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RECORD OF A CONVERSATION BETWEEN THE PRIME MINISTER AND THE
PRESIDENT OF EGYPT AT 1845 HOURS ON WEDNESDAY 2 FEBRUARY,
1983 AT No. 10 DOWNING STREET.

PRESENT:

The Prime Minister
Foreign and Commonwealth Secretary
Mr. Douglas Hurd
Sir John Leahy
Sir Michael Weir
Sir Anthony Parsons
Mr. John Coles

President Mubarak
General Kamal Hassan Ali
Dr. Boutros Ghali
Dr. Wagih Muhammad Shindy
Dr. Osama Al Baz
H.E. Mr. Abou-Seeda

The Prime Minister welcomed the President. It was almost exactly a year since they had last met. At that time no-one could foretell what would happen with regard to progress on the fundamental Arab/Israeli problem. The Lebanese situation had intervened and the task of securing withdrawal was proving very complicated. This was consistent with past experience. Each time that an opportunity seemed to present itself for progress on the fundamental problem, an event occurred which diverted attention from it. In her tête-a-tête conversation with the President they had agreed that King Hussein's talks with Mr. Arafat provided some grounds for optimism. But she found it more difficult than it was a year ago to see a way forward. It would be helpful to know from the Egyptian side what role they envisaged for Europe and for the United Kingdom. We had made a symbolic contribution to the multi-national force in the Lebanon because our Arab friends had made it clear that this would be appreciated. But what more could we do?

President Mubarak said that the United Kingdom had consistently supported the peace process since President Sadat had launched it. He agreed that the present situation was much more difficult than any that had preceded it. He had made this point during his recent visit to Washington. He had also told

/President Reagan

CONFIDENTIAL

CONFIDENTIAL

- 2 -

President Reagan that America's friends in the area had lost confidence in the will and ability of the United States to solve the problems of the region. Confidence had been waning before the invasion of the Lebanon. But the credibility gap had widened since that event. Egypt was now urging the United States to pursue an active role designed to secure the withdrawal of all forces from the Lebanon and then to concentrate its efforts on the fundamental Arab/Israeli problem. Egypt needed British support, particularly in the role of persuading the United States to be more active. If withdrawal from the Lebanon was not achieved in the near future, the situation would worsen still further. At present the Soviet Union was not active in the area. It was making no effort to produce a solution in the Lebanon and confined its interventions to general statements of support for the Arabs on the Palestinian problem. But he feared that the situation in Lebanon could reach the point of no return. That country might decide to declare its neutrality. That would amount to an invitation to the Soviet Union to enter the arena. Meanwhile, Iraq was facing a very difficult situation. The Arabs were not providing it with finance to the same extent as in the past and Iraq was beginning to develop its relationship with the Soviet Union. Iraq had asked the Saudis to exert pressure on Syria to resume the flow of Iraqi oil. If these efforts failed, the Iraqis would move closer to the Soviet Union.

The Prime Minister commented that such a development would significantly disturb the balance of forces in the Middle East. We had been surprised by the lack of Soviet interest in the Lebanon. But if Soviet influence was developed in Iraq, serious problems would result for the Gulf and the area as a whole. What could be done to prevent these trends? The immediate objective must be the withdrawal of foreign forces from the Lebanon. That in itself would help to re-establish the authority of the United States in Arab eyes. What was the main obstacle to withdrawal?

/The Foreign and Commonwealth

CONFIDENTIAL

CONFIDENTIAL

- 3 -

The Foreign and Commonwealth Secretary said that the chief obstacle was Israeli reluctance to leave. Dr. Osama Al Baz, agreeing, said that Israel was making excessive demands for security arrangements in the Lebanon. Mr. Hurd said that the Israeli insistence on early warning stations was a stumbling block. President Mubarak said that these would never be allowed.

The Prime Minister said that, as was generally the case, the fundamental requirement was for the United States to bring pressure to bear upon Israel. The Foreign and Commonwealth Secretary agreed. We had been pressing President Reagan to put his full weight behind the plan which he had announced earlier. The longer he delayed in doing so, the more difficult it would become. If President Reagan did not make a determined effort in February or March, his plan could well fail.

