

*This does not take us
much further forward.*

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DESKBY 141300Z

FM CAIRO 141115Z JAN 81

TO IMMEDIATE FCO

TELEGRAM NUMBER 40 OF 13 JANUARY

INFO ROUTINE MODUK (FOR DUS/PMS) AND THE HAGUE (FOR MR BULLARD)

SECRETARY OF STATES CALL ON PRESIDENT SADAT: MIPT

BILATERAL RELATIONS

1. THE SECRETARY OF STATE SAID THAT IT WAS REMARKABLE AND GRATIFYING HOW FEW BILATERAL PROBLEMS THERE WERE BETWEEN US, BUT HE WOULD LIKE TO MENTION A COUPLE. SADAT HEARTILY AGREED AND RECALLED WITH A LAUGH THAT HE USED TO BE VIOLENTLY ANTI-BRITISH. (HIS WIFE INTERJECTED "SPEAK FOR YOURSELF"). HOWEVER, HE HAD GREATLY APPRECIATED OUR SUPPORT IN RECENT YEARS, RANGING FROM OUR SUPPLY OF SOPHISTICATED EQUIPMENT DURING THE 1973 WAR, AND OUR LATE-NIGHT CONSULTATION WITH HIM ABOUT THE SOVIET BID FOR A CEASEFIRE, TO MR WILSON'S HELPFUL INTERVENTION WITH THE ISRAELIS OVER THE SECOND DISENGAGEMENT AGREEMENT. SOME PEOPLE NOWADAYS SUGGESTED THAT WE MIGHT DO BETTER TO ADOPT A MORE BALANCED POSITION BETWEEN THE WEST AND THE SOVIET UNION, BUT AFTER HIS EXPERIENCE OF THE RUSSIANS IN 1973 HE COULD NOT CONTEMPLATE THIS.

2. THE SECRETARY OF STATE THEN BROUGHT UP THE AOI PROBLEM. HE REGRETTED THE FACT THAT THE COMPANIES HAD FELT OBLIGED TO STOP WORK IN EGYPT BY FACTORS OUTSIDE THEIR CONTROL. BUT HE KNEW LORD ALDINGTON WELL AS AN HONOURABLE MAN AND WAS SURE THAT THE COMPANY WERE ANXIOUS TO DO THEIR BEST TO AVOID HARMING EGYPT'S INTERESTS. HE DESCRIBED THE APPEAL THAT DEPUTY PRIME MINISTER FUAD MOHIEDDIN HAD MADE TO ME THAT THE BRITISH GOVERNMENT SHOULD USE ITS INFLUENCE TO BRING ABOUT A RECIPROCAL TERMINATION OF LEGAL PROCEEDINGS IN FAVOUR OF A NEGOTIATED SETTLEMENT. HE UNDERSTOOD THAT THE COMPANIES HAD NOW MADE NEW PROPOSALS (WHICH I BRIEFLY OUTLINED) AND HOPED THAT THESE WOULD PROVIDE A SATISFACTORY WAY FORWARD. SADAT SAID THAT THE COMPANIES' ACTIONS HAD INDEED BEEN A BLOW TO EGYPT BUT HE WAS GLAD TO HEAR OF THE NEW PROPOSALS. HE WOULD GET VICE PRESIDENT MUBARAK TO FOLLOW THEM UP WITH ME.

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3. LORD CARRINGTON SAID THAT ON THE OTHER HAND WE FOR OUR PART HAD HAD OUR DISAPPOINTMENTS OVER DEFENCE CONTRACTS WITH EGYPT. SADAT AT ONCE MENTIONED THAT HE HAD HAD A LETTER FROM MRS THATCHER ON THE SUBJECT AND SAID VAGUELY THAT APART FROM HAWK HE WAS ALSO INTERESTED IN HARRIER. SINCE HE SEEMED UNCLEAR ABOUT THE STATE OF THE HAWK CONTRACT AND DISINCLINED TO DISCUSS IT THE SECRETARY OF STATE DID NOT PRESS HIM. LORD CARRINGTON THEN EMPHASISED OUR HOPES OF SUPPLYING RAPIER. SADAT TOOK NOTE AND SAID HE WOULD ASK VICE-PRESIDENT MUBARAK AND THE MINISTER OF DEFENCE TO PURSUE ALL THESE MATTERS WITH US.

