

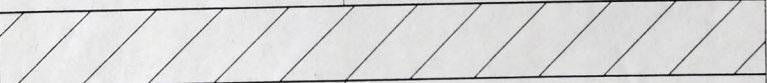
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OUT TELEGRAM

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2 CONFIDENTIAL
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8 INFO ROUTINE TEL AVIV, AMMAN, DAMASCUS, HMGJ JERUSALEM, TUNIS
9 INFO ROUTINE ALGIERS, BEIRUT, RIYADH, WASHINGTON, UKM is NEW YORK
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12 CALL ON THE SECRETARY OF STATE BY DR OSAMA AL-BAZ, PRESIDENT
13 MUBARAK'S SPECIAL ADVISER ON POLITICAL AFFAIRS
14
15 SUMMARY
16 1. Al-Baz saw the Secretary of State for half an hour this
17 morning. Discussion was on predictable lines, concentrating on
18 Arab/Israel matters.
19 DETAIL
20 2. Al-Baz began by referring to President Mubarak's proposal to
21 visit the UK later this month, immediately prior to our
22 assumption of the EC Presidency. The Secretary of State ^{said} welcomed
23 ~~the suggestion, saying he was confident an opportunity could be~~
24 found for Mubarak to see the Prime Minister. He also looked
25 forward to meeting Field Marshal Abu Ghazala ^{later this month.}
26 ~~visits the UK to attend BAEE in later June.~~ Al-Baz said he
27 welcomed Mr Renton's plan to visit Egypt in September.
28 ARAB/ISRAEL
29 3. Al-Baz expressed his government's appreciation for the Prime



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		Catchword: Minister's	
File number	Dept NENAD	Drafted by (Block capitals) D G ROBERTS	Telephone no 233 4134
Authorised for despatch by:	Initials AR	Date/time 051200Z	
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	Classification CONFIDENTIAL	Caveat	Precedence PRIORITY
<p><<<<</p> <p>1 <<<<</p> <p>2 Minister's recent visit to Israel which he said had been widely</p> <p>3 praised in Gaza and the Occupied Territories. He assured the</p> <p>4 Secretary of State that President Mubarak was under no</p> <p>5 misapprehension about the Prime Minister's remarks to the press</p> <p>6 in Israel about a possible alternative to the PLO. Some had</p> <p>7 interpreted these as meaning there was no longer a role for the</p> <p>8 PLO (as Brezinski had once remarked). The Egyptian government,</p> <p>9 however, understood the Prime Minister simply to mean that if the</p> <p>10 PLO did not compromise, other ways forward must be found, without</p> <p>11 detriment to the PLO's importance.</p> <p>12 4. The Secretary of State recalled British support for</p> <p>13 self-determination for the Palestinian people and the need to</p> <p>14 secure PLO recognition of SCR 242 as a way of knitting the PLO</p> <p>15 into the peace process. AL-Baz said that (as reported in your</p> <p>16 telno 365) Mubarak had written five days ago urging Arafat to</p> <p>17 issue (preferably to the Western media) an unequivocal</p> <p>18 renunciation of terrorism, declaring the PLO's readiness to seek</p> <p>19 a negotiated settlement with Israel on the basis of Palestinian</p> <p>20 self-determination and the principles contained in SCR 242. This</p> <p>21 would get the PLO off the starting block without making</p> <p>22 acceptance of SCR 242 an insuperable precondition.</p> <p>23 5. The Secretary of State expressed disappointment at the</p> <p>24 breakdown of the Jordanian/Palestinian peace initiative, which</p> <p>25 the UK had encouraged. AL-Baz said the gap between the</p> <p>26 Jordanians and the PLO was still wide. The Jordanians were very</p> <p>27 disillusioned with Arafat, believing he had succumbed to Soviet</p> <p>28 pressure. AL-Baz's impression was that, although Arafat kept a</p> <p>29 weather eye on Abu Iyad and his Soviet-influenced colleagues,</p> <p>30 this had not been an important factor. Indeed Arafat was very</p> <p>31 interested in speculating about possible peace scenarios in which</p> <p>32 the US would play a major role. Arafat remained prone, however,</p> <p>33 to conspiracy theories and was highly suspicious of Jordan's</p> <p>34 rapprochement with Syria. The Secretary of State said he</p>			
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<p><<<<</p> <p>1 <<<<</p> <p>2 regretted Arafat's intemperate criticism of the Prime Minister's</p> <p>3 remarks in Israel. Al-Baz agreed that the UK and Egypt were</p> <p>4 united in trying to advance the cause of peace in the region.</p> <p>5 TABA</p> <p>6 6. Al-Baz said although the Egyptian and Israeli positions were</p> <p>7 very close the negotiations were deadlocked over what Egypt</p> <p>8 regarded as an Israeli attempt to reopen the whole border issue</p> <p>9 by insisting that the Board of Arbitration should determine where</p> <p>10 the frontier pillars should stand rather than where they actually</p> <p>11 stood. He claimed that, in practical terms, the difference was</p> <p>12 minimal, but politically to concede this point to Israel would</p> <p>13 risk losing the support of Egyptian public opinion for the</p> <p>14 negotiations and would reopen other border controversies (eg</p> <p>15 along the Egypt/Libya frontier). Sofaer, Shultz's legal adviser,</p> <p>16 had just returned to Washington having achieved little: he was</p> <p>17 not well versed in the Taba issue and was over-zealous in trying</p> <p>18 to upstage Murphy. Shultz himself was determined not to go to</p> <p>19 the Middle East pending real progress on Taba.</p> <p>20 EGYPTIAN ECONOMY</p> <p>21 7. Al-Baz briefly mentioned the problems of the Egyptian economy</p> <p>22 which he laid at the door of inflated public expectations aroused</p> <p>23 during the oil boom of the Sadat era (Egypt's 1978 balance of</p> <p>24 payments surplus had been portrayed as a direct benefit of the</p> <p>25 peace with Israel). Mubarak was currently very busy with these</p> <p>26 problems and was determined to bring about a change in public</p> <p>27 attitudes.</p> <p>28</p> <p>29 HOWE</p> <p>30</p> <p>/// 31</p> <p>// 32 YYY</p> <p>/ 33 MAIN</p> <p>34 MIDDLE EAST</p>			
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