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From the Principal Private Secretary

27 May 1980

Dear Paul,

Visit by the Vice President of Egypt

Vice President Mubarak of Egypt, accompanied by the Egyptian Ambassador, called upon the Prime Minister at 1630 today. John Moberly was also present.

After being welcomed by the Prime Minister, the Vice President said that President Sadat had asked him to call upon the Prime Minister and Chancellor Schmidt on his way back to Egypt from his visit to Washington. In fact he had seen Herr Genscher in Chancellor Schmidt's absence from Bonn the previous day. President Sadat had sent him to Washington to discuss with President Carter and Mr. Muskie the next steps in the negotiations between Israel and Egypt. It had originally been the intention that there should be 10 days of intense negotiations in Israel, followed by a further round of talks in Alexandria, with the objective of achieving results by 26 May. In practice, the Egyptians had found that the Israelis had tried to slow down the negotiations during the round in Israel. The Egyptians had put forward proposals about security as it affected the West Bank, but the Israeli response had been that, for historic reasons, internal security on the West Bank was a matter for Israel alone. The Egyptian delegation had told the Israelis that their position was not consistent with the Camp David agreements. At this point the Egyptians had returned home, hoping to continue the negotiations in Alexandria. President Sadat had announced on 14 May in the Egyptian Parliament that Egypt would carry on with the autonomy talks. But then on 15 May the Egyptians had heard about a draft law which had been brought before the Knesset by an Israeli backbencher confirming Jerusalem as the capital of Israel. This proposal, which would have changed Israeli basic law, had been approved by most members of the Knesset, and the Israeli Government had not sought to oppose At the same time the Jewish Agency had announced plans to establish 14 new settlements in the occupied territories. Egypt was most anxious to continue the peace process but, with the proposals for the new law and the new settlements, Israel was virtually setting pre-conditions for the automony negotiations and was prejudging their outcome. In these circumstances Egypt had had no alternative but to call off

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the talks in Alexandria. President Carter had asked President Sadat to start up the negotiations again, and President Sadat's response had been to send him to see President Carter to discuss the next moves.

Vice President Mubarak continued that he had explained to President Carter that Egypt was ready to resume the talks, provided the United States gave them assurances that the Israelis were not setting pre-conditions and were not seeking to prejudge the outcome of the negotiations. The Egyptians could not continue with the talks if the Israelis were going to go ahead with the new law now before the Knesset and with the additional settlements. The assurances which they wanted from the Americans would have to be based on discussions between President Carter and Prime Minister Begin. But the Egyptians were not sanguine that President Carter would be successful. Prime Minister Begin was very obstinate, and President Sadat doubted whether President Carter would be able to apply sufficient pressure on him, in the period preceding the U.S. Presidential Election. President Carter had told him that he might be able to exert some pressure after he had secured the Democratic nomination, but the Egyptians were doubtful whether this would be enough to move the Israelis. Indeed, President Sadat was inclined to believe that there would now be little progress in the negotiations until the U.S. Presidential Election was out of the way.

The Prime Minister commented that if President Carter gave undertakings about the negotiations to the U.S. electorate over the next few months, it would probably not be until some time after the Election before he felt able to act.

Vice President Mubarak said that he agreed with the Prime Minister. The Egyptians were now waiting to see whether President Carter was able to produce the assurances they had asked for. Mr. Begin was likely to ask for time. But though they had been patient hitherto, the Egyptians were subject to pressures too. They could not sit on their hands while Mr. Begin made daily statements arguing against full autonomy. They did not want a vacuum to develop. They were anxious to resume the negotiations as soon as possible, but only if they had the assurances from the Americans they were seeking. If the Prime Minister had any advice to offer on how best to handle the present difficult situation, the Egyptians would be very happy to have it.

The Prime Minister said that she wished she could help. She wondered how President Sadat saw matters developing if Egypt and Israel were unable to make any further progress in the autonomy talks. What would be the effect in the Arab world if it were seen that the negotiations had come to a halt?

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Vice President Mubarak said that Egypt had a number of options available if the talks reached a dead end. They would certainly not do nothing, but would launch new initiatives. One possibility would be to put forward a new Security Council Resolution. If they did that, however, it would be essential to use the language of Camp David, for otherwise the Israelis would be released from their Camp David obligations and would seek to begin negotiations with Egypt from scratch. As regards the reactions of the Arab world, secret contacts with other Arab countries made it plain that they wanted the negotiations to continue at least until such time as they could put stronger pressures on the United States. The fact was that the other Arab Governments had no alternative for solving the problem.

The Prime Minister asked Vice President Mubarak whether Egypt would prefer Europe not to contemplate an initiative so long as the present autonomy talks offered some hope of progress.

Vice President Mubarak said that he was inclined to believe that it would be better to wait and see what became of President Carter's efforts to obtain from the Israelis the assurances which Egypt wanted before she could agree to a resumption of the talks. If the European Community had in mind a new Security Council Resolution, it would be essential that it was based on Camp David and that its wording and timing should be agreed with the United States, if an American veto was to be avoided.

Mr. Moberly said that it was impossible to envisage agreement in the Security Council on any Resolution that embodied Camp David language, since the Arab States would be bound to oppose any such Resolution. Would it be possible to contemplate the Europeans taking steps, without cutting across the negotiations, to explore the views of the various parties? It might be that the Europeans could speak more easily to some of the parties than the Americans. Action of this kind might help to prevent the development of a vacuum in the next few months.

Vice President Mubarak said that it would help the Egyptians while they were waiting to see what progress the United States could make with Israel, if the European Community declared its position on the status of Jerusalem, Israeli settlement policy and Palestinian rights.

The Prime Minister said that she thought that Egypt was being very patient. Even if the negotiations were resumed, it was difficult to see the Israelis allowing much progress in view of their settlement policy - which

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the British Government believed was wrong - and their attitude to autonomy for the West Bank. Vice President Mubarak had explained the Egyptian position very clearly, and she was grateful to President Sadat for arranging for him to come to London for that purpose. The British Government would be as helpful as possible.

I am sending a copy of this letter to David Wright (Cabinet Office).

You my,

Almi Whimme.

Paul Lever, Esq., Foreign and Commonwealth Office.