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PS/MR HURD

PS/PUS

SIR G. GRAHAM

MR. G. C. MOBERLY

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TO IMMEDIATE FCO

TELEGRAM NUMBER 38 OF 13 JANUARY

INFO IMMEDIATE AMMAN, DAMASCUS, JEDDA, BEIRUT, TEL AVIV, JERUSALEM, TRIPOLI, RABAT, WASHINGTON, PARIS AND BONN.

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*An interesting summary.
Read in full.*

SECRETARY OF STATE'S MEETING WITH PRESIDENT SADAT

1. THE SECRETARY OF STATE HAD A ONE AND A HALF HOUR TALK WITH PRESIDENT SADAT YESTERDAY EVENING AT HIS VILLA IN ASWAN. THE ATMOSPHERE WAS VERY FRIENDLY AND INFORMAL. MRS SADAT AND LADY CARRINGTON WERE PRESENT THROUGHOUT THE MEETING, AS WAS AMBASSADOR ABU SAADA.

CHAD

2. SADAT PLUNGED STRAIGHT INTO CHAD, SAYING THAT THE SITUATION WAS VERY SERIOUS. QADDHAFI'S NEXT TARGET WOULD BE THE SUDAN, WHICH WAS, OF COURSE, EGYPT'S LIFELINE BECAUSE OF THE NILE. PROMPTED PERHAPS BY HAVING JUST SEEN MADAME GISCARD D'ESTAING, AND BEEN INTERVIEWED BY LE FIGARO THE PREVIOUS DAY, HE SAID THAT HE WAS GLAD THE FRENCH HAD SENT TROOPS TO THE AREA, BUT THEY SHOULD HAVE DONE SO SOONER. LORD CARRINGTON MENTIONED THAT THE TUNISIAN FOREIGN MINISTER HAD SUGGESTED TO HIM IN TUNIS THAT THE FRENCH ATTITUDE WAS SOMEWHAT AMBIVALENT AND INFLUENCED BY THEIR OIL INTERESTS IN LIBYA. SADAT AT ONCE AGREED AND SAID THAT THEY WERE ALSO INVOLVED IN ARMS DEALS WITH LIBYA. HE RECALLED THEIR OPPORTUNISTIC BEHAVIOUR ON OTHER OCCASIONS, EG GISCARD'S STATEMENT ABOUT THE PLO. THEY HAD RECENTLY BEEN SUPPLYING ARMS ALSO TO IRAQ, WHICH LOOKED LIKE GETTING THEM INTO TROUBLE. LORD CARRINGTON OBSERVED THAT BOTH EGYPT AND THE UK, NOT BEING DEPENDENT ON OIL SUPPLIES FROM OUTSIDE, COULD TAKE A MORE OBJECTIVE VIEW. LATER ON, SADAT REMARKED THAT CHAD WOULD BE QADDHAFI'S GRAVE, AND THAT HE "WOULD SEE TO IT". HE ONLY WISHED THAT EGYPT HAD A COMMON FRONTIER WITH CHAD, AS WITH LIBYA AND THE SUDAN. ONLY LAST WEEK QADDHAFI HAD TAKEN THE EXTRAORDINARY STEP OF SENDING HIS COUSIN TO SEE SADAT IN HIS VILLAGE, WITH A PROPOSAL THAT THEIR COMMON FRONTIER SHOULD BE REOPENED. SADAT HAD SENT HIM BACK WITH THE ANSWER THAT HE SADAT DID NOT TRUST QADDHAFI.

3. WHEN KING HASSAN'S NAME CAME UP, SADAT REACTED RATHER BITTERLY. HE SAID THAT SOME TIME AGO HE HAD SENT HIM TWO SHIP LOADS OF ARMS WORTH 24 MILLION DOLLARS, AND IN RETURN HASSAN HAD "SOLD ME TO THE SAUDIS" (POSSIBLY A REFERENCE TO EGYPT'S EXCLUSION FROM THE ISLAMIC CONFERENCE AT FEZ IN 1979).

