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PREM 19/1473

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PART ONE:

Confidential Filing

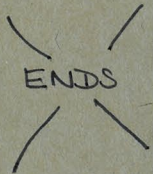
Visits of President Mubarak of
Egypt to the U.K.

EGYPT

VISIT BY ISMAT ABDEL MEGUID, FOREIGN
MINISTER OF EGYPT.

PART ONE:

November 1981
~~January 1982~~

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
5-1-82		 <p>ENDS</p>					
7-1-82							
12-1-82							
28-1-82							
5-2-82							
6-2-82							
8-2-82							
6-12-82							
27-1-83							
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3-2-83							
7-1-85							
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4-2-85							
5-2-85							
11-2-85							
14-3-85							
18-3-85							
21-7-85							
12-12-85							
18-12-85							

PREM 19/1473

PART 1 ends:-

Note Br File (Duty Clerk) 18-1285

PART 2 begins:-

NLW to CDP. undated.

Note for file.

RE COP to FCO 12.12.85

Mr Powell spoke to P. Ricketts
& cleared this by 'phone.
They agreed to not see
Mubarak in January.

Duty Clerk

18/12/85

PRIME MINISTER

*I think it would
be unwise to refuse
now*

PRESIDENT MUBARAK

The Egyptian Ambassador has asked - I think on his own initiative - whether you would like to see President Mubarak who will be in Europe in late January. He is in Strasbourg on the morning of 28 January and could visit London briefly on the afternoon of 28 January or any time on 29 January.

The dates are in fact exceedingly inconvenient for you and there is no strong reason to see the President at the moment. The Foreign Secretary shares this view.

Content that I should explain tactfully to the Egyptian Ambassador that it would not be possible for you to see President Mubarak on this occasion?

C.D.P.

CHARLES POWELL

17 December 1985

*Spoken to Prime Minister
& subsequently told the
Egyptian Ambassador that
this was not possible.
C.D.P. 12/xii*

LOSACK

JAIAN
file



10 DOWNING STREET

From the Private Secretary

12 December 1985

The Egyptian Ambassador has telephoned me to say that President Mubarak will be in Strasbourg on 28 January. He wondered whether it would be a good idea to suggest that the President might come to London on the afternoon of 28 January or sometime on 29 January to see the Prime Minister. I said that I would think about it.

I am not sure that there is a great deal that the Prime Minister could usefully discuss with President Mubarak just at the moment. Moreover the dates in question are very difficult for her. She is out of London on 29 January and virtually the only time she could find on 28 January would be between 1700 and 1800 hours. She could not entertain him.

BFD

My inclination therefore is to go back to the Ambassador and say that, much as the Prime Minister would like to see President Mubarak, she simply cannot manage the dates in question. Would you wish to discourage me?

(Charles Powell)

Peter Ricketts, Esq.,
Foreign and Commonwealth Office.

ls

Visit of Mubarak, Egypt PA

SUBJECT

FILE

RM

u Master-
ops



10 DOWNING STREET

THE PRIME MINISTER

21 March, 1985

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T52185

My dear Mr. President,

I very much enjoyed your brief visit to London and our talk and was particularly pleased that Mrs. Mubarak was able to accompany you. I have subsequently received the beautiful pendant which you so kindly sent me. I was absolutely delighted to have this and thank you both most warmly for it. It will be a happy reminder of a very successful visit.

With best wishes. Warm regards,

Yours sincerely
Raymond Delton

His Excellency President Muhammad Husni Mubarak

8th



EMBASSY OF THE
ARAB REPUBLIC OF EGYPT
26, SOUTH STREET, LONDON, W.1
TELEPHONE: 01-499 2401

CSP

Translation
expected
007.

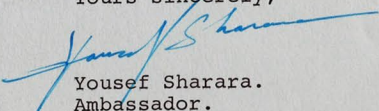
18th March 1985.

Dear Prime Minister,

It gives me great honour and pleasure to enclose herewith a thank you cable from His Excellency President Mohamed Hosni Mubarak for the kind hospitality rendered to him during his successful and fruitful visit to the United Kingdom.

May I take this opportunity to reiterate that we are looking forward to your enabling us to reciprocate your hospitality soon in Egypt.

Yours sincerely,



Yousef Sharara.
Ambassador.

The Rt. Hon. Margaret Thatcher , MP
10 Downing Street
London.

110 MAR 1985



cc Master
ops;

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PRESIDENCY OF THE ARAB REPUBLIC
OF EGYPT

Prime Minister

CDP
1873

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T49/85

HER EXCELLENCY MRS MARGARET THATCHER,
THE PRIME MINISTER OF THE UNITED KINGDOM,
LONDON.

IT GIVES ME GREAT PLEASURE TO EXTEND TO YOUR EXCELLENCY MOST SINCERE
THANKS FOR THE WARM WELCOME AND SPLENDID RECEPTION ACCORDED US, WHICH
REFLECTS THE DEEP TIES OF CORDIALITY BINDING OUR TWO FRIENDLY COUNTRIES
TOGETHER.

WE ARE FULLY CONFIDENT THAT THE TALKS WE HAVE HAD WITH EACH OTHER
WILL HAVE AN EFFECTIVE IMPACT ON ACCELERATING THE MARCH OF JUST PEACE
IN THE MIDDLE EAST. SUCH TALKS WILL ALSO CONTRIBUTE POSITIVELY TO
BOLSTERING UP THE CONSTRUCTIVE COOPERATION AND THE RELATIONS OF FRIEND-
SHIP THAT HAPPILY EXIST BETWEEN OUR TWO COUNTRIES TO THEIR COMMON
BENEFIT AND IN FURTHERANCE OF INTERNATIONAL PEACE AND SECURITY.

KINDLY ACCEPT, YOUR EXCELLENCY, MY MOST SINCERE REGARDS ALONG WITH
ALL BEST WISHES FOR YOUR GOOD HEALTH AND HAPPINESS AS WELL AS FOR EVER-
GROWING PROGRESS AND GRANDEUR OF THE FRIENDLY PEOPLE OF THE UNITED KINGDOM.

MOHAMED HOSNY MUBARAK.

mf



رئاسة الجمهورية
الأمين العام
الإدارة المركزية للتعمير والتنمية

السيدة مارجريت تاتشر

رئيسة وزراء المملكة المتحدة

يسرني أن أبعث اليك بفائق الشكر على ما قولنا به من حفاوة بالغة واستقبال رائع مما يعكس عمق روابط الود بين بلدينا الصديقين ونحن على يقين بأن المباحثات التي جرت بيننا سيكون لها أثر فعال في دفع عجلة السلام القائم على العدل في منطقة الشرق الأوسط . كما أنها ستسهم ايجابيا في دعم روابط التعاون البناء وعلاقات الصداقة القائمة بين بلدينا لصالحهما المشترك ولخدمة الأمن والسلام العالميين

ومع أصدق تحياتي ، أرجو لك أطيب أمانى الصحة والسعادة ولشعب المملكة المتحدة الصديق المزيد من التقدم والرفق .

محمد حسني مبارك

ADVANCE COPIES

MIDDLE EAST

PS
PS/MR LUCE
PS/PUS
MR DEREK THOMAS
MR FERGUSSON
MR EGERTON
HD/NENAD
HD/MED
HD/UND
HD/CONSULAR DEPT
PUSD (2)
NEWS DEPT
RESIDENT CLERK

17 22

IMMEDIATE

NO. 10 DOWNING STREET
CABINET OFFICE DIO



15.11.84

GR 410
CONFIDENTIAL
FM CAIRO 161105Z MAR 85
TO IMMEDIATE FCO
TELNO 153 OF 16 MARCH
RFI ROUTINE AMMAN, TEL AVIV, DAMASCUS, TUNIS
SAVING OTHER MIDDLE EAST PSTS, WASHINGTON, UKMIS NEW YORK, PARIS
BONN, ROME.

ms

MUBARAK'S US AND EUROPEAN TOUR: PRESS COVERAGE

ms

SUMMARY

1. EGYPTIAN GOVERNMENT PRESS PRAISES SUCCESS OF MUBARAK'S LONDON VISIT, AND WELCOMES HMG'S REPORTED SUPPORT OF HIS PEACE INITIATIVE.

PEACE INITIATIVE.

DETAIL

2. THE EGYPTIAN PRESS GAVE A VERY FULL AND UNUSUALLY POSITIVE ACCOUNT OF MUBARAK'S TALKS IN LONDON. ALL THE GOVERNMENT DAILIES GAVE PROMINENCE TO THE PRIME MINISTER'S SUPPORT OF EGYPTIAN AND JORDANIAN EFFORTS TO PROMOTE DIALOGUE WITH ISRAEL, AND QUOTED BRITISH OFFICIAL STATEMENTS BACKING MUBARAK'S EFFORTS TO GET A SETTLEMENT AND TO KEEP UP THE MOMENTUM.

3. THE PRESS ALSO REPORTED MUBARAK'S INTERVIEW WITH VISNEWS, HIS MEETINGS WITH MR HESELTINE AND MR TEBBIT, AND THE CALLS PAID ON HIM BY OPPOSITION LEADERS: BOTH MR KINNOCK AND DR OWEN ARE REPORTED AS HAVING SUPPORTED THE BRITISH GOVERNMENT'S STAND IN ITS SUPPORT FOR MUBARAK'S INITIATIVE.

4. ONE NEWSPAPER SUGGESTED THAT IN THE LIGHT OF MUBARAK'S DISCUSSIONS WITH PRESIDENT MITTERRAND AND MRS THATCHER, AND THE EXPECTED MEETINGS WITH CHANCELLOR KOHL AND MR CRAXI ON HIS WAY BACK TO EGYPT TODAY, THE TEN WOULD ISSUE A STATEMENT AT THE 30 MARCH EUROPEAN COUNCIL IN SUPPORT OF THE JORDANIAN-PALESTINIAN AGREEMENT, AND ALSO REITERATING THE VENICE PRINCIPLES. THE SAME NEWSPAPER ALSO QUOTED A BRITISH GOVERNMENT COMMITMENT TO 'USE ITS GOOD OFFICES TO REMOVE THE OBSTACLES STANDING IN THE WAY OF PEACE, THROUGH CONTACTS WITH THE ISRAELI GOVERNMENT'.

5. INVITATIONS: THE GOVERNMENT NEWSPAPERS REPORTED THAT BOTH THE PRIME MINISTER AND HM THE QUEEN HAD ACCEPTED INVITATIONS TO VISIT EGYPT EXTENDED BY MUBARAK. THE PRIME MINISTER IS REPORTED AS SAYING THAT SHE WOULD VISIT EGYPT 'AS SOON AS POSSIBLE'.

6. THE ONLY EXCEPTION TO THE UP-BEAT COVERAGE WAS AN EDITORIAL IN THE SMALL CIRCULATION ENGLISH LANGUAGE DAILY 'EGYPTIAN GAZETTE', WHICH CRITICISED BRITISH HALF-HEARTED SUPPORT OF PALESTINIAN INTERESTS. WE PROPOSE TO TAKE THE MATTER UP WITH THEM NEXT WEEK. NO OPPOSITION PAPERS PUBLISH TODAY.

FCO PSE PASS SAVING ADDRESSEES.

WESTON

JD/MS



file

10 DOWNING STREET

From the Private Secretary

14 March 1985

Dear Rater,

Prime Minister's Meeting with President Mubarak

I enclose a record of the Prime Minister's conversation with President Mubarak this evening. It was agreed that bilateral problems would be dealt with by the two Foreign Ministers.

