

SUBJECT

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(c. Koster)

ORD OF A CONVERSATION BETWEEN THE PRIME MINISTER AND THE PRESIDENT OF EGYPT AT 1130 HOURS ON SATURDAY 6 FEBRUARY AT CHEQUERS

Present: Prime Minister
Lord Privy Seal
Mr. Douglas Hurd
Sir Michael Weir
Mr. John Moberly
Mr. John Coles

President Mubarak
General Kamal Hassan Ali
Mr. Osama Al Baz
Mr. Abou-Seeda

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After welcoming President Mubarak, the Prime Minister said that this was a crucial time for the peace process in the Middle East. Nothing must stand in the way of withdrawal from Sinai. When President Mubarak had last visited the United Kingdom, we had been concerned about the steps which would follow the completion of withdrawal. That concern remained. We knew that President Mubarak wished it to be evident that he was acting in the interests of the larger Arab world. We had noted with interest his forthright speeches in Washington in which he had gone further in respect of some aspects of the peace process than any previous Egyptian spokesman. President Mubarak expressed his gratitude for United Kingdom participation in the Sinai force. This added weight to the peace process. Mr. Begin had tried to create problems for European participation. It was good that these had been overcome. He had sent Mr. Begin a message urging him not to make difficulties. British participation was one of the most important contributions we had made to the fortunes of Egypt and to the peace process. Israel had promised to fulfil its commitment to withdrawal. At the funeral of President Sadat Mr. Begin had stated that he was "looking for peace for ever". He (President Mubarak) had said that he agreed - Camp David was a peace treaty between two countries, not between two people. He believed the withdrawal would be completed, perhaps one or two days before the deadline. Following withdrawal, the peace process would enter into its second phase, with the autonomy talks. The central problem was that of the Palestinians. During his visit to Washington, he had told the American Government that there could be no ^{overall} solution without a solution to the Palestinian problem. He had advocated a US/Palestinian dialogue. Mr. Haig had paid two visits to Egypt. Initially he had thought in terms of conducting a shuttle process with the aim of

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concluding a Declaration of Principles on the part of Egypt and Israel. But he (President Mubarak) had advised against this. The gap between the two sides was too large to be bridged by a shuttle approach lasting two or three weeks. He had also stressed that Egypt was not the owner of the land in question. It belonged to the Palestinians and it was for them, if anyone, to make concessions. The Americans had asked whether he could not agree to an incomplete Declaration of Principles, leaving the main points of difficulty to be settled later. But he had argued that the Camp David documents had been widely criticised. If he were to sign any new document he would have to be able to defend it as reasonable and acceptable. Otherwise the Palestinians and the Jordanians would never join in any negotiation and the Soviet Union would exploit the incompleteness as evidence of betrayal of the Palestinians by the Egyptians. The Prime Minister agreed that in these circumstances Egypt would be accused of surrendering Palestinian interests. President Mubarak said that he had also told Mr. Haig that it was for Mr. Begin to make concessions. Mr. Haig had then visited Israel and had later returned to Egypt but had brought nothing new. He had merely reaffirmed that Mr. Begin had agreed to European participation in the Sinai force. At an earlier stage the Israelis had urged that the autonomy agreement should be completed before 25 April. The Egyptians had replied that when they had originally asked for withdrawal and autonomy to be linked, the Israelis had refused. Why should this idea be resurrected now? The Israelis had produced no answer. Egypt had then said it would agree to a reasonable and acceptable Declaration of Principles, but this could not be linked to the completion of withdrawal. The Prime Minister expressed the view that it was right to reject linkage since that could have put withdrawal itself in jeopardy. President Mubarak said that he had urged on Mr. Haig the need for careful progress towards a Declaration. Egypt was prepared to continue the negotiations but not with the aim of arriving at an inadequate document.