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Middle East

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MIDDLE EAST

4. ON THE ARAB/ISRAEL PROBLEM, SADAT SPOKE IN VERY SIMILAR TERMS TO THOSE HE USED WITH MR HEATH, AND WAS AGAIN VERY CRITICAL OF KING HUSSEIN. HE RE-TOLD THE STORY OF HOW, WHEN HE WAS AT CAMP DAVID, KING HUSSEIN TELEPHONE HIM FROM LONDON AND "ASKED TO JOIN". THEY HAD THEREFORE WRITTEN IN A ROLE FOR JORDAN, AND HUSSEIN HAD THEN BACKED OUT. HUSSEIN WANTED TO GRAB THE WEST BANK, BUT IT WOULD BE DAMAGING IF HE WERE TO GET INVOLVED AT THIS STAGE. HE WOULD ONLY TRY TO CREATE AN IMAGE FOR HIMSELF AS THE DEFENDER OF THE PALESTINIANS. BUT AFTER THE CONCLUSION OF THE AUTONOMY TALKS HE SHOULD CERTAINLY SIT DOWN WITH THE ISRAELIS AND THE PALESTINIANS TO NEGOTIATE THE FUTURE OF THE TERRITORY, WHICH EGYPT HAD NO WISH TO PREJUDGE. LORD CARRINGTON SAID THAT IN HIS VIEW THE JORDANIAN OPTION WAS A MISNOMER. IT DID NOT AT THE MOMENT EXIST, AS HUSSEIN HAD NO INCENTIVE TO NEGOTIATE. UNLESS HE NEGOTIATED WITH THE CONSENT OF THE PLO HE WOULD BE CONSIDERED A TRAITOR. YET EVEN IF HE DID NEGOTIATE WITH THE AGREEMENT OF THE PLO AND RECOVERED THE WEST BANK, HE MIGHT FIND THAT HIS THRONE WOULD BE THREATENED BY THE PALESTINIAN MAJORITY. SADAT, A TRIFLE INCONSISTENTLY, AGREED.

5. THE SECRETARY OF STATE ASKED ABOUT THE OTHER ARABS AND WHETHER THE SPLIT BETWEEN THE REJECTIONISTS AND MODERATES DID NOT OFFER AN OPPORTUNITY TO BRING ABOUT A RAPPROCHEMENT BETWEEN EGYPT AND THE LATTER. SADAT REPEATED HIS FAMILIAR THEME THAT THE MODERATES WERE ALREADY EAGER TO MAKE UP, BUT NEEDED A FACE-SAVING FORMULA. HE SPOKE OF THE INDIRECT APPROACH HE HAD HAD FROM THE SAUDIS, URGING HIM TO SETTLE FOR SINAI AND TO LEAVE THE REST TO BE NEGOTIATED BY KING HUSSEIN. THIS WAS, OF COURSE, UNTHINKABLE. HE DID NOT DISAPPROVE OF THE EUROPEAN INITIATIVE. HE HOPED IT WOULD TAKE THE FORM OF FINDING A FARMULA TO SAVE THE FACES OF THE SAUDI'S AND OTHER MODERATES SO THAT THEY COULD JOIN IN TALKS AFTER THE AUTONOMY ISSUE HAD BEEN SETTLED WITH PERES. HE WOULD BE READY TO DROP THE OFFENDING TERM "CAMP DAVID". HE ALSO REPEATED HIS VIEW THAT SINCE THE MECCA INCIDENT THE COLLAPSE OF THE SAUDI REGIME WAS INEVITABLE SOONER OR LATER: KING HUSSEIN AGREED, THOUGH HE HOPED IT WOULD BE LATER, IN VIEW OF THE 1.2 MILLION DOLLARS ANNUAL SUBSIDY HE RECEIVED FROM THEM.

6. THE SECRETARY OF STATE EXPLAINED THE EUROPEANS' IDEAS FOR FOLLOWING UP THE VENICE DECLARATION, AND ASKED WHETHER PRESIDENT SADAT THOUGHT THEM USEFUL. HE SAID HE DID, THOUGH THERE SHOULD BE NO ATTEMPT TO AMEND 242, AS IT WAS THE BASIS OF CAMP DAVID