In discussing Arab/Israel questions, President Mubarak spoke interchangeably of a "Jordanian/PLO" and "Jordanian/Palestinian" delegation. I have used his actual words on each occasion in the record.

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

Yours sincerely,

Charles Powell

Peter Ricketts Esq
Foreign and Commonwealth Office

CONFIDENTIAL

PRIME MINISTER'S MEETING WITH PRESIDENT MUBARAK OF EGYPT AT 10
DOWNING STREET ON 14 MARCH AT 1630

Present:

Prime Minister	President Mubarak
Foreign and Commonwealth Secretary	Dr. Abdel Meguid, Foreign Minister
Mr. Luce	Mr. el Sharif, Minister of Information
HM Ambassador, Cairo	Dr. el Gamzuri, Minister of Planning
Mr. C.D. Powell	Mr. Sharara, Egyptian Ambassador

After an exchange of courtesies, President Mubarak asked the Prime Minister how she assessed Mr. Gorbachev. The Prime Minister said that he was a man who knew only one system, and that was a controlled system. She did not believe that he would depart from it, although he would try to make it work more efficiently. President Mubarak said that he thought Gorbachev's priority would be to get his own people into key positions. He agreed with the Prime Minister that he would do nothing to weaken or undermine the system. He recalled that Khrushchev had told Nasser at the time of the opening of the Aswan Dam that the Soviet system was not a good one, and Egypt should not copy it. He himself had once lived for seven months in Khirgiz and it had been terrible.

Arab/Israel

The Prime Minister said that she believed that President Mubarak had come to London at a critical point in Middle East affairs. Her information was that his visit to Washington had been very successful, and that President Reagan had made some up-beat and optimistic statements. The key question was how

to take matters forward, particularly when the United States was focusing closely on the situation in Lebanon.

President Mubarak summarised the background to the agreement reached between King Hussein and Arafat on 11 February. In commenting on that agreement, he had taken the line that it should not just be put in the drawer, but that use must be made of it. There should be talks between the United States and a Jordan/PLO delegation to pave the way for eventual direct negotiations with Israel. Direct negotiations would be essential if the Arab/Israel problem was ever to be solved. He had been asked what kind of Palestinians would be in a joint delegation. His answer was that one had to be realistic. The PLO was everywhere, and there were many Arab resolutions which defined it as the sole representative of the Palestinian people. No one could really tell who was and was not PLO. It was not useful to enquire too closely. He had also been asked about an international conference and had replied that this might be useful in the last phase, although in practice direct negotiations would probably obviate any need for an international conference. Past experience with such conferences was not encouraging.

President Mubarak continued that when he had seen King Hussein before his own visit to Washington they had agreed that he should try to persuade the Americans to accept a dialogue with a joint Jordanian/Palestinian delegation, on the basis that the purpose would be to promote a solution under UN resolutions including Security Council Resolution 242. In Washington he had explained this to President Reagan, and tried to convince him that a dialogue with the Palestinians would be helpful. At present virtually all Palestinian groups had links with the Soviet Union. A dialogue with the United States would give them a sense of security, and detach most of them from the Soviet Union. It would also diminish the problem of terrorism and violence. Of course some would remain allied with Libya and Syria, but he was confident that the majority would detach itself. For instance, Abu Iyad had told the Jordanians that if the Americans would agree to a

dialogue, the PLO would accept Resolution 242 and recognise Israel's existence. It just needed a sign from the United States. President Mubarak said that in his view the United States would lose nothing from such a dialogue. If they and the Israelis could be brought to understand this, it would be a great step forward. The Prime Minister asked how President Reagan had reacted to this. President Mubarak said that he had not commented directly but had clearly understood the proposition.

President Mubarak continued that he had also put these ideas to Congress and to the Jewish community in the United States. From both them, he had come under pressure to send Egypt's Ambassador back to Israel. He had replied that he wanted better relations. But if he gave his people the impression that he was acting under pressure, he would lose public support. Here the issue of Taba was of crucial importance. The Egyptian people regarded this as an issue of great importance even though most of them did not have the faintest idea where it was. Everywhere he went in the country he was asked about it. Enormous damage had been done by Shamir's statement that Israel would not return Taba. However, the latest information was that the Israelis might be ready to send the issue to arbitration.

The Foreign and Commonwealth Secretary said that he understood President Mubarak to be saying that the efforts which he and King Hussein were making to mobilise a moderate presentation of the Palestinian case needed encouragement from the American side. That was clearly desirable, though it might take a long time to get from that point to direct negotiations. President Mubarak said that Peres would inevitably say that there could be no negotiations with members of the PLO. But he might eventually be convinced to be more flexible. The Prime Minister asked whether Peres could continue as Prime Minister if Likud resigned from the coalition. President Mubarak said that he would like to help Peres. If Likud again assumed charge of the Government, everything would be frozen. The Prime Minister continued that

she understood President Mubarak to be saying that if there were a dialogue between the Palestinians and the United States under the aegis of Jordan, that move in itself would be so significant as to trigger the Palestinians to recognise Israel's right to exist. President Mubarak confirmed this, adding that a dialogue would also give support to moderates in the PLO. The Prime Minister wondered whether this was not too sanguine a view of the PLO. She thought that Syrian influence over them remained a major obstacle. She was also uncertain how far the Palestinians really accepted the 11 February agreement. The amendments which they had subsequently proposed cast doubt upon it. The crucial question was whether one could find Palestinians to represent the West Bank who did not carry a prominent PLO label. She accepted that the PLO were everywhere, but it should be possible to find some West Bank Palestinians who were not prominent members. President Mubarak said that he had discussed this point with the Americans. One possibility was that Egypt and Jordan might choose the Palestinians to be included in the joint delegation, giving Arafat a veto so that he could feel involved. He was confident that he could persuade Arafat to keep quiet. There was a good precedent in the negotiations to end the Algerian conflict, when a moderate spokesman for the FLN had been found in the person of Ferhat Abbas.

The Prime Minister said that it was essential for Arafat to have only a very minor, background role. But she was still not quite clear how the Americans themselves had reacted to President Mubarak's suggestion. Mr. Meguid said that Mr. Shultz had appeared open to the idea. There were distinguished men who were not PLO members but could obtain its blessing. But Arafat could not be ignored. He was the leader of the PLO and any agreement would need his endorsement.

President Mubarak said that he would continue to work on these ideas and carry them forward. The Foreign and Commonwealth Secretary commented that "carry forward" was the right expression. It was not an initiative but a process.

19. 18.

President Mubarak agreed. He was not speaking yet of negotiations with Israel but of preparation for negotiations. He had put the idea of joint Egyptian/Jordanian/United States discussions to select possible members of a Palestinian delegation to Peres who had been favourably disposed. The Prime Minister said that there was a very delicate balance here. If the United States asked too much of the moderates, the whole process might falter and collapse. The question also remained: who was to take the first step? The most promising factor was readiness to consider using Palestinians who were not members of the PLO. But her impression was that the United States was not yet wholly convinced that the 11 February agreement was supported by the Palestinian people as a whole. President Mubarak said that if the PLO retreated from the positions they had taken, then some other way must be found to solve the problem which might exclude them. He hoped the Prime Minister would influence the Israelis towards acceptance of the proposal he had described. He himself intended to develop more regular contacts with Peres. The Prime Minister said that she had always said to the Israelis that the situation on the West Bank could not go on as it was. But it was important to make progress rapidly while Peres remained in charge.

Lebanon

The Prime Minister said that it was essential for Israel to complete its withdrawal from Lebanon quickly. It had been a mistake to invade in the first place. President Mubarak agreed that it was a case of the quicker the better. The Israelis were actually worse off as a result of their intervention. The Shia were far more dangerous adversaries than the PLO. Withdrawal would also help Israel's economic situation.

Sudan

The Prime Minister said that we were concerned about the situation in the Sudan and some of President Nimeiri's

actions. We were ready to go on providing aid but the Sudanese Government must reach agreement with the IMF. President Mubarak said that he was confident that they would do so. One should not exaggerate Sudan's problems. There was "no worry with Sudan". The Egyptians were talking to some of the leaders in the South with Nimeiri's permission. The advance of Islamic fundamentalism in the North was now slowing down. One had to be patient with the Sudanese and tell them everything three times. Nimeiri had recently moved against some of the Islamic fundamentalists after much prodding by the Egyptians. Her was very annoyed by some of the things which thee BBC said about him.

Libya

President Mubarak said that it was essential to deal firmly with Qadhafi and recounted a number of incidents to prove his point. Qadhafi was mad. And dangerous added the Prime Minister. President Mubarak asked how the Prime Minister assessed the union between Libya and Morocco. The Prime Minister said that it appeared to be an attempt by Morocco to stop Qadhafi giving money to Polisario. President Mubarak said that he was puzzled by the King's actions. He had rejected the agreement between King Hussein and Arafat, saying that it must have the approval of the Arab Summit. He was also pressing Senegal to accept a Libyan Embassy. The Prime Minister said this was another example of Qadhafi upping the price of stopping support for Polisario. President Mubarak said that Qadhafi would never stop. The Saudis were making ill-judged efforts to come to terms with him. The Prime Minister agreed that there was no alternative but to be tough with him.

The meeting ended at 1750.

E.D.P.

14 March 1985

DEPARTMENT/SERIES <p style="text-align: center;"><i>PREM 19</i></p> PIECE/ITEM (one piece/item number) <i>1473</i>	Date and sign
Extract/Item details: <i>Letter from Fergusson dated 13 March 1985</i>	
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BIOGRAPHICAL NOTE

AL-FAYED (FAYEED), MOHAMED, ALI AND SALEH

1. Mohamed (51) is the eldest and very much the senior of the three Al-Fayed brothers. They are of Egyptian origin and inherited a considerable fortune based on cotton and cargo shipping from their father. Mohamed holds a UAE passport. Ali has a British wife and his children hold British passports.
- 2.

He is now a rich, if unorthodox, financier. He is strongly Anglophile.

3. The Al-Fayed business interests have spread widely. Outside of shipping they include:
 - (a) Ownership of prime properties (eg New York, Paris, London).
 - (b) Ownership of prestige hotels and establishments (Ritz Paris Hotel, House of Fraser).
 - (c) Farming projects and a 32,000 acre estate in Scotland.

/(d)

CONFIDENTIAL

Instructions for completion of Dummy Card

Use **Black Pen** to complete form

Use the card for one piece/item number only

Enter the Department, Series and Piece/Item references clearly
e.g.

DEPARTMENT/SERIES <i>GRA 168</i>
PIECE/ITEM <i>49</i> (ONE PIECE/ITEM NUMBER ONLY)

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- 2 -

- (d) Banking in the USA.
- (e) Construction. Major shareholder in Richard Costain and Director of Lonrho until 1977, and reputedly involved in deals worth several billions of dollars in the Middle East.
- (f) Aviation. Owner of Say Air, SA.
- (g) Films, including "Breaking Glass" and a 50% stake in "Chariots of Fire". (Has own production company).
- (h) Management, eg the US \$300 million Dubai Trade Centre.
- (i) Oil. Interests in Abu Dhabi.

4. During the 1970s and early 1980s Mohamed Al-Fayed was closely involved with the United Arab Emirates, and may have been instrumental in their purchase of French Mirage aircraft. He fell from favour due largely, it seems, to clashes with the influential Mahdi Tajir, whose appointment as Ambassador to London he bitterly opposed.

/5.

