the participants had taken a tremendous risk. A new summit would have to be most carefully prepared. It might take place before the end of 1981 after President Reagan's meetings with other Arab leaders such as King Hussein and the Saudis. The Egyptians and Americans together could draft a paper which they could then present to the Israelis.

Another option was that the autonomy agreement might be applied in Gaza, after full agreement had been reached in respect of both Gaza and the West Bank.

A third option was that the Saudis might take the initiative in a new approach to the peace process. This would be acceptable provided that their approach was not contradictory to Camp David.

President Sadat said that what was now in question was the final phase of a comprehensive peace. This was the true meaning of the autonomy talks. Egypt would not allow herself to be harassed. Nor, he emphasised, would she change her position after Israeli withdrawal from the whole of Sinai. This was a fundamental national position and there was no question of Egypt washing her hands of the problem. (In passing he said that Egypt would be ready to give the UK, like the US, military facilities in Sinai if they were wanted.)

The Foreign and Commonwealth Secretary said that he had had a talk with the Saudi Foreign Minister in Mexico. The Saudis were taking the Arab Follow-up Committee and their responsibilities in Lebanon very seriously and Prince Saud had told him that the Syrians were behaving in a reasonable way. But Prince Saud was unfortunately extremely disillusioned with US policy. Could the Egyptians somehow prevail on Israel to stop settlements in the Occupied Territories,

CONFIDENTIAL

/ which

CONFIDENTIAL

3

which were rendering the problem insoluble?

President Sadat said that the long negotiations over Camp David had produced an amazing change in Mr. Begin, and they must not give up. It was essential to continue with the peace process and this time Britain and Europe must be involved, either at the summit or in the background. The Foreign and Commonwealth Secretary thought the other Arabs must be involved too; President Sadat said it was up to the British to push the Saudis.

Replying to a question from the Prime Minister, the Foreign and Commonwealth Secretary said that Mr. Haig, whom he had also seen over the weekend, had been shocked by Mr. Begin's recent actions, particularly the bombing of Beirut. The Foreign and Commonwealth Secretary went on to explain that the Venice Declaration had been attacked by the Israelis mainly because of its reference to the PLO, and the attack had centred on the PLO commitment to the destruction of Israel as spelled out in the Covenant. We were working on the PLO to persuade them to accept the Venice principles subject to conditions. This would ease the path towards negotiations with Israel and thus put pressure on Israel to negotiate. Sir John Graham said that the PLO were no longer inclined to rule out a step of this kind.

President Sadat, asking that what he said should not be passed on to the Americans, said that he intended to tell President Reagan that the time had come to talk to the Palestinians (in reply to a question from the Foreign and Commonwealth Secretary, President Sadat emphatically substituted the 'PLO' for the 'Palestinians'). Following the ceasefire achievement, the Americans should drop their conditions about talking to the PLO. After all, the Americans had long ago made contact with the PLO indirectly both through himself and through King Hassan of Morocco. Now was the time to overcome the difficulty created by the name 'PLO'.

The Prime Minister said that President Reagan would agree that the Palestinians should be brought in but would argue that contact must be with some other organisation than the PLO. He had taken this line with herself and the Foreign and Commonwealth Secretary, and she had reminded him that the Israelis had ensured that no other Palestinian organisations existed. She wondered

CONFIDENTIAL

/ whether

CONFIDENTIAL

- 4 -

whether an arrangement could be reached by which US agreement to speak to the PLO was linked with the PLO's conditional acceptance of Israel. The Foreign and Commonwealth Secretary said that in their conversations with President Reagan he and the Prime Minister had felt that it would be very difficult for President Reagan to change his position on the PLO unless there was a change in the PLO itself. President Sadat said that it was urgent to start building something, though it would of course take time to build. The Saudis were in a position to put pressure on the Americans. He did not believe that the Saudis had given up hope of the Americans; they knew they must work hand in hand.

The Foreign and Commonwealth Secretary said this was true but they were disillusioned by the discovery that the grip of the Israeli lobby was so tight. Mr. Osama El Baz said that Prince Saud and some of the other younger Saudi leaders had previously exaggerated the possibility that the Americans would put decisive influence on Israel and were now correspondingly disappointed. But Prince Fahd and his colleagues had no false hopes and were not disappointed. The Prime Minister said that another factor was the clear shift in US opinion against Mr. Begin.

The Foreign and Commonwealth Secretary asked whether President Sadat saw any other role for Britain and Europe than pressing for action by the Saudis and the PLO (the Prime Minister added 'and the Americans'). President Sadat said he did not exclude the possibility of an international meeting, whether or not on the Geneva pattern. The participation of Europe would help to put pressure on Mr. Begin. (After a brief discussion it was clarified that both sides regarded the Soviet Union as excluded from such a meeting at this stage.) The Prime Minister commented that President Reagan, having dealt with some major internal problems, was now turning his attention to international problems including, particularly, the Middle East.

The Foreign and Commonwealth Secretary asked whether it would be possible to switch from concentration on autonomy to concentration on self-determination. After some discussion of the meaning of both, President Sadat said there would be no objection either from him or from the Americans to switching to self-determination, which was a word with its own magic. But they should be careful not to

CONFIDENTIAL

/ irritate

CONFIDENTIAL

- 5 -

irritate Israeli public opinion and cause it to rally round Mr. Begin. Under the Camp David process, there would be self-determination after the three-year transitional period. The Prime Minister agreed that changing key words must be done gently, and that Israeli public opinion should not be shocked.

Bilateral matters

The Prime Minister said that she and President Sadat had not so far discussed any bilateral questions; there were no problems. But she would like to mention some commercial issues. The gas project was an important one. We were disappointed that Rolls Royce, having performed well in the Mahmudiya power project, had been excluded from bidding for the extension, for which heavy power generators were specified. Sir Michael Weir gave further details, adding that we had put a large amount of British aid into the project. The Prime Minister also welcomed our growing co-operation in defence matters. President Sadat mentioned Egyptian interest in Rapier, and Sir Michael Weir said that Mr. Nott's visit to Egypt would give a further opportunity for discussion about these matters.

Libya

The Foreign and Commonwealth Secretary asked President Sadat for his views about Libya. It seemed probable that Colonel Qadhafi was behind the latest troubles in Gambia, though the Nigerian Foreign Minister had told him that Libya was not involved in the latest troubles in Kano.

President Sadat said that Egypt had reached agreement at the Nairobi summit with 15 African States about the selection of Togo for the next conference. But the key man in these negotiations had disappeared at the crucial moment, and representatives of all 15 countries left the same afternoon with Libyan cheques in their pockets. That was Africa. The Foreign and Commonwealth Secretary said that a couple of African leaders had commented to him that at least there was now peace in Chad; President Sadat laughed.

President Sadat said that Colonel Qadhafi was continuing to create trouble in North and West Africa and 'certain action' should

CONFIDENTIAL

/ be taken

CONFIDENTIAL

- 6 -

be taken against him. The Libyans were not at present causing trouble in Sudan, and the Egyptians had sent them an ultimatum about what would happen if they did. He described how he had turned down a proposal put to him by Colonel Qadhafi through President Ceausescu that Egypt and Libya should respect each other's 'spheres of influence' in Chad and Sudan. The Libyans were continuing to construct more and more bases and airports for further adventures in Africa.

Ethiopia/Somalia

In reply to a question President Sadat spoke about the close relations between M. Cheysson and the Ethiopian leadership. During his own visit to Khartoum his Foreign Minister and the Ethiopian Foreign Minister had held a secret meeting. Egypt now found Colonel Mengistu much easier to deal with than the Somalis to whom the Egyptians gave so much help. Colonel Mengistu had recently sent him a private message, and was clearly seeking his way back from his isolated position.

Iraq

The Foreign and Commonwealth Secretary asked why President Saddam Hussein had not become more unpopular as a result of the war. President Sadat said that the Iraqi behaviour could never be predicted but it was perhaps a question of national dignity. The Prime Minister said that it was difficult to throw out a national leader during a war. Mr. Mansour el-Hassan said that there was probably plenty of discontent but it was ruthlessly suppressed. President Sadat said that no-one knew how the Iran-Iraq war would end, but both regimes would certainly fall.

Iran

The Prime Minister said that it was very difficult to know who might replace Ayatollah Khomeini. She thought we had never discovered for sure who was responsible for the bomb attack on Ayatollah Beheshti. Sir John Graham commented that it was almost certainly the Mujahidin-e-Khalq. President Sadat said that the Scarlet Pimpernel who arranged for Iranians to escape from the

CONFIDENTIAL

/ revolution

CONFIDENTIAL

- 7 -

revolution had been in touch with Empress Farah and she had paid for Bani Sadr's escape. The situation in Iran was very uncertain. Ayatollah Khomeini had made the foolish mistake of humilitating his own armed forces, the same mistake that had been made by his friend, President Bhutto, and the armed forces would have their revenge. He could not say when but the process was already working in Iran. The Prime Minister said that she hoped it was.

JWN.

CONFIDENTIAL

SECRET

Heads of Agreement

*This document was handed to
the Prime Minister by President Sadat
during their like - a - like conversation today.
He asked that it should not go outside
No 10, and the Prime Minister
subsequently gave instructions that it should
not be shown to the FCO.*

AKH

3.iii.87

Determined to reach a just and comprehensive settlement of the Middle East conflict through the resolution of the Palestinian problem in all aspects and;

Mindful of the urgent need to begin this process through the establishment of a transitional regime in the West Bank and the Gaza Strip in accordance to the "Framework for Peace in the Middle East" and in preparation for a final settlement to be negotiated and agreed upon by all the parties concerned, and

In order to ensure a peaceful and orderly transfer of authority to the Palestinian people and lay the ground for a peaceful and harmonious coexistence between Israelis and Palestinians, thus enhancing stability and security in the region,

The Arab Republic of Egypt and the State of Israel, in coordination with the United States of America have arrived at the following understandings and agreements with regard to the steps they will take to implement the "Framework":

1

The Self Governing authority will be freely elected by the inhabitants of the West Bank and the Gaza Strip in accordance with modalities to be agreed upon. The Authority will consist of a hundred members.

An international commission will be selected by the Parties to assist in supervising the elections.

SECRET

One month prior to the date set for holding the elections, all the parties concerned shall refrain from any acts of violence or coercion.

II

Following these elections and immediately after the establishment and inauguration of the Authority, the Israeli Military Government and its civilian administration will be withdrawn.

III

A withdrawal of Israeli forces will take place and there will be redeployment of the remaining forces into specified security locations

IV

All measures will be taken and provisions made to assure the security of all those concerned.

During the transitional period, the West Bank and Gaza will be demilitarized. Early warning stations will be installed by the United States of America. The Authority shall establish a strong police force, which might include Jordanian citizens, together with other bodies needed for the maintenance of law and order. A liaison system will be established to facilitate the exchange of information and consultation on security matters.

V

In order to provide the inhabitants of the West Bank and Gaza with full autonomy, the Authority will exercise full autonomy in the following areas :

Education
Culture
Religious Affairs
Administration of Justice
Power to sue and be sued
Budget
Taxation
Commerce
Industry
Natural resources and energy
Agriculture
Tourism
Health
Housing
Public domain
social welfare
Labor and manpower
Civil Service
Police, security and public order
Issuance of identity and travel documents
Transportation
Communications and mail
Administrative operations
Human rights and fundamental

Moreover, the authority will have all powers which are necessary for the discharge of its responsibilities as herein provided, including the power to amend or abrogate existing laws and regulations and promulgate new laws and regulations. In discharging this function, the Authority

must abide by the provisions and spirit of the Framework for Peace in the Middle East, and in particular:

- a) The provisions affirming the transitory character of all the arrangements to be worked out.
- b) The provisions stipulating that the final status of the West Bank and Gaza shall be negotiated in accordance with the "Framework".
- c) The provisions concerning security .

VI

The Authority shall not have the right to do the following:

- a) Declaring independence
- b) Establishing diplomatic or consular relations.
- c) Forming any military or paramilitary forces (other than the security forces provided for in Article IV of this Agreement.).
- d) Acquiring membership in international or regional organizations.
- e) Violating the terms of the "Framework for Peace in the Middle East.

VII

In accordance with the provisions of the "Framework", representatives of Egypt, Israel, the United States of America, and the Authority will constitute a Continuing Committee to decide on the modalities of admission of persons displaced from the West Bank and Gaza in 1967.

The Committee will also deal with other matters of common concern that require coordination.

SECRET

- 5 -

In addition the Committee will settle disputes between the Authority and the Government of Israel.

VIII

When the Authority is established and inaugurated, a transitional period of five years will begin.

As soon as possible, but not later than the third year after the beginning of that period, negotiations will take place to determine the final status of the West Bank and the Gaza Strip and its relationship with its neighbors and to conclude a peace treaty between the parties concerned.

As a contribution to the cause of peace and stability in the Middle East, the United States will continue to play the role of a full partner in these negotiations and other related talks.

SECRET

RESTRICTED

VISIT OF HIS EXCELLENCY THE PRESIDENT OF THE
ARAB REPUBLIC OF EGYPT AND MADAME SADAT

2-4 AUGUST 1981

ADMINISTRATIVE ARRANGEMENTS (to be read in conjunction with the
programme)

SUNDAY 2 AUGUST

- 1620 Sir Michael and Lady Weir will arrive at the Special
Waiting Room, Heathrow, Southside.
- 1620 HE Mr Abou Seéda and Madame Abou Seéda will arrive
at the Special Waiting Room.
- 1625 The Lord Privy Seal will arrive at the Special Waiting
Room, Heathrow, Southside.
- 1630 The Lord Cullen of Ashbourne will arrive at the Special
Waiting Room.
- 1700 The President and Madame Sadat will arrive by special
flight from Cairo at Heathrow Airport (Southside).
As soon as the aircraft has stopped a representative
of the British Airports Authority will escort the
Greeting Party to the bottom of the aircraft steps.
When the aircraft doors open the Ambassador of the
Arab Republic of Egypt and Madame Abou Seeda will
board the aircraft and lead the President and
Madame Sadat to the tarmac. The following will
be at the aircraft steps, in order:-

The Lord Cullen of Ashbourne,
Lord in Waiting to Her Majesty The Queen

Sir Ian Gilmour Bt MP,
The Lord Privy Seal

Sir Michael Weir,
British Ambassador to the Arab Republic of Egypt

Lady Weir

Brigadier J A C Cowan,
Secretary, Government Hospitality

The Hon Diana Makgill,
Lady Ceremonial Officer

Group Captain R Thomson)
Group Captain P Heal) Escort Officers,
Wing Commander M Higson) Government Hospitality
)

/The Lord Cullen

RESTRICTED

RESTRICTED

The Lord Cullen will greet the President and Madame Sadat on behalf of The Queen and take them down the receiving line. The party will then proceed to the Special Waiting Room where the Ambassador will present senior members of his staff and their wives. When the President is ready to depart for central London, the Lord in Waiting will accompany the President and Lady Sadat to their cars and take leave. The President will drive with police escort to 75 South Audley Street. The main party will detach from the convoy at Hyde Park and drive to Claridge's Hotel, Brook Street, W1. (Car Procession A).

Transport

Cars are provided for the official party throughout the visit as indicated at Annex I.

MONDAY 3 AUGUST

Procedure at the Guard of Honour ceremony is described at Annex 2.

By 1105 hours all members of the official suite will be present at the Foreign Office Quadrangle (Car Procession B (1)). After the ceremony, when the President leaves with the Prime Minister he will be accompanied by those Ministers attending the plenary talks and by Mr Fawzi Abdul Hafez, Dr Mohamed Atteya and Mr Ahmed Teymour* who will wait at No 10 Downing Street. With the exception of the Minister of Health who will have talks at the Department of Health with Mr Vaughan at 1130 hours, the remainder of the suite not participating in the plenary talks will wait in the Ambassador's Waiting Room in the Foreign and Commonwealth Office. Madame Sadat and other members of her party will leave the FCO Quadrangle, returning to 75 South Audley Street.