President Mubarak pointed out that by the end of this year the United States would be moving into an election period in which no decisive action could be taken. Then the actual election campaign would take another year and, following that, the new Administration would require six months to work itself in. By that time Israeli settlements would cover the whole of the West Bank and Gaza and the fundamental problems would be insoluble.

In response to a question from the Prime Minister, President Mubarak said that he had put this message across in a series of meetings in Washington - with the Administration, the Senate Foreign Relations Committee, Congress, the Jewish community and the media. He hoped that when Vice President Bush visited London next week, the Prime Minister would emphasise to him the dangers of the present situation and urge the Americans to work to restore Arab confidence in them. They should commence with the Lebanon but also encourage King Hussein to reach agreement with the Palestinians. The Foreign and Commonwealth Secretary asked whether the President considered that the next meeting on 14 February would produce such agreement. President Mubarak said that this would certainly be the aim of the meeting. He had today received a message that Arafat felt strong enough to reach such an agreement.

/The Foreign and Commonwealth Secretary

CONFIDENTIAL

CONFIDENTIAL

- 4 -

The Foreign and Commonwealth Secretary said that if the Soviet Union did become more involved in the Middle East in the way the President had predicted, the United States would see a need to become even more closely linked to Israel. Perhaps, therefore, we should consider what action we could take to promote the flow of Iraqi oil.

The Prime Minister asked whether the United States Administration had indicated what their next steps would be. President Mubarak said that they had informed him that they were working on a plan for Lebanese withdrawal. The day before he had left for Washington he had received a message from President Gemayel urging that he should tell the Americans to become a full partner in the negotiations.

/In response

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In response to a question from the Prime Minister, Mr. Hurd said that the report of the Israeli inquiry into the massacre in the Lebanon would be produced shortly. If the outcome was unfavourable to Mr. Begin, he might decide to hold an election and appeal directly to the Israeli people. General Kamal Hassan Ali said that the Americans were concerned about this possibility since they believed that Begin would win such an election.

Reverting to the Iran/Iraq war Sir Anthony Parsons said that there was one possible point of optimism: the Soviet Union would think very hard before coming down fully on the side of Iraq. Fundamentally, Iran was more important than Iraq to the Russians, not least because of the long common border. He believed that the Soviet Union would try to be on the best possible terms with both countries. President Mubarak expressed the view that if the Soviet Union lost confidence in Iran, it might decide, with the help of Iraq, to apply pressure on Iran and the Gulf area as a whole. Syria would probably aid these efforts. The implications for the Middle East and indeed for the world would be very serious.

The Prime Minister said that in the face of such developments the United States might decide that it needed the support of Israel to combat the growth of Soviet influence in the area. Thus the chances of America exerting pressure on Israel could be reduced. The Foreign and Commonwealth Secretary commented that the Arabs would have no confidence in the Reagan plan unless Israel changed course. The Prime Minister asked whether it would be useful for the European Council to take some further action. This might be worth considering but the Foreign Secretary pointed out that the need for action was even more urgent than that. The complete demise of the Reagan plan was now in prospect.

CONFIDENTIAL

/Mr Hurd

CONFIDENTIAL

Mr. Hurd asked what form pressure on Israel should take. President Mubarak replied that it was better to talk of influence than pressure - the latter word produced complexes in Israel. The United States must persuade Israel that the best guarantee of its future was peaceful action - withdrawal from the Lebanon and then negotiation of a solution of the Arab/Israeli problem. Sir Anthony Parsons said that so far the US tactic had been to aim first at withdrawal from the Lebanon and then move on to the Palestinian problem. The trouble with this was that all Israel had to do was to hold out until the end of this year after which, as the President had said, there would be no decisive American action. President Mubarak suggested that it might be better for the Americans to pursue both aims simultaneously. Sir Anthony Parsons said that this was what he had in mind. If King Hussein and Arafat reached agreement at their meeting on 14 February, perhaps the United States would change its priorities and concentrate on implementation of the Reagan plan. Dr. Osama al Baz said that the Americans were already considering this because they believed that Mr. Begin could stall the whole peace process by blocking progress in the Lebanon.

