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cc: Sir P. Craddock

## 10 DOWNING STREET

From the Private Secretary

5 February 1985

PRIME MINISTER'S MEETING WITH THE EGYPTIAN FOREIGN MINISTER  
ON 5 FEBRUARY 1985 AT 1030 HOURS

The Prime Minister received a call this morning from the Egyptian Foreign Minister. Dr. Meguid was accompanied by Ambassador El Shafei and by the Egyptian Ambassador in London. Mr. Luce and Sir Alan Urwick were also present.

Dr. Meguid conveyed greetings from President Mubarak and urged the Prime Minister to pay an early visit to Egypt. The Prime Minister recalled the excellent talks which she had held with President Mubarak at Chequers during his last visit. She looked forward to paying a visit to Egypt.

The Prime Minister said that she would be very interested to hear Egyptian views on how progress could be made towards resolving the Arab/Israel problem in the current situation in the Middle East. She was delighted at the co-operation which now existed between Egypt and Jordan. She recognised the crucial role of the Americans and had thus pressed President Reagan, during her visit to Camp David in December, to revive his Middle East peace initiative. The President had many important issues vying for his attention, notably East/West relations and the Budget. But she intended to impress on him again, when she visited Washington in February, that renewed efforts to find a way ahead in the Middle East could not wait. Dr. Meguid said that the Prime Minister's approach corresponded closely with Egyptian thinking. There was now complete understanding and co-ordination between Egypt and Jordan. King Hussein was respected as a man of courage and statesmanship and the Egyptian Government was impressed by his determination to make progress on Middle East problems. In particular they welcomed and supported his efforts to persuade Arafat to adopt a more reasonable position. The Egyptian Government were also persuaded that Peres was sincere in his desire to make progress. They saw a real opportunity to promote the peace process through the series of visits which would be paid to Washington over the next few weeks by the Prime Minister, by King Fahd and by President Mubarak.

The Prime Minister said that there was a real problem of perception. She recognised that Arafat had to walk a tightrope between appealing to revolutionaries and convincing moderates. But to outward appearances he was obviously a revolutionary and he would have to make up his mind which side he was on. Otherwise there was no chance of convincing the United States to deal directly with the Palestinians. Dr. Meguid said that Egypt and Jordan could act as a guarantee for Arafat's future moderation. He thought that the key to future progress lay in recognition of the Palestinians' right to self-determination. The Prime Minister agreed. It was a right which Israel itself enjoyed and could not deny to others. Speaking of self-determination, she had been very grateful for Egypt's abstention on the Falklands vote at the United Nations. Dr. Meguid said that he had been greatly impressed by the arguments put to him on self-determination. He was certain that if the Palestinians on the West Bank were allowed to exercise the right of self-determination they would choose some form of relationship with Jordan. He recalled that the Camp David agreements included a reference to the legitimate rights of the Palestinians which had been acknowledged by Begin. An effort should be made now to build upon that reference to achieve acknowledgement, in particular by the United States, of their right to self-determination.

The Prime Minister said that when it came to the conduct of negotiations about the Palestinians, the key would be to enable King Hussein to have Palestinians in a Jordanian delegation. She was sceptical of King Hussein's proposal for an international conference. This would get nowhere though she understood why he felt the need to promote it. Dr. Meguid agreed with the Prime Minister's comments. He was pleased to find that the British and Egyptian analyses of the situation corresponded so closely.

Dr. Meguid said that there had been a fruitful meeting between the Egyptian and Israeli Governments at Taba last week. Egypt was ready to give every encouragement to Peres. The Prime Minister said that she hoped opportunities would be taken to try to influence Mr. Shamir and his party also. Dr. Meguid observed that Shamir was a very difficult man to deal with. The Prime Minister commented that her generation could never forget the bombing of the King David Hotel and the hanging of the two British sergeants.

The Prime Minister enquired about Syria's role. Dr. Meguid said that Syria was an obstacle to progress, was seeking the physical elimination of Arafat and was hand in glove with the Soviet Union. The Prime Minister said that President Assad was not a puppet but used the Soviet Union to play his own game. Dr. Meguid said that Syria must not be allowed to control the situation. It was likely to enter a period of internal instability. Jordan's renewed co-operation with Egypt gave it some protection against the threat from Syria.

The Prime Minister asked what could be done about conditions on the West Bank. Dr. Meguid thought that Peres, Rabin and Weitzman were sincere in their wish to try to improve the quality of life on the West Bank where conditions were bad. But they faced a formidable obstacle in people such as Rabbi Kahane who were extremist and racist. The essential was to find an arrangement which would guarantee Israel's security. The Prime Minister said that Security Council Resolution 242 provided the key. Dr. Meguid said that some addition was needed regarding self-determination for the Palestinians. The Prime Minister said that she would take up this point with President Reagan during her visit. But the PLO were likely to continue to be a stumbling block for the Americans. It might be necessary to exclude Arafat from any role in negotiations. Dr. Meguid recalled that the Americans had very nearly accepted Palestinians in a Jordanian delegation in 1977.

Dr. Meguid said that Egypt wished to co-operate with the United Kingdom against terrorism. He had discussed this with the Foreign and Commonwealth Secretary. He was particularly pleased to note the firm line which the Prime Minister had taken with Qadaffi over the release of the British hostages. The Prime Minister said that she warmly welcomed Egypt's offer of closer co-operation.

The Meeting ended at 1100 hours.

I am copying this letter to Richard Mottram (Ministry of Defence) and Richard Hatfield (Cabinet Office).

CHARLES POWELL

Peter Ricketts, Esq.,  
Foreign and Commonwealth Office.