President Mubarak said that Egypt needed European support and not just that of the United States. Those countries like the United Kingdom, who had links with Israel, should tell the Israelis that nothing would be solved unless a solution was produced for the Palestinian problem. But Mr. Begin was a tough negotiator. The Prime Minister said that she was well aware of this. Mr. Begin had created difficulty

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during the negotiations about European participation in the Sinai force. Initially we had wondered, in view of our particular historical involvement in the Middle East, whether it was right for the United Kingdom to participate. Then other countries had made their participation conditional on ours. We had therefore decided to make a symbolic contribution to the force but wanted it to be clear that we remained committed to the Venice Declaration. Mr. Begin, on the other hand, wanted to make it plain that participation linked us to the Camp David approach. It was absurd that so much difficulty had been caused. The principle of autonomy was a curious one. Shortly before King Hussein's last visit to Washington, we had sent President Reagan a message to the effect that if he had it in mind to persuade Egypt to agree to Palestinian autonomy which did not involve Palestinian control over the land in question, this would put Egypt in the worst possible situation. It would mean abandoning Palestinian interests. We doubted whether any Palestinians would endorse an autonomy agreement of this type - the dangers of doing so were in a sense illustrated by the fate of Bishop Muzorewa in the Rhodesian negotiations.

President Mubarak said that he had urged upon the United States the need to start a dialogue with the Palestinians and to begin to understand them. The Prime Minister said that she believed the Americans might talk to the Palestinians but not to the PLO as such. One difficulty was that there was not sufficient political freedom in the West Bank for other Palestinian groups to emerge. We ourselves would find it difficult to talk to the PLO unless they rejected terrorism and recognised Israel's right to exist. We had found the Fahd initiative helpful. How had President Reagan reacted to President Mubarak's reference to a "Palestinian entity"? President Mubarak implied that the Americans had not reacted. He had received no clear response to the idea of an American/Palestinian dialogue, though he had told President Reagan that there were moderate Palestinians who could well be engaged in such a dialogue. The position of Syria created a difficulty since it firmly controlled Yasser Arafat and the main bulk of the Palestinians. The Syrian interest was to maintain the present situation. Golan itself was of little importance. But Israeli occupation of Golan gave Syria the opportunity to extract money from the Arab oil producers. The absence of peace suited the Russians also. He had once referred to the possibility of a Soviet role in the Middle East. He had had in mind a role of exercising moderation

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on the Syrians and the Palestinians. But he did not believe the Russians would act in this way. Their interest also was in a "no war, no peace" situation.

The Prime Minister referred to Syria's internal difficulties and problems in Syria's relations with Jordan. President Mubarak said that the tension between Syria and Jordan was created by the former, again in an attempt to extract money from the Saudis. The real reason for Mr. Begin's action on the Golan was, in his view, the Syrian statement that it accepted the Fahd plan except for point 7 and that it would not recognise Israel even if the PLO did. Begin had immediately persuaded his Cabinet that Golan should be annexed. But the significance of the annexation had been exaggerated - Begin's action had changed nothing. The Prime Minister commented that the Golan Heights had always been Syrian land. It was not acceptable that international law should be flouted in this way and we had strongly opposed the Israeli action. She had received a report that Mr. Begin had taken this step in order to demonstrate that he was not committed to withdrawal from the territories occupied in 1967 - he had needed to make this point because of the pressure he was under from Israeli settlers in Yamit.

President Mubarak said that the leader of the Jewish community in the United States had urged him to agree to some Israeli settlers staying in Yamit after Israeli withdrawal. But President Mubarak had declined. He had argued that Egypt had taken a series of courageous steps to bring about peace. Its courage was now exhausted. It was now the turn of Israel to demonstrate some.

