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FM CAIRO 161145Z MAR 81

TO PRIORITY FCO

TELEGRAM NUMBER 182 OF 16 MARCH

INFO AMMAN, BEIRUT, TEL AVIV, JEDDA, WASHINGTON, PARIS

YOUR TELNO 176: MESSAGE TO SADAT. *ms*

I DELIVERED YOUR MESSAGE TO PRESIDENT SADAT ON 14 MARCH. HE SAID HE WOULD READ IT LATER (HE READS ENGLISH SLOWLY), BUT IN AN HOUR'S TALK WE COVERED SEVERAL OF THE POINTS IN IT.

2. SADAT WAS GLAD TO HEAR THAT THE AMERICANS HAD ON THE WHOLE BEEN REASSURED ABOUT THE EUROPEAN INITIATIVE, AND CONFIRMED THAT HE CONTINUES TO ATTACH GREAT IMPORTANCE TO IT. HE PARTICULARLY ASKED WHETHER YOU HAD DISCUSSED THE SUGGESTION HE PUT TO YOU IN ASWAN THAT THE EUROPEANS SHOULD DEVISE A WAY OF BRINGING THE SAUDIS INTO THE PEACE PROCESS. I SAID THAT THE POINT DID NOT FIGURE SPECIFICALLY IN YOUR MESSAGE BUT THAT I NEW YOU HAD DISCUSSED THE RELATED QUESTION OF THE ROLE OF JORDAN AND KING HUSSEIN. THIS SET SADAT OFF ON HIS FAMILIAR LINE THAT HUSSEIN SHOULD STOP SHELTERING BEHIND SLOGANS WHICH HE DID NOT BELIEVE IN HIS HEART (LIKE THE PLO THE SOLE REPRESENTATIVE OF THE PALESTINIANS), AND START PREPARING TO GET INVOLVED IN SERIOUS NEGOTIATION. THERE WAS NOT ALL THAT MUCH TIME, FOR SADAT FULLY EXPECTED TO SIGN AN AUTONOMY AGREEMENT BEFORE THE END OF THE YEAR.

3. LATER IN THE CONVERSATION I ASKED SADAT HOW HE HAD GOT ON WITH DAYAN, WHO WAS HERE ON 9/12 MARCH NOMINALLY AS THE GUEST OF THE EDITOR OF OCTOBER MAGAZINE (LIKE PERES AND CO LAST NOVEMBER). SADAT SAID THAT PERES WAS FURIOUS WITH HIM FOR RECEIVING DAYAN, BUT HE HAD TOLD HIM THAT HE COULD NOT HAVE REFUSED. HE WAS SURPRISED THAT DAYAN STILL SEEMED TO HAVE A FOLLOWING IN ISRAEL, BUT BELIEVED HE COULD STILL PLAY A USEFUL PART BECAUSE OF HIS UNDERSTANDING OF ARAB PSYCHOLOGY. THUS HE HAD WELCOMED DAYAN'S IDEAS ABOUT UNILATERAL ISRAELI WITHDRAWAL (THOUGH NOT ABOUT THE RETENTION OF SETTLEMENTS) BECUASE WHILE ARABS WOULD ALWAYS REJECT ANY SOLUTION OFFERED THEY WOULD SECRETLY ACCEPT THE FAIT ACCOMPLI. HIS OWN JERUSALEM INITIATIVE WAS BASED ON SIMILAR REASONING. THIS LED HIM INTO A LONG DIGRESSION ABOUT PREVIOUS MISSED OPPORTUNITIES, SUCH AS NASSER'S INITIAL REJECTION IN DEFERENCE TO THE OTHER ARABS OF AN EARLY US /SOVIET VERSION OF RESOLUTION 242, WHICH HE LATER ACCEPTED ONLY TO BE TOLD BY AMBASSADOR GOLDBERG THAT IT WAS A DEAD HORSE. I CAPPED THIS WITH MR STRACHAN'S REACTION (BEIRUT TELNO 49) TO ARAFAT'S ACCEPTANCE OF THE JOINT US/SOVIET STATEMENT OF 1977, CHIEFLY IN ORDER TO REMIND SADAT THAT WE ARE WORKING ON THE PALESTINIANS FOR SOME KIND OF MUTUAL RECOGNITION WITH ISRAEL. HE WAS ENTIRELY IN FAVOUR.

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4. I ASKED SADAT ABOUT PRESS REPORTS THAT AT THEIR MEETING ON 11 MARCH HE AND HIS FOREIGN MINISTER HAD DISCUSSED THE POSSIBILITY OF SENDING THE LONG-DELETED EGYPTIAN AMBASSADOR-DESIGNATE TO MOSCOW. HE SAID HE DID NOT LIKE THE PRESENT POLARISATION (SIC) WHEREBY THE SYRIAN, PALESTINIANS, LIBYANS AND - TO AN EXTENT - IRAQIS WERE VIRTUALLY SOVIET SATELLITES, BUT ANY DRAMATIC MOVE ON EGYPT'S PART WOULD BE MISINTERPRETED.