Plenary Talks with the Prime Minister

The following will be present:-

Egypt

HE The President
HE General Kamal Hassan Ali
HE Mr Mansour Mohamed Hassan
HE Mr Abou Seéda
Dr Osama El Baz

United Kingdom

Mrs Thatcher
Lord Carrington
Sir John Graham
Sir Michael Weir
Mr R O Miles

Talks will be followed by luncheon when the remainder of the official party and the President's family will rejoin the President's party already at No 10.

After lunch the President will return to 75 South Audley Street.

Call by Anglo-Egyptian Parliamentary Group

Mr David Crouch MP and Mr Roy Hughes MP will represent the Group.

/Call by British

* and General Allam

RESTRICTED

RESTRICTED

Call by British Businessmen

Mr Roy Williams, Under Secretary at the Department of Trade, will be accompanied by a group of seven leading British businessmen active in Egypt. Names are given at Annex 3.

Dinner at Claridge's given by His Excellency The Ambassador of the Arab Republic of Egypt and Madame Abou Seēda

Guests are invited for 8.00 pm and should all be present by 8.30 pm when the President and Madame Sadat will arrive.

The Prime Minister and Mr Thatcher will arrive at 8.33 pm.

TUESDAY 4 AUGUST

Luncheon at Buckingham Palace

This is a small private **lunch**. In addition to the President and Madame Sadat only, His Royal Highness Prince Philip and Her Royal Highness Princess Alexandra and The Hon Angus Ogilvy have been asked to attend. A member of the Household will receive the President and Madame Sadat at the Grand Entrance.

The President and Madame Sadat will take their leave by 2.30 pm and drive to Heathrow, Southside.

Luncheon at 1 Carlton Gardens

This is a buffet luncheon given by Lord Carrington for the President's family and the Official Suite.

The suite will depart for Heathrow at 2.00 pm. They will board the aircraft directly.

Press

News Department of the Foreign and Commonwealth Office will assist the press corps accompanying the President.

A press centre will be established at Claridge's Hotel, Suite 401.

Arrangements for the final press conference will be the responsibility of the Embassy of the Arab Republic of Egypt.

Baggage

The President's baggage party will arrive by special C130 aircraft at Heathrow at 1400 hours on 2 June.

The aircraft will depart for Washington at 0700 hours.

Departure

Her Majesty The Queen having bade farewell after lunch will not be represented at the airport.

/The

The Special Representative of the Secretary of State for Foreign and Commonwealth Affairs, Sir Edwin Arrowsmith will say farewell.

1500 approx On arrival at the Special Waiting Room the President will be received by a representative of the British Airports Authority.

The President and Madame Sadat, having said farewell to senior members of the Embassy staff, the Special Representative of the Secretary of State for Foreign and Commonwealth Affairs will conduct the President and Madame Sadat from the Special Waiting Room to the aircraft.

On the apron, The President will take leave of the following:-

Escort Officers

Hon Diana Makgill,
Lady Ceremonial Officer

Brigadier J A C Cowan

Lady Weir

Sir Michael Weir

Madame Abou Seéda

The Ambassador of the Arab Republic of Egypt.

Finally Sir Edwin Arrowsmith will bid farewell.

Madame Sadat will board the aircraft

The President will board the aircraft

1530 Aircraft doors close.

30 July 1981

R D Gordon
Visits Section
Protocol and Conference Department

RESTRICTED

/Annex 1

CAR PROCESSIONS

A. Heathrow to Central London
Downing Street to 75 Audley Street/Claridge's(Unmarked) Flag Car
Rolls RoyceHE The President
HE Mr Abou Seéda
Detective

Metropolitan Police Car

Unmarked
JaguarMadame Sadat
Madame Abou Seéda
DetectiveCar No. A
DaimlerGeneral Allam
Mr Ahmed Teymour
Group Captain Thomson
Hon Diana Makgill

Car No. B

Madame Noha El Marei
Mr Sharif Hassan Marei
Miss Inda Hassan Marei
Wing Commander Max Higson

Metropolitan Police Car

Car No. 1

General Kamal Hassan Ali
Sir Michael and Lady Weir
Group Captain Heal

Car No. 2

HE Dr Gabr

Car No. 3

HE Mr Mansour Hassan

Car No. 4

HE Mr Fawzi Abdel Hafez

Car No. 5

HE Dr Mohamed Atteya

Car No. 6

Dr El Baz

/Car No. 7

CAR PROCESSIONS (cont'd)

Car No. 7	Mr Mahmoud Abdel Nasser
Car No. C	Mr Gamal El Sadat Madame Dina El Sadat
Car No. D	Mr Abdel Ghaffar Madame Abdel Ghaffar
Car No. E	Mr Mahmoud Osman Madame Osman

B. 75 South Audley Street to FCO Quadrangle
75 South Audley Street to Claridge's

Rolls Royce	HE The President HE Mr Abou Seéda Detective
Jaguar	Madame Sadat Madame Abou Seéda Detective
Car No. A Limousine	General Allam Group Captain Thomson Hon Diana Makgill
Car No. B	Madame Noha El Marei Mr Sharif Hassan Marei Miss Inda Hassan Marei Group Captain Heal

B(1) Claridge's to FCO Quadrangle
Claridge's to 1 Carlton Gardens
1 Carlton Gardens to Heathrow

Car No. 1	General Kamal Hassan Ali Sir Michael and Lady Weir
Car No. 2	Dr Gabr Mr Neville Coppel
	This car will go to Alexander Fleming House after the Guard of Honour

CAR PROCESSIONS (cont'd)

Car No. 3	Mr Mansour Hassan
Car No. 4	Mr Fawzi Abdel Hafez
Car No. 5	Dr Atteya
Car No. 6	Dr El Baz
Car No. 7	Mr Ahmed Teymour

C. 75 South Audley Street to Buckingham Palace

Car No. 1	HE The President Madame Sadat Detective
Car No. 2	Hon Diana Makgill Group Captain Thomson General Allam

D. Buckingham Palace to Heathrow

Car No. 1	HE The President HE Mr Abou Seéda Detective
Car No. 2	Madame Sadat Mrs Abou Seéda Detective
Car No. 3	General Allam Group Captain Thomson Hon Diana Makgill

VISIT OF HIS EXCELLENCY THE PRESIDENT OF THE ARAB REPUBLIC OF EGYPT
AND MRS SADAT, 2-4 AUGUST 1981.

GUARD OF HONOUR - PROCEDURE

1. A Guard of Honour found by 1st Battalion Coldstream Guards under the command of Major H M Somervell with Regimental Colour and the Band of the Scots Guards will be formed in the Foreign and Commonwealth Office Quadrangle on Monday 3 August at 1105 hours to greet President Sadat of Egypt.
2. At 1105 hours members of the President's official suite will arrive at the Foreign and Commonwealth Office Quadrangle by car and wait near the colour points (see attached diagram) on the west side of the Main Archway.
3. At 1113 hours the Prime Minister will arrive at the Foreign and Commonwealth Office Quadrangle through the Main Archway; she will be met at the Archway by Major General H D A Langley MBE, Major General commanding the Household Division. He will be accompanied by Lt Col R J S Corbett, Irish Guards, Brigade Major Household Division. The Major General will then escort the Prime Minister to the Saluting Base ready to receive the President and Mme Sadat.
4. At 1115 hours the President and Mme Sadat will arrive at the Foreign and Commonwealth Office Quadrangle.
5. Once the Prime Minister has welcomed the President and Mme Sadat they will take their places on the Saluting Base between the two colour points. The Prime Minister will stand on the President's right and slightly behind him. Mme Sadat will stand behind the President and the Prime Minister. After the Guard Commander has presented his Guard of Honour to the President, Major General Langley will accompany the President and the Guard Commander on the inspection. The Prime Minister and Mme Sadat should remain in the vicinity of the colour points with the Brigade Major until the inspection is completed, and the Major General has accompanied the President back to the Saluting Base. The Prime Minister will then accompany the President to 10 Downing Street. General Ali, Mr Hassan and Mr Abou Seéda will follow to await the start of the plenary talks.
6. Mme Sadat and other members of the President's family will then proceed to their cars which will be waiting in the Quadrangle.
7. Meanwhile the Major-General and the Brigade Major will have taken their leave of the President and will authorise the dispersal of the Guard of Honour once the President has departed for 10 Downing Street.

WET WEATHER PROGRAMME

In the event of wet weather the Parade will not be cancelled. The programme will continue as scheduled up to the point where the inspection of the Guard of Honour should begin. If there is heavy rain at that point in the programme and the President does not wish to inspect the Guard of Honour the Prime Minister should lead the President to No 10.

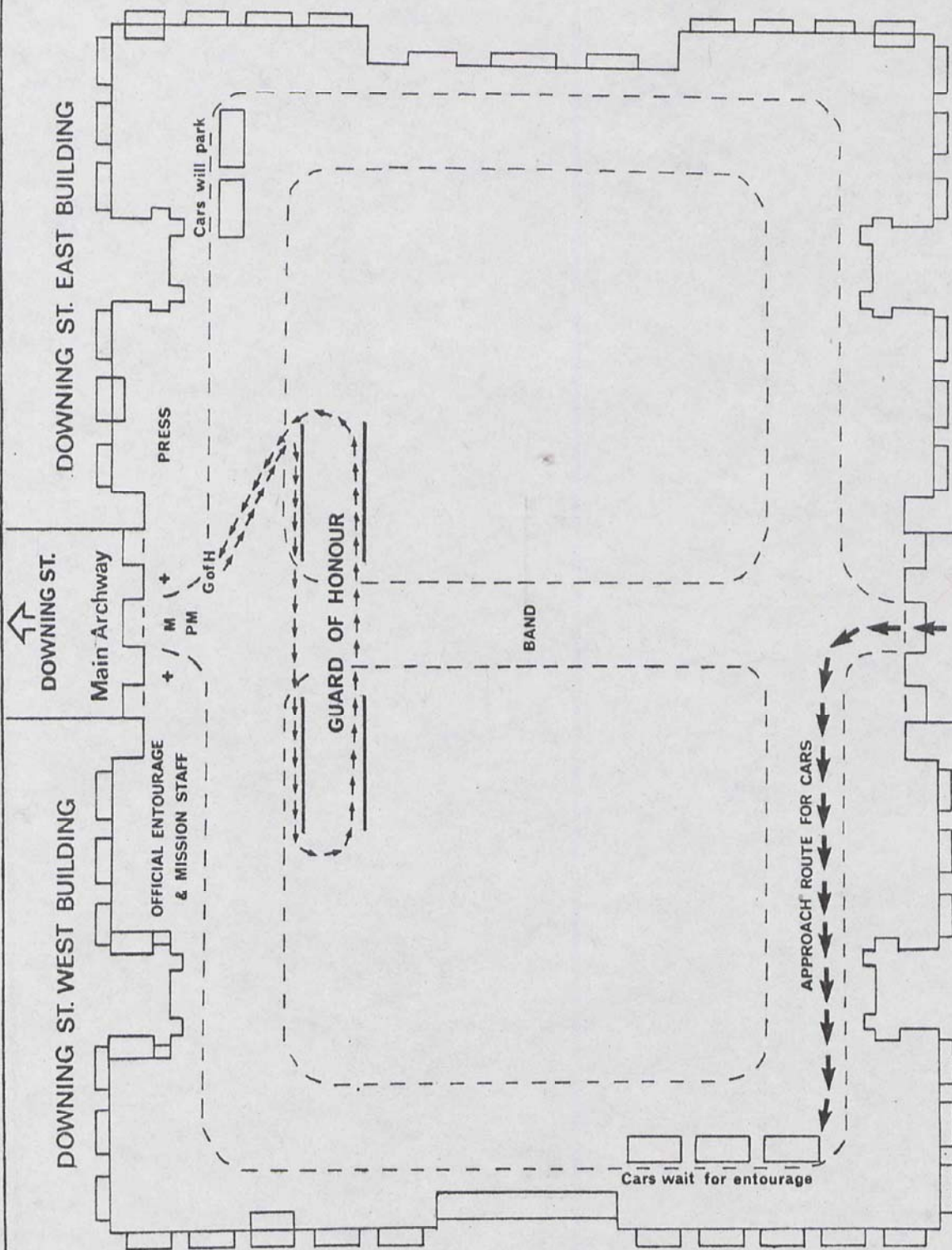
↑
WHITEHALL

OLD HOME OFFICE BUILDING

GUARD OF HONOUR CEREMONY
FCO QUADRANGLE

+ Colour Points
GoH Guest of Honour
PM Prime Minister
M Madame Sadat

Map Section, L&R Dept., FCO, July 1981



↑
DOWNING ST.
Main Archway

↑
DOWNING ST. EAST BUILDING

↑
KING CHARLES ST.

↑
KING CHARLES ST. BUILDING

↑
WHITEHALL

↑
PRESS

↑
GoH
M
PM

↑
OFFICIAL ENTOURAGE & MISSION STAFF

↑
Cars wait for entourage

↑
BAND

↑
Cars will park

↑
GUARD OF HONOUR

↑
APPROACH ROUTE FOR CARS

↑
N

Group of Businessmen

Led by Mr R Williams:-

- | | |
|------------------------|--|
| Mr G Roberts | - Director, British Gas Corporation |
| Mr D J Pepper | - Vice Chairman, Rolls Royce |
| Mr Julian Wathen | - Vice Chairman, Barclays Bank International
Deputy Chairman, Cairo Barclays Bank International |
| Mr W de Vigier | - Chairman of Acrow Engineers Ltd |
| Mr M H Caine | - Booker McConnell |
| Mr G W Mackworth Young | - Morgan Grenfell |
| Mr P J Gilpin | - Export Manager
Rothmans International |

DISTRIBUTION

PS to HM The Queen (2)

10 DOWNING STREET

PS to the Prime Minister (2)
Press Office
Mr Rylands

EMBASSY OF THE ARAB REPUBLIC OF EGYPT (10)

FOREIGN AND COMMONWEALTH OFFICE

Private Secretary (2)
PS/Lord Privy Seal (2)
PS/Mr Hurd (2)
PS/PUS
Sir John Graham
Mr J C Moberly
NENAD (10)
News Department (3)
Colonel P A W G Durrant (4)
Miss D F Lothian
Resident Clerks (2)
Protocol and Conference Department (10)
Heads of Mission Section (2)

GOVERNMENT HOSPITALITY FUND

Brigadier J A C Cowan
Mr Taylor
Mr Watt (2)

MINISTRY OF DEFENCE

Major Cockcroft, PS 13

METROPOLITAN POLICE

Canon Row

DEPARTMENT OF TRADE, CRE 5

Mr Williams
Mr Stewart

Programmes Only

Dr Semmence, CSD
Air Commodore Frost, MOD

CONFIDENTIAL



Foreign and Commonwealth Office

London S.W.1

31 July 1981

Dear Michael,

I sent you under cover of my letter of 30 July briefing for the Prime Minister's talks with President Sadat on 3 August. The Ministry of Defence and Department of Trade have proposed some amendments to the briefing to take account of recent developments.

/ *incorporated in main brief*
I attach a revised version of the second page of Brief 3 (UK-Egyptian Defence Cooperation) which takes account of talks Lord Trenchard had on 30 July with the Egyptian Minister for Military Production.

There have been developments in the past 24 hours on the Cairo Natural Gas Distribution Project (Brief 2 pages 7-8). The Egyptians have offered British Gas a three-quarters share of the contract, with the rest going to Austria, on the basis of 'accept this or lose the lot'.

/ The Egyptians are also being difficult over the Mahmoudiya Power Station project (not so far mentioned in briefing). Rolls Royce were awarded the original project in 1978 (backed by £10m project aid). Recent changes in specifications mean that they are effectively excluded from bidding for the next phase. I attach a note from the Department of Trade.

The Egyptians have told us that Dr Osama El Baz, First Under Secretary in the Ministry of Foreign Affairs (and the leading expert on Camp David) will replace Sadat's Private Secretary in the Egyptian team for the talks.

