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TELEGRAM NU BER 420 OF 5TH JULY

FOR INFO PRIORITY PARIS BONN WASHINGTON OTTAWA (FOR PUS).

FOLLOWING FROM PRIVATE SECRETARY.

SECRETARY OF STATE'S MEETING WITH FRENCH AND GERMAN FOREIGN
MINISTERS ON 5 JULY: MIDDLE EAST.

- 1. LORD CARRINGTON SAID THAT THERE WERE TWO VIEWS OF PRESIDENT MITTERRAND'S STATEMENT AT THE EUROPEAN COUNCIL: ONE THAT HE DISAPPROVED OF THE VENICE DECLARATION AS SUCH, AND THE OTHER THAT HE MIGHT NOT HAVE SIGNED IT BUT THAT HE ACCEPTED THAT THE TEN SHOULD GO AHEAD ON THE BASIS OF THE TWO PRINCIPLES.
- 2. CHEYSSON SAID IN REPLY THAT MITTERRAND AGREED WITH ALL THE PRINCIPLES IN THE VENICE DECLARATION, INCLUDING THE TWO MAIN ONES CONCERNING THE RIGHTS OF ISRAEL AND THE RIGHTS OF THE PALESTINIANS. HE (CHEYSSON) HAD SUID SO IN PUBLIC AND HAD SPOKEN ACCORDINGLY TO QADDOUM! WHOM HE HAD SEEN IN PARIS ON 4 JULY. WHAT MITTERRAND DID NOT LIKE WAS THE IMPRESSION OF CONDEMNING CAMP DAVID. HE DID NOT THINK THAT CAMP DAVID AS SUCH WOULD LEAD TO A COMPREHENSIVE SETTLEMENT (THE FRENCH ACCEPTED THAT CAMP DAVID WOULD RUN INTO THE SAND AFTER APRIL 1982 AND MITTERRAND WAS AS SCEPTICAL AS THE REST OF US ABOUT THE AUTONOMY TALKS) BUT HE THOUGHT THAT LIMITED STEPS LIKE THAT WOULD HELP TOWARDS A SETTLEMENT. THE NEXT STEPS WOULD NO DOUBT ALSO HAVE TO BE LIMITED ONES.
- 3. LORD CARRINGTON SAID THAT NONE OF US DISAGREED WITH THIS AND RECALLED THAT NEITHER WE NOR THE GERMANS HAD EVER CONDEMNED CAMP DAVID. CHEYSSON'S EXPLANATION HAD BEEN VERY HELPFUL AND WE MUST NOW THINK ABOUT THE NEXT STEPS, INCLUDING THE POSSIBILITIES OF:
- I. CONDITIONAL RECOGNITION OF ISRRAEL'S RIGHTS BY THE PLO

  II. A NEW RESOLUTION SUPPLEMENTING SC 242

  III. THE PUTTING FORWARD BY THE TEN OF A PLAN, NOT WITH THE OBJECT

  OF IMPOSING IT ON THE MEANS BY TO ILLUSTRATE OUR VIEW OF THE

  OBJECTIVE AND THE MEANS BY WHICH IT MIGHT BE REACHED AND

  IV. SOME CONFIDENCE—BUILDING MEASURES IN RELATION TO THE WEST

  BANK (THOUGH HE RECOGNISED THAT THERE WAS NOT MUCH HOPE OF THIS

  WITH BEGIN).

IN THE IMMEDIATE FUTURE WE MUST RECOGNISE THAT THE AUTONOMY
TALKS WOULD PROBABLY GO ON UNTIL APRIL AS SADAT WOULD NOT WISH TO
TAKE ANY RISKS OVER THE RETURN OF SINAL. BUT WE SHOULD REFLECT
AND DISCUSS AGAIN BEFORE DECIDING HOWLTO TAKE THING FORWARD. THERE
WAS NO POINT IN ANOTHER TOUR OF THE MIDDLE EAST BY THE PRESIDENCY,

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TREEPER ONLINEOR OF DA ME OF E COMPLEXIMAL BUT WE SHOULD NOT ABANDON THE EUROPEAN EFFORT (WHICH AT LEAST SOME IN WASHINGTON WANTED TO SEE CONTINUED). 4. GENSCHER AGREED. CHEYSSON ADDED THE FOLLOWING: 1. IN HIS TALKS WITH QADDOUM! AND DAJAN! THEY HAD BEEN " REMARKABLY REASONABLE", BUT HAD EMPHASIED TWO PROBLEMS WITH THE EUROPEAN POSITION: THE REFERENCE TO A PALESTINIAN HOMELAND INSTEAD OF A STATE, AND FAILURE TO RECOGNISE THE PLO AS THE SOLE REPRESENTATIVE OF THE PALESTINIANS. CHEYSSON HAD INDICATED A FRENCH WILLINGNESS TO GO FURTHER ON THE FIRST POINT (HE SPOKE OF "RIGHT TO A STATE STRUCTURE" ), BUT HAD STOOD FIRM ON THE SECOND (POINTING OUT THAT DE GAULLE HAD NOT BEEN RECOGNISED AS THE REPRESENTATIVE OF FRANCE UNTIL POST-WAR ELECTIONS): II. IT MIGHT BE POSSIBLE TO MAKE "LATERAL PROGRESS" IN THE LEBANON OR IN RELATIONS BETWEEN EGYPT AND THE OTHER ARABS. ON THE LEBANON, THERE WERE ENCOURAGING SIGNS THAT THE GULF STATES MIGHT REDUCE THEIR SUPPORT FOR THE ADF AND INCREASE IT FOR THE LEBANESE FORCES, BUT PROGRESS WOULD DEPEND ON BEGIN NOT TAKING PROVOCATIVE ACTION. ON EGYPT THERE WERE SIGNS OF IMPROVING ACTION. RELATIONS BETWEEN SADAT AND SAUDI ARABIA AND IT WAS I PORTANT TO GET EGYPT BACK IN THE FOLD. 5. FCO PLEASE REPEAT FURTHER AS APPROPRIATE. KEEBLE ADDITIONAL DISTRIBUTION MIDDLE EAST STANDARD ARAB/ISRAEL DISPUTE NENAD MAED ES & SD MED MAD ERD UND ESID CONS DEPT EESD ECD CONS EM UNIT CABINET OFFICE WED 2. RID NEDLATIAL