The Foreign and Commonwealth Secretary said that progress on the fundamental problem would require even more United States' muscle than did the Lebanese situation. Dr. Osama al Baz said that this was particularly true of the Israeli settlements. President Mubarak said that it was his understanding that if, following a meeting on 14 February, Hussein stated that he was ready to negotiate, the United States would ensure that there was a freeze on Israeli settlements. The Prime Minister commented that the Reagan plan already provided for such a freeze. President Mubarak agreed but said that, following such an announcement by King Hussein, the Americans would apply real pressure to achieve a freeze.

CONFIDENTIAL

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CONFIDENTIAL

Continuing, President Mubarak said that when he had been asked earlier to accept Palestinians from Lebanon he had told the United States that he could only do so as part of a comprehensive framework for a solution. He had told Mr. Habib that by making the Palestinians leave Lebanon the United States risked creating a dozen difficult problems in various countries. The Prime Minister commented that even the establishment of a Palestinian State could not lead to the absorption of the whole of the Palestinian Diaspora. Dr. Boutros Ghali said that the Palestinians would however then have their own passports and would develop different attitudes. We should in effect have not just an Israeli State and a Jewish Diaspora but a small Palestinian State and a Palestinian Diaspora. The Prime Minister observed that a Federation of Jordan and a Palestinian State was what most people envisaged. Some felt that an independent Palestinian State might be dominated by the Soviet Union.

Dr. Osama al Baz said that this was a misconception. A Palestinian State would never be dominated by the Russians. It would be economically dependent on the oil rich Arabs who were vehemently opposed to the establishment in the area of a pro-Soviet state. Saudi Arabia for one would never allow it. Agreeing, President Mubarak said that there was not a single Arab State that would accept Soviet domination of a Palestinian entity. Moreover, a Palestinian State would never be a threat to Israel. The Palestinians in Kuwait and the rest of the Gulf would never return to a Palestinian State. Dr. Osama al Baz said that any Palestinian State would have to be demilitarised. It would therefore not have access to Soviet arms.

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The Foreign and Commonwealth Secretary asked whether Israel would accept the concept of a small, demilitarised Palestinian State. Mr. Osama al Baz replied that the first step should be a Palestinian entity federated with Jordan. This could evolve in ten to fifteen years to a demilitarised Palestinian State.

Dr. Boutros Ghali thought that a Labour Government in Israel might be able to envisage such a development. The Prime Minister expressed doubt as to whether a Labour Government could obtain acceptance from the Israeli people for such a radical change of policy. There were two currents of thought in Israel. Some regarded the occupied territories as land held in trust until a settlement was achieved. Others constantly sought additional territory to use as a buffer. It would be interesting to see which current of thought prevailed. Dr. Osama al Baz commented that Israeli opinion tended to fluctuate between these different views but the continuing growth of settlements in the West Bank could confront a new Labour Government with a fait accompli. The Prime Minister said that it was obvious that time was running out and that the end of this summer could be a critical period.

The Prime Minister said that she wished to raise one bilateral matter. Britain was very good at producing defence equipment. We had sold a good deal to Egypt in the period up to 1976. We looked forward to playing a larger part in the future. President Mubarak said that the Egyptian problem was a financial one but he thought that there was now good co-operation with the United Kingdom in the field of defence sales.

The discussion concluded at 1930 hours.

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File 116
cc Sir A Parsons

10 DOWNING STREET

From the Private Secretary

3 February 1983

VISIT OF THE PRESIDENT OF EGYPT

President Mubarak called on the Prime Minister at 1800 hours yesterday. At the President's request, the talks began with a tête-à-tête with no-one else present. This lasted for 45 minutes. The Prime Minister told me afterwards that the President had said nothing during the tête-à-tête conversation which he did not repeat, at least in summary form, at the full talks which followed the tête-à-tête. I enclose with this letter a record of the plenary discussion.

I am copying this letter and enclosure to Richard Mottram (Ministry of Defence) and John Rhodes (Department of Trade).

A.J. COLES

John Holmes, Esq.,
Foreign and Commonwealth Office.

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