/ I also attach a supplementary brief on the Royal honeymoon.

yours own,
Roderic Lyne
(R M J Lyne)
Private Secretary

M O'D B Alexander Esq
10 Downing Street

CONFIDENTIAL



(b)

MAHMOUDIYA POWER STATION

POINTS TO RAISE

- (i) Remind President Sadat that the original £28m turnkey contract, for supply of a 200MW gas turbine power station which was supported by a £10million UK aid financing, is being satisfactorily completed by Rolls Royce ahead of schedule.
- (ii) Rolls Royce however effectively excluded, by technical specification, from competing for extension to power station.
- (iii) Grateful if a specification could be re-written so that Rolls Royce can bid.

ESSENTIAL FACTS

Mahmoudiya Power Station

Rolls Royce were awarded the original contract for the power station in 1978. This contract, worth £28m, was supported by £10 million aid under the Aid and Trade Contingency Fund. In 1980 the Egyptians decided to extend the power station to 435MW capacity using combined cycle technology. This extension, worth a further £40 million, was to be on the basis of a negotiated contract with Rolls Royce with £7 million aid financing. Following a decision not to introduce combined cycle technology at present the offer of aid was withdrawn. The revised contract was then put out to international tender with a requirement for heavy duty gas turbines. Rolls Royce gas turbines are aero-derived and, hence, light. The Ambassador has made representations to the Minister for Electricity and Power (H E Eng Abaza) but without result and a message that President Sadat would like to see Rolls Royce given an opportunity to compete could be useful.

CONFIDENTIAL

VISIT OF PRESIDENT SADAT OF EGYPT: 2 - 4 AUGUST 1981

BRIEF NO 2

UNITED KINGDOM/EGYPTIAN RELATIONS (HONEYMOON)

SUMMARY OF POINTS TO MAKE

1. President will know that the Royal couple plan to spend the latter part of their honeymoon on board Britannia off Egypt (12 - 15 August) and fly home from Hurghada.
2. Most anxious to keep media and crowds at arms' length, spare them formalities and afford them maximum privacy.
3. Public announcement of honeymoon plans deliberately vague. No details will be given. Plans may be changed at last moment.
4. Sir Michael Weir, Her Majesty's Ambassador in Cairo, informed Vice President Mubarak on 26 July. Grateful for Vice President's invitation to Royal couple to Cairo, but President will understand they would prefer to remain on the Yacht. They hope perhaps to see Vice President on board or President if he has returned when the Yacht passes through the Canal, 12 - 13 August.

CONFIDENTIAL

CONFIDENTIAL

*This is a copy. The original
has been extracted and
closed, 40 years.*

VISIT OF PRESIDENT SADAT OF EGYPT: 2 - 4 AUGUST 1981

BRIEF NO 2

UNITED KINGDOM/EGYPTIAN RELATIONS (HONEYMOON)

ESSENTIAL FACTS

OUTLINE HONEYMOON ITINERARY

1 August	Arrive Gibraltar p m Embark Yacht sails.
2 August	At sea.
3 - 6 August	Off Algerian coast.
7 August	Off Tunisian coast.
8 - 9 August	At sea (transiting Straits of Messina p m 8 August).
10 - 11 August	Off Crete.
12 August	Arrive Port Said.
13 August	Depart Suez.
14 August	Off Hurghada on Red Sea coast of Egypt.
15 August	Return United Kingdom by air from Hurghada.

2. Public announcement made on 20 July: 'Royal couple will spend about two weeks cruising in the Mediterranean. Yacht on its way to Australia where The Queen will join it in September. No further details about the programme to be made available.'

3. Governments concerned informed at the same time in confidence of the details. Sir Michael Weir discussed with Vice President Mubarak on 26 July. Her Majesty's Ambassador authorised to invite Vice President Mubarak on board during passage of Suez Canal. Vice President issued counter invitation to come to Cairo which was politely declined.

*Paragraph 4 deleted and closed, 40 years,
under a FOI Exemption.*

*AWayland
28 July 2011*

CONFIDENTIAL

CONFIDENTIAL

5. In response to report that media are chartering a boat to shadow Britannia, Ministry of Defence have agreed to detach up to three frigates from their Mediterranean duty stations to help escort if necessary. Greeks also offering naval support if required.

CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

30 July 1981

Dear Michael,

I enclose a set of briefs for the Prime Minister's talks with President Sadat of Egypt together with some notes for a short speech at the Prime Minister's luncheon for Sadat on 3 August. The Egyptians have confirmed that there will be no speeches at the Ambassador's return dinner at Claridges on 3 August.

The talks will take the form of a tete-a-tete (11.30-12.00) followed by an hour's plenary talks. The Egyptian Deputy Prime Minister for Economic Affairs is not coming. Those taking part in the talks will therefore be:

Prime Minister
Lord Carrington

President Sadat
Egyptian Foreign Minister
Kamal Hassan Ali

Sir John Graham

Egyptian Minister for
Presidential Affairs
Mansour Hassan

Sir Michael Weir

Egyptian Ambassador
Abou Seeda

Head of NENAD

Sadat's Private Secretary

The Health Minister, Dr Gabr, will be having separate talks with Dr Gerard Vaughan at 11.30. Madame Sadat declined our offer of a separate programme. We have sent extracts from the briefing as appropriate to HM Treasury, Department of Trade and DHSS.

Yours ever
Roderic Lyne

(R M J Lyne)
Private Secretary

M O'D B Alexander Esq
10 Downing Street
LONDON

VISIT OF PRESIDENT SADAT OF EGYPT : 2-4 AUGUST 1981

BRIEFS

LUNCHTIME SPEECH

1. Steering Brief
2. UK/Egyptian Relations : (Visits, Trade, Aid, Nuclear Power Cooperation)
3. UK/Egyptian Defence Cooperation : (Military Assistance Defence Sales)
4. Arab/Israel : (European and US Policy)
5. Other Middle East Issues : (Lebanon, Iran, Iran/Iraq war, Egypt/Arab relations, Libya, Sudan, RDF)
6. World Issues : (East/West relations, Poland, Afghanistan Namibia, Conduct of US Policies)
7. Egypt Background : (Political and Economic, Statistics)
8. Personality Notes

DRAFT SPEECH BY THE PRIME MINISTER

LUNCHEON FOR PRESIDENT SADAT OF EGYPT: 3 AUGUST 1981

Particularly glad that Madame Sadat and members of his family accompany the President. Glad to see General Kamal Hassan Ali and other Ministers. First official visit to Britain since 1975. Sorry that visit has had to be so short. President would need much more time just to see his many personal friends here.

But we were particularly keen to see the President in London now. Greatly admire his courageous determination to seek peace in the Middle East. Road to peace has not been easy and has required sacrifices. Breakthrough in 1977 with his historic visit to Jerusalem; a bold and imaginative step.

Peace Treaty has brought benefits to Egypt. Peace always worth the struggle. Young lives which could so easily have been lost in war can now be turned towards building Egypt. Recent performance of Egyptian economy silencing the pessimists, testimony to success of peace policies. But peace process has also had its costs. Past few years have not been easy.

Arab neighbours have rejected Camp David and sought to make life difficult for Egypt. With limited success; it is not easy to ignore a country which has always been a leader in the Arab world. Other Arab leaders might have asked themselves who was really isolated from whom!

You are on your way for your first meeting with President Reagan at a time when tension in the Middle East is once again high. The situation is of concern to us all and we know that you feel very strongly about recent events.

The Americans have played an important role in securing peace. Camp David Agreements remain a firm basis for peace between Israel and Egypt and the framework for the return to Egypt of Sinai which we know is important to you.

/We

We in Europe are anxious to help in any way we can towards achieving a wider peace in the Middle East. Not by cutting across, but by complementing the Camp David agreements. Venice Declaration of June 1980 remains the basis of EC position. When you addressed the European Parliament earlier this year you made clear your support for the European initiative.

We shall use our short time as President of the EC to pursue Middle East peace. But we have no illusions about what can be done in the ~~time available~~. *short term: we must however keep working at the problem so that when the time is ripe, movement can be made.* Relations between Egypt and Britain are excellent and one of the reasons we were so anxious to see you now was to repay the superb hospitality you and your government have extended to Members of HMG and the Royal Family over the past year.

We try to keep in balance but is not easy. The attractions of a boat trip up the Nile are considerably greater than those offered by the Thames! But there are many other things to see in Britain and we hope that you and your colleagues will visit us often to take advantage of them.

TOAST: His Excellency The President of the Arab Republic of Egypt and Madame Sadat.

VISIT OF PRESIDENT SADAT OF EGYPT : 2-4 AUGUST 1981

BRIEF NO 1 : STEERING BRIEF

1. Sadat is visiting London on his way to Washington for his first meeting with President Reagan. Sadat's first visit to Britain since 1975 (apart from refuelling stop in 1978).

Provides an occasion for us to return much recent hospitality (the Foreign and Commonwealth Secretary, other Ministers and members of the Royal Family). Sadat will be accompanied by his wife and members of his family, the Deputy Prime Minister and Foreign Minister Kamal Hassan Ali, and the Ministers of Health and Presidential Affairs.

2. Our main objectives:

- a) To underline importance we attach to our good political and economic relations with Egypt.
- b) To probe Sadat's thinking and to explain ours on the Middle East peace process following Begin's victory and on its development in the coming months.
To ensure that we are working together.
- c) To hear Sadat's views on a wide range of international issues.

3. Egyptian objectives will be:

- a) To probe latest British and European attitudes to Middle East peace settlement and UK strategy on Middle East during Presidency.
- b) To ensure that Egypt's point of view on Arab/Israel is understood. To probe our thinking on US policy on the eve of Sadat's visit to Washington.
- c) To encourage The Queen and the Prime Minister to visit Egypt soon.

4. Sadat will see the Prime Minister at 1130 a.m. on 3 August for a 30 minute tete a tete followed by an hour's plenary talks at noon with Lord Carrington, Kamal Hassan Ali, the Minister for Presidential Affairs, and officials.

/5.

5. We would expect the No 10 talks to be dominated by the Middle East and the Arab/Israel dispute in particular. Sadat is going to Washington for his first talks with Reagan at a time when Begin is settling down to a new term of office. Sadat's chief concern is that the handover of the remainder of Sinai should go forward on 19 April 1982. Agreement has now been reached on a multinational force. The Egyptians are concerned that no coherent Middle East policy has yet been adopted in Washington and have hopes (probably too high) that the UK Presidency will help to move the peace process forward. Sadat is putting a brave face on Begin's victory but it is no secret that the Egyptians were banking on Peres. The Israeli attack on the Iraqi reactor infuriated Sadat, coming as it did immediately after his meeting with Begin at Sharm-el-Shaikh.

6. Sadat will be interested to hear our views on World Issues, such as Afghanistan, Poland, Namibia and East-West relations in general, on which Sadat maintains a robust anti-communist line. It will be interesting to hear his views on Egypt's relations within the Middle East (especially with Saudi Arabia and Iraq). Sadat can expect a sympathetic hearing in Washington for his views on Libya; Sadat, who sees Qadhafi as a Soviet proxy, speaks wildly but has hitherto acted cautiously. The Egyptians fought a bitter but unsuccessful rearguard action to block Qadhafi's ambitions for the Chairmanship of the OAU.

7. There are no major outstanding problems between the UK and Egypt and discussion of Bilateral Issues need not take up too much time. Trade with Egypt is in balance but we need to win more large civil and military contracts. The Cairo/Alexandria Natural Gas contract is an important one for which Sadat's support in difficult negotiations could help (our consistent political support merits more material recognition than has been the case). Mr Biffen expects to visit Egypt in November. The export credits limit for Egypt is under pressure with two large projects (Cairo sewerage and East Nubariya land reclamation scheme) dominating the cover.

8. Egypt is a potentially important market for Defence Sales but results have been disappointing so far. The Hawk deal fell through last year. We hope to sell the Egyptians Rapier, helicopters, tank guns and missiles. The US, as the major military aid donor, dominates the market and the French have done well by their ability to offer soft finance for sales. Mr Nott is due to visit Egypt in September.

9. The Egyptians have announced plans to develop Nuclear Power (we hope to build them two power stations) and a draft Memorandum of Understanding is before the Egyptians now. The Egyptian Minister of Electricity is expected in London in September for the signature and Mr Howell is to go to Egypt later in the year. British Aid to Egypt is still important. (£50m for Cairo sewers)

10. We expect Sadat to press for an early State Visit by The Queen and a visit by the Prime Minister. A State Visit could not take place before 1982 and a likely date would seem to be the winter of 1983/4.

VISIT OF PRESIDENT SADAT OF EGYPT: 2-4 AUGUST 1981

BRIEF NO 2: UK/EGYPTIAN RELATIONS (INCLUDING TRADE)

VISITS

GRATEFUL FOR HOSPITALITY EXTENDED TO MINISTERS AND MEMBERS OF THE ROYAL FAMILY OVER PAST YEAR

1. Important to maintain exchanges of Ministerial visits. Mr Nott and Mr Biffen to visit in Egypt later this year. Egyptian Electricity Minister due here in October.

(IF RAISED) STATE VISIT PROGRAMME FULL FOR NEXT FEW YEARS

2. The Queen is looking forward to a visit to Egypt at a convenient time. Immediate programme already full but we must discuss dates soon.

TRADE

BILATERAL TRADE GROWING SATISFACTORILY IN BOTH DIRECTIONS

3. We are keen to develop trading links and to contribute engineering skills to large development projects.

4. Mr Biffen's visit to Cairo in November will be important.

ONE IMPORTANT PROJECT MERITS MENTION: CAIRO AND ALEXANDRIA NATURAL GAS SCHEME

5. British Gas hope to win consultancy for natural gas project in Alexandria and Cairo West. First stage started in May (British Gas and Willian Press).

6. British Gas technical world leaders. Their present offer backed by £1 million HMG aid.

7. Hope President will take personal interest in outcome of this project.

/ WE ARE

WE ARE PUTTING MONEY INTO IMPORTANT CAIRO WASTE WATER PROJECT

8. We have confirmed £50m in aid. In addition credit cover of £100m for contracts to be awarded to British firms.

9. Memorandum of Understanding confirming this signed in May.

NUCLEAR POWER COOPERATION

KEEN TO HELP EGYPT DEVELOP NUCLEAR POWER PROGRAMME

10. UK has safely operated nuclear power stations since 1956. Long experience in all aspects. Hope to supply reactors in due course. In the meantime much to offer on planning/safety consultancies.

VISIT OF PRESIDENT SADAT OF EGYPT : 2-4 AUGUST 1981

BRIEF NO 2 : UK/EGYPTIAN RELATIONS (INCLUDING TRADE)

VISITS

1. Exchange of Ministerial visits over past year brisk. UK Ministers to Egypt have included Lord Carrington, Dr Gerard Vaughan. Mr Nott and Biffen and possibly Mr Howell will visit Egypt later this year. Inward visits: Deputy Prime Minister for Economic Affairs Dr Meguid (March) Minister of State for Foreign Affairs Dr Boutros Ghali (May). Most recently Minister for Military Production (July). Electricity Minister expected in October.
2. Members of the Royal Family have visited Egypt this year (Duke of Edinburgh, Prince Andrew). Prince and Princess of Wales will be in Egypt in August.
3. President Sadat is likely to renew his invitation for the Prime Minister to visit Egypt and to press for an early State Visit to Egypt. The Queen has never been to Egypt. Up to 1979 hostilities between Egypt and Israel ruled out a visit. There is no longer much opposition in principle to a visit but no prospect of The Queen being able to fit in a visit in 1982. Winter of 1983/4 looks like earliest possible date.

TRADE

4. Bilateral trade growing satisfactorily and in balance (UK exports 1980 £347 million - 31% increase on 1979. Egyptian exports to UK £337 million).
5. Mr Biffen hopes to visit Egypt in November for a COMET/CBI conference on UK/Egypt Trade.
6. We have given President Sadat consistent support for his peace policy and hope that this will receive more material

/recognition

recognition in the form of civil and defence contracts than we have had up to now.

7. One important case in point is the Cairo/Alexandria Natural Gas Distribution Project. First phase was inaugurated by Sadat in May and is being successfully implemented by British Gas and William Press Ltd. Crucial that British Gas win the consultancy for the next phase; this could open the door to up to £400 million worth of business for British firms.