5. SADAT SAID HE INTENDED TO GO OVER ALL THIS GROUND WITH GENERAL HAIG WHEN HE VISITED CAIRO ON 4 APRIL, AND WOULD PROBABLY SEND THE PRIME MINISTER AND YOURSELF A MESSAGE ABOUT THE CONCLUSIONS THEY REACHED. MEANWHILE HE HAD TWO POINTS HE WOULD LIKE TO KNOW ABOUT IN CONFIDENCE:

- (A) IN REGARD TO THE RUSSIANS, HE HAD INSTRUCTED HIS FOREIGN MINISTER TO ASK WHETHER THEY WOULD SUPPORT THE CREATION OF AN INTERNATIONAL SUPERVISORY FORCE FOR SINAI. OF COURSE THEY WOULD REFUSE, BUT HE WANTED THEIR VETO IN ORDER TO CLEAR THE WAY FOR A PURELY AMERICAN FORCE. THIS WAS WHAT THE ISRAELIS WERE PRESSING FOR, THOUGH FOR THE TIME BEING HE DID NOT WISH THEM TO KNOW THAT HE WAS READY TO AGREE.
- (B) IN REGARD TO THE SAUDIS, THEY HAD RECENTLY MADE AN APPROACH TO SADAT THROUGH THE FRENCH ABOUT THE POSSIBILITY OF EGYPT'S SUPPLYING IRAQ WITH SPARES AND AMMUNITION FOR SOVIET ARMAMENTS. IN THE END HE TOLD ME WHAT HE CALLED THE WHOLE STORY (DETAILS IN MY SECOND ITF NOT TO ALL), BUT HIS POINT WAS THAT THIS APPROACH SHOWED HOW ANXIOUS THE SAUDIS WERE TO GET BACK ON GOOD TERMS WITH EGYPT. THEY HAD TRIED TO KILL THE AOI, YET HERE THEY WERE SOLICITING ITS PRODUCTS FOR HARD-PRESSED IRAQ. HE HAD FELT IT RIGHT TO MAKE A LIMITED RESPONSE, AS EGYPT OWED IRAQ A DEBT FOR THE (LIMITED) HELP SHE HAD GIVEN IN THE 1973 WAR. THE SAUDIS WOULD CERTAINLY KNOW HOW HE HAD RESPONDED, THOUGH HE DECLINED TO COMMUNICATE WITH THEM DIRECT. ON THE POLITICAL PLANE SADAT BELIEVED THAT THIS DEVELOPMENT COULD BE EXPLOITED BY THE EUROPEANS TO HELP BRING SAUDI ARABIA BACK INTO THE FOLD.

COMMENT (LAST WORD UNDERLINED)

6. THERE WAS NOTHING ESSENTIALLY NEW IN WHAT SADAT HAD TO SAY ABOUT THE PEACE PROCESS, KING HUSSEIN, OR DAYAN. HIS REPLIES TO MY QUESTIONS ABOUT RELATIONS WITH MOSCOW, ON TOP OF THE PRESS STORIES, SUGGEST THAT THERE IS RENEWED INTEREST HERE IN RECONCILIATION, OR AT LEAST THAT EGYPT WANTS THE AMERICANS TO THINK SO. THE MOST INTERESTING POINT IS THE STORY ABOUT ARMS FOR IRAQ. THERE HAVE BEEN RUMOURS ABOUT THIS FOR SOME TIME AND WE DISCUSSED THEM AT THE LAST EC AMBASSADORS MEETING (THE FRENCHMAN SAID NOTHING). I CAN IMAGINE THAT SADAT WELCOMED AN OPPORTUNITY TO SHOW MAGNANIMITY TO SADDAM HUSSEIN, WHILE PRIVATELY PRAYING FOR HIS

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DOWNFALL. I SUSPECT HE EXAGGERATES THE POTENTIAL THIS OFFERS FOR A RECONCILIATION WITH SAUDI ARABIA, BUT TO MY GALLOPHOBIC MIND THE MOST STRIKING^G FEATURE OF THE STORY, IF TRUE, IS ITS ILLUSTRATION OF FRENCH INGENUITY IN THE GAME OF RUNNING WITH THE HARE AND HUNTING WITH THE HOUNDS.

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TO PRIORITY FCO

TELEGRAM NUMBER 184 OF 16 MARCH

INFO AMMAN, BAGHDAD, JEDDA, MUSCAT, WASHINGTON

MY SECOND IPT (NOT TO ALL): MEETING WITH PRESIDENT SADAT: IRAQ.