The Prime Minister commented that the Jewish lobby was the most powerful and professional in the world. She had been appalled by the Israeli attack on the Iraqi nuclear reactor and had condemned it the same day in the House of Commons. So at first had President Reagan. But then the Jewish lobby had begun its work and argued that the Israeli action was a classical military pre-emptive strike. She had received a message from the Jewish community in New York warning her to be careful in what she said since opinion in America about the raid was changing. She had replied reiterating her view that the Israeli action was wrong in principle. She had great sympathy for Israel in some ways. For 2,000 years ^{the Jews} / had kept alive their dream

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of a country of their own. They were a unique people but very difficult to deal with. President Mubarak suggested that the Iraqis had given the Israelis some cause for action in their public comment on an earlier Iranian attack on the reactor - at that time Saddam Hussein had said that the reactor was directed against Israel rather than Iran.

The Prime Minister said that we had consistently argued that it was wrong to demand peace and self-determination within secure borders for yourself unless you conceded it to others. We should continue to say that. She believed that President Mubarak would have made a considerable impact on President Reagan and the United States Congress. But the problem now was to have the imagination to conceive the next steps after Israeli withdrawal from Sinai. Had President Reagan hinted that he wished to broaden the scope of the negotiations? President Mubarak replied that the Americans had thought of bringing in the Saudis but he had questioned whether they had a contribution to make. There was then the possibility of incorporating Jordanians and Palestinians. But in fact Jordan would enter the negotiations whenever the Saudis gave the green light. He had the impression that the Saudis believed that there was no course other than that which Egypt was pursuing but some Saudis had told him that the autonomy talks would take 50 years. Mr. Hurd asked whether he saw the autonomy talks being pursued on the current basis for a considerable period. President Mubarak said that Camp David was the only available basis. Israel would never negotiate on the basis of the Fahd principles. Egypt intended to continue with the negotiations for as long as possible. The participation of other factions in the talks would simply make them very difficult. For example, if King Hussein joined in, the Israelis would be tempted to make new demands and create new problems. Other Arabs would not join the talks unless a satisfactory Declaration of Principles had first been negotiated.

The Prime Minister asked whether he believed that as part of the negotiations the United States must talk directly to the Palestinians. President Mubarak said that this was his belief. Certain United States Congressmen had suggested that the negotiations should centre on the question of water distribution and other concrete issues. But he had replied that he was not a Palestinian. If a Declaration of Principles could be worked out and the negotiations launched, the Palestinians must then be involved in the details. It was their affair. The Prime Minister said that some very difficult issues were involved - the

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settlements on the West Bank, the problem of water and the problem of East Jerusalem. President Mubarak commented that the Pope had told him that the character of East Jerusalem was such that it could not appropriately be the capital of a single state. A special formula was necessary. The Prime Minister said that she believed that the problem of East Jerusalem was more difficult than that of the West Bank. She did not imagine that the Israelis would want to incorporate the West Bank. The Arab population of the area would be bound to grow and in time would have to have full political rights. Mr. Al Baz agreed but said that some Israeli extremists were taking the line that it would be possible, over time, to force the Palestinians out of the area. Mr. Hurd commented that Crown Prince Hassan of Jordan was much worried about this aspect - he argued that conditions in the West Bank were such that young Palestinians would be inclined to leave. Mr. Al Baz said that Israel was now creating "pre-settlements". President Mubarak said that he had once visited the Jordan/Israel border with Crown Prince Hassan and had observed large numbers of Jordanians going into Israel to work. Most Israeli goods were in fact sold to the Arab world - they masqueraded as Palestinian goods and were exported through Jordan to the Gulf and other areas of the Middle East.

Sir Michael Weir asked whether, if agreement on a Declaration of Principles was achieved, the Israelis would couple this with a gesture of military withdrawal, as Camp David required. President Mubarak said that the Israelis had stated that they wanted to withdraw some forces. Mr. Al Baz said that the Egyptians had many times asked them to institute confidence building measures.