8. Egyptians pressing British Gas to lower their fee. In order to help to keep down cost we have made available unusually large sum of £1 million in grant aid and other project finance. The discussions which have come to involve the Deputy Prime Minister and Minister for Petroleum have not been going very easily. A message from President Sadat to his Ministers that he would like to see this project go to Britain would be extremely helpful.

NUCLEAR POWER COOPERATION

9. Egypt, a non Proliferation Agreement signatory, has announced plans to develop a nuclear power programme of 8 large (1000 Megawatt) stations. France and the United States have signed agreements on nuclear cooperation. We have given the Egyptians a draft agreement of our own. Mr Howell has invited Egyptian Electricity Minister to visit Britain later this year and it is possible that Mr Howell may visit Egypt in October.

AID

10. Mr Marten reconfirmed in January our offer of £50 million in aid towards the cost of modernising Cairo's sewerage system. In addition we have agreed to provide credit cover for a further £100 million for contracts to be awarded to British firms. Memorandum covering the availability of credit and agreements committing the first £31 million of aid was signed in May.

/Technical

Technical Co-operation

11. The technical co-operation programme is central to Egypt's developmental needs with priority being given to technical education, family planning, agricultural management training, town planning and project preparation for schemes which will attract multilateral aid funding.

VISIT OF PRESIDENT SADAT OF EGYPT: 2-4 AUGUST 1981

BRIEF NO 3: UK/EGYPTIAN DEFENCE COOPERATION

POINTS TO MAKE

BILATERAL DEFENCE RELATIONS

GLAD WE HAVE BEEN ABLE TO MEET EGYPT'S REQUIREMENTS FOR ADVICE AND ASSISTANCE IN THE LAST YEAR

1. Despite limited resources always ready to discuss means of improving our advice and assistance.

INCREASING CO-OPERATION BETWEEN OUR ARMED FORCES IS WELCOME

2. We will finance, under Military training assistance scheme, training places to help in Egyptian Armed Forces reorganisation.

3. We will sponsor candidate for 1982 Royal College of Defence Studies course.

PLEASED TO BE ABLE TO HELP IN PLANS TO CLEAR WORLD WAR II MINES IN WESTERN DESERT

4. Hope that further stage involving aerial reconnaissance will be agreed.

[ONLY IF RAISED] IN PRINCIPLE INTERESTED IN JOINT TRAINING

5. But exercises take a long time to plan and our schedule is already very full. Glad to consider any specific proposals you may have.

/DEFENCE SALES

DEFENCE SALESWE ARE AWARE OF THE NEED TO PROVIDE FAVOURABLE CREDIT TERMS FOR DEFENCE SALES

7. We cannot match US military aid terms, but we will do our best. In considering our credit terms for military hardware we hope you will bear in mind the assistance, with technical information and technology transfer we are providing to Egyptian defence industry

WE HAVE BEEN PURSUING COOPERATION BETWEEN ROFS AND EGYPTIAN STATE FACTORIES

8. Had a very valuable visit from Major General Dr Gamal Al Saïd Ibrahim (Minister for Military Production) last month. Several agreements for technical assistance to Egypt's military factories were signed.

RAPIER WOULD BE WORTHY SUCCESSOR TO SWINGFIRE FOR PRODUCTION AT AOI'S ARAB BRITISH DYNAMICS FACTORY

9. Hope that due weight will be given to local production when selecting a new air defence missile.

MR NOTT'S VISIT IN SEPTEMBER WILL BE USEFUL

10. We shall wish to discuss range of possible defence sales including Rapier, Westland helicopters and radios for T55 tanks.

[Revised version]

VISIT OF PRESIDENT SADAT OF EGYPT: 2-4 AUGUST 1981

BRIEF NO 3 : UK/EGYPTIAN DEFENCE COOPERATION

ESSENTIAL FACTS

BILATERAL DEFENCE RELATIONS

1. We have provided varied advice and assistance to Egyptians in the past year. Most important has been a series of visits to and from Egypt to advise the Egyptian MOD Re-Organisation Committee on organisation, defence management and computerisation. UKMTAS funds will be used to pay for 24 places on management courses.
2. Egyptian Government requested advice in clearing World War II minefields from Western Desert. Royal Engineers officer visited Egypt at FCO expense in April 1981. He recommended preparation in Egypt of a set of maps summarising all known information on the mine fields: the task to be completed by UK military personnel. (UKMTAS finance agreed). And aerial photographs of the minefields to be made by the RAF. (Egyptian agreement of RAF flights not yet received).
3. During 1980 49 Egyptian students attended defence courses in the UK for a total of 449 student weeks.
4. For the future, MOD is co-ordinating programme for a visit by Egyptian National Defence College in September. We are also expecting an Egyptian team to observe Special Forces (SAS, SBS, Paras etc) training towards the end of September.
5. Last autumn, at the time of US RDF exercise 'BRIGHT STAR' in Egypt, Egyptians suggested exercises in Egypt by British forces. Objective was to show their military links with countries other than the US. Because of our very full exercise programme the high cost of a joint exercise and potential damage to our credit with Gulf States in the light of Gulf opposition to Camp David, it was decided to put the onus back on to the Egyptians by asking for more details of the proposal. There has so far been no reply.

DEFENCE SALES

6. Rapier (towed or possibly tracked) is being considered by Egypt in competition with the French Crotale as a supplement to US Hawk. An order could lead eventually to local production of Rapier in the Arab British Dynamics factory. Possible value £85m. BAe have been trying for five years to sell Rapier to Egypt. Egyptians have insisted that Rapier be developed to incorporate a proximity fuse (non standard). Joint production would be logical feasible and economic (Arab British Dynamics factory already make Swingfire).

7. Westlands helicopters. Westlands believe they could put together a package for £100-200m worth of helicopter business. Much would depend on our ability to offer good credit terms. Something Mr Nott could take up when he visits Egypt in September.

8. Major General Said Ibrahim, Egyptian Minister of State for Military Production visited the UK from 20-30 July. Visit cemented a growing relationship between Egyptian state factories and the ROFs. During visit agreement was concluded whereby ROFs will provide a Consultancy and will supply steel ingots and gun forgings for initial production at Egypt's Factory 100. Value estimated at £2m.

9. For 3 years MSDS and Plessey have been bidding separately for a contract worth some £40m, for radios for T55 tanks. Competition is from an American radio which has an inferior performance but is much cheaper and might be funded from US loan money.

10. The Egyptians have very little money for cash purchases of defence equipment and are largely dependent on subsequent military aid. We cannot match US aid terms, but our ability to sell depends on our providing as attractive credit terms as possible. The Defence Sales Organisation is currently discussing credit terms with ECGD which could lead to the creation

/of a

of a line of credit to Egypt for defence sales. We hope that sufficient progress will have been made by the time of Mr Nott's visit in September for him to discuss details with Egyptians.

11. In May 1979, following the Camp David agreements, Saudi Arabia, Qatar and UAE declared the Arab Organisation for Industrialisation dissolved. Egypt promptly nationalised the AOI's assets in Egypt. Westland, Rolls Royce and BAe(DG) were caught between the two parties. BAe renegotiated their contract, but Westland and Rolls Royce have so far been unable to restore their position. HMG's role in the AOI dispute has always been neutral, although we are prepared to act as honest broker.

VISIT OF PRESIDENT SADAT OF EGYPT: 2-4 AUGUST 1981

BRIEF NO 4: ARAB ISRAEL

POINTS TO MAKE

URGENT NEED FOR PROGRESS MAKES COOPERATION BETWEEN EGYPT AND EUROPE VITAL

1. UK and Ten sensitive to Egypt's concerns (Sinai). Equally remain fully committed to Venice principles and distinctive European role.

DO YOU SEE REAL CHANCE OF PROGRESS WITH MR BEGIN OVER AUTONOMY?

2. How can wide gap on the key issues be bridged?

MUCH INTEREST AMONG THE TEN IN CONFIDENCE BUILDING MEASURES

3. Know Egyptian attachment to this idea. But are there real prospects with Mr Begin in power? What do you think of idea of elections in West Bank and Gaza linked to autonomy talks?

COULD EXPLICIT ACCEPTANCE BY ALL CONCERNED OF GOAL OF SELF-DETERMINATION PROVIDE LINK BETWEEN CAMP DAVID AND PROCESS IN WHICH OTHER ARABS COULD PARTICIPATE?

4. This might be worth putting to the Americans.

US POLICY STILL NOT CLEAR. YOU HAVE THE OPPORTUNITY TO INFLUENCE IT IN A HELPFUL DIRECTION

5. Ten are keeping in close touch with Americans but US policy not yet clear. We believe Israel must not be allowed to continue to resort to military force as in recent weeks.

VISIT OF PRESIDENT SADAT OF EGYPT: 2-4 AUGUST 1981

BRIEF NO 4: ARAB/ISRAEL

ESSENTIAL FACTS

1. President Sadat's main concern in Washington will be to discuss how the autonomy talks can be resumed. (Mr Begin is due to visit Washington in early September; visits by King Hussein and Crown Prince Fahd are also planned for later in the year). He frequently expresses public confidence that this can be done without undue difficulty and that an agreement is possible, although his preference for dealing with Peres as the Israeli Prime Minister was quite clear and he has said privately on several occasions that he has no hope of ever reaching agreement with Begin. Whatever his private doubts, he is bound to appear enthusiastic about a resolution since he is anxious to give the Israelis no pretext for reneging on their commitment to withdraw from the rest of Sinai by April 1982. Agreement has been reached in principle on the establishment of a multinational peacekeeping force. We have not been asked to contribute and President Sadat appears to have taken little interest in details.

2. President Sadat has publicly expressed enthusiastic support for European peace efforts. In private he is sceptical about what we can hope to achieve, but content to let us talk to the rest of the Arab world as long as we do not jeopardize the essential aims of his own policy. He may also see European policy as capable of providing him with a lifeline if and when Sinai has been returned and (as is likely)

/no

no progress has been made in the autonomy talks. He has no quarrel with the Venice principles as our objectives in general. He has always stressed, notably in his Strasbourg speech earlier this year, that self-determination is the aim of the Camp David process ('As Egypt did repeatedly during the past few years, Egypt urges you to support their [the Palestinian's] right to self-determination and national dignity. This is their God-given right that cannot be denied under any circumstances').

3. The Ten are currently considering whether any practical confidence-building measures could be proposed to improve the general climate of trust in the area and aid the process of mutual recognition. The Egyptians, as long ago as October 1978, proposed a list of such measures to the Israelis, which they have resubmitted from time to time. Despite promises, the Israelis have not so far implemented any of them. They included a freeze on settlements, lifting restrictions on freedom of expression and movement in the West Bank, and granting an amnesty to some Palestinian prisoners.

EURO-ARAB DIALOGUE

4. President Sadat is unlikely to raise this himself. If he does, he can be reassured that the Ten have Egypt's concerns about her exclusion very much in mind. As Presidency, we have responsibility for keeping the Egyptians informed. We will of course do so. There is at present a lull in preparations for the Dialogue Ministerial meeting; the Arabs appear to be losing interest.

VISIT OF PRESIDENT SADAT OF EGYPT: 2-4 AUGUST 1981

BRIEF NO 5: OTHER MIDDLE EAST ISSUES

POINTS TO MAKE

LEBANON

VERY DISTRESSED BY HEAVY CIVILIAN CASUALTIES IN LEBANON. PLEASSED TO SEE CEASEFIRE

1. Deeply concerned by increase and strength of cross border attacks. Pleased to see ceasefire. Important to keep up momentum for wider settlement.
2. Much credit due to American efforts. Continuing US pressure for Israeli restraint required.
3. Doubt in US and Israel at Begin's actions. You can help get across to Americans that Western support for Israel cannot extend to unacceptable policies.

IRAN INTERNAL

28 JUNE BOMB EXPLOSION, ARRESTS, EXECUTIONS WILL TURN IRAN ON ITSELF STILL FURTHER

4. We expect IRP to hold its own in short term but concerned by continuing instability. We are working for better relations and watching for signs of Soviet intervention.

IRAN/IRAQ WAR

WAR CONTINUES AT LOW INTENSITY, RECENT SIGNS OF IRANIAN PUSH

5. Continuation of war threat to region's stability and world economy. Essential that all should encourage negotiated peace.

EGYPT/ARAB RELATIONS

ANY SIGNS OF DESIRE BY OTHER ARAB COUNTRIES TO IMPROVE RELATIONS WITH EGYPT

6. Clear that many rejectionist states still need trade and cooperation with Egypt.

LIBYA

HOW IS QADHAFI LIKELY TO USE OAU CHAIRMANSHIP?

7. Qadhafi as OAU Chairman unfortunate but we regard it as a matter for OAU alone. Is Qadhafi likely to be better or worse behaved?

SUDAN

HOW DOES SADAT VIEW FUTURE PROSPECTS FOR NIMEIRI?

8. Nimeiri still in control but recent disorders e.g. rail strike damaging. Opposition not sufficiently organised to pose threat.

RAPID DEPLOYMENT FORCE

WE FULLY SUPPORT US EFFORTS TO CREATE AN EFFECTIVE DETERRENT TO ANY ENCROACHMENT UPON THE WEST'S VITAL INTERESTS IN THE GULF IN COOPERATION WITH STATES CONCERNED

9. How does Sadat view RDF concept. How are Egyptians helping US? How are Saudis and others reacting to US plans?

VISIT OF PRESIDENT SADAT OF EGYPT : 2-4 AUGUST 1981

BRIEF NO 5 : OTHER MIDDLE EAST ISSUES

ESSENTIAL FACTS

LEBANON .

Situation Report

1. Ceasefire holding (27 July). But some violations by Libyan backed PFLP. The PLO are urging restraint. Haddad has threatened heavy retaliation for violations aimed at his forces.
2. UN Security Council marking time pending return of Lebanese Permanent Representative from Arab League Defence Council in Tunis.

Egyptian Attitude

3. Egypt has expressed deep concern about the Israeli attacks and has offered medical assistance to the Lebanese and the PLO. The Israeli attacks have been criticised in Egypt as damaging to the peace process. President Sadat is reported as saying that Israel, the PLO and especially Syria must all share responsibility for the latest events in Lebanon. Sadat has consistently held Syria responsible for recent troubles in Lebanon. This partly represents his real view but may also be seen as retaliation for Syria's extreme attitude to Egypt.
4. Bomb explosion on 28 June killed 72, including Ayatollah Beheshti chief architect of the Islamic Revolutionary Party's (IRP) control of government, judiciary and Parliament. IRP replied with campaign against left-wing groups and supporters of the former President, Bani Sadr, who is still in hiding. In early July some Western news correspondents expelled from Iran and new Foreign Minister announced that Iranian foreign policy would emphasise links with the third world and support for liberation movements.

IRAN/EGYPTIAN ATTITUDE

5. President Sadat provided a refuge for the late Shah and still

offers sanctuary for the Shah's family. President Sadat also welcomed the bomb explosion at the Islamic Republican Party headquarters as the first step in the downfall of Ayatollah Khomeini and the IRP.

IRAN/IRAQ WAR

6. No change in low level activity in fighting, war drags on, little prospect. Iraq ready to negotiate but Iran preoccupied with internal strife shows no interest in negotiation. Non Aligned, Islamic Conference and UN all appear to accept futility of further attempts at mediation until power struggle in Iran resolved. Egypt has provided tank parts and ammunition for Iraq on a one off basis. Egypt was quick to condemn Israeli raid on Iraqi reactor.

EGYPT/ARAB RELATIONS

7. Despite Egypt's help to Iraq there are no signs of Egypt/Iraq rapprochement. Relations with other Arab countries also continue to be difficult following signature of Camp David agreements and 1979 decision by other Arabs to boycott Egypt. Trade still continues and links persist, but Egypt remains politically isolated. Recent military operations by Israel have severely embarrassed Sadat; despite open criticism of Begin, Sadat must stick to Camp David Agreements if Sinai is to be recovered.