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ACT 5U.S.C. 552

1975



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FREEDOM OF INFORMATION
ACT 2000

- 3 -

5. Mohamed Al-Fayed's association with the Sultan of Brunei stems only from 1984. Introduced by Adnan Kashoggi, he quickly supplanted him as the Sultan's favoured business associate. He is (reputedly) financial adviser for the Sultan's European interests and he was instrumental in arranging his purchase of the Dorchester Hotel. In a note from the Brunei High Commission on behalf of the Sultan in February 1985 seeking permanent VIP facilities for Mohamed Al-Fayed at Heathrow, he was described as the Sultan's "Private and Permanent Adviser cum Agent in London". There are growing links between Al-Fayed's and the Sultan's businesses. The Sultan plans to build a major trade centre in Brunei on the model of that in Dubai, which the Al-Fayeds manage, and has now probably decided to appoint Kleinwort Benson, the Al-Fayeds' financial advisers, as his own. Staff from the Ritz in Paris, owned by the Al-Fayeds, have been transferred to the Dorchester. The Dorchester and the Sultan's property in South Street are both adjacent to Al-Fayed's London offices. Al-Fayed is believed to be the moving spirit behind the Sultan's donations to British charities earlier this year.
6. Al-Fayed is reputedly a difficult man to deal with. He is obsessed with security and maintains his own private bodyguards

/who

THE HONORABLE
FREEDOM OF INFORMATION
ACT

[Faint, illegible text, likely bleed-through from the reverse side of the page]

- 4 -

who are also responsible for the Sultan's security at the Dorchester. He is camera-shy, and according to some reports a recluse. Mohamed Al-Fayed was briefly married to Kashoggi's sister. He has a son by that marriage, Dodi, 28, on whom he dotes. Mohamed Al-Fayed now has a Finnish wife, a five year old daughter and an 18 month old son.



CONFIDENTIAL

Prime Minister

112, EATON SQUARE,
SW1W 9AA

TEL: 01-235 1543
01-235 7409

CDP

14/3

13th March 1985

Dear Margaret,

Dr. Omar Zuwawi, who is the Sultan of Oman's connection with President Mubarak, came to see me yesterday.

He had seen Mubarak a few days ago and asked him about the plans for his visit to the United States. Mubarak said that his first objective was to get money for Egypt, his second was to get American support for King Hussein and his plan for negotiations with Israel.

Zuwawi asked Mubarak what would happen if Arafat ran out on his agreement with the King. Mubarak replied that in that case the King should go ahead with such Palestinian support as he could mobilise. He and Arafat had reached agreement. This had been announced. If Arafat went back on it the King should feel free to go ahead.

I have some doubts myself as to whether the King will feel free but Mubarak would apparently like him to do so.

I asked Zuwawi whether Mubarak was likely to say the same thing to you when he saw you. He was not sure but suggested that you should put two questions to Mubarak:-

1. "What do you think the King should do if Arafat goes back on the agreement"?
2. "What do you think the Arabs on the West Bank and in Gaza would wish the King to do in these circumstances"?

I also gather from Zuwawi that Mubarak is, at the moment at any rate, very critical of the Saudis. You may like to draw him out on this.

I pass this on for what it may be worth.

Julian Amery

P.S. Since dictating the above I have had a letter from Peres in which he says "we see a welcome change in the Egyptian position both in the direction of bilateral relations and in the pursuit of a broader peace process. Yet in both contexts further progress is needed before we can feel sure that we have witnessed a turning point and a breakthrough".

The question you may like to put to Mubarak in this context might be:

"Does he think that Peres could continue in office if the Liked withdraw from the coalition over negotiations with Jordan"?

Rt.Hon.Margaret Thatcher MP.
Prime Minister

Julian

c.c. Rt.Hon.Sir Geoffrey Howe QC.MP.

TO MOSCOW

URS 1008

CONFIDENTIAL

FM FCO 131142Z MAR 85

TO IMMEDIATE MOSCOW

TELEGRAM NUMBER 268 OF 13 MARCH

FOLLOWING TELEGRAM NOW REPEATED TO YOU AT REQUEST OF DEPT WAS

RECEIVED FROM WASHINGTON TELEGRAM NUMBER 897 IF 12 MARCH

FOLLOWING FOR PS, PS/NO 10 (DUTY CLERK)

INFO IMMEDIATE CAIRO TEL AVIV AMMAN

PRIORITY ALGIERS TUNIS JEDDA JERUSALEM DAMASCUS UKMIS NEW YORK

MIPT: PRESIDENT MUBARAK'S VISIT TO WASHINGTON:

ARAB/ISRAEL

SUMMARY

1. MUBARAK URGED THE AMERICANS TO FIND A WAY TO OPEN A DIALOGUE WITH PALESTINIANS. US WILLING TO TALK ONLY TO NON-PLO PALESTINIANS. BUT AGREEMENT THAT MOMENTUM MUST SOMEHOW BE MAINTAINED.

DETAIL

2. KIRBY (MURPHY'S DEPUTY FOR MIDDLE EAST NEGOTIATIONS) HAS GIVEN US AN ACCOUNT OF MUBARAK'S DISCUSSION WITH SHULTZ ON THE PEACE PROCESS. HE HAD NOT YET HAD A FULL ACCOUNT OF MUBARAK'S TALK WITH PRESIDENT REAGAN, BUT UNDERSTOOD THAT IT HAD COVERED MUCH THE SAME

GROUND.

3. MUBARAK HAD DESCRIBED AT LENGTH THE HISTORY OF THE JORDAN/PLO AGREEMENT, STRESSING THE EGYPTIAN CONTRIBUTION. HE HAD BEEN CRITICAL OF QADDOUMI AND OTHER PALESTINIAN HARDLINERS WHO HAD REJECTED THE AGREEMENT WITHOUT SEEING A TEXT, AND OF ABU IYAD. HIS SO-CALLED INITIATIVE HAD EVOLVED OUT OF A SERIES OF MEDIA INTERVIEWS IN WHICH HE HAD OUTLINED HIS THINKING. HIS AIM WAS DIRECT NEGOTIATIONS WITH THE PARTICIPATION OF MODERATE PLO MEMBERS. (KIRBY COMMENTED THAT MUBARAK APPEARED TO USE PALESTINIANS AND PLO INTERCHANGEABLY AND THAT IT WAS NOT CLEAR PRECISELY WHAT HE MEANT BY THIS LAST PHRASE.)

4. MUBARAK SAID THAT THE RUSSIANS TALJED REGULARLY TO THE PALESTINIANS. IN ORDER NOT TO LEAVE THE FIELD OPEN FOR THE RUSSIANS, IT WAS IMPORTANT THAT THE US SHOULD BEGIN A SIMILAR DIALOGUE: THIS WOULD REDUCE THE RISK OF TERRORISM. (SOME 60 TO 70 PERCENT OF MIDDLE EAST TERRORISM WOULD CEASE IF THE US WERE SEEN TO BE WILLING TO HELP), AND WOULD OBTAIN THE NEED FOR AN INTERNATIONAL CONFERENCE. NEITHER THE JORDANIANS NOR THE PALESTINIANS WERE SERIOUS ABOUT AN INTERNATIONAL CONFERENCE: IT WOULD JUST BE THEATRE AND WAS NOT A PRACTICAL PROPOSITION. A JORDAN/PALESTINIAN/ISRAELI MEETING, WITH US HELP, WOULD BE SUFFICIENT.

5. MUBARAK SAID THAT HE KNEW THE AMERICANS WERE CAUTIOUS, BUT URGED THEM TO FIND A WAY FORWARD. HE DID NOT RECOMMEND ANY SPECIFIC ACTION. A DIALOGUE COULD BE INITIATED IN WASHINGTON OR ELSEWHERE: IT COULD BE SECRET OR NOT AS THE AMERICANS WISHED: BUT THE AMERICANS MUST DO SOMETHING TO MAINTAIN THE MOMENTUM. OTHERWISE PALESTINIAN FACTIONS WOULD MOVE TOWARDS LIBYA WHICH WOULD BE COSTLY TO BOTH THE US AND EGYPT. OSAMA EL BAZ ADDED THAT ONE COULD NOT WAIT FOR MORE MOVES FROM JORDAN OR THE PALESTINIANS.

6. SHULTZ RECALLED THE FIRM US CONDITIONS FOR A DIALOGUE WITH THE PLO, BUT ADDED THAT HE HIMSELF HAD RECEIVED MANY PALESTINIANS FROM THE OCCUPIED TERRITORIES WITHOUT THE PLO LABEL. PERES NEEDED TO ESTABLISH HIS LEADERSHIP OVER LEBANON AND THE ECONOMY, ON WHICH HE HAD NOT YET DONE WHAT WAS NEEDED, BEFORE HE COULD TACKLE THE OCCUPIED TERRITORIES. THE US RECOGNISED THAT THERE HAD TO BE A RESPONSE TO THE PRESENT PROCESS, THOUGH THEY HAD RESERVATIONS ABOUT BOTH THE PROCESS ITSELF AND ITS CONTENT. HE AGREED ON THE NEED TO MAINTAIN THE MOMENTUM.

7. MUBARAK SAID THAT HE HAD NOT DISCUSSED WITH KING HUSSEIN WHICH INDEPENDENT PALESTINIANS MIGHT TAKE PART IN A DIALOGUE. THAT IT WOULD BE EASY TO COME UP WITH SOME. KING HUSSEIN WOULD HAVE TO APPROVE THOSE SELECTED, BUT IT WOULD BE SUFFICIENT TO SEEK ARAFAT'S SILENT ACQUIESCENCE. PALESTINIAN PARTICIPANTS IN A DIALOGUE WITH THE US WOULD BE THREATENED BY LIBYANS AND RUSSIANS, NOT BY ARAFAT.

8. SHULTZ ADDED THAT PERES WOULD HAVE TO BE CONSULTED TOO. KIRBY COMMENTED THAT THIS WAS CERTAINLY NOT INTENDED TO SUGGEST AN ISRAELI VETO OVER PALESTINIAN PARTICIPANTS. SHULTZ HAD BEEN TRYING TO GET THE EGYPTIANS TO FOCUS ON THE REAL DILEMMA: TO THE EXTENT THAT PALESTINIAN PARTICIPANTS HAD PLO BLESSING, IT WOULD BE HARDER FOR PERES TO ACQUIESCE, BUT IF THERE WERE NO EXPLICIT PLO BLESSING, PALESTINIANS WOULD BE EXTREMELY RELUCTANT TO COME FORWARD.)

9. ON JORDAN, MUBARAK CLAIMED THAT HE HAD PERSUADED KING HUSSEIN NOT TO GO TO MOSCOW, THOUGH SOME JORDANIAN PURCHASES OF SOVIET WEAPONS HAD BEEN INEVITABLE. SHULTZ SAID THAT THE ADMINISTRATION HAD BEEN PREPARED LAST YEAR TO TAKE ON CONGRESS OVER US ARMS SUPPLIES TO JORDAN. CONGRESSIONAL ATTITUDES WOULD CHANGE IF JORDAN JOINED THE PEACE PROCESS. JORDAN'S SECURITY VIS-A-VIS SYRIA WAS AN IMPORTANT DIMENSION OF THE PROBLEM. IF KING HUSSEIN CAME FORWARD, THE US WOULD MAKE A STRONG STATEMENT OF SUPPORT. MUBARAK TOOK THE LINE THAT THERE WAS NO NEED TO WORRY ABOUT THE SYRIANS: IF THE TRAIN MOVED, THEY WOULD JUMP ON BOARD. HE ALSO SPOKE SCATHINGLY OF KING HASSAN, WHO HAD SENT HIM A MESSAGE TO SAY THAT HIS INITIATIVE SHOULD FIRST HAVE BEEN APPROVED BY AN ARAB SUMMIT, AND OF THE INACTIVITY OF THE ARAB LEAGUE SECRETARIAT.