The Prime Minister said that many people probably had an interest in the status quo. How could the United Kingdom best help? Should we continue to advocate the principles of the Venice Declaration? President Mubarak replied affirmatively. This was useful support for Egypt. The United Kingdom should also use its influence with the United States which should begin talking to the Palestinians. If it was difficult for the Americans to talk to the PLO, they should talk to Al Fatah or other moderates. Yasser Arafat himself was a moderate but was terrified of the Syrian regime. The Prime Minister said it was her impression that the Saudis had earlier believed that they had obtained Yasser Arafat's agreement to point 7 of the Fahd plan. He had later reneged. Mr. Hurd said that Arafat had explained this change of position by saying that he was confused by President Asad's

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presence from the Fez Summit. Mr. Al Baz said that Arafat had also been strongly criticised by some of his own supporters.

The Prime Minister invited President Mubarak's comments on the current situation in Libya. President Mubarak said that it was strange that the Soviet Union had given Libya so much military equipment - 3,000 tanks, 500 military aircraft. The Russians were earning hard currency, which they needed. They had studied Qadhafi carefully and were using him to fulfil Soviet plans in Africa and the Middle East. Qadhafi had given 60 tanks to Iran and was planning to give it 100 more. They were Russian tanks. It was strange that Syria and Libya (together with Israel) were helping Iran against Iraq, a member of the Arab league. The explanation was that Syria and Libya were acting as proxy for the Soviet Union. This would go on until Iran fell into Russian hands. The Americans were less active than the Russians. Somalia had long ago offered Berbera to the Americans as a base. The United States had moved very slowly whereas, across the Red Sea in Aden, the Russians already had a base. He had also discussed the situation in the Sudan with the Americans. He had told them that the Sudan was pivotal. If the Communists acquired power there, a very dangerous situation would be created. The Red Sea would be completely lost. The Prime Minister said that we too were concerned about the Sudan. If it fell into the wrong hands, this would not be good for Egypt. We were putting in more aid. Mr. Hurd inquired how President Mubarak had found President Nimeiry when he had last met him. President Mubarak replied that Nimeiry had explained the reasons for his recent dismissal of the Sudanese Vice President and others. He had claimed that the situation was under control. The Saudis were not helping him significantly. They gave the Iraqis \$1 billion a month but were ignoring the strategic significance of the Sudan. General Hassan Ali said that at the recent donors conference in Paris, only \$250 million had been raised out of the \$300 million required. The Saudis had pledged \$100 million instead of the \$150 million expected from them. President Mubarak said that he intended to send a special message to the Americans urging greater support for the Sudan. The Prime Minister commented that time was running out and that early action was necessary. The Americans were also very pre-occupied with the situation in Central America. They saw Russian influence in Nicaragua, El Salvador, Guatemala and of course Cuba.

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President Mubarak agreed that the Soviet hand was plain. The danger was that the Americans would sit with their hands folded. Reverting to Libya, he stated that Qadhafi had established an airline, United African Airlines, with the object of promoting terrorism in Africa by the transport of weapons etc. Libyan money had been evident at the OAU Summit which he had attended in Nairobi. Now Qadhafi wanted to host an OAU Summit in Libya and become President of the organisation. The Prime Minister said that we needed a combination of Western countries, Egypt, Saudi Arabia and other moderates to help such countries as the Sudan while there was still time.

The talks ended at 1250.

A.J.C.

6 February 1982

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10 DOWNING STREET

From the Private Secretary

8 February 1982

Dear John,

Visit of President Mubarak

I enclose a record of the formal talks which took place at Chequers on Saturday 6 February. I should be grateful if this could be given only a very restricted circulation.

I should also record that, after lunch, the Prime Minister raised with President Mubarak the question of the Vosper Thornycroft offer to build Ramadan patrol boats or frigates for Egypt, stressing that an improved financial package was now available. President Mubarak, who did not appear to be informed about the question, said that Egypt would need time to consider the offer. Mr. Osama Al Baz, who was present, appeared to take note.

I am sending copies of this letter and enclosure to David Omand (Ministry of Defence) and John Rhodes (Department of Trade).

*Yours ever
John Holmes.*

John Holmes, Esq.,
Foreign and Commonwealth Office.

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