LIBYA

8. Sadat considers Qadhafi a dangerous and irresponsible man. Tension between Egypt and Libya has increased recently with rumours (apparently Libyan inspired) of imminent Egyptian invasion. No evidence that such action is being contemplated but such opinions have been discussed within Egypt. Egyptians fought unsuccessfully to prevent OUA Chairmanship passing to Qadhafi with 1982 Summit in Tripoli. Sadat sees Qadhafi as Soviet proxy but evidence for this not convincing.

SUDAN

9. Of Arab states, only Sudan has maintained relations with Egypt.

/This

This reflects Nimeiri's dependence on Egyptian military and political support in face of Libyan threat through Chad. Sadat went to Khartoum in May and Nimeiri is due to return visit soon. Nimeiri's own position shaky as Sudan's economic problems increase. His handling of recent rail strike was heavy handed and politically inept.

VISIT OF PRESIDENT SADAT OF EGYPT : 2-4 AUGUST 1981

BRIEF NO 6 : WORLD ISSUES

POINTS TO MAKE

EAST/WEST RELATIONS

OTTAWA MADE CLEAR DETERMINATION OF WEST TO ALLOW NO MORE SCOPE FOR EXPANSIONISM BY RUSSIANS AND PROXIES

1. But solutions to regional disputes vital in order to reduce opportunities for Russians to exploit.

WE SHALL NEGOTIATE SERIOUSLY ON ARMS CONTROL AND MORE CONSTRUCTIVE EAST/WEST RELATIONSHIP

2. We recognise the need for adequate channels of communication. But negotiations require matching Soviet effort.

POLAND

CONGRESS ENDORSED REFORMISM AND REJECTED EXTREMISM FROM EITHER SIDE

3. Kania's position strengthened. Party likely to be more difficult to manage in future now that democratic procedures adopted. Polish politics breaking new ground.

RUSSIANS HAVE GRUDGINGLY ACQUIESCED IN DEVELOPMENTS

4. Could still intervene if Party does not reassert its authority.

POLISH ECONOMY IN CRITICAL STATE

5. Firm programme of economic stabilisation required. Western creditors still considering further short term credits to help.

AFGHANISTAN

GRATEFUL FOR YOUR SUPPORT FOR CONFERENCE PROPOSAL

6. Aim now to maintain pressure on Soviet Union following widespread international endorsement. Resistance has been successful in maintaining pressure on Soviet troops.

NAMIBIA

[IF RAISED] US STILL TAKING LEAD IN NEGOTIATIONS

7. Though more extended than we had hoped, some progress made in US dialogue with South Africa during last two months. Five remain committed after Ottawa to continue efforts to reach a settlement. We are in touch with Front Line States Nigeria and Kenya about state of play.

US POLICIES

DECISION MAKING PROCESS IN WASHINGTON NOT CLEAR CUT

8. Seems that cooperation between foreign policy-makers is not yet complete. Still some rivalry and in-fighting. Haig's position not completely secure; but he remains the single most experienced and influential voice in foreign policy.

NO COHERENT OVERALL US FOREIGN POLICY YET

9. But policy shaping up gradually in some areas. Arms control a priority. Better that Americans should hasten slowly and take into account the views of other interested parties.

VISIT OF PRESIDENT SADAT OF EGYPT: 2-4 AUGUST 1981

BRIEF NO 6: WORLD ISSUES

ESSENTIAL FACTS

POLAND

1. The Extraordinary Polish Party Congress (14-20 July) was the most open and democratic Congress ever held in Eastern Europe. The 2000 delegates themselves elected by secret ballot, chose the 200 Central Committee members and 15 politburo members in a secret vote. Kania's comfortable re-election provides endorsement for his moderate reformist line and enhances his authority.
2. The Russians will be relieved that the Congress rejected extreme liberalism in favour of moderate reform. But they will be disturbed by the democratic procedures used to conduct the Congress and by the fact that 40 members of the new Central Committee and one of the members of the new Politburo are also members of Solidarity. They will expect the party to reassert its authority and make no further concessions to Solidarity. Military intervention will remain an option of last resort.
3. Polish Economy continues to deteriorate. A package of proposals for economic stabilisation and reform reviewed by Congress including major restructuring of industry and sharp (127%) price increase. Unlikely to be implemented before 1982 and will require full consultation with Unions.
4. Western Governments signed Agreed Minute on 27 April which makes provision for 90% debt relief (principle and interest) from May-December 1981. A fresh request for short term financing credit is currently under consideration.

AFGHANISTAN

5. Egyptian Foreign Minister made a statement on 10 July welcoming the initiative.
6. Egypt is the only middle eastern country which has openly

acknowledged that it supplies arms to the Resistance.

NAMIBIA

7. Five agreed in May to allow the US, as the Government with most leverage on South Africa, to take the lead. The Five Foreign Ministers discussed Namibia in the margins of the Ottawa summit (communiqué attached) and decided to convene a follow-up meeting of senior officials in Paris on 30 July to discuss the next steps. The Americans consider that there are ground for some optimism.

8. [NOT TO BE REVEALED] South African (and US) insistence on linking a Namibia settlement with Cuban withdrawal from Angola causes practical and presentational problems. We and the rest of the Five consider that explicit linkage will unnecessarily complicate the negotiations.

US POLICIES

9. The Administration went through an early period of disarray. The decision making process remains incoherent. There is still friction between White House staff, Weinberger and Secretary of State Haig. Haig's position is not secure, but he remains the Administration's most authoritative and experienced American foreign policy spokesman.

10. Within the White House the 'troika' of Ed Meese, James Baker and Michael Deaver are closest to the President and seem effective. Meese's influence is strong across the board but he is not a master of the foreign scene.

11. Much press criticism recently about the lack of a coherent US foreign policy and of any strong lead from President Reagan in foreign affairs. The President himself has not yet gone much beyond restating his belief in the importance of restoring America's strength, in toughness towards the Soviet Union and in standing by America's friends. Though there are a number of areas where we would welcome early formulations from the Americans, there is something to be said for them hastening slowly in general and listening to the views of their allies before adopting new policies.

OTTAWA COMMUNIQUE - ISSUED BY THE FIVE FOREIGN MINISTERS 22 JULY

The Foreign Ministers of Canada, France, the Federal Republic of Germany, the United Kingdom and the United States took advantage of their presence in Ottawa on July 20 and 21 to discuss the question of Namibia. They agreed upon the urgent need to continue the effort to bring about the independence of Namibia in accordance with Security Council Resolution 435 in a manner that will command international approval. The United States' Secretary of State Alexander Haig discussed with his colleagues the results of Deputy Secretary Clark's mission to South Africa, Namibia and Zimbabwe June 10-13. The Ministers considered measures which would complement and strengthen the existing UN plan and provide the confidence necessary for all parties to proceed. The Ministers decided to convene a follow-up meeting of senior officials next week in Paris to formulate proposals to carry forward the settlement process in consultation with all parties concerned. They decided to meet again in New York during the UN General Assembly session in September to review further how the process can best be pursued.

VISIT OF PRESIDENT SADAT OF EGYPT 2-4 AUGUST 1981

BRIEF NO 7 :

COUNTRY BRIEF: ESSENTIAL FACTS

Political History

1. British protectorate from 1914 until independence in 1922. 'Free Officers' led by Nasser (and including Sadat) staged coup in 1952. Monarchy abolished and republic declared in 1953. Nasser appointed Prime Minister in 1954. Nasser died in 1970. Sadat became President, consolidated position after 1973 war with Israel. In May 1980 Sadat took over the post of Prime Minister and was made President for life with 98% in referendum.
2. Sadat's government continues to enjoy a wide measure of popular support. He has succeeded to some extent in introducing political and economic liberalisation in Egyptian society. While the true extent of democracy under his regime may be open to question, Egyptians enjoy a greater degree of freedom of speech than in many Arab countries.
3. Regime has its faults. In a poor country corruption and affluence abound in a small circle of presidential followers. Decision making highly centralised and personalised.
4. Armed forces loyal to Sadat. Threats from religious and left wing opposition groups contained by highly effective security apparatus.
5. Since 1976 Sadat allowed formation of political parties whilst ensuring that dangerous opposition did not achieve too much influence. In a law of 1977 political parties were legalised and Sadat announced creation of a new party the National Democratic Party, with himself as leader. In September 1978 official opposition party, the Socialist Labour Party (SLP) formed. Relations between the latter and Sadat has been frosty for some time and have recently deteriorated badly. Sadat has accused SLP of being destructive and disloyal. Speculation that he is poised to bring into being a two party system with truly
/responsible

responsible opposition. Sadat often cites British system as model.

Economy (See also statistical data at Annex A)

6. Since 1973 great attempts made to repair war damage. Sadat's Law No 43 of 1974 led to replacement of Nasser's socialist planning by an 'open door' policy encouraging foreign investment. The 1970's also saw a great increase in aid from oil rich Arabs. Signature of Camp David treaty led to decision by Arab League Council to implement policy of economic and political isolation of Egypt. Arab Fund for Economic and Social Development suspended aid and credit relations. In May 1979 Saudi Arabia, Qatar and UAE withdrew from Arab Organisation for Industrialisation, Egypt based arms enterprise.
7. While loss of Saudi military aid, estimated at around \$2,000 million a year undoubtedly significant fact that only about 7% of Egypt's total trade was with Arab countries meant that effects of boycott not important. In fact much trade continues. Sadat pinned hopes on 'Carter Plan' under which Egypt to receive \$12,250 million over 5 years mainly from US, W Europe and Japan.
8. Egyptian economy has out performed all expectations and looks remarkably healthy. Current account deficit reduced from \$1.5 billion in 1979 to \$0.6 billion in 1980, more than covered by US and other aid. Oil export revenues tripled since 1979. Income from Suez Canal workers remittances and tourism all up significantly. Oil reserves estimated at 10-12 years. Also large deposits of natural gas.
9. Internal economic scene less encouraging. Population increasing at 1.2 million a year. Little progress yet made in removing distortions caused by heavy subsidies on food and energy and other basic commodities. Industrial and agricultural production continues to grow far too slowly, little progress has been made in improving the infrastructure and there is continued poverty and disguised unemployment. Government are alive to these problems and are attempting to tackle them. They remember food riots in 1977 and are moving cautiously.

/Foreign

Foreign Relations

10. Egypt's foreign policy long dominated by relations with Israel and Arab neighbours. Nasser followed policy of non alignment dealing with both power blocs. Suez crisis of 1956 led to increasingly closer ties with USSR and widening rift with Saudi Arabia. In May 1967 war. Israelis secured control of Sinai peninsula as far as Suez Canal, West Bank of Jordan and Gaza strip. UN Security Council Resolution 242 of November 1967 formed basis for future attempts to find Middle East peace.
11. Sadat's dismissal in 1972 of Soviet advisers followed by gradual realignment to pro-Western policies. 1973 October war with Israel a triumph for Sadat which led to improved relations with United States and Kissinger's shuttle diplomacy of 1975. In 1977 Sadat visited Israel. Camp David agreements signed in 1978. Peace framework provided for 5 year transitional period during which inhabitants of Israeli occupied West Bank of Jordan and Gaza strip would obtain full autonomy and self-government. Peace treaty, signed in 1978 provided for phased withdrawal from Sinai over 3 year period. Final part due for return in April 1982. Diplomatic relations between Egypt and Israel established in 1980.
12. Camp David agreements and subsequent peace treaty resulted in Egypt's isolation in Arab world. In March 1979 Arab League passed resolutions withdrawing ambassadors to Egypt, severing of economic and political links, withdrawal of Arab aid and removal of Arab League headquarters from Cairo to Tunis.
13. Of Arab countries only Sudan has maintained links with Egypt, reflecting Nimeiri's reliance on Egyptian military aid in the face of threats from Libya. Egypt's relations with Libya have been strained since 1975 and in 1977 open warfare broke out on Egypt/Libya border. Renewed outbreaks were only narrowly averted in 1979. Egypt has worked particularly hard against Libya within the Organisation of African Unity and was disappointed by decision to make Qadhafi OAU Chairman in 1982.

/Anglo

Anglo-Egyptian Relations

14. British involvement in Egypt long standing. Disraeli bought Suez Canal shares in 1882. Protectorate declared in 1914, independence in 1922. Anglo-Egyptian Treaty of 1936 ended occupation but retained rights of British forces in Canal zone until June 1956. Full diplomatic relations with Britain broken during Suez crisis re-established 1961.

15. Anglo-Egyptian relations good, maintained by regular ministerial and official visits. Lord Carrington visited Cairo January 1981, Dr Vaughan went to Egypt in April 1981. Mr Nott and Mr Biffen are due there later this year. Egyptian Vice Prime Minister for Economic Affairs, Ministers of State for Foreign Affairs and for Military Production have been to London this year. Both HRH The Duke of Edinburgh and Prince Andrew have visited Egypt in 1981.

16. Sadat's liberalisation of the Egyptian economy has led to the rapid growth in Anglo-Egyptian trade in recent years. RAF aircraft regularly overfly and occasionally stage in Egypt on route to the Far East and East Africa and RN war ships regularly transit the Suez Canal. Egypt's main importance to UK derives from the extent to which the proposals for peace in the Middle East are determined by the policies she follows. Egypt looks to UK for political support, for weapons and military technology, for military training and as a market for her exports.

ANNEX A

EGYPT: STATISTICAL DATA

Total Land Area	1,000,020 sq km
Inhabited Land Area	35,168 sq km
Population	41 million (average growth rate 2.7% per annum)
GNP per capita (1979)	\$437
Exports (1980)	\$2.5 billion
Imports (1980)	\$3.1 billion
Principal Export Revenue Sources	Oil \$2.5 billion. Suez Canal \$0.67 billion. Workers remittances \$2.7 billion. Tourism \$0.73 billion.
Major Markets	USSR, Italy, East Germany
Major Importers	USA, France, West Germany, UK
Current Account Deficit (1980)	\$0.6 billion
UK Exports (1980)	£347m Telecommunications equipment, construction and earthmoving machinery, cigarettes, scientific instruments.
UK Imports (1980)	£337m Cotton, Potatoes, Hydrocarbons.

VISIT OF PRESIDENT SADAT OF EGYPT : 2-4 AUGUST 1981

BRIEF NO: 8

PERSONALITY NOTES ON PRESIDENT SADAT AND KEY MEMBERS OF
HIS DELEGATION

- A. President Anwar El Sadat
- B. Madame Jihan El Sadat and Children
- C. General Kamal Hassan Ali: Deputy Prime Minister and
Minister of Foreign Affairs
- D. Dr Mamdouh Kamal Gabr: Minister of State for Health
- E. Mr Mansour Hassan: Minister of State for Presidential
Affairs and for Culture and Information.

MUHAMMAD ANWAR EL SADAT

President of the Arab Republic of Egypt

Born December 1918. A signals officer, he graduated from the Military Academy in 1938. A politically minded officer. In 1942 was arrested, interned for two years (he escaped in 1944) and dismissed from the Army for his part in a German espionage operation to get information from British officers being entertained on a houseboat on the Nile. In 1946, he was arrested with a group of alleged conspirators accused of the assassination of the Minister of Finance, Amin Osman Pasha. He was acquitted in 1948.

A member of the nine-man committee which organised the coup d'etat of 23 July 1952, he made the first announcement of the Revolution on Cairo radio. Was director of Army Public Relations. Presided over the tribunal set up to try members of the ancien regime in 1953, and over the court which tried those involved in the assassination attempt on Nasser in the same year. Appointed a Minister of State in September 1954, the Secretary-General of the Islamic Congress. Dropped from the Cabinet in June 1956. Held a succession of senior government posts, notably Speaker of the National (now People's) Assembly from 1954 to 1956. In 1962/3 he was given special responsibility, with Field Marshal Halim Amer, for Egyptian policy in the Yemen and spent some time there. In 1969 he was appointed sole Vice President and deputised for Nasser in the latter's absence in Moscow in July 1970. In the mid-sixties he was one of the judges in the trials of prominent Muslim Brothers.

