

IMMEDIATE

[Dependent 7]

MIDDLE EAST: ADVANCE COPIES

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MR ALEXANDER
NO 10 DOWNING STREET

PS
PS/SIR I GILMOUR
PS/MR HURD
PS/PUS
MR J C MOBERLY

CABINET OFFICE DIO

SIR P. MATTHEW
MR FERUSSEN

ADVANCE COPY

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~~RESIDENT CLERK~~

GRS 950

CONFIDENTIAL

FM CAIRO 180930Z JUN

TO IMMEDIATE FCO

TELEGRAM NR 386 OF 18 JUN 80
INFO IMMEDIATE TEL AVIV AND WASHINGTON
INFO PRIORITY JEDDA AND AMMAN

Helpful. Read in full.

YOUR TELNO 241: PRIME MINISTER'S MESSAGE.

I CALLED ON PRESIDENT SADAT ON 17 JUNE AT HIS BEACH-HOUSE NEAR ALEXANDRIA AND GAVE HIM THE PRIME MINISTER'S MESSAGE. I WENT THROUGH THE MAIN POINTS OF THE VENICE DECLARATION AND STRESSED OUR DESIRE TO HELP HIS OWN EFFORTS AND TO AVOID UNDERCUTTING CAMP DAVID. I ALSO EXPLAINED THE REASONING BEHIND IT, CHIEFLY THE GROWING DANGER OF RADICALISATION AND THE NEED FOR GREATER REGIONAL SOLIDARITY AFTER AFGHANISTAN.

2. PRESIDENT SADAT ASKED ME TO THANK THE PRIME MINISTER FOR HER MESSAGE AND FOR THE SYMPATHETIC HEARING THAT SHE AND YOU HAD GIVEN TO VICE-PRESIDENT MUDARAK IN LONDON. HE WAS

PARTICULARLY GRATEFUL FOR THE ASSURANCE ABOUT CAMP DAVID. FOR HIS PART HE CONSIDERED THE VENICE DECLARATION "VERY WELL BALANCED" AND WOULD SUPPORT IT (HE ADMITTED THAT HE HAD NOT YET DONE SO PUBLICLY). HE WOULD BE GLAD TO RECEIVE A EUROPEAN EMISSARY. LATER ON HE SUGGESTED THAT THE EMISSARY SHOULD COME TO EGYPT LAST.

3. SADAT CONTRASTED HIS ATTITUDE WITH THAT OF HIS ARAB BROTHERS. THEY PROBABLY SUPPORTED THE DECLARATION IN PRIVATE BUT WERE ALREADY CRITICISING IT IN PUBLIC. THE SAUDIS WERE TERRIFIED OF THE REJECTIONISTS, ESPECIALLY IRAQ. HE ASKED ME TO TELL YOU

IN CONFIDENCE THAT BEFORE PRINCE FAHD'S FAMOUS INTERVIEW HE HAD ALREADY RECEIVED A CONCILIATORY APPROACH FROM THE SAUDI REGIME. THEN AS SOON AS FAHD'S INTERVIEW WAS PUBLISHED THEY HAD BACKTRACKED. EVEN SO HE HAD OFFERED TO FLY TO RIYADH AT A MOMENT'S NOTICE TO BURY THE MATCHET, AND WAS STILL READY TO DO SO. (HE RECOGNISED THAT SUCH A DIRECT APPROACH WAS PROBABLY A NON-STARTER, AND WOULD BE GLAD TO SEE EITHER THE US OR THE UK - WHO DESPITE CURRENT DIFFERENCES HAD TRADITIONAL INFLUENCE WITH SAUDI ARABIA - PLAY AN INTERMEDIARY ROLE.)

3. KING HUSSEIN WOULD GLADLY JOIN IN THE PEACE NEGOTIATIONS IF ONLY HE COULD SQUARE HIS SAUDI PAYMASTERS. HE, SADAT AND PRESIDENT CARTER HAD CREATED A ROLE FOR HIM AT CAMP DAVID, INCLUDING GAZA AS WELL AS THE WEST BANK. EGYPT HAD NO DESIRE TO RESUME RESPONSIBILITY FOR GAZA. SADAT ADDED THAT KING HUSSEIN IN CLOSE TOUCH WITH PERES ABOUT THE FUTURE. HE WAS NOT IMPRESSED WHEN I SAID THAT HUSSEIN APPEARED TO US TO BE CONVINCED THAT IT WOULD BE SUICIDAL FOR HIM TO JOIN THE AUTONOMY TALKS. TOLD THAT ARAFAT HAD SPOKEN PRIVATELY IN FAVOUR OF A EUROPEAN INITIATIVE (AMMAN TELRG 217) SADAT SAID CRYPTICALLY THAT PLO STATEMENTS WERE DIFFERENT TO INTERPRET.