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AND TOGETHER THEY REPRESENTED THE ONLY FIRM COMMITMENT THE ISRAELIS HAD EVER UNDERTAKEN. LORD CARRINGTON AGREED, BUT ARGUED THE CASE FOR INVOLVING THE PLO. WHATEVER ONE MIGHT THINK OF THEIR METHODS, THEY UNDOUBTEDLY REPRESENTED A LARGE SECTION OF PALESTINIAN OPINION AND THEY MUST BE PERSUADED TO ACCEPT THE PRINCIPLE OF ISRAEL'S SECURE EXISTENCE, IF THEY WISHED TO SECURE THEIR OWN RIGHTS. THIS COULD ONLY BE DONE BY TALKING TO THEM. SADAT ONCE MORE PROFESSED TO AGREE. HOWEVER, HE WENT ON TO TALK ABOUT THE NEED TO COMPLETE THE AUTONOMY TALKS. LORD CARRINGTON POINTED OUT THAT THIS MIGHT TAKE SOME TIME, ON THE ASSUMPTION THAT IT COULD NOT BE DONE WITH BEGIN. SADAT SAID HE WAS NOT CONCERNED ABOUT A LONGISH STALEMATE, INDEED HE WOULD PREFER THE ISRAELI ELECTIONS TO TAKE PLACE IN NOVEMBER RATHER THAN JUNE. HE WAS NOT VERY CLEAR ABOUT HIS REASONS, BUT IMPLIED THAT THE TIME WAS NEEDED FOR MODERATE ISRAELI OPINION TO EVOLVE, FOR THE OTHER ARABS TO BECOME MORE RECONCILED, AND FOR THE REAGAN ADMINISTRATION TO FORMULATE ITS POLICIES. HE HAD HAD USEFUL TALKS WITH KISSINGER, AND THOUGHT THAT THE IDEAS HE TOOK BACK WOULD HAVE A HELPFUL INFLUENCE ON REAGAN, THOUGH KISSINGER DID NOT WISH TO GET INVOLVED IN THE DETAILED ISSUES LIKE STRAUSS OR LINOWITZ. THE SECRETARY OF STATE COMMENTED THAT KISSINGER HAD SERIOUSLY MISREPRESENTED THE EUROPEAN ATTITUDE IN RECENT STATEMENTS, WHERE HE HAD IMPLIED THAT WE WERE WORKING FOR AN INDEPENDENT PALESTINIAN STATE. SADAT ALSO RAISED THE IDEA OF GAZA FIRST, WHICH HE SAID HE HAD AGREED WITH PERES. HE SAID THAT MAYOR SHAWA HAD SENT HIM A MESSAGE ABOUT DAYAN'S PROPOSAL FOR A UNILATERAL AND COMPLETE ISRAELI WITHDRAWAL FROM GAZA.

IRAQ/IRAN

7. SADAT SAID HE EXPECTED THE WAR TO END WITHIN TWO OR THREE MONTHS, AS BOTH SIDES WERE BECOMING EXHAUSTED. WITH ANY LUCK THE OUTCOME WOULD BE THE OVERTHROW OF BOTH SADDAM HUSSAN AND KHOMEINI. SADDAM WAS VERY UNPOPULAR WITH THE IRAQI ARMY. (SADAT RECALLED SHOW HE HAD ADVISED BHUTTO, IN VAIN, TO TAKE CARE NEVER TO ALIENATE THE ARMY). THE SAUDIS WERE NOW VERY WORRIED, THOUGH THEY BORE SOME RESPONSIBILITY BECAUSE THEY HAD BEEN FOREWARNED AND HAD APPROVED SADDAM'S PLAN FOR A BLITZKRIEG AND IN TURN HAD GOT THE GREEN LIGHT FOR HIM FROM CARTER.

AFGHANISTAN

8. LORD CARRINGTON ASKED ABOUT PRESIDENT SADAT'S CONTACTS WITH THE AFGHAN RESISTANCE LEADERS, AND HIS ESTIMATE OF THEIR CHANCES. SADAT CONFIRMED THAT HE WAS SENDING THEM ARMS, SPECIFICALLY SWING-FIRE MISSILES MANUFACTURED IN EGYPT AND SAM 7S. HOWEVER, THEY

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COULD NEVER PREVAIL AGAINST THE RUSSIANS. THE ONLY ANSWER WAS TO WORK FOR A GUARANTEED EUTRAL AFGHANISTAN ON THE AUSTRIAN MODEL, WHICH WOULD PERMIT THE RUSSIANS TO WITHDRAW WITHOUT TOO MUCH LOSS OF FACE. THE SECRETARY OF STATE EXPLAINED THAT HE HAD BEEN ADVOCATING THIS SOLUTION FOR THE PAST YEAR. SADAT AGREED WITH THE SECRETARY OF STATE THAT KARMAL COULD NOT SURVIVE A RUSSIAN WITHDRAWAL AND THAT IT WOULD BE DIFFICULT TO FIND AN ALTERNATIVE LEADER ACCEPTABLE TO ALL SIDES. HE WONDERED WHETHER IT WOULD BE POSSIBLE TO BRING BACK KING ZAHIR SHATR, WHO WAS AN OLD FRIEND OF HIS AND A RESPECTED FIGURE.

9. ON BILATERAL QUESTIONS SEE M 2ND IFT (NOT TO ALL).

CARRINGTON

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