He was back in favour when Nasser died in September 1970, and assumed the functions of President ad interim. His nomination for the Presidency and the subsequent confirmation by referendum were not unexpected, given his position as sole Vice-President and the need to avoid splitting the higher ranks of the government with the candidates who commanded less general support.

Since that time he has been able steadily to strengthen his position; purge of main Nasserist rivals in May 1971 left him in complete

/control

control of the government and the country; a position in which he has never really seemed threatened, despite the student riots of December 1972 and the food riots of January 1977, and in which he has been considerably reinforced by the brilliant successes at the beginning of the October 1973 war and by the undoubted popularity of many of his liberalising policies.

His policies on almost every front represent a complete U-turn on those of Nasser. He has closed the internment camps, reversed the process of sequestration and embarked on an 'open door' policy of economic liberalisation with a view to attracting foreign capital and expertise to assist the ever ailing Egyptian economy. He has wound up the Nasserist one-party political system and created at least the semblance of a multi-party democracy.

In external affairs President Sadat has transferred Egypt from the Soviet to the American camp. In 1976 he announced the unilateral abrogation of the Treaty of Friendship with the Soviet Union and he now attacks the Soviet Union in almost every public statement he makes. His good relations with the West extend also to the UK, to which he paid an official visit in November 1975.

The most internationally visible of his policies, however, has been that towards Israel. Almost as soon as he came to power his initiative for an interim arrangement on the Canal showed his attitude to the Arab/Israel question to be more flexible than that of Nasser and more concerned with Egyptian (as opposed to pan-Arab) interests. Once the October 1973 War had given Egypt some bargaining counters, his record was one of steady, if careful, movement towards an Egyptian peace with Israel. The high points of this process have been the disengagement agreements of January 1974 and September 1975, the reopening of the Suez Canal in June 1975, the trip to Jerusalem in November 1977, the Camp David Summit of September 1978 and the Treaty of March 1979. Sadat was awarded the Nobel Peace Prize jointly with Mr Begin in September 1978. His policy has created a rift between Egypt and almost all other Arab states. In power he has proved to an impressive and apparently confident manipulator of men and affairs with a long-term vision of Egypt at peace. He is a devout Muslim..

/He

He speaks English, German and Persian. His second wife, Jihan, is his only public consort and plays a considerable role in public life. Sadat has one son, Gamal, and three daughters.

CONFIDENTIAL.

MADAME JIHAN EL SADAT

Mrs Sadat, who is at least one quarter English, is President Sadat's only public escort and plays a considerable role in public life. She is involved in several charitable projects of which the Al Wafa Wal Amal Rehabilitation Centre is the most important. She was closely identified with proposals to reform the divorce laws in Egypt, and has taken a lead in favour of family planning. She led the Egyptian delegations to the International Womens' Year Conferences in Mexico in 1975 and Copenhagen in 1980. She has very considerable strength of character and preferred in 1975, for example, to sit end of year examinations for her external arts degree in Cairo University to accompanying her husband to his meeting with President and Mrs Ford in Salzburg. She passed her finals in 1979 and took a Masters Degree (on the influence of Shelley on Arabic literature) in 1980.

She acquired a real popularity by visiting casualties in the October War. She is currently enjoying something of a public comeback following a low point in January 1977 when her name was reviled by rioters and she disappeared from the limelight for several months.

The children of President Sadat and Jihan, are courteous and intelligent, some say to good upbringing by their mother. There is one young engineer son, Gamal, and 3 daughters, one of whom is married to the son of Said Marei (Assistant to the President). Another is married to a nephew of Mahmoud Abdul Gaffa, a businessman, and the younger to a son of Osman Ahmed Osman, the former Deputy Prime Minister for Popular Development who resigned recently following his publication of a book which criticised the ruling class under Nasser and later.

GENERAL KAMAL HASSAN ALI

Deputy Prime Minister and Minister of Foreign Affairs (May 1980)

Born 19 September 1921. Studied at Military Academy 1942 and then at tank school in the UK 1948-49. He also took courses in USSR 1958-59. Served in the war of 1948, 1967, 1969 and was wounded in action 1948, 1965 and 1967. Operational commander of the Armoured Forces in the Yemen 1963-65. Chief of Staff of Armoured Forces and then Commander of Armoured Forces 1971-75. Assistant to Minister of War May-July 1975, then head of General Intelligence 1975-78. Appointed Minister of Defence in October 1978 in which role he played a prominent role in negotiations with the Israelis over the treaty and withdrawal arrangements. Known personally to President Sadat since their meeting at General Ali's sick bed in 1967 (referred to in the President's memoirs).

Small and square, looking somewhat like the tanks he used to command, Hassan Ali has an easy manner and a good sense of humour. He had reputation of being a good armoured commander and is well liked in the services. He was considered not to have had a very firm grip on the General Intelligence Organisation, however, and did not seem to be in command of all the details of his defence job. This was perhaps because he spent much of the time negotiating with the Israelis and the Americans, which made natural his transition, in the reshuffle of May 1980 to his present job. It was also suggested that he did not have the physical stamina for the defence job (and he has certainly had long periods of illness). He is not of high intellectual calibre and is thought to owe some of his advancement to the favour of Vice-President Mubarak.

Speaks good English and believed also to speak Russian. His wife, who suffers from heart trouble, speaks very little English. He has two grown up children; one is a son with marital problems.

DR MAMDOUH KAMAL GABR

Minister of Health (October 1978).

Born in Cairo 1925. Graduated in 1947 from faculty of medicine Cairo. Professor of Pediatrics at Cairo University. Member of Advisory body at UN University in Tokyo 1976-77. Member of International Food Federation 1970. Member of World Pediatric Association. Adviser to UN on child health and food.

A specialist in child nutrition. He has a reputation as an efficient administrator and a hard worker (16 hours a day) in his clinic, where he charges high fees. He appears to have few interests outside his work. His chief medical interest is polio control. He is said to have been appointed to his present post because of his friendship with Mustafa Khalil. He takes a positive and enlightened view over family planning.

His wife, also a doctor, was seriously ill in 1979 in Paris and he was criticised for the time that he spend away with her and on a series of international meetings and conferences. His only son is an engineering student. Visited Britain in 1980 for a conference on Bilharzia and again in March 1981 with Mrs Sadat. Friendly towards the UK and speaks good English.

CONFIDENTIAL

MANSOUR HUHAMMAD HASSAN

Minister of State for Presidential Affairs and for Culture and Information

Born 1937. At school abroad. MSc (Economics) at University of Michigan. Arab League, then private business. Served briefly as a member of the People's Assembly, Member of temporary Secretariat of NDP 1978, then head of NDP Information Committee. Chosen by Sadat late 1978 as Chef de Cabinet for NDP affairs and NDP spokesman: 1979 Presidency Liaison Officer for general election.

Mr Hassan is highly intelligent, articulate and said to be a millionaire. He is tipped as a rising star following his appointment as liaison officer between the Presidency and the NDP, and he has already made himself a role as a media manager for the party.

His first wife died of cancer: they had one son and one daughter. He married again in early 1979 a wife with an MA in Literature from Washington University.

CONFIDENTIAL

DESKBY 281430Z

FM CAIRO 281050Z JUL 81

TO IMMEDIATE FCO

TEL NO 440 OF 28 JULY

INFO PRIORITY WASHINGTON

SAVING TO TEL AVIV AMMAN, BEIRUT, DAMASCUS, JEDDA, UKMIS NEW YORK.

VISIT OF PRESIDENT SADAT.

1. SADAT'S VISIT TO LONDON AND WASHINGTON IS TAKING PLACE NEXT WEEK AFTER SEVERAL FALSE STARTS, BUT EVEN NOW THE TIMING IS SCARCELY IDEAL FROM HIS POINT OF VIEW. SADAT'S LAST VISIT TO

WASHINGTON. IN APRIL 1980, WAS MADE AT PRESIDENT CARTER'S INVITATION IN AN ATTEMPT TO SALVAGE THE AUTONOMY TALKS. WHEN THE ATTEMPT FAILED SADAT PINNED HIS FAITH ON A TRIPARTITE SUMMIT WITH CARTER AND BEGIN SOON AFTER THE AMERICAN ELECTIONS. HE ENTERTAINED A BRIEF HOPE THAT REAGAN MIGHT TAKE OVER THE COMMITMENT BUT WAS PUT OFF UNTIL AFTER THE ISRAELI ELECTIONS, WHICH THEN DEALT HIM A SECOND DISAPPOINTMENT, BUT THIS WAS NOTHING TO THE HUMILIATION OF BEGIN'S ORDERING THE RAID ON IRAQ - AND ESCALATING THE LEBANESE CONFLICT - ONLY DAYS AFTER SADAT HAD OBLIGED HIM WITH A PRE-ELECTION MEETING AT SHARM-EL-SHEIKH. AT HOME THE PROMISED DIVIDENDS OF PEACE CONTINUR TO BE PAID THROUGH MASSIVE SUBSIDIES FOR CONSUMERS (AND NEW WEAPONRY FOR THE ARMED FORCES), WHICH THOUGH COMFORTABLY FINANCED FROM BUOYANT REVENUE AND AMERICAN AID, MAY CARRY LONGER-TERM PENALTIES IN INFLATION AND UNDER-INVESTMENT. COINCIDENTALLY LAST MONTH SAW A RECURRENCE IN CAIRO OF THE SECTARIAN VIOLENCE THAT PRECEDED LAST YEAR'S VISIT TO WASHINGTON, BUT ON A MUCH MORE SERIOUS SCALE WITH OVER A HUNDRED CASUALTIES INCLUDING 15 DEAD. SADAT BLAMED THE RIOTS ON AGITATORS INTENT ON REPEATING THE EVENTS OF JANUARY 1977, AND HAS BEEN ATTACKING HIS CRITICS IN OTHER CONTEXTS. IT IS NOT ONLY HIS OPPONENTS WHO ARE NOW ASKING WHETHER SADAT IS STILL ON TOP OF EVENTS. MY JUDGEMENT IS THAT HE IS, BUT THAT PERHAPS WITHIN THE NEXT YEAR OR SO HE MAY FEEL OBLIGED TO CHANGE COURSE.

THE PEACE PROCESS

2. THE CURRENT MOOD WAS SUMMED UP BY THE MINISTER OF DEFENCE WHO REMARKED TO ME LAST WEEK THAT THE ISRAELIS WERE A BIGGER HEADACHE IN THIS RAMADAN THAN IN RAMADAN 1973. HE "AND HUNDREDS OF EGYPTIANS I HAVE SPOKEN TO" NOW BELIEVED THAT BEGIN DID NOT WANT PEACE, AND WERE TAKING ADVANTAGE OF THE TREATY TO ASSERT ISRAELI MILITARY SUPERIORITY NOW FOR FEAR OF BEING OVERTAKEN BY ARABS TEN YEARS HENCE. IF HE WENT ON LIKE THIS THE EFFECT IN EGYPT

CONFIDENTIAL

/ WOULD

WOULD BE VERY SERIOUS. ABU GHAZALA ADDED HOWEVER THAT IF BEGIN HAD ANY THOUGHT OF PROVOKING EGYPT INTO GIVING HIM A PRETEXT FOR NOT COMPLETING THE WITHDRAWAL IN APRIL 1982 HE COULD FORGET IT. THUS IT SEEMS CLEAR THAT UNTIL THEN SADAT WILL GO ON TURNING THE OTHER CHEEK COME WHAT MAY, THOUGH NORMALISATION WILL BE KEPT TO THE MINIMUM CONSISTENT WITH THE TREATY. THEREAFTER, FAILING A DEMONSTRABLE NEGOTIATING SUCCESS ON THE PALESTINIAN FRONT, HE WILL COME UNDER INCREASING PRESSURE TO ABANDON THE NEGOTIATIONS AND REJOIN THE ARAB CAMP. SADAT TOLD THE US AMBASSADOR IN TERMS LAST WEEK THAT HE WOULD NOT DO SO AND THAT THOSE WHO MADE SUCH PREDICTIONS DID NOT KNOW HIM. VICE PRESIDENT MUBARAK MADE THE SAME ASSERTION TO ME TWO DAYS AGO. EVEN SO, WHILE IT WOULD CERTAINLY GO AGAINST THE GRAIN FOR SADAT TO GIVE ANY GROUND TO THE REJECTIONISTS, I SUSPECT THAT HE MIGHT IN THE EVENT HAVE TO YIELD TO PRESSURE FROM HIS ADVISERS, RATHER AS HE DID IN SUSPENDING THE AUTONOMY TALKS LAST YEAR. IT IS SIGNIFICANT THAT THE EGYPTIAN REACTION TO THE ISRAELI ATTACKS ON LEBANON HAS BEEN TO HOLD PUBLICISED MEETINGS WITH THE PLO AND OFFER THEM (UNWELCOME) MEDICAL AID, AND TO ISSUE THE STRONGLY CRITICAL SADAT/NIMEIRI COMMUNIQUE (ALBEIT WITH SIDE-SWIPES AT THE SYRIANS WHICH PROBABLY REPRESENT SADAT'S REAL FEELINGS). HIS SUBSTANTIAL SHIPMENTS OF ARMS TO IRAQ MUST ALSO OWE MORE TO THE CLAIMS OF ARAB SOLIDARITY THAN TO HATRED OF KHOMEINI. ON THE OTHER HAND I CANNOT SEE SADAT'S PERSONAL POSITION BEING THREATENED BY ADVERSE PUBLIC OPINION ON THE ISRAELI ISSUE ALONE.

THE NEGOTIATING PROCESS

3. AS TO THE IMMEDIATE FUTURE, SADAT APPEARED TO HAVE FORMED NO NEW IDEAS WHEN THE US AMBASSADOR CONSULTED HIM LAST WEEK. HE WOULD WORK WITH BEGIN, BUT EXPECTED FRESH ELECTIONS WITHIN MONTHS, AND NO LONGER SPOKE CONFIDENTLY OF AN AUTONOMY AGREEMENT BY THE END OF THE YEAR. THERE WAS NO POINT IN RESUMING THE TALKS ON THE OLD (LINOWITZ) PATTERN WITH ELABORATE DRAFTS AND WORKING GROUPS. INDEED THE AMERICANS SEE NO SIGNS OF THE EGYPTIANS HAVING DONE ANY NEW HOMEWORK, AND APART FROM OSAMA AL BAZ THEIR TEAM HAS ENTIRELY DISPERSED. SADAT HAS HOWEVER BEEN MUCH ENCOURAGED BY A REPORT FROM HIS AMBASSADOR IN TEL AVIV THAT SHARON (OF ALL PEOPLE) IS ANXIOUS TO REACH AGREEMENT ON AUTONOMY BY APRIL 1982, AND IS PROPOSING PRIVATE TALKS WITH ONLY 2 OR 3 MINISTERS A SIDE TO AGREE ON PRINCIPLES INCLUDING SECURITY, THE SOURCE OF AUTHORITY, VOTING RIGHTS FOR ARABS, LAND, WATER ETC, I.E. ALL THE ISSUES THAT THE ISRAELIS HAVE HITHERTO BURKED. MUBARAK TOLD ME THAT DESPITE THE TRANSPARENT PERSONAL MOTIVE THE EGYPTIANS WILL GO ALONG WITH SHARON'S PROPOSAL, PERHAPS AT A MEETING IN ALEXANDRIA BEFORE BEGIN VISITS WASHINGTON. AN AGREEMENT IF REACHED MIGHT THEN BE CONSECRATED AT A TRIPARTITE SUMMIT: THIS IS OF COURSE TYPICAL CLUTCHING AT STRAWS. A MORE REALISTIC AIM WILL BE TO MARK TIME UNTIL THE NEXT ISRAELI ELECTION. THIS IS ALL THAT THE US AMBASSADOR HAS BEEN ABLE TO RECOMMEND TO WASHINGTON, WHERE HE HAS DETECTED NO

SIGNS OF NEW THINKING EITHER. THE MOST PRACTICAL WAY OF MARKING TIME IN HIS VIEW WILL BE FOR THE UNITED STATES TO UNDERLINE ITS COMMITMENT TO EGYPT BY BEEFING UP ITS MILITARY AID PROGRAMME TO A LEVEL MORE NEARLY COMPARABLE WITH THAT FOR ISRAEL. THE ADMINISTRATION WILL ALSO HAVE IN SADAT A READY AUDIENCE FOR ANY NEW IDEAS THEY MAY HAVE ON REGIONAL SECURITY AND THE SOVIET THREAT.

4. AS FOR THE EUROPEAN ROLE SADAT CONTINUES TO SUPPORT THE VENICE DECLARATION (OF HIS LUXEMBOURG SPEECH AND MORE RECENT STATEMENTS), BUT HIS MAIN CONCERN IS THAT WE SHOULD WORK WITH THE AMERICANS, RATHER THAN E.G. PUT PRESSURE ON THEM- THAT SHOULD BE RESERVED FOR ISRAEL. WHILE IN THEORY HE IS ALL FOR RECIPROCAL RECOGNITION BETWEEN THE PLO AND ISRAEL HE WOULD PROBABLY BE RATHER PUT OUT IF THE PLO PLAYED THAT CARD (OF HIS REACTION TO THE AMERICANS' ABORTIVE SECURITY COUNCIL EXERCISE IN 1979). SADAT'S PREFERRED NOSTRUM IS THAT THE PALESTINIANS SHOULD DECLARE A GOVERNMENT-IN-EXILE, WHICH HE KNOWS IS EQUALLY UNLIKELY BUT WOULD HAVE THE MERIT OF PUTTING THEM ON THEIR OWN, AND REDUCING THEIR VULNERABILITY TO SYRIAN/SOVIET PRESSURE.

EGYPT INTERNAL

5. IT IS DIFFICULT TO GET AN ACCURATE READING OF THE POLITICAL SCENE IN LATE RAMADAN WHEN THE NATION IS IN A STATE OF TORPOR, COMPOUNDED THIS YEAR BY THE SUMMER HEAT AND UNPRECEDEDLY LAVISH GOVERNMENTAL HAND-OUTS. THERE ARE SOME SIGNS OF MALAISE. ALTHOUGH THE RIOTING IN MID-JUNE BETWEEN COPTS AND MUSLIMS IN A POOR QUARTER OF CAIRO WAS PROBABLY NO MORE POLITICALLY MOTIVATED THAN THAT IN LIVERPOOL, IT MUST HAVE BEEN FED BY A MIXTURE OF RELIGIOUS INTOLERANCE AND SOCIAL DEPRIVATION THAT COULD BE INFECTIOUS. ONLY YESTERDAY SADAT PROMISED A FULL PARLIAMENTARY DEBATE ON HIS RETURN FROM ABROAD, WHICH SUGGESTS HE HAS BEEN BROODING ON THE IMPLICATIONS. THERE WAS THE SCANDAL OF THE RESIGNATION OF DEPUTY PRIME MINISTER OSMAN, EGYPT'S LEADING TYCOON AND SADAT'S CHIEF CONFIDANT, FOLLOWING THE PUBLICATION OF HIS LIBELLOUS ANTI-NASSER MEMOIRS THE EFFECT OF WHICH SADAT: SERIOUSLY MISJUDGED. ONE HEARS STORIES OF UNHAPPINESS THE OFFICER CORPS AT THEIR DECLINE IN SOCIAL ESTEEM SINCE A CAREER IN PRIVATE BUSINESS BECAME SO ATTRACTIVE, WHICH MAY BE CONFIRMED BY THE ANNOUNCEMENT OF NEW HOUSING AND OTHER PERKS FOR THE FORCES. FOLLOWING EARLIER ATTACKS ON DISSIDENT EGYPTIAN JOURNALISTS WRITING ABROAD, AND THE SOCIALIST LABOUR PARTY FOR ABUSING THE ROLE OF AN OPPOSITION, SADAT HAS LATELY PUSHED HIS QUARREL WITH THE LAWYERS' SYNDICATE TO EXTRAORDINARY LENGTHS, REQUIRING THE PEOPLE'S ASSEMBLY TO INVESTIGATE THEIR ALLEGED DISLOYALTY AND TO LEGISLATE THE DISMISSAL AND REPLACEMENT OF THE ENTIRE BAR COUNCIL (OUTLAWING THE LAWYERS, AS ONE OF THEM PUT IT TO ME). HE ACCUSED THE LAWYERS OF COMPLICITY IN A RECENT REPORT ON EGYPT BY ABC TELEVISION, CLAIMING THAT IT WAS DESIGNED TO

DISCREDIT HIM DURING HIS AMERICAN VISIT BY COMPARING HIM TO THE SHAH(TO WHOSE TOMB, INCIDENTALLY, HE PAID A PUBLICISED VISIT YESTERDAY ON THE ANNIVERSARY OF HIS DEATH, TOGETHER (WITH THE SHAHBANOU AND HER SON). AMONG THE DOGS THAT DID NOT BARK WAS THE BITER OF THE AMERICAN HAND THAT FEEDS, BUT IT WAS NOT WAGGING ITS TAIL EITHER : GRATITUDE IS EVIDENT ONLY AT THE TOP ,AND THERE HAS BEEN SURPRISINGLY STRONG RESISTANCE TO THE IDEA THAT THE MULTINATIONAL FORCE MIGHT GIVE THE AMERICANS A PERMANENT Foothold IN SINAI.

6. I RECITE THESE EXAMPLES MORE BECAUSE ONE CANNOT AFFORD TO IGNORE STRAWS IN THE WIND THAN BECAUSE I REGARD THEM AS FORESHADOWING AN EARLY STORM, LET ALONE JUSTIFYING COMPARISONS WITH IRAN. SADAT IS CERTAINLY SHOWING HIMSELF INCREASINGLY SENSITIVE TO CRITICISM AND OVER-REACTING TO IT. BUT IT IS NOT A NEW TRAIT, AND I WOULD PUT THE PRESENT MOOD DOWN MORE TO ANNOYANCE THAT EVENTS - THE US AND ISRAELI ELECTIONS, HIS OWN LOYAL OPPOSITION, THE COPTS, DOMESTIC RETAIL PRICES, THE EXCHANGE RATE - HAVE NOT CONFORMED TO HIS EXPECTATIONS THAN TO ANYTHING LIKE A LOSS OF CONTROL. ON THE CONTRARY, SADAT'S OUTSTANDING TALENTS - IN ADDITION TO THAT FOR THE COUP DE THEATRE - ARE HIS COMMON TOUCH WITH THE POPULACE AND HIS FLAIR FOR MANUPULATING POLITICIANS. (THE OUTLAWED LAWYERS ARE ALREADY COLLABORATING WITH THEIR SUCCESSORS.) ON THE OTHER HAND SADAT IS AN IMPROVISER, AND APART FROM HIS PEACE POLICY HE HAS FAILED TO DEVELOP A COHERENT POLITICAL PHILOSOPHY CAPABLE OF HARNESSING THE ENERGIES OF THE NATION AS DISTINCT FROM THOSE OF THE GET-RICH-QUICK BRIGADE (HIS NATIONAL DEMOCRATIC PARTY IS NOT LOOKING MUCH MORE PLAUSIBLE THAN THE SHAH'S RASTAKHIZ, THOUGH IT HAS CLEARLY LASTED LONGER). WHEN AND IF THE PEACE POLICY IS SEEN TO HAVE FAILED ,THE SHORTCOMINGS IN EGYPT'S POLITICAL, SOCIAL AND ECONOMIC SYSTEM MAY ATTRACT MORE POPULAR ATTENTION AND COMPEL SADAT TO CONSIDER A CHANGE OF DIRECTION IN DOMESTIC AS IN FOREIGN AFFAIRS. IT IS FUTILE AT THIS STAGE TO SPECULATE WHAT SUCH A CHANGE WOULD INVOLVE - IT COULD RANGE FROM A SIMPLE CABINET RESHUFFLE TO A SWING BACK TOWARDS CSOCIALISM AND A MORE DIVIGISTS ECONOMY TO REMEDY THE INEQUITIES THAT HAVE ENTERED BY THE OPEN DOOR. BUT WHATEVER FORM CHANGE TAKES I WOULD PUT MY MONEY ON SADAT'S ANTICIPATING THE NEED AND ADJUSTING TO IT, RATHER THAN WAITING TILL HE IS OVERWHELMED.

7. IF THERE IS ANYTHING IN THIS SKETCHY ATTEMPT TO THINK THE UNCOMFORTABLE IF NOT THE UNTHINKABLE I DO NOT (UNDERLINE) THINK IT GIVES ANY GROUNDS FOR RECONSIDERING OUR PRESENT POLICY OF POLITICAL AND ECONOMIC SUPPORT FOR SADAT'S EGYPT AND OF ENCOURAGING BRITISH EXPORTERS AND INVESTORS TO DO MORE BUSINESS HERE. I DO NOT EVEN SUGGEST THAT WE SHOULD EMULATE PRESIDENT REAGAN WHO I AM TOLD HAS AGREED TO READ SADAT A LECTURE ON THE NEED FOR LESS PRODIGAL FISCAL AND ENERGY POLICIES IN THE INTERESTS OF EGYPT'S LONG-TERM PROSPERITY. THE AMERICANS WOULD LIKE US TO , BUT WITH AN AID

CONFIDENTIAL

PROGRAMME OF OVER DOLLARS 2 BILLION A YEAR THEY CAN AFFORD HOME TRUTHS MORE THAN WE . I HAVE REHEARSED OFTEN ENOUGH EGYPT'S BASIC STRATEGIC AND POLITICAL IMPORTANCE TO THE WEST, AND IT CAN ONLY GROW WHEN SHE REJOINS THE RANKS OF THE MODERATE ARABS - AS MUST SURELY HAPPEN WITHIN A YEAR OR TWO , ASSUMING THERE ARE ANY MODERATE ARABS LEFT. WHATEVER ELSE HE DOES SADAT IS NOT LIKELY TO EXCHANGE HIS WESTERN ALIGNMENT FOR THE SOVIET UNION. MEANWHILE OUR BILATERAL RELATIONS ARE CLOSER THAN EVER BEFORE, AS SADAT HAS PUBLICLY TESTIFIED. ALL WE NEED TO DO TO SERVE OUR INTERESTS IS TO LOOKCONSTANTLY FOR WAYS OF GIVING THEM MORE PRACTICAL CONTENT, ACCOMPANIED BY POLITICAL ATTENTIONS SUCH AS THE PRESENT VISIT, WHILE KEEPING A WEATHER EYE OPEN FOR SQUALLS.

FCO PASS SAVING ALL ADDRESSEESS .

WEIR

[REPEATED AS REQUESTED]

MIDDLE EAST STANDARD

NENAD
MED
NAD
UND
EESD
ECD
WED
RID

MAED
ES & SD
ERD
ESID
CONS DEPT
CONS EM UNIT
CABINET OFFICE

ADDITIONAL DISTRIBUTION

ARAB/ISRAEL DISPUTE

5

CONFIDENTIAL

EGYPT

cc S. Goodchild



Foreign and Commonwealth Office

London SW1A 2AH

①

21 July 1981

*Prime Minister
Hope that Mr Biffen should
attend talks? We will be submitting
press list for lunch separately.*

*for
Mr Biffen?*

Dear Michael,

Richards

Visit of President Sadat: Accompanying Ministers

The Egyptian Embassy have still, despite numerous telephone calls to the Ambassador, not provided us with a definitive list of those who will be accompanying Sadat. Abu Seeda has however told us that the Minister of Defence will not be coming and that instead, along with the Ministers for Foreign Affairs, Health and Presidential Affairs, Sadat will be bringing the Deputy Prime Minister for Economic Affairs and Planning, Dr Abdel Meguid.

Dr Meguid, who last visited London in March, has responsibility for Trade and Economic Development and it might therefore be appropriate for Mr Biffen to attend the Prime Minister's talks - always assuming that the Egyptians do not change their minds again.

We understand that Mr Nott does not wish to take part in the programme if General Abu Ghazala does not come and I therefore suggest that you delete his name from the draft guest list for the No 10 lunch, which already includes Mr Biffen.

Dr Vaughan has agreed to see the Minister of Health, Dr Gabr, whom he knows well, at 11.30 on 3 August and wishes to give a luncheon for him on 4 August.

I am sending copies of this letter to David Omand (Ministry of Defence), John Rhodes (Department of Trade), Don Brereton (Department of Health and Social Security) and David Wright (Cabinet Office).

Yours ever,

Francis Richards

(F N Richards)
Private Secretary

M O'D B Alexander Esq
10 Downing Street



CC MOD
DOT
DHSS
CO

HL

10 DOWNING STREET

From the Private Secretary

19 July 1981

Dear Francis,

Visit of President Sadat: briefing

Thank you for your letter of 17 July. I agree that the briefing should be prepared by the FCO. I have written to you separately about the timing of the meeting with President Sadat and about participation in it.

I am sending copies of this letter to David Omand (Ministry of Defence), John Rhodes (Department of Trade), Don Brereton (Department of Health and Social Security) and David Wright (Cabinet Office).

Yours ever

Michael Alexander

Francis Richards, Esq.,
Foreign and Commonwealth Office.



Foreign and Commonwealth Office

London S.W.1

17 July 1981

Dear Michael,

Visit of President Sadat: Briefing

President Sadat will be in Britain from 2-4 August as a guest of the Prime Minister. Sadat, who will be on his way to Washington for his first meeting with President Reagan, will be accompanied by his Foreign Minister, Kamal Hassan Ali, and by the Ministers of Defence, Health and Presidential Affairs. Sadat is to have talks with Mrs Thatcher, Lord Carrington and Mr Nott at 11.45 on 3 August, before the Prime Minister's luncheon. We expect Sadat to be accompanied at the talks by all the accompanying Ministers except the Minister of Health, to whom I understand that a separate programme will be offered.

Subject to your views, it would seem the most convenient arrangement for the briefing for the Prime Minister's talks to be prepared by the FCO, with contributions from other Departments. We expect foreign affairs to occupy the greater part of the discussion, with the Arab/Israel dispute uppermost, though there will clearly have to be briefing on defence and (though we see little scope for it to be discussed) trade.

I am copying this letter to David Omand (Ministry of Defence), John Rhodes (Department of Trade), Don Brereton (DHSS) and to David Wright (Cabinet Office).

Yours ever,

(F N Richards)
Private Secretary

M O'D B Alexander Esq
10 Downing Street

CONFIDENTIAL

SK



file

10 DOWNING STREET

From the Private Secretary

17 July 1981

President Sadat

I have discussed your letter to me of 16 July with the Prime Minister. The Prime Minister has agreed to attend the dinner which President Sadat will be giving on the evening of 3 August.

As you know, the Prime Minister has also agreed that her meeting with President Sadat should be extended somewhat. It might begin with a tête-à-tête from 1130 am to noon, followed by a plenary session lasting until lunch. Subject to your views, I would have thought the plenary session might be attended by the Foreign and Commonwealth Secretary and the Defence Secretary, Sir Michael Weir and a notetaker. If President Sadat wishes to bring his Minister for Presidential Affairs, we could consider adding someone else to the Prime Minister's team. This might best be a senior Foreign Office official.

F.N. Richards, Esq.,
Foreign and Commonwealth Office

CONFIDENTIAL

NM

CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

16 July 1981

Dear Michael,

President Sadat of Egypt has accepted the Prime Minister's invitation to visit Britain from 2-4 August. A meeting was held at the FCO on 13 July to discuss a programme (Annex A) for the visit with the Egyptian Ambassador.

The Egyptians have told us that Sadat plans to arrive on the afternoon of Sunday 2 August. He will be met by a Lord-in-Waiting and an FCO Minister. When President Sadat was last in Britain, in 1975, he was met at the airport by the then Prime Minister, Mr Harold Wilson. But we would not think that Mrs Thatcher need consider going to the airport on this occasion.