WE HAD A BRIEF EXCHANGE ABOUT THE WAR AND GULF SECURITY. SADAT WELCOMED OUR READINESS TO CONTRIBUTE TO A RAPID DEPLOYMENT FORCE, AND REPEATED HIS OFFER OF FACILITIES IN EGYPT. HE WAS NOT IMPRESSED BY THE RECENT AGREEMENT ON CO-OPERATION AMONG THE GULF STATES. QABUS WAS SENSIBLE, BUT THE OTHERS TOO PAROCHIAALLY MINDED AS WELL AS TOO SUSCEPTIBLE TO SAUDI INFLUENCE. HE EXPECTED THE GULF WAR (FOR WHICH HE STILL HOLDS CARTER MORALLY RESPONSIBLE) TO COME TO AN END IN A MATTER OF MONTHS AND THOUGHT SADDAM HUSSEIN WOULD NOT LAST MUCH LONGER AS HE WAS STEADILY LOSING SUPPORT AT HOME.

2. AS NOTED IN MY TUR SADAT BROUGHT UP THE STORY OF EGYPTIAN ARMS SUPPLIES TO IRAQ AS EVIDENCE OF SAUDI INTEREST IN A RAPPROCHEMENT WITH EGYPT, WHICH PERHAPS WE EUROPEANS COULD EXPLOIT. THE STORY AS IT EMERGED PIECEMEAL, WITH EMPHAIS ON ITS CONFIDENTIALITY, RAN AS FOLLOWS. A FEW WEEKS AGO THE FRENCH (PERHAPS GISCARD IN PARIS?) HAD APPROACHED SADAT ON BEHALF OF THE SAUDIS ABOUT THE POSSIBILITY OF EGYPT SUPPLYING SPARES AND AMMUNITION FOR IRAQ'S SOVIET-MADE WEAPONRY. EGYPT HAD HAD SIMILAR APPROACHES EARLIER FROM THE YUGOSLAVS. NOW MUCH AS HE DISLIKED SADDAM EGYPT DID OWE IRAQ A DEBT FOR HER HELP IN THE 1973 WAR. IRAQ HAD SENT A SQUADRON OF HAWKER HUNTERS TO THE CANAL FRONT (THOUGH THEY HAD BEEN WITHDRAWN AS SOON AS THE GOING GOT ROUGH). MORE IMPORTANT SHE HAD ALSO SUPPLIED MEDIUM-RANGE LUNA MISSILES AFTER THE RUSSIANS REFUSED TO DO SO. HE HAD THEREFORE AGREED TO THE FRENCH REQUEST. EGYPT HAD SENT A TOTAL OF 8000 TONS OF AMMUNITION, MAINLY 130 AND 122 MM MANUFACTURED IN HER OWN ORDNANCE FACTORIES, PLUS MISSILES INCLUDING SWINGFIRE. THIS WAS A ONE-OFF GESTURE AND HE WOULD NOT REPEAT IT.

3. AS TO MODALITIES, SADAT SAID THE IRAQIS HAD SENT TO HIGH-RANKING OFFICERS SECRETLY TO CAIRO TO NEGOTIATE DETAILS. THEY HAD

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DRAWN UP AN AGREEMENT WHICH WAS SIGNED IN MUSCAT (THE IRAQIS HAD SUGGESTED RIYADH AS AN ALTERNATIVE BUT SADAT WAS NOT HAVING THAT). AT AN EARLIER STAGE QABUS, WHO WAS PRIVY TO THE WHOLE BUSINESS, HAD URGED SADAT TO SEND ONE C-130 LOAD TO IRAQ SIMPLY AS A GESTURE. HE HAD PROPOSED SENDING TEN, BUT THE IRAQIS SAID THEY WOULD RATHER NOT HAVE EGYPTIAN AIRCRAFT AS THEY WOULD HAVE TO LAND IN JORDAN AND THEY DID NOT TRUST KING HUSSEIN EXCLAM. IN THE EVENT THE IRAQIS MOUNTED A SHUTTLE OF TWO TU TRANSPORTS WITH A CAPACITY OF 40 TONS EACH DIRECT TO CAIRO EVERY NIGHT FOR A FORTNIGHT, USING OMANI CALL-SIGNS. THE BALANCE OF THE 8000 TONS WAS BEING SENT BY SHIP - SADAT DID NOT SAY TO WHICH PORT. SADAT DID NOT SUGGEST THAT THE FRENCH PLAYED A CONTINUING ROLE IN THE TRANSACTION AFTER THEIR INITIAL APPROACH.

4. I REPORT THE ABOVE FOR WHAT IT IS WORTH, AND WOULD BE INTERESTED TO KNOW IF YOU HAVE ANY COLLATERAL. WE SHOULD NO DOUBT MAKE ALLOWANCES FOR EXAGGERATION OR WISHFUL THINKING ON SADAT'S PARTY, E.G. THE ALLEGED IRAQI DISTRUST OF KING HUSSEIN, BUT THE REST SOUNDS CIRCUMSTANTIAL ENOUGH.

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