10. SHULTZ NOTED THAT IMPROVED EGYPT/ISRAEL RELATIONS WERE A FUNDAMENTAL BUILDING BLOCK FOR THE PEACE PROCESS. MUBARAK SAID THAT HE WANTED GOOD RELATIONS, BUT COULD NOT IGNORE EGYPTIAN PUBLIC OPINION. PERES UNDERSTOOD THIS. HE HAD SENT A MESSAGE TO PERES ON 7 MARCH URGING MODERATION, AND RECEIVED A POSITIVE RESPONSE. PERES SEEMED DISPOSED TO BE FLEXIBLE OVER TABA, THOUGH THE LIKUD VIEW WAS VERY DIFFERENT. TABA WAS AN ISSUE OF NATIONAL IMPORTANCE FOR EGYPT. SHULTZ NOTED THAT SOME PROGRESS HAD BEEN MADE AT THE LAST EGYPT/ISRAEL MEETING ON THIS SUBJECT AND ASKED WHETHER A TABA SETTLEMENT WOULD ENABLE MUBARAK TO SEND THE AMBASSADOR BACK.

11. OSAMA EL BAZ INTERJECTED THAT THERE WAS A NEED FOR POLITICAL MOVEMENT ON THE PALESTINIAN ISSUE TOO, NOT JUST ON THE QUALITY OF LIFE. ON TABA, EITHER AGREEMENT OR AGREEMENT TO ARBITRATION WAS ESSENTIAL. MUBARAK ADDED THAT THE ISRAELIS WERE DOING WELL IN LEBANON: BUT THE RETURN OF THE EGYPTIAN AMBASSADOR WOULD HAVE TO BE JUSTIFIED TO THE EGYPTIAN PUBLIC.

12. KIRBY UNDERSTOOD THAT PRESIDENT REAGAN HAD MENTIONED TO MUBARAK THE POSSIBILITY OF AN EARLY VISIT TO THE REGION BY MURPHY. MUBARAK HAD NOT REACTED, AND IT WAS NOT CLEAR WHETHER HE HAD FULLY UNDERSTOOD. THE AMERICANS WOULD BE FOLLOWING UP BEFORE HE LEFT WASHINGTON. KIRBY ADDED THAT THE DATES AND ITINERARY FOR MURPHY'S TRIP HAD YET TO BE AGREED.

HOWE

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Ce. B. Sup.

DINNER IN HONOUR OF PRESIDENT MUBARAK OF EGYPT: 14 MARCH 1985
TOAST

Welcome President and Mrs Mubarak, Dr Abdel Meguid, Dr al Ganzuri, Mr Al Sharif and other distinguished members of the President's party.

It is good to see you here again two years since your last visit. Most important to keep in close touch.

1984 was another busy year for you and your country. Like so many other countries, you are wrestling with the problems of economic management and the consequences of international recession which have affected your traditional sources of revenue from the Suez Canal, tourism and oil exports. Your development priorities, designed to cope with the pressure of a growing population on your country's infrastructure, are exemplary. We have been pleased to be able to help, concentrating our own aid programme on the important Cairo Waste Water scheme. A number of British firms are involved in joint venture projects, many in the area of development.

Oil plays an important part in both our economies. The present weakness in the international oil market has reduced British purchases of Egyptian oil and so temporarily turned Egypt's surplus in our bilateral trade into a deficit. British investment in the oil industry in Egypt has been substantial. We shall continue to do all we can to expand trade to our mutual benefit. British industry has much to offer. I am confident that we can provide competitively the technology and experience which Egypt is looking for.

Relations between Britain and Egypt are excellent. Our views are close and practical co-operation flourishes. I was particularly glad that in the summer we were able to play an effective role in response to your request for help to clear the Gulf of Suez and the approaches to the Suez

Canal of mines. I was also very glad at Egypt's understanding vote in the UN General Assembly Debate on the Falkland Islands.

Egypt was in January 1984 - naturally - the first country in the Middle East which Sir Geoffrey Howe visited. Field Marshal Abu Ghazala and Dr Boutros Ghali were welcome visitors here and Mr Heseltine and Mr Raison had valuable talks in Cairo. We are most grateful for the hospitality you and your countrymen extended to them. This year we had a timely exchange of views with Dr Abdel Meguid shortly before my own visit to Washington.

It is in the field of foreign affairs that our contacts have been closest. We have been able to work together constructively in the Security Council and to welcome Egypt's return to the forefront of efforts to seek a just and lasting solution to the Arab/Israel dispute.

We particularly welcomed the restoration of relations between Egypt and Jordan and the subsequent efforts which you and King Hussein have made together to develop a joint Arab negotiating position allowing for full representation of the Palestinians whose rights must be met in any comprehensive settlement. We are in no doubt that these efforts are of very great importance and deserve the full support of all those who are looking for a real and lasting peace in the area. Our views on this are very close as our talks have shown. We share your fears that unless real progress towards a comprehensive settlement is made soon the opportunity will be lost and with it much of the ground which has so far been gained.

We are ready, with our European colleagues, to play a part in assisting the peace process but are in no doubt that it is only by the efforts of the parties directly involved that a solution can be found. I hope that it will be possible to build on the current initiative to reach a position on which *the Palestinians and the Israelis are ready to acknowledge formally in direct negotiations that the other has legitimate rights which must be respected.* President Sadat's courageous

example is an example to others.

I hope, Mr President that the dispute between the Arabs and Israel will not continue to dissipate the creative energies of the people of the Middle East for much longer. As you yourself have recognised in your own country there are many more important things to be done. I was encouraged therefore to have it confirmed in your recent talks in Washington that President Reagan will be giving you his full support.

We should not forget the other areas of conflict in the Middle East. It is time to end the appalling cycle of retaliation and counter retaliation which prolongs the agony of the Lebanese people. I hope that the time will soon come when the Lebanese can concentrate on solving their own internal problems without interference from outsiders. The long conflict in the Gulf is a preoccupation for us both and a tragic waste of human life. We are ready to support any realistic initiatives to put it to an end.

This visit is too short and has come at the end of a busy visit to the United States. You are always welcome here and I hope that it will not be long before we have the chance to meet again.

Toast Your Excellency The President of the Arab Republic of Egypt and Mrs Mubarak.



Foreign and Commonwealth Office

London SW1A 2AH

13 March 1985

~~Dear Mark,~~ Amended
Sutt
14/3

Briefing for President Mubarak's Visit

We have spotted two small points in the Prime Minister's brief for her talks with President Mubarak which need to be changed.

When the party return from Moscow, could you kindly make the amendments as follows:

Para 2(e), line 3 should read "... Ain Mousa power station or El Debaa ...";

in the Background, para 7, point 9, line 4 should read "... offer support to one of two major civil projects,...".

Yours ever,

Peter Ricketts

(P F Ricketts)
Private Secretary

Mark Addison Esq
10 Downing Street

United Kingdom and Commonwealth Office

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Foreign and Commonwealth Office

London SW1A 2AH

13 March, 1985

Dear Mark,

Visit of President Mubarak: Briefing

In view of the events of recent days, we believe that the Prime Minister might find it useful to have a short brief on the Iran/Iraq war for her discussions with the President tomorrow.

I enclose a self-contained brief, with three copies.

Yours
Pete Ricketts

(P F Ricketts)
Private Secretary

Mark Addison Esq
10 Downing Street

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PRIME MINISTER'S MEETING WITH PRESIDENT MUBARAK OF EGYPT:
15 MARCH 1985

IRAN/IRAQ

Our Objectives

To make clear to the President:

- (a) Our concern at the recent breakdown of the UN-sponsored agreement on attacks on civilian areas.
- (b) Our desire to see an improvement in the treatment of POWs in both Iran and Iraq and a resumption of ICRC activity in both countries.
- (c) Our condemnation of the continuing attacks on unarmed merchant shipping in the Gulf.

Arguments

- (a) Both sides agreed to the Secretary-General's appeal of June 1984 to cease attacks on civilian areas of population. We will support any action (in the UN or elsewhere) aimed at reducing the suffering of civilians.
- (b) The UN report on POWs, published in February, is balanced, criticizing the Iraqis for excessive use of force by some camp guards, and the Iranians for exerting ideological pressure on prisoners. We would support a statement on this subject by the President of the UN Security Council (rather than a Resolution).
- (c) These attacks on shipping are contrary to international law. The principle of freedom of navigation must be maintained.

His Objectives

- (a) to call for tougher action by the UN Security Council on ending the conflict.
- (b) (possibly) to press for a halt to UK arms supplies to Iran.

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Your Response

(a) The UK has supported all moves in the Security Council aimed at reducing scope of conflict. Need to avoid alienating Iranians.

(b) (Only if raised) We supply no items of defence equipment to either side which might significantly prolong or exacerbate the conflict. We have explained our position carefully to the Iraqis and their allies. Reports of UK supplying Iran with arms greatly exaggerated. Minimal supplies of non-lethal items have no significance to current fighting.

Background

Egypt is a strong supporter of Iraq in the Gulf conflict. A number of Egyptian nationals resident in Iraq have joined the Iraqi People's Army and are on active service.

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13 MAR 1985



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Foreign and Commonwealth Office

London SW1A 2AH

12 March, 1985

Dear Charles,

President Mubarak

I enclose four sets of briefing for the Prime Minister's talks on 14 March with President Mubarak of Egypt, together with notes for a toast.

Yours ever,
Peter Ricketts

(P F Ricketts)
Private Secretary

C D Powell Esq
10 Downing Street

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AK

Egypt was a flourishing civilisation while this country was still in the Iron Age. Anglo-Egyptian relations do not go back quite that far. But warm relations between Cairo and London were well established by the time of Saladin and King Richard the Lionheart. In the centuries since then history has often brought our countries and peoples together. Respect has deepened into friendship.

And there can be no more significant testimony to that friendship than the fact that Your Excellency and your distinguished predecessor both married ladies with strong family ties to this country.

Britain has long admired your glorious cultural heritage, and British archaeologists have had the honour to help unearth many of your treasures. It was no surprise when the Tutankhamun exhibition broke all records at the British Museum. But now I hear that Egypt is showing interest in our cultural heritage: and that one of London's most famous monuments, Harrods, may soon pass into Egyptian ownership.



PRIME MINISTER'S MEETING WITH PRESIDENT MUBARAK OF EGYPT: 14 MARCH 1985

Our Objectives

1. (a) to probe latest Egyptian thinking on the Hussein/Arafat initiative following Mubarak's visit to the United States and to offer our support;

(b) to discuss how to promote Israeli withdrawal from Lebanon and minimise bloodshed meanwhile;

(c) to seek Egyptian views on the Sudan;

(d) on bilateral topics to remind the Egyptians of our interest in solving outstanding claims cases and in developments in the case of Gill and Shiner;

(e) to overcome obstacles to sales of UK defence equipment to Egypt;

(f) to seek Egyptian intervention with the Iraqis over Smith and Hagger.

Arguments

2. (a) US role crucial in maintaining momentum of Middle East peace process. We commended Arab moderate initiative to Reagan, encouraged positive response. Egyptian assessment of US attitude?

(b) called in Security Council debate for early, complete and orderly Israeli withdrawal from Lebanon and respect for the rights of inhabitants meanwhile. No lasting progress possible in Lebanon unless communities agree to cooperate; UNIFIL can play valuable role in monitoring withdrawal and helping restore Lebanese government authority;



(c) difficulty of influencing Nimeiri whom Mubarak met on 14 February;

(d) bilateral relations excellent. Hope we can soon solve minor problems like outstanding claims cases (Forsyth and Egyptian Delta Light Railways); developments in the case of Gill and Shiner?