The Prime Minister has agreed to give a luncheon for President and Mrs Sadat on 3 August. The Egyptian Ambassador has told us that the President will be giving a return dinner at Claridges on 3 August to which he intends to invite the Prime Minister, Lord Carrington, Sir Ian Gilmour and members of the Royal Family. The Egyptians will attach great importance to the Prime Minister's attendance at the dinner and we recommend that if she is free the Prime Minister should accept the invitation.

Her Majesty The Queen is giving a private luncheon for the Sadats on 4 August before their departure for Washington. Lord Carrington has agreed to invite members of the President's official and unofficial suits to a luncheon at Lancaster House at the same time. The Egyptians have told us that President Sadat will be accompanied by, among others, the Deputy Prime Minister and Foreign Minister, General Kamal Hassan Ali, the Defence Minister, General Abu Ghazala, the Health Minister, Dr Kamal Gabr, and the Minister for Presidential Affairs, Mr Mansour Hassan.

Yours ever,

(F N Richards)
Private Secretary

M O'D B Alexander Esq
10 Downing Street

CONFIDENTIAL

VISIT OF HIS EXCELLENCY THE PRESIDENT OF THE ARAB REPUBLIC
OF EGYPT AND MRS SADAT: 2-4 AUGUST 1981

Preliminary Draft Programme

Sunday 2 August

- Arrival pm - London Heathrow Airport: time to be agreed.
Dinner - (Private) given by the Egyptian Ambassador
at his residence.

Monday 3 August

- 10.30 - Reception for the Egyptian Community,
Egyptian Embassy
11.45 - Inspection of Guard of Honour: FCO
Quadrangle
12.00 - Talks with Prime Minister
13.00 - Luncheon hosted by Prime Minister
Afternoon - Free for calls
18.00-19.00 - Lecture to International Institute for
Strategic Studies (to be confirmed that
President Sadat wishes to do this)
20.00 for - Dinner given by Egyptian Ambassador:
21.00 Claridges

Tuesday 4 August

- 11.00 - Press Conference, Egyptian Embassy
13.00 - Luncheon given by Her Majesty The Queen at
Buckingham Palace (separate luncheon for
official suite)
Departure - time to be confirmed.



This is a copy. The original has been extracted and closed, 40 yrs.

Mr Alexander (or)

I have had PM in contact

Egypt

mm 7/7

Foreign and Commonwealth Office

London SW1A 2AH

f.s.
hnd

3 July 1981

Prime minister

This would fit perfectly well into your diary. Content?

Dear Willie,

President Sadat

LW
6/7

In his letter of 15 June Michael Alexander said that the Prime Minister would be prepared to offer a dinner for President Sadat on 4 August. Sadat has now asked if he could come a day earlier. This would mean his arriving on 2 August for a working day on 3 August, departing on the 4th. I understand that the Prime Minister would be prepared to see President Sadat for talks at noon on 3 August and to offer luncheon on that day.*

I should be grateful if you could confirm that we can now invite President Sadat on this basis.

Yours ever,

James Cahill

for (R M J Lyne)
Private Secretary

~ Passage deleted and closed under an FOI Exemption.

W Rickett Esq
10 Downing St

AlDayland
28 July 2011

JS

Egypt

15 June 1981

PRESIDENT SADAT

The Prime Minister has seen your letter to me of 11 June about a possible visit to this country by President Sadat. She would be happy to entertain President Sadat on Tuesday 4 August as you suggest. However, as no doubt you will realise, there is a possibility that Parliament will still be in session then and that the Prime Minister will have to answer Questions that day. You can therefore, at this stage, only plan engagements involving the Prime Minister with confidence after 1600 hours. The Prime Minister would be prepared to offer dinner.

MODBA

Francis Richards, Esq.,
Foreign and Commonwealth Office.

10



Foreign and Commonwealth Office

London SW1A 2AH

Prime Minister

11 June 1981

~~11~~ August 4 would be possible
for you - tho' since it a Tuesday & the House
might still be in session it is far from ideal.

Dear Michael, Agree that the offer should be made?
Yes no.

Ans 11/6

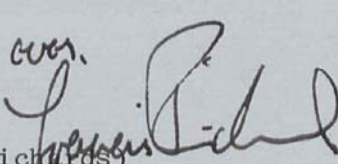
President Sadat last visited Britain as a guest of HMG in 1975. As you know, we had hoped that he might have been able to visit Britain in June but this proved impossible. It has now been confirmed that he is to visit the United States from 5 to 7 August and our Ambassador has warned that Sadat might ask if he can take up his standing invitation and stop off in London on the way to or from Washington.

Lord Carrington believes that it would be preferable if we could get in first and invite Sadat to spend a day in London on his way to Washington. The Americans have told us that the plan at the moment is for him to arrive in Washington at 9.00 pm London time on 5 August which might mean that he could spend Tuesday 4 August in London, perhaps arriving on the evening of 3 August. A stop over on the return journey would not work; both the Prime Minister and Lord Carrington will be on holiday and The Queen will be at Balmoral.

We think it important that President Sadat should be received as a guest of the Government with the Prime Minister as his host: the programme might include an audience or meal with The Queen, with talks and perhaps a meal at No 10 if this could be fitted in.

We expect President Sadat to be accompanied by his wife, but this has not been confirmed.

I should be grateful if you could let me know whether the Prime Minister agrees to invite President Sadat.

Yours ever,

(F N Richards)
Private Secretary

M O'D B Alexander Esq
10 Downing Street

~~M. Alexander~~

Egypt

please note para 2.

And

CF. 1614

GR 198
CONFIDENTIAL
FM CAIRO 151145Z APR 81
TO PRIORITY FCO
TELEGRAM NUMBER 252 OF 15 APRIL

YOUR TELNOS 243 AND 247: VISIT OF SADAT.

1. AT THE END OF LORD SEGAL'S MEETING WITH PRESIDENT SADAT TODAY I ASKED IF THE PRESIDENT'S PROGRAMME FOR THE SUMMER MONTHS WAS ANY MORE FIRM AND IN PARTICULAR WHETHER HE WOULD BE ABLE TO ACCEPT THE PRIME MINISTER'S INVITATION TO COME TO LONDON IN THE LAST WEEK OF JUNE. SADAT REPLIED THAT HE DID NOT THINK HE WOULD BE ABLE TO COME UNTIL SOME TIME IN THE AUTUMN. THIS WAS THE TIME HE HAD AGREED WITH MR HAIG FOR HIS VISIT TO WASHINGTON AND HE THOUGHT IT WOULD MAKE SENSE TO COMBINE THE TWO. HE DID NOT MENTION CHANCELLOR KREISKY'S INVITATION, AND I RATHER DOUBT WHETHER THIS TRIP WILL TAKE PLACE IN THE SUMMER (ESPECIALLY IF THE OBJECT IS TO MEET PERES), BUT IN ANY CASE WE CAN CLEARLY NOW FORGET ABOUT THE DATES IN JUNE. I HOPE IT WILL BE POSSIBLE TO RENEW THE INVITATION TO SADAT FOR TWO OR THREE DAYS IMMEDIATELY FOLLOWING HIS WASHINGTON VISIT, ONCE THE DATES FOR THIS ARE KNOWN.

2. DURING THE MEETING LORD SEGAL HAD SAID HE THOUGHT IT IMPORTANT THAT THE PRIME MINISTER SHOULD VISIT EGYPT FAIRLY SOON, AND SADAT WARMLY AGREED. HE ADDED THAT HE ALSO HOPED VERY MUCH THAT HM THE QUEEN WOULD BE ABLE TO PAY A VISIT TO EGYPT WHERE SHE HAD NEVER BEEN.

WEIR

[THIS TELEGRAM WAS NOT ADVANCED]

LIMITED
NENAD
PCD
PS
PS/LPS
PS/MR HURD
PS/PUS
SIR J GRAHAM
MR J C MOBERLY

Caroline CF. 1614

CONFIDENTIAL

Sadat was offered
24/25 June but - possible
lunch with PM on 24 June -
As you can see Sadat
will now not be
coming then
Chris

file

BK

12 March 1981

Reference FCO Telegram No. 176
of 9 March to Cairo

I have seen a copy of the above telegram and I want to confirm that the Prime Minister is free to give a lunch and talks for President Sadat on Wednesday 24 June but that no other time on 24/25 June would be convenient. This would probably necessitate him arriving on Tuesday 23 June.

CS

Christopher Jebb, Esq.,
Foreign and Commonwealth Office

AB

CONFIDENTIAL

10272 - 1

OO CAIRO
GRS 232
CONFIDENTIAL
FM FCO 091300Z MAR 81
TO IMMEDIATE CAIRO
TELEGRAM NUMBER 176 OF 9 MARCH
~~YOUR TELNO 153 OF 3 MARCH~~

Chris Stephens
Hfg
Paul

1. MIFT CONTAINS PERSONAL MESSAGE FROM ME TO SADAT GIVING ACCOUNT OF THE VISIT BY THE PRIME MINISTER AND MYSELF TO WASHINGTON.
2. THE PRIME MINISTER HAS AGREED THAT PRESIDENT SADAT SHOULD BE INVITED TO VISIT BRITAIN AS A GUEST OF THE GOVERNMENT IF SUITABLE DATES CAN BE FOUND. IT WOULD ONLY BE POSSIBLE FOR THE PRIME MINISTER TO PARTICIPATE IN A PROGRAMME FOR PRESIDENT SADAT ON 24-25 JUNE.
3. PLEASE NOW SEEK AN AUDIENCE WITH PRESIDENT SADAT TO HAND OVER MY MESSAGE AND EXTEND THE INVITATION FROM THE PRIME MINISTER. WE HOPE THAT PRESIDENT SADAT WILL BE ABLE TO COME ON THE ABOVE DATES.
4. WE UNDERSTAND FROM THE IISS THAT HE HAD ACCEPTED THEIR INVITATION TO DELIVER A LECTURE IN LONDON AND PROPOSED JULY, BUT SENT A LATER MESSAGE CANCELLING THIS BECAUSE OF RAMADAN. WE HAVE TOLD THE IISS OF OUR PLANS TO INVITE SADAT FOR JUNE. IISS HAVE ASKED THAT WE SHOULD NOT MENTION THEIR DEALINGS, WHICH WERE THROUGH GHORBAL, TO THE LONDON EMBASSY OR MFA.
5. WE WOULD HOPE THAT PRESIDENT SADAT COULD SPEND AT LEAST TWO NIGHTS IN LONDON. A PROGRAMME WOULD INCLUDE TALKS WITH THE PRIME MINISTER AND MYSELF. WE HOPE TO BE ABLE TO ARRANGE FOR SADAT TO BE RECEIVED BY THE QUEEN. IT WOULD BE USEFUL IN DUE COURSE TO KNOW IF SADAT HAS ANY IDEAS OF HIS OWN ON WHAT HE MIGHT DO IN LONDON.

CARRINGTON

[COPIES SENT TO NO 10 DOWNING STREET]

DIST:

LIMITED

NENAD

MED

PCD

DEFENCE DEPT

PS

PS/LPS

PS/MR HURD

PS/PUS

SIR J GRAHAM

SIR A ACLAND

MR BULLARD

MR P MOBERLY

MR J C MOBERLY

CONFIDENTIAL

jfh

gypt

BE ?

2 March 1981

Visit by President Sadat

The Prime Minister has seen your letter to me of 25 February and has agreed that President Sadat should be invited to this country as a guest of the Government if suitable dates can be found. This, as you point out, is unlikely to be easy. However it would be possible for the Prime Minister to participate in a programme for President Sddat on 24-25 June.

MODBA

Francis Richards, Esq.,
Foreign and Commonwealth Office.

Ge

PRIME MINISTER

Lord Carrington proposes that President Sadat should be invited to this country as a guest of Government. The FCO have late June in mind. From your point of view it might be possible to fit this in over 24-25 June: your existing lunch and dinner commitments for these two dates could be rearranged. I attach the relevant diary extract.

Agree that President Sadat should be invited in that period?

MP

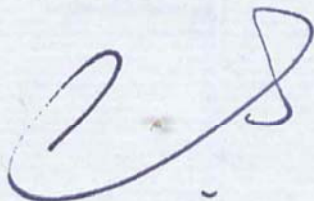
Yes

27 February 1981

MR. PATTISON

Dates for President Sadat's Visit

There is not a great choice. I could cancel lunch on Wednesday 24 June and the dinner on Thursday 25, and will keep both those meal times free. Neither the evenings of Tuesday 23 nor Wednesday 24 can be changed, so I hope that these two possibilities will be acceptable to the Foreign Office. As regards the Prime Minister meeting the President at the airport, we will obviously have to do our best to comply when the dates have been confirmed.

A handwritten signature in blue ink, consisting of a large, stylized 'S' followed by a smaller 'J' and a dot.

26 February, 1981.

CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

25 February 1981

Dear Michael,

President Sadat last visited Britain as a guest of HMG in 1975. Lord Carrington believes that there is a strong case for inviting him again in the first half of this year. Egypt is an important market, where the French are putting in a determined effort; and despite Egypt's present isolation in the Arab world she remains a significant force in the Middle East. When Lord Carrington was in Egypt in January, he asked Sadat whether he might come to Britain in the near future. Sadat said that he would like to, but no official invitation was issued at that stage.

Both the Institute of Strategic Studies and the Policy Studies Institute have invited President Sadat to deliver lectures in Britain this year. Sadat has, we are told, indicated that he would like to accept; while no precise date has yet been fixed, there is talk of the end of June. We have told the Egyptians that we hope President Sadat will come and call on the Prime Minister and other ministers while in London. But it is clear that the Egyptians want something more than a private visit. Through their Ambassador here, they have made it clear that they would like us to issue a formal invitation to Sadat. We think it important that President Sadat should be received as a guest of the Government with the Prime Minister as his host; the programme might include an audience or meal with The Queen, and if possible a Mansion House dinner, as well as talks and a meal at No 10. Sadat has just been to France where he was given first class treatment (he was, for example, met at the airport by President Giscard). We would need to bear this in mind in planning our own programme, and to find a date when The Queen has room in Her diary and when the Prime Minister and Lord Carrington can devote time to President Sadat. This will not be easy. But Lord Carrington considers it important that Sadat should be given treatment comparable to that given by the French.

I should be grateful if you could let me know whether the Prime Minister agrees to invite President Sadat.

Yours ever,

F N Richards
(F N Richards)
Private Secretary

M O'D B Alexander Esq
10 Downing Street
LONDON

CONFIDENTIAL

Tuesday 23 June

0930 Messrs. Gow, Howe, Ingham and Sanders
0945 Keep free for speech
1300 Lunch and Questions briefing
1515 Questions
1830 Audience
2030 Thirty Club Dinner (speech)

Wednesday 24 June

1300 Lunch for Junior Ministers
1730 Chancellor of the Exchequer
1830-2000 Cocktail Party for Members and wives +DT - No. 10.

Thursday 25 June

0830 Hair
0930 Messrs. Gow, Howe, Ingham and Sanders
1030 Cabinet
1300 Lunch and Questions briefing
1515 Questions
1600 Keep free for European Council briefing
Premier of James Bond film in honour of NSPCC

Friday 26 June

0915 Sir Robert Armstrong
0930 Media
1530 Visit to Pardes House School, N2
1700 Open 'bakehouse Boutique' at Friern Hospital
1800 Surgery
2000 East Branch Social Evening
2115 North Branch Wine and Cheese Party - United Reformed
Church, Oakleigh Park North
?To Chequers

Saturday 27/Sunday 28 June -

Monday 29/Tuesday 30 June

European Council, Luxembourg

Tuesday 30 June

1830 Audience (or 1/7)

Wednesday 1 July

0830 Hair
0930-1030 Keep free for Royal Show speech
1630 30 boys and girls from Belfast for tea and tour
1730 Chancellor of the Exchequer
1830 Audience (or 30/6)

Thursday 2 July

0930 Messrs. Gow, Howe, Ingham and Sanders
1030 Cabinet
1300 Lunch and Questions briefing
1515 Questions
Depart for Regional Tour +DT

Friday 3 July

Regional Tour +DT

Saturday 4/Sunday 5 July -



10 DOWNING STREET

Miss Stephens

Dates?

*MM
29
12.*