4. AS FOR THE PRESENT STATE OF NEGOTIATIONS, SADAT ASKED ME TO TELL YOU THAT HE NOW BELIEVED THEY WOULD MAKE NO PROGRESS UNTIL THE NOV ELECTIONS OR UNTIL BEGIN DISAPPEARED, OR PERHAPS NOT UNTIL BOTH. I ASKED IF HE HAD FINALLY GIVEN UP HOPE OF BEGIN AND HE SAID HE HAD, THOUGH HE WOULD NOT BE SAYING THIS PUBLICLY. HE WAS SEEING IMMEDIATELY AFTER ME THE ISRAELI AMBASSADOR BRINGING AN ALLEGEDLY URGENT MESSAGE FROM BEGIN, AND OF COURSE HE WOULD LISTEN TO HIM POLITELY. BUT BEGIN WAS TOO DEEPLY ENTRENCHED IN HIS BIBLICAL CONVICTIONS TO BE CAPABLE OF FURTHER

ENTRENCHED IN HIS BIBLICAL CONVICTIONS TO BE CAPABLE OF FURTHER MOVEMENT. SADAT SAID HIS HOPES WERE NOW PINNED ON PERES, A REASONABLE MAN WITH WHOM HE HAD ALREADY REACHED A LARGE MEASURE OF UNDERSTANDING. ALTHOUGH BEGIN'S TERM DID NOT END UNTIL NOV 1981, SADAT DID NOT BELIEVE HIS HEALTH WOULD HOLD OUT THAT LONG.

5. IN ANSWER TO MY QUESTION SADAT SAID HE NEVERTHELESS EXPECTED THE WASHINGTON MEETING IN EARLY JUL TO LEAD TO A RESUMPTION OF THE SUBSTANTIVE AUTONOMY TALKS. THE CONDITIONS POSED THE PREVIOUS DAY IN THE ASSEMBLY BY HIS FOREIGN MINISTER KEMAL HASSAN ALI (WITHDRAWAL OF THE KNESSET BILL ON JERUSALEM, FREEZING OF SETTLEMENTS, ETC) WOULD BE GOT ROUND SOMEHOW. SADAT SAID THAT TO TELL THE TRUTH, HE HAD SIMPLY ASKED JIMMY CARTER WHETHER A RESUMPTION OF THE TALKS WAS IMPORTANT FOR HIM. CARTER REPLIED YES AND THAT WAS ENOUGH FOR SADAT. THIS LED HIM INTO A DISQUISITION ON THE INIQUITY OF THE AMERICAN ELECTORAL SYSTEM, AND THE PENALTIES IT IMPOSED ON THE REST OF THE WORLD.

6. AFTER NOVEMBER HOWEVER HE BELIEVED THAT A US ADMINISTRATION OF EITHER PARTY WOULD BE PREPARED TO IMPART NEW DRIVE AND MOMENTUM TO THE PEACE PROCESS. MEANWHILE WE MUST ALL DO WHAT WE COULD TO KEEP IT ALIVE, AND HE AGREED THAT THE EUROPEAN INITIATIVE WAS AS PROMISING A METHOD AS THE AUTONOMY TALKS. BUT WE SHOULD HAVE NO ILLUSIONS THAT EITHER WOULD PRODUCE CONCRETE RESULTS.

COMMENT

7. SADAT SEEMED GENUINELY PLEASED TO RECEIVE THE MESSAGE AND WITH ITS CONTENTS. THE MOST SIGNIFICANT POINT WAS, OF COURSE, HIS ADMISSION THAT HE HAS FINALLY GIVEN UP HOPE IN BEGIN. AND IT WAS A RELIEF THAT HE WELCOMED THE EUROPEAN DECLARATION, AFTER A FEW DAYS' APPARENT HESITATION. SPEAKING TO THE PRESS AFTERWARDS HE DESCRIBED IT AS BALANCED AND POSITIVE, AND

CRITICISED THE PLO FOR FAILING TO RESPOND. SADAT APPEARS TO HAVE SHED FEW OF HIS OTHER ILLUSIONS, NOTABLY ABOUT THE PROSPECTS OF REACHING AGREEMENT ON THE WEST BANK WITH PERES, AND ABOUT THE ATTITUDES OF THE OTHER ARABS. BUT HE SHARES THESE VIEWS WITH HIS ADVISERS AND EXPRESSED THEM WITH RELATIVE MODERATION. I WAS CONFIRMED IN MY EARLIER IMPRESSION THAT HE IS NOW ALLOWING HIS ADVISERS MORE SAY AND ACCEPTING THE CASE FOR FENCE-MENDING WITH THE ARAB MODERATES, WHILE DETACHING HIMSELF SOMEWHAT FROM THE ACTION. THE SUGGESTION THAT OTHERS MIGHT HELP MEDIATE WITH THE SAUDIS WAS INTERESTING. WHEN I ASKED HIM IF HE INTENDED TO CONTINUE TO DEVOTE 512899-5-9F HIS

OTHERS MIGHT HELP MEDIATE WITH THE SAUDIS WAS INTERESTING. WHEN I ASKED HIM IF HE INTENDED TO CONTINUE TO DEVOTE 512899-3-9F HIS TIME TO DOMESTIC AFFAIRS, AS HE SAID IN HIS SPEECH A MONTH AGO, HE SAID HE DID NOT HAVE MUCH CHOICE GIVEN THE PRESENT STALEMATE IN FOREIGN AFFAIRS.

8. FOR SADAT'S SUBSEQUENT COMMENTS TO THE PRESS SEE MIFT.

CCM PARA 3 = READ = THAT KING HUSSEIN WAS IN CLOSE ETC ++

WEIR.

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