(e) the £300 million credit for defence equipment has been on offer for 3 years but nothing yet taken up. Would wish to offer credit support to Ain Mousa power station ^{or} and El Debaa but this would reduce credit available for defence sales;

(f) seek Egyptian intervention on humanitarian grounds with Iraqi authorities over cases of Smith and Hagger.

Tactical Arguments

3. Trade and Defence points might best be covered in separate calls on 15 March by Secretaries of State for Defence and Trade and Industry.

Egyptian objectives

4. (a) to urge Britain/the Ten to play a more active public role in search for Middle East peace settlement, specifically to influence the US to modify its policies;

(b) to enlist HMG's support for Egyptian bilateral policy towards Israel;

(c) to secure assistance in Taba dispute;

(d) to convey concern over Israeli "iron fist" policy in South Lebanon;



(e) to seek assurances that British aid and political support to Sudan are undiminished;

(f) to seek increased aid/mixed credit funding for projects, possibly including phase 2 of Cairo Wastewater project specifically;

(g) to obtain improved credit terms (lower consensus rate) on 100% government to government loan to cover defence purchases from the UK;

(h) to secure agreement to an early visit by the Prime Minister to Egypt;

(i) to remind us of Egyptian interest in collaboration against counter-terrorism;

(j) to secure support for appointment of Dr Boutros Ghali as UN High Commissioner for Refugees.

Our response

5. (a) have given public support to moderate moves; agree need to keep up momentum; importance of close coordination amongst moderates; doubt that all European partners could agree that major EC Declaration helpful at present;

(b) to express benevolent but concerned neutrality;

(c) have provided available documentation on Taba dispute; cannot help further. Britain neutral in dispute;

(d) share concern that Israel must respect international conventions. Situation in Lebanon should not be allowed to hinder progress on Arab/Israel;

(e) support for the legitimate government of the Sudan unchanged; intend to continue existing aid projects in Sudan but in



common with other donors will not provide new balance of payments support until economic recovery programme backed by IMF in place. This is in accordance with wider strategy of using balance of payments support to reinforce efforts to secure agreement to IMF devised recovery programmes: not applied only to Sudan. Hope Egypt will join us in urging Sudan to restore its relationship with the IMF; will continue to supply humanitarian aid as necessary;

(f) UK aid already significant; UK major donor to multilateral aid agencies active in Egypt; unlikely we can provide further capital aid for Cairo Wastewater;

(g) not HMG's policy to provide Government loans for civil or defence trade outside our agreed overseas aid programme. Banking system could help with 100% financing and a large element could benefit from credit subsidy;

(h) look forward to visiting Egypt as soon as diary permits;

(i) fully share Egyptian's wish to achieve closer collaboration: arrangements under consideration: our Embassy in Cairo will be channel;

(j) Dr Boutros Ghali has the required qualities. High personal regard for him. Will carefully consider his candidacy. Note that other candidates include an EC citizen to whom must also give due weight. If general support for Dr Boutros Ghali would certainly not object.

Press line

6. (a) Prime Minister and President noted with satisfaction excellent bilateral relations and Mrs Thatcher accepted the President's invitation to visit Egypt as soon as possible;

(b) main focus of discussion was Middle East in the light of President Mubarak's discussions in Washington. The Prime Minister



expressed support for the efforts of the moderate Arab states to promote a dialogue with Israel. Both sides expressed concern about the deteriorating situation in Southern Lebanon and agreed on the need for an early, orderly and complete withdrawal of all Israeli forces from Lebanon;

(c) they also discussed developments in Sudan. They agreed on the importance of stability in the Sudan and the need to help the Sudanese government cope with the serious problems arising from drought and the influx of refugees;

Background

7. 1. This is President Mubarak's third visit to Britain. The Prime Minister last met him in February 1983; the Egyptian Foreign Minister, Dr Abdel Meguid, called on the Prime Minister on 5 February.

2. Mubarak visited Paris en route to Washington (9-13 March).

3. Egypt and Israel are in dispute over Taba in Sinai. Look to UK for documentary support of their case. (Details in Annex III on Taba.)

4. Political and economic situation in Sudan chaotic. President Nimeiri's insensitive policies caused division between North and South and some dissatisfaction in North. Economy already stretched by heavy debt further damaged by haphazard introduction of Islamic measures now complicated further by refugee and drought problems. Egyptians are concerned at instability in the Sudan: fearing the possibility of a hostile regime controlling the Nile waters which are critical to them: concerned that HMG's policy towards Nimeiri is ambivalent. (Details in Annex II)

5. Long-standing claims cases Forsyth and Egyptian Delta Light Railways debenture holders still before Egyptian Courts. (Details in Annex I on Anglo-Egyptian relations.)



6. Gill and Shiner arrested in October and November respectively following attempt to assassinate former Libyan Prime Minister, Bakush. Still no charges. Shiner released on bail. (Details in Annex I on Anglo-Egyptian relations.)
7. Smith and Hagger imprisoned in Iraq on excessive sentence: Iraqi's wish to exchange for convicted Iraqi terrorist held in UK.
8. UK aid to Egypt significant (£11.85 million in 1983/84). Among larger non-Commonwealth programmes: lion's share to Cairo Wastewater. Small aid/trade provision line of credit agreed in 1983 (£50 million committed to projects). (Detail in Annex I on Anglo-Egyptian relations.)
9. £300 million ECGD backed line of credit for defence sales established in 1982: total amount of UK credit limited with the substantial portion reserved for civil business already committed: ECGD wishes to offer support to ^{1 of} 2 major civil projects, but would have to impinge on defence reservation. (Details in Annex I on Anglo Egyptian relations.)
10. PM's travel programme already full in 1985.
11. Dr Abdel Meguid raised counter-terrorism collaboration with the Prime Minister on 5 February. Contacts have taken place in Cairo on achieving a more systematic exchange of information.
12. Present High Commissioner for refugees, Poul Hartling due to retire in 1985. Current candidates for the job include Dr Boutros Ghali, Minister of State for Foreign Affairs of Egypt, Max van der Stoel, former Dutch Foreign Minister now Permanent Representative to the UN and 3 Nordics. Do not normally give support especially so far in advance. Egyptians have lobbied hard at all levels: are aware that we have some obligation to a community candidate.

PRIME MINISTER'S MEETING WITH PRESIDENT MUBARAK OF EGYPT: 14 MARCH 1985

ANNEX 1: ANGLO-EGYPTIAN RELATIONS

1. Relations are excellent but need deepening. The Egyptians value our support eg in contributing a small detachment to the Multinational Force and Observers (MFO) on the Israel/Egyptian border in Sinai. They are sometimes inclined to take our political support for granted. Our energetic response to their request in August 1984 for assistance in clearing the Gulf of Suez of suspected mines was warmly appreciated.
2. Our trade with Egypt is in surplus (exports £428 million - imports £165 million in 1984). UK investment is also significant (eg at least £500 million in oil exploration). Sufficient ECGD cover is available to meet most day-to-day business, but is tight for projects. UK share of OECD exports 6% in 1983 (6th largest after USA, FRG, France, Italy, Japan). Competitors offer large aid or soft credit facilities particularly for public sector contracts (eg \$208 million package for 1985 offered by FRG in February) and the Egyptians expect the same from us.
3. Although Egypt is not among the poorest countries and receives large amounts of aid from other donors (notably USA) British aid to Egypt is substantial (£11.85 million in 1983/84). The lion's share goes on the Cairo Waste Water project to improve the capital's sewage. We are providing £50 million ODA grant and £185 million ECGD-backed Samuel Montagu/Midland Bank credit for Phase I of sewerage scheme now under construction. Egyptians seek £246 million for construction of Phase II for which British construction industry is keen to secure contracts. Further capital aid from ODA not possible under current aid budget. Insufficient ECGD cover is available but the project is not likely to start for several years. USA may offer to aid, limiting construction to US supplies.
4. Defence relations are good although still not very extensive in view of very substantial US military assistance. Egypt is however



interested in increased military co-operation with the UK in particular in joint exercises and officer attachments. No UK loan service personnel in Egypt but some Egyptian personnel receive military training in the UK. Subsidies are available from UKMTAS (£150,000 in 1983) and the MOD policy fund. The Egyptians would like us to help with clearance of minefields from the Western Desert; we have given them specialist advice but wish to avoid being drawn into undertaking the task ourselves.

5. Prospects for Defence sales are good but results have been disappointing (approx £40 million in 1984) because of competition with US aided sales and French subsidies. Projects that have been discussed with Egypt are the supply of Minehunting vessels; midget Piranha submarines; sonar refit of Romeo class Chinese submarines. A £300m ECGD backed credit reservation was established in 1982 to cover a potential order for Ramadan fast patrol craft. In March 1983 it was agreed that the facility could be used to finance any of Egypt's defence purchases from the UK. To date Egypt has not taken up any of the credit. Terms offered depend on the type of equipment purchased. Generally we have offered 80% of contract value with repayment over 5 years from mean delivery at the current consensus rate of 9.8%. As a concession we have extended these credit terms to two large spares requirements. The Egyptians want the credit terms recorded in a Government-to-Government agreement and are seeking 100% credit. MOD are considering the possibility of a new defence sales MOU.

6. Credit to Egypt is limited. ECGD wish to consider offering support for two multi-million pound civil projects for power stations in Egypt, but cannot do so with existing overall limits without preempting part of the unused £300 million defence sales facility. In February 1985 we informed the Egyptians that some £150m of this facility would be made available to the Egyptian civil sector, unless significant progress in defence sales was made by April 1985. The revised ceiling of £150m should be sufficient to meet these Egyptian requirements which they can finalise within the next year (helicopter, radar spares and Royal Ordnance collaborative



projects). Large individual requirements eg ships, would have to be considered on an ad hoc basis.

Official visits

7. President Mubarak last visited in February 1983 accompanied by the then Foreign Minister, Kamal Hassan Ali (now Prime Minister). Sir Geoffrey Howe visited Egypt in January 1984. Mr Heseltine in October and Mr Raison in December. Field Marshal Abu Ghazala, Deputy Prime Minister and Minister of Defence in March 1984, Dr Boutros Ghali, Minister of State for Foreign Affairs, in June, and Dr Abdel Meguid, Minister of State for Foreign Affairs in February 1985 have all visited Britain as guests of Government.

Claims

8. British assets in Egypt were sequestrated in 1956 following Suez and again in 1961. Anglo/Egyptian agreements of 1959 and 1971 provided in certain cases for payment of compensation and in other for the return of sequestrated assets. There are still some intractable cases:

Mr D T W Forsyth: his action to regain possession of his villa (sequestrated in 1956 desequestrated in 1960) has been subject to many years delay. In October 1981, after 36 postponed hearings the Egyptian courts decided that Mr Forsyth was the legal owner. But he has yet to gain possession. A tenant had earlier been put in by the sequestrator and her counter-claim for ownership by virtue of prescription involved the use of forged documents and was rejected. There has been some progress on the further legal process to determine the rent payable to Mr Forsyth but Mr Forsyth contends that the Egyptian government is in breach of the 1959 agreement since the villa was not returned with vacant possession. FCO legal advisers do not support this. Mr Forsyth has been critical of both HMG and the Egyptian Governments. On 24 January his MP,



Sir Geoffrey Johnson-Smith, raised the matter in an adjournment debate.

