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RECORD OF A CONVERSATION BETWEEN THE PRIME MINISTER AND THE PRIME MINISTER OF EGYPT, MR. MUSTAFA KHALIL, AT 10 DOWNING STREET ON 25 OCTOBER 1979 AT 1730

Present

Prime Minister
Mr. M.S. Weir
Mr. M.O'D.B. Alexander

Mr. M. Khalil H.E. Mr. M.S. Anwar

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Autonomy Talks

The Prime Minister asked about progress in the autonomy talks. Mr. Khalil said that the talks were going very slowly. The viewpoints of the Israeli and Egyptian Governments were quite different, e.g. over the question of the responsibilities of a self-governing authority. In the Egyptians' view all civilian responsibilities should be transferred to the new authority. Only military responsibility should be retained by the Israeli Government. Israelis on the other hand wanted the military authorities to retain extensive powers. Mr. Khalil quoted as an example the fact that the Israelis wanted to retain control of education in order to ensure that schoolbooks did not contain criticism of them. The Egyptians wanted the self-governing authority, which would be elected, to have legislative as well as judicial and administrative powers. The Israelis wished to limit the electoral process as far directly elected as possible: they had in mind a /eleven-man council. The Egyptians wanted a contested election in constituencies. The Israelis claimed that this would mean party politics and would bring the PLO to power. When the Egyptians had attempted to resolve this last point by making it a condition for participation by any party in the election that that party should have to accept the existence of Israel, the Israelis had shelved the question. Indeed one of the problems of dealing with the Israelis was that their negotiators had no powers of decision; everything was referred back to Mr. Begin.

The <u>Prime Minister</u> asked whether Mr. Khalil had any specific objective for the following day. <u>Mr. Khalil</u> said that whole negotiations could be finished in six months if the principles

CONCIDENTIAL

/could

could be agreed. But since at present everything was disagreed, little progress could be made. Mr. Strauss was trying very hard to find a way through. Mr. Khalil said that he agreed with Mr. Strauss that this was not a time to try to put too much pressure on the Israelis. They would resist US pressure and in any case Mr. Carter was unlikely to be prepared to exert it in a pre-election period. In short, the talks on the following day were unlikely to get very far. The Israelis were said to have brought some new ideas with them but it was not easy to see what these might be.

Mr. Weir asked whether Mr. Khalil had a timetable in mind.

Mr. Khalil said that he planned to escalate the pressure on

Israel when Egyptian territory up to the El Arish/Ras Mohammed

line had been returned, i.e. after January. It was an essential

part of Egyptian thinking on this that the Israeli Defence

Minister, Mr. Weizman, should not resign until the El Arish/

Ras Mohammed line had been secured. Mr. Weizman, whom Mr. Khalil

claimed as a good friend, had an excellent understanding with the

Egyptian Defence Minister. If he were to go, and still more

if Mr. Begin's Government was to fall, there might well be a

prolonged period of paralysis. The situation would be/unfavourable

if Mr. Weizman was succeeded by Mr. Sharon.

The <u>Prime Minister</u> asked about the compatibility of the Camp David process and of the ideas that King Hussein had been advocating. <u>Mr. Khalil</u> said that <u>King Hussein's opinion</u> was that the Camp David talks would get no further and that the Camp David procedure was itself wrong. Mr. Khalil's own view was that it would be better for the Camp David process to continue. He had an additional proposal to put forward which he believed would make it possible for King Hussein's ideas to be pursued in parallel and on a complementary basis with the Camp David process.

It was clear that the PLO could not advance their cause without accepting the right of Israel to exist. It was equally clear that the Palestinian National Council would not take this step. The Egyptian Government's proposal was that before the Arab Summit at the end of November, the leading Arab states should

to the adopting of a suitable Security Council resolution on the basis that once it was passed, the PLO would make a statement accepting Israel's right to exist. The Security Council resolution would be a balanced one which would include references to the right of Israel to exist and to the right of the Palestinian people to self-determination but would contain no reference to a Palestinian state. It would of course be essential for the PLO to agree before the resolution was put to the Security Council that if it were passed they would accept it.

Mr. Khalil went on to argue that once the resolution had been passed and had been accepted by the PLO, terrorist activity, particularly along the Israel/Lebanon border, would cease. This in turn would make it possible for the PLO and Israel to withdraw from the disputed area in Southern Lebanon and for the PLO to be partly but not completely disarmed (they might for instance surrender their missiles while retaining small arms). If the Palestinians were then prepared to accept Lebanese sovereignty in the areas they at present controlled, the Syrians could pull back and a comprehensive settlement in the Lebanon might become possible. This would clear the way for the entry of the Palestinians into the autonomy talks and for an alignment of the positions of the PLO and of the Egyptian Government.

The Prime Minister asked how Mr. Khalil intended to pursue his idea and how much support he expected to gain for it.

Mr. Khalil said that the next three or four weeks would be crucial. The Egyptian Government was not in direct touch with the other Arab Governments but Mr. Strauss, who was aware of and approved the plan, would convey it to President Carter. It would then be for the Americans to sell it to the other Arab Governments. Mr. Khalil himself had discussed the plan with Chancellor Kreisky, who was in favour, and with the PLO representative in Vienna, Mr. Sirtawi. Mr. Sirtawi had undertaken to convey the plan to Yasser Arafat. He was confident that Arafat would accept it. As regards the attitude of other Arab states, Mr. Khalil expected that only Iraq, Libya and South Yemen would reject it.

/Mr. Weir

CONTIDENT

Mr Weir commented that Mr Khalil's plan was very similar to the abortive American initiative in August about which Egypt had had reservations. Mr. Khalil said that his plan was essentially the same. However, his Government had considered that the timing of the earlier initiative had been quite wrong. The plan had no chance of acceptance in the summer but the situation was now more favourable. The only result of pursuing the plan on the earlier timing would have been that the Israelis would have pulled out of the negotiations. Now everyone, including Israel, would accept the approach he was suggesting. The resolution might best be presented to the Security Council in January.

The Prime Minister said it would be essential to avoid another failure like that of the summer. If the idea was to be pursued then everything would have to be arranged before the resolution was put to the Security Council. Mr. Khalil repeated that he was confident that his plan would be accepted. He referred to a list of 14 questions which King Hussein had put to President Carter immediately after the Camp David talks and to which President Carter had given written answers. Those answers had covered every point on which Egypt was now seeking satisfaction. Mr. Khalil said that his Government asked for nothing more. As regards the PLO, if they did not accept the present opening they would lose their chance of involvement in the peace process for a considerable time. He did not underestimate the difficulties with the PLO. Chancellor Kreisky had come close to resignation earlier this year after he had been let down by his PLO contacts. He had wanted to present a peace prize jointly to a distinguished Israeli and to Mr. Sirtawi, the PLO representative in Austria. Yasser Arafat had agreed that Mr. Sirtawi might accept the peace prize and then, after knowledge of Chancellor Kreisky's plan had become public, Yasser Arafat under pressure from the Palestinian National Council had changed his mind. It was only the willingness of Mr. Sirtawi to defy Yasser Arafat and accept the award (at possible risk to his own life) that had saved the situation. This episode, according to

/Mr. Khalil

- 5 -

Mr. Khalil, showed the difficulties of dealing with the PLO and of getting the Palestinian National Council to take a responsible line on the recognition of Israel's right to exist. However, Yasser Arafat would have to shoulder his responsibilities.

Mr. Khalil was confident that if the other Arab states brought sufficient pressure to bear in the period between now and 25 November, he could be brought to do so.

The discussion ended at 1815.

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26 October 1979