Egyptian Delta Light Railways: the property and assets of the company were sequestered in 1953 and its concessions cancelled. In 1954 certain companies as debenture holders took action in the Egyptian courts to recover the capital and interest due on the debentures. In 1966 those companies were nationalised and the action suspended. Following this in 1967 the trustees of other debenture holders instituted proceedings on behalf of all. Judgement was given in favour of the Egyptian government in 1971 and has been confirmed in subsequent appeals. The case has since been taken before the Administrative Courts where it is still pending before the Higher Administrative Court.

9. Gill and Shiner (Detained in Egypt in connection with alleged plot to kill Mr Bakush, a Libyan exile)

Anthony Gill was detained on the night of 30/31 October 1984 and Godfrey Shiner on 17 November in connection with an alleged Libyan plot to assassinate Abdul Hamid Bakush, a former Libyan Prime Minister. Both detainees have business connections with Libya. No problems on Consular access and British interest is in ensuring that the men at the earliest possible time are charged or set free. The problem has been raised with the Egyptian Foreign Minister by Sir M Weir on 28 January, Sir Geoffrey Howe on 4 February and Sir Alan Urwick on 19 February. Sir Geoffrey Howe also raised the case with the Egyptian Ambassador on 4 March. Sir A Urwick was informed that investigations were continuing. Mr Shiner was released on bail on 23 February. Shiner throughout has protested his innocence. On 1 January he instructed his UK solicitor's to issue a writ against Gill for damages for loss of earnings and reimbursement of expenses. Mrs Shiner has visited Cairo twice and met Mr Renton on 17 December 1984.

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10. Officers from the Anti-Terrorist Squad, New Scotland Yard, interviewed Gill and Shiner in Cairo in December 1984. Their report is now with the Director of Public Prosecutions. It may be some weeks before a decision is reached on whether the men may be charged in the UK for another offence.

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PRIME MINISTER'S MEETING WITH PRESIDENT MUBARAK OF EGYPT: 14 MARCH 1985

ANNEX II: SUDAN

Internal

1. The situation in Southern Sudan, where President Nimeiri's policies during 1983 caused the relationship between the predominantly Arab Muslim North and the African non-muslim South to deteriorate, continues to cause concern. Southerners were upset by the rotation of Southern troops to the North in May, the division of the Southern region in June and most importantly by the introduction of Islamic law in September 1983. Nimeiri's Islamic policies are not entirely popular even in the North; a leading opposition figure and leader of the Ansar sect, Sadiq al Mahdi, imprisoned in September 1983 for criticising the introduction of Sharia law, was released only in December 1984. The aged and harmless leader of the moderate Islamic Republican brothers, Mohamed Taha, released at the same time, was re-arrested and executed in January 1985 for distributing anti-Sharia pamphlets: four others condemned with Taha were reprieved after recanting.

2. Security in the South remains poor. The Sudanese People's Liberation Army (SPLA) operating from Ethiopia has achieved a number of successes in 1984 and early 1985 against the demoralised and inefficient Sudanese army. The Government controls only a few urban centres in Upper Nile and Bahr el Ghazal and a current SPLA offensive in the Bor area and in Equatoria temporarily threatened the Government's control over hitherto peaceful Eastern Equatoria. But the rebel offensive faced tribal opposition and petered out.

3. As for many years, the Sudanese economy is in a parlous state, and has been hit still harder by drought. Attempts to introduce Islamic mechanisms into an already shaky system are further damaging efficiency and confidence. Rebel activities in the South have



halted major economic development projects including prospecting for oil. Sudan's necessarily long progress towards economic recovery has been interrupted following the collapse last summer of a new IMF standby arrangement and the build up of repayment arrears. In February 1985 President Nimeiri rejected a programme of repayments and reform agreed with the IMF by his Ministers. There are some signs however that the Sudanese are attempting economic reforms (eg devaluation of the S£) but it is too early to say whether these will satisfy the US enough to unblock suspended aid disbursement and reestablish them with the IMF. The drought is causing great concern, compounded by the serious, refugee problem caused by Eritreans and Tigreans fleeing drought and civil war in Ethiopia at the rate of approximately 3,000 a day.

4. Nimeiri has resisted arguments from his friends (US, Egypt, the Ten and Kenya) about the harm his policies are causing. Occasional signs of flexibility have so far been deceptive. Islamisation has continued, although it has not yet been applied in the South. Nimeiri has shown some signs of a more conciliatory mood: On 10 March 1985 he announced the sacking of the remaining Moslem brothers in his administration, possibly in order to make them the scapegoat for unpalatable economic measures. But some Moslem enthusiasts retain office.

External

5. Historically Sudan's foreign policy has sought to maintain a balance between Egypt, her military guarantor against the threat from Libya and Ethiopia, and the oil rich Arab states who have supplied economic support: this balance has become easier with Egypt's gradual rehabilitation with the moderate Arabs and as Qadhafi's hostility to Nimeiri has increased.

6. Sudan's relations with Egypt are traditionally ambivalent: many Sudanese especially Southerners, suspicious of Egypt's aims in their country. The Integration Agreement signed in 1983 created



joint institutions which, though they have been alternately emphasised and ignored, have given Egypt standing to attempt discreetly to moderate Sudanese policies (so far with little apparent success). Egypt's policy in the Sudan is dictated by her concern to protect her Southern flank and particularly to ensure that control of the Nile Waters, which are crucial to her ability to feed a growing population, remains with a friendly regime. Egypt has refused to supply military aid to help Nimeiri against the SPLA. Saudi Arabia as an important source of financial support is also important to the Sudanese but has recently been discontented with Sudan's political and economic performance and has been reluctant to provide funds. Sudan has leaned towards the West since the abortive communist coup of 1971, with a consequent increase in economic dependence on Western aid (particularly from the US and the Ten). The Ten collectively (with UK, Germany and France in the lead) are important to the Sudanese: but less so than the US. Relations with the Soviet Union are cool: those with China are good.

Anglo-Sudanese relations

7. There are close historical links between the UK and Sudan but relations have been strained recently by our disapproval of Nimeiri's policies. President Nimeiri last visited Britain in December 1983 when he had talks with the Prime Minister. Mr Raison visited Khartoum in February. Sudan is a major recipient of British aid (£32.2 million 1983) and the UK remains Sudan's biggest supplier of goods and services (in 1984 exports £97 million). We have so far contributed £13.7 million in emergency relief for Sudan's drought and refugee problems including 56,750 tons of food aid.

8. Nimeiri has been unhappy at Western criticism of Islamization and by what he considers biased reporting by the BBC of internal developments including the fighting in the South (this complaint has been echoed by the Egyptians). Our decision not to allow the supply of Strikemaster aircraft has also caused some coolness though since it coincided with similar American and Egyptian decisions Sudanese reaction has been muted.



PRIME MINISTER'S MEETING WITH PRESIDENT MUBARAK OF EGYPT: 14 MARCH 1985

ANNEX III: TABA

BACKGROUND

1. When the Israelis withdrew from Sinai in 1982 under the terms of the Egyptian/Israeli Peace Treaty a small piece of land approximately 700 yards wide on the Gulf of Aqaba remained in dispute. During the period of their occupation the Israelis built a tourist complex on the beach with US finance. To justify their refusal to vacate this strip the Israelis have relied upon their own interpretation of maps drawn up by British officials on behalf of the British dominated government of Egypt in 1906 to demarcate the frontier with the Ottoman Empire. The Egyptians contest this interpretation.

2. President Mubarak has treated Israeli unwillingness to hand over Taba as a test of good faith. When the Egyptian Ambassador to Israel was withdrawn in 1982 he said that the Ambassador would not return to Tel Aviv until the question of Taba was satisfactorily resolved and the Israelis withdrew their forces from Lebanon. Talks on the future of Taba between Egyptian and Israeli officials (also attended by the US) were held in January 1985, the first evidence of a slight thaw in relations between the two countries. These made a little progress, notably on the role of the multi-national forces and observers (MFO) in the disputed areas. The two sides were unable to agree on the role of the Israeli police which the Egyptians regard as an infringement of sovereignty.

3. Both sides have sought British assistance in solving the sovereignty dispute. We have made available to both sides maps and other documents from the Public Records Office but despite extensive research we have not been able to trace the signed original of the 1906 map; we have only later printed versions. We have informed the Egyptians and Israelis accordingly. Research has also shown that a

RESTRICTED



further map requested by the Egyptians, which they thought was annexed to a 1922 communication from Allenby to Sultan Fuad, was not.

4. We have made it clear that we are not a party to the dispute, are not willing to take sides, and have now provided all the documentary evidence.

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PRIME MINISTER'S TALKS WITH PRESIDENT MUBARAK OF EGYPT: 14 MARCH 1985

ANNEX IV: POLITICAL BACKGROUND

Internal Situation

1. Mubarak, Vice President since 1975, was elected President on 16 October 1981 following the assassination of Anwar Sadat on 6 October. Mubarak deliberately disavowed the more unpopular features of Sadat's domestic policies and adopted a less flamboyant style. He moved quickly to release political prisoners and to relax control of the press. Although he has now consolidated his own authority, domestically little progress has been made on the serious problems arising from over-population, corruption and a creaking bureaucracy.
2. Egypt's elections for a new National Assembly in May 1984, the fairest since the 1952 revolution, produced a healthy democratic challenge from the New Wafd opposition party (which gained 58 of the 448 seats) to the ossified ruling National Democratic Party. They mark a clean break for President Mubarak from his Sadat inheritance after nearly 3 years in office. Immediately after the election the Prime Minister, Dr Fuad Mohieddin, died and was replaced eventually by the Foreign Minister, Kamal Hassan Ali. Hopes that the ensuing Cabinet reshuffle might bring a more dynamic economic team have been largely disappointed.
3. Internal security and the economy are still Mubarak's main priorities. Emergency laws to deal with internal problems were extended for a further 18 months in September 1984. But progress in offering Egypt's youth (about half of the population is under 16) a better material future has been slight and the respite can only be temporary. Government attempts to control Islamic extremism have had some limited success. The economic outlook is clouded. The economy continues to expand but balance of payments has been hit by a decline in the country's four main sources of foreign exchange - oil, remittances from overseas workers, tourism and the Suez Canal.



Population growth, at 2.5% pa, is steadily forcing up Egypt's huge expenditure on food imports and consumer subsidies. Riots in September 1984 over increases in the price of bread and social security contributions gave a foretaste of the problems the Egyptian government face in tackling these problems.

Foreign Policy

4. Mubarak's cautious approach to reintegration in the Arab world is paying off. Readmission to the Islamic Conference Organisation in January 1984 was followed in September 1984 by the announcement that Jordan and Egypt had re-established diplomatic relations broken off in 1979. Visits by Mubarak to Amman in October and by King Hussein of Cairo in December were steps towards a moderate Arab front which has been given further impetus by the Jordan/PLO agreement. Mubarak's initiative in February in seeking to involve Israel in talks and to secure positive American support for the moderates was apparently taken without consulting his partners. Egypt also has close working contacts with Iraq and Morocco and informal contacts with other Arab states. But the early restoration of formal diplomatic relations is unlikely since the Egypt/Israel peace treaty of April 1979 will still be hard for many Arabs to swallow. Relations with Israel remain strained. The Egyptians have resisted pressure to return their Ambassador to Tel Aviv until Israel withdraws fully from Lebanon and resolves the question of the disputed frontier strip of land at Taba (Sinai) on which an inconclusive round of talks was held in Beersheba in January 1985.

5. Relations with the United States remain extremely important. The Egyptians depend on the US for military aid and equipment and, in the absence of warm relations with the majority of other Arabs, the US is their principal friend (military assistance in 1983 totalled \$1,365 billion). Relations with the Soviet Union, cold since the expulsion, in 1981, of the Soviet Ambassador, some of his staff, and nearly all the Soviet civilian advisers in Egypt, have improved since the resumption of full diplomatic relations at Ambassadorial level in September 1984.

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6. Mubarak has underlined Egypt's commitment to the Organisation of African Unity (OAU) and to the Non-Aligned Movement (NAM). The Egyptians have worked hard at improving their relations with a wide range of countries in Africa, Asia, Latin America and Eastern Europe which has paid off in their election to the Security Council (1984-5).

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MUHAMMAD HUSNI (SAYYID) MUBARAK

President of the Republic (14 October 1981).

Born 4 May 1928 at Kafr el-Moseilha, Minufia Governorate, where his father was a minor court official. Attended secondary school at Shibin al Kum. Military Academy 1947-49. Air Academy 1949-50. Trained as a fighter pilot. 1952-59, Instructor at the Air Academy. In January 1966 he became Commander of Cairo West Airbase, in November 1967 Director General of the Air Academy and in June 1969 Chief of Staff of the Air Force. He was promoted Air Vice Marshal in November of that year and became Commander-in-Chief in April 1972. On 6 October 1973, a few hours after the first air strikes of the War, he was promoted Air Marshal and later received the Star of Sinai medal.

On 16 April 1975 President Sadat appointed him Vice-President, a post in which he undertook many diplomatic missions to the United States, Europe, Asia, Africa and all over the Arab world. In 1975 and 1976 Mubarak headed the Egyptian delegation at the OAU conferences in Uganda and Mauritius. He played a prominent part in the creation of the National Democratic Party in 1978 and was elected Secretary General at its Second Congress in September 1981. The People's Assembly nominated Mubarak as Presidential candidate on 7 October 1981, a choice which was approved by 98.6% of the voters in a referendum on 13 October. He was inaugurated as President the following day. On 26 January 1982 he was elected President of the National Democratic Party at a special party congress.

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Mubarak was regarded by his Air Force colleagues as a brave and capable pilot and a model officer who owed his promotion to merit rather than connections. His sudden elevation to the Vice-Presidency in April 1975 came as a surprise, although with his disciplined military approach and administrative efficiency, he quickly made the job his own. Although Mubarak expressed reluctance to assume the Presidency when it was thrust upon him he has displayed the same quiet but cheerfully confident, competence seen in his earlier career. His first three years of office, however, have seen changes mainly of style, not substance.

Mubarak speaks Russian and English, his command of the latter growing with his confidence. He rises early, puts in long hours at the office and plays squash regularly.

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DR AHMAD ESMAT ABDEL MEGUID

Minister for Foreign Affairs (1984).

Born 1923. Graduated in Law in 1943 and then obtained a Doctorate in International Law from Paris. In London from 1950-54 and later UK desk officer in the MFA. Counsellor in Geneva and attended many international meetings especially on disarmament. Minister in Paris 1963-7.

Chef de Cabinet to one of the Under-Secretaries at the Ministry of Foreign Affairs until March 1968 and then Head of Cultural Relations Department until he was appointed Head of the State Information Service and Official Spokesman in September 1969. In May 1970 he became Ambassador in Paris. He only spent six months there however before being appointed, in November 1970, Minister of State (with Cabinet status) dealing with matters of personal interest to the Prime Minister. His title was changed to Minister of State for Cabinet Affairs in May 1971. He was retained in the Cabinet reshuffle of September 1971 but dropped in January 1972 and appointed Egyptian Permanent Representative at the United Nations in New York.

In December 1977 he led the Egyptian delegation to the Cairo Conference called after President Sadat's visit to Jerusalem. Was a member of the Egyptian delegation to the Political Committee meetings in Jerusalem in January 1978. Led Egyptian delegation to the Non-Aligned preparatory conference in Colombo in 1979, when he defended Egypt's position robustly. Similarly he represented Egypt at the NAM's preparatory conferences in Kuwait and Havana in 1982, delivering an 11 point 'plan' for peace at the former.

Very competent, active and friendly, he worked hard to re-establish relations with Britain in 1968. Both he and his wife speak good English and mix socially.



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142 MAR 1985

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PEOPLE MINISTER

Dinner for the President of Egypt
Thursday, 14 March

I attach the list of guests attending the dinner for the President of Egypt on Thursday evening together with a draft seating plan. The seating plan has been seen by Charles Powell.

Agree?

The Bishop of Norwich will be present at this dinner and you will wish to ask him to say 'Grace'.

Sue Goodchild

12 March 1985

c.c. Mr. Denis Thatcher
Miss Carol Thatcher

REVISED

LIST OF GUESTS ATTENDING THE DINNER TO BE GIVEN BY THE PRIME MINISTER AND
MR. DENIS THATCHER IN HONOUR OF HIS EXCELLENCY THE PRESIDENT OF THE ARAB
REPUBLIC OF EGYPT AND MRS. MUBARAK ON THURSDAY, 14 MARCH 1985 AT 7.45 PM
FOR 8.00 PM LOUNGE SUIT

The Prime Minister
and Mr. Denis Thatcher

Miss Carol Thatcher

Egyptian Suite

His Excellency Mr. Muhammad Husni Mubarak
and Mrs. Mubarak

His Excellency Dr. Ahmed Essmat Abdel Meguid Minister for Foreign Affairs
and Mrs. Abdel Meguid

His Excellency the Ambassador of the Arab Republic of Egypt
and Mrs. Sharara

His Excellency Mr. Mohamed Safwat El Sherif Minister of Information

His Excellency Dr. Kamal Ahmed Al Ganzoury Minister of Planning and
International Cooperation

His Excellency Dr. Mohamed Atteya Medical Adviser at the
Presidency

Mr. Ahmed Raouf Assad Secretary General of the
Presidency

Mr. Said Abdel Kader Hamza Grand Chamberlain

Major General Hassan Maher Al Akhrass Chief ADC to the President

Mr. Abdel Wahab Said Zaki Private Secretary to the
President

Her Majesty's Government

Rt. Hon. Sir Geoffrey Howe, MP
and Lady Howe

Rt. Hon. Michael Heseltine, MP
and Mrs. Heseltine

Rt. Hon. Peter Walker, MP
and Mrs. Walker

Rt. Hon. Paul Channon, MP
and Mrs. Channon

Mr. Richard Luce, MP
and Mrs. Luce

Liberal Party

Rt. Hon. David Steel, MP
and Mrs. Steel

Visited Egypt in October 1984. Defence
cooperation with Egypt increasing

Egypt is another non-OPEC oil
producer. BP has significant
interests in oil development and solar
power

Conservative Party

Mr. Cranley Onslow, MP
and Lady June Onslow
Rt. Hon. Julian Amery, MP
Mr. David Crouch, MP
and Mrs. Crouch

Chairman of Anglo-Egyptian
Parliamentary Group

Mr. Peter Temple-Morris, MP
and Mrs. Temple-Morris

Chairman of IPU Group. Possible
IPU visit to Egypt in 1985

Labour Party

Mr. Roy Hughes, MP
and Mrs. Hughes

Treasurer, Anglo-Egyptian
Parliamentary Group

House of Lords

Rt. Hon. Lord Boyd-Carpenter
and Lady Boyd-Carpenter

The Lord Selsdon

Chairman of COMET. Member of
British Overseas Trade Board.
Actively involved in Cairo Wastewater
Project

Church

The Right Reverend the Lord Bishop of Norwich
and Mrs. Wood

Diplomatic Corps

His Excellency the Japanese Ambassador
and Mrs. Yamazaki

European Parliament

Sir Henry Plumb
and Lady Plumb

Business

Mr. P.G. Cazalet
and Mrs. Cazalet

Chairman, BP Oil International.
Active member of BOTB and COMET.
BP have major investments in Egypt

Mr. D.G.M. Roberts
and Mrs. Roberts

Senior Partner, John Taylor and Sons.
Regular visitor to Egypt. Principal
British consultant on Cairo. Waste
water scheme (worth £270 million
UK content)

Mr. Donald Evans
and Mrs. Evans

Managing Director, Marconi Underwater
Systems. Has sold Stingray
torpedoes. Prospects for sales of
further Stingray and Tigerfish

Mr. Mohamed Al-Fayed

Mr. M.J. Bradford
and Mrs. Bradford

Managing Director, Ransomes and Rapier
plc. Small but very active firm in
Egypt supplying irrigation equipment

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Press/Academics/Culture, etc.

Mr. Stuart Young and Mrs. Young	Chairman of the BBC. President Mubarak has been very sensitive to BBC reporting
Sir Geraint Evans and Lady Evans	Opera singer. Mrs. Mubarak is part Welsh
Mr. Omar Sharif	film actor. Egyptian citizen
Professor Alan Peacock	Heriot-Watt University, Edinburgh

Officials

General Sir John Stanier and Lady Stanier	Chief of General Staff, Ministry of Defence
Sir Alan Urwick and Lady Urwick	HM Ambassador, Cairo
Mr. Ewen Fergusson and Mrs. Fergusson	Foreign and Commonwealth Office

10 Downing Street

Mr. Charles Powell
and Mrs. Powell

HE MR. MUHAMMAD HUSNI MUBARAK

HE Dr. Ahmed Essmat Abdel Meguid

MR. DENIS THATCHER

Lady Howe

MRS. MUBARAK

HE The Ambassador of the Arab Republic of Egypt

Rt. Hon. Michael Heseltine

Mrs. Heseltine

Mrs Abdel Meguid

Mr. Richard Luce

Rt. Hon. Paul Channon

HE Mr. Mohamed Safwat El Sherif

Rt. Hon. Peter Walker

HE Dr. Mohamed Atteya

HE Dr. Kamal Ahmed Al
Ganzoury

Rt. Hon. Sir Geoffrey Howe

Mrs. Sharara

Mrs. Channon

Mrs. Walker

The Lady Boyd-Carpenter

Rt. Hon. Lord Boyd-Carpenter

The Right Reverend The Lord
Bishop of Norwich

HE The Ambassador of Japan

Mr. Ahmed Raouf Assad

Mrs. Yamazaki

Lady June Onslow

Mrs. Luce

The Lord Selsdon

Rt. Hon. David Steel

Mr. Said Abdel Kader Hamza

Major General Hassan Maher
Al Akhrass

Mrs. Young

Lady Evans

~~Lady Stanier~~

Mrs. Crouch

Mr. Omar Sharif

Mr. Stuart Young

Mr. Mohamed Al-Fayed

Mr. P.G. Cazalet

Lady Plumb

Lady Urwick

Mrs. Cazalet

Mrs. Steel

Mr. Cranley Onslow

~~Rt. Hon. Julian Amery~~

Mr. David Crouch

Mr. Abdel Wahab Said Zaki

Mrs. Hughes

Sir Henry Plumb

Sir Geraint Evans

Mr. Peter Temple-Morris

General Sir John Stanier

Mrs. Wood

Mrs. Temple-Morris

Mrs. Roberts

Mrs. Evans

Mr. D.G.M. Roberts

Professor Alan Peacock

Mr. M.J. Bradford

Sir Alan Urwick

Mrs. Bradford

Mrs. Fergusson

Mr. Roy Hughes

Miss Carol Thatcher

Mr. Charles Powell

Mr. Donald Evans

Mrs. Powell

Mr. Ewen Fergusson

THE RT HON THE PRIME MINISTER

His Excellency Mr Muhammad
Iusni Mubarak

His Excellency Dr Ahmed
Essmat Abdel Meguid

MR DENIS THATCHER

Lady Howe

Mrs. Mubarak

His Excellency the Ambassador of
the Arab Republic of Egypt

Rt. Hon. Michael Heseltine

Mrs Heseltine

Mrs Abdel Meguid

Mr Richard Luce

The Rt Hon Paul Channon

His Excellency Mr Mohamed
Safwat El Sherif

The Rt Hon Peter Walker

His Excellency
Dr Mohamed Atteya

His Excellency Dr Kamal
Ahmed Al Ganzoury

The Rt Hon Sir Geoffrey Howe

Mrs Sharara

Mrs Channon

Mrs Walker

The Lady Boyd-Carpenter

The Rt Hon
Lord Boyd-Carpenter

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The Lord Selsdon

The Rt Hon David Steel

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Major General Hassan
Maher Al Akhrass

Mrs Young

Lady Evans

Lady Stanier

The Rt Hon Julian Amery

Mr Mohamed Al-Fayed

Mrs Crouch

Mr Omar Sharif

Lady Urwick

Mrs Cazalet

Mr P G Cazalet

Lady Plumb

Mr Stuart Young

Mr David Crouch

Mrs Steel

Mr Cranley Onslow

Sir Henry Plumb

Sir Geraint Evans

Mr Abdel Wahab Said Zaki

Mrs Hughes

Mrs Wood

Mrs Temple-Morris

Mr Peter Temple-Morris

General Sir John Stanier

Mr D G M Roberts

Professor Alan Peacock

Mrs Roberts

Mrs Evans

Mrs Bradford

Mrs Fergusson

Mr M J Bradford

Sir Alan Urwick

Mr Charles Powell

Mr Donald Evans

Mr Roy Hughes

Miss Carol Thatcher

Mrs Powell

Mr Ewen Fergusson

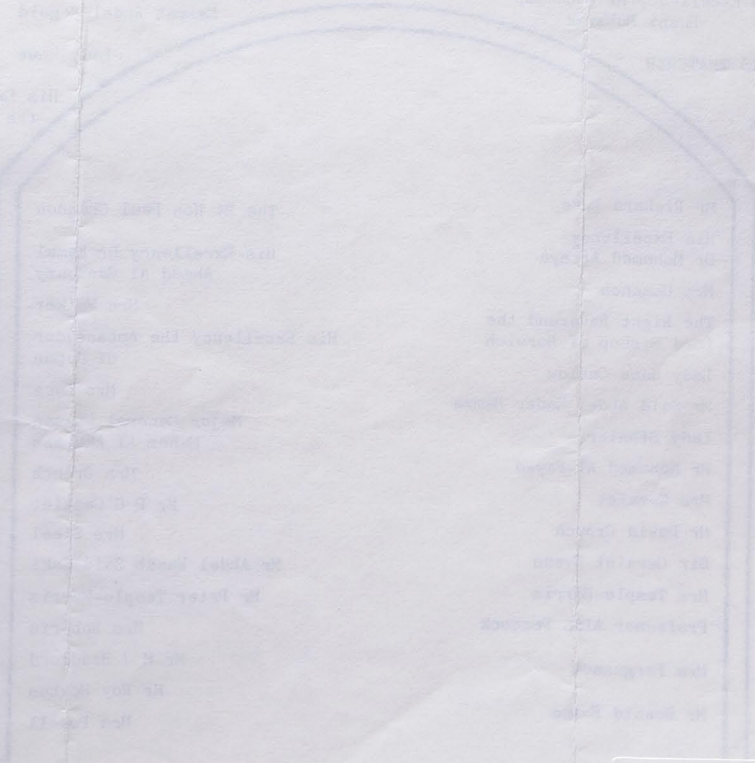
10 Downing Street
14 March 1985

ENTRANCE

THE WITNESS

the witness

the witness



Mr. Charles Powell

GR 600

CONFIDENTIAL

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DESKBY 140900Z

FM WASHINGTON 132240Z MAR 85

TO IMMEDIATE FCO

TELNO 907 OF 13 MAR

INFO IMMEDIATE CAIRO, TEL AVIV, AMMAN,

PRIORITY DAMASCUS, TUNIS, ALGIERS, JEDDA, JERUSALEM, UKMIS NEW YORK.

MY TELS NOS 896-7: PRESIDENT MUBARAK'S VISIT TO WASHINGTON.

SUMMARY.

1. AMERICANS BELIEVE THAT MUBARAK HAS REASON TO BE SATISFIED WITH HIS TALKS IN WASHINGTON AND THAT THE PRESS PICTURE OF A REBUFF TO HIM IS OVERDRAWN. NO BREAKTHROUGH ON THE PEACE PROCESS, BUT NO BREAKDOWN.

DETAIL.

2. MURPHY GAVE MINISTER TODAY HIS IMPRESSIONS OF MUBARAK'S VISIT. THE EGYPTIANS HAD BEEN SOMEWHAT NETTLED BY THE TENOR OF PRESS REPORTING SO FAR AND THE AMERICAN OFFICIAL BRIEFING WOULD BE TRYING TO INJECT A MORE POSITIVE NOTE. THE EGYPTIAN PRESS HAD THE WORD TO BE UPBEAT THOUGH MUBARAK ADMITTEDLY HAD NOTHING MUCH TANGIBLE TO SHOW FOR HIS VISIT.

3. HIS REQUESTS FOR AID AND DEBT RELIEF HAD NOT BEEN REJECTED. HE HAD HAD A LIVELY AND AMICABLE DISCUSSION WITH PRESIDENT REAGAN WHO HAD EXPLAINED THE BUDGETARY DIFFICULTIES HERE BUT HAD UNDERTAKEN TO DO HIS BEST. THE FACT THAT NO ACTION HAD YET BEEN TAKEN ON ISRAEL'S REQUEST FOR SUPPLEMENTARY 1985 AID MIGHT BE SOME CONSOLATION TO THE EGYPTIANS. MURPHY ADDED THAT THE GROWING PROBLEM OF MILITARY DEBT WOULD HAVE TO BE REVIEWED GLOBALLY RATHER THAN SOLELY IN THE BILATERAL US/EGYPT CONTEXT: NO DECISIONS HAD YET BEEN TAKEN.

4. ON THE PEACE PROCESS, MURPHY SAID THAT IT WAS CLEAR THAT THE EGYPTIANS BELIEVED THAT KING HUSSEIN AND THE PLO HAD GOT AS FAR AS THEY COULD BY THEMSELVES, THAT THE MOMENTUM MUST BE MAINTAINED AND THAT THE TIME HAD COME FOR THE US TO ENGAGE. MUBARAK HAD NOT PRESSED FOR ANY SPECIFIC COURSE OF ACTION. THE EGYPTIANS HAD SPOKEN OF A MEETING BETWEEN THE AMERICANS AND A JORDANIAN/PALESTINIAN DELEGATION IN WASHINGTON OR ELSEWHERE, THEY HAD ALSO FLOATED THE IDEA OF AN EGYPTIAN/JORDANIAN/US MEETING AT FOREIGN MINISTER LEVEL WHICH MIGHT LEAD TO A FURTHER MEETING WITH THE ISRAELIS. IT HAD NOT BEEN CLEAR WHETHER THEY ENVISAGED THIS AS SUPPLEMENTING A US/PALESTINIAN DIALOGUE OR AS A SUBSTITUTE FOR IT. NONE OF THESE IDEAS HAD BEEN ACCEPTED BY THE AMERICANS BUT NOR HAD THEY BEEN REJECTED.

CONFIDENTIAL / S. MURPHY

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5. MURPHY THOUGHT THAT MUBARAK UNDERSTOOD THE ADMINISTRATION'S PROBLEMS. HE HAD NOT PRESSED FOR AN IMMEDIATE REACTION. ABDEL MELKUD HAD TOLD MURPHY THAT THE EGYPTIANS REALISED THAT PRESIDENT REAGAN FACED A SERIOUS POLITICAL DECISION. ANY MEETING WITH THE ARAB SIDE WOULD HAVE TO TAKE ACCOUNT OF THE 11 FEBRUARY AGREEMENT. THE QUESTION WAS WHETHER THE PLO HAD MET US CONDITIONS FOR A DIALOGUE. THE EGYPTIANS HAD EMPHASISED THAT THEY WERE NOT TRYING TO SMUGGLE THE PLO INTO THE PEACE PROCESS BY THE BACK DOOR.

6. IN REPLY TO A QUESTION, MURPHY SAID THAT THE US HAD NOT WANTED TO GET INTO THE QUESTION OF HOW PALESTINIAN MEMBERS OF A JOINT DELEGATION SHOULD BE SELECTED NOR HAD THE EGYPTIANS PRESSED THIS. MUBARAK SIMPLY DID NOT DISTINGUISH BETWEEN PALESTINIANS AND THE PLO. HE HAD SUGGESTED THAT PALESTINIAN REPRESENTATIVES SHOULD BE LOW LEVEL - NOT MEMBERS OF THE PLO OR FATAH EXECUTIVE COMMITTEES OR WELL KNOWN NOTABLES. BUT THE QUESTION OF PALESTINIAN REPRESENTATION WOULD NEED THE MOST CAREFUL COORDINATION WITH KING HUSSEIN AND THE ISRAELIS.

7. MURPHY SAID THAT THE ADMINISTRATION HAD NOT DECIDED WHAT TO DO. THE JORDANIAN FOREIGN MINISTER WOULD BE IN WASHINGTON NEXT WEEK. THE AMERICANS WOULD ALSO HAVE TO TALK TO THE ISRAELIS. THE POSSIBILITY OF A VISIT BY MURPHY TO THE REGION IN APRIL REMAINED ON THE CARDS. MEANWHILE, HE THOUGH MUBARAK HAD BEEN CONVINCED THAT HIS CONCERNS WERE TAKEN SERIOUSLY IN WASHINGTON, THAT THE ADMINISTRATION APPRECIATED THE EFFORT THAT HAD GONE INTO PUTTING TOGETHER THE 11 FEBRUARY AGREEMENT AND THAT THEY RECOGNISED IT AS A USEFUL BEGINNING, INVOLVING REAL MOVEMENT ON THE PALESTINIAN SIDE.

8. MURPHY THOUGHT THAT MUBARAK WOULD PRIVATELY ENCOURAGE BOTH US AND THE ITALIANS TO KEEP UP THE PRESSURE ON THE ADMINISTRATION. IN PUBLIC, HE WAS LIKELY TO EXPRESS SATISFACTION WITH HIS VISIT TO WASHINGTON. HE COULD FAIRLY SAY THAT HE HAD PUT FORWARD A NUMBER OF IDEAS WHICH THE ADMINISTRATION WERE CONSIDERING SERIOUSLY AND THAT HE HAD NOT ASKED FOR ANY IMMEDIATE DECISIONS.

WRIGHT

LIMITED

NENAD
NAD
NEWS-D.

INFO-D
PLANNING STAFF

PS

PS | MR. LUCE.

PS | LADY YOUNG.

PS | MR. RENTON.

MR. FERGUSSON.
SIR. W. HARDING.
MR. DAVID THOMAS.
MR. EGERTON.

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CONFIDENTIAL

00 MOSCOW

TR 640

CONFIDENTIAL

FM FCO 131215Z MAR 85

TO IMMEDIATE MOSCOW

TELEGRAM NUMBER 270 OF 13 MARCH

FOLLOWING TELEGRAM NOW REPEATED TO YOU AT REQUEST OF DEPT.
WAS RECEIVED FROM CAIRO TELEGRAM NUMBER 149 OF 13 MARCH.

FOLLOWING FOR PS AND PS/MO 10 (DUTY CLERK)

RFI IMMEDIATE: AMMAN, WASHINGTON,
PRIORITY: ALGIERS, BAGHDAD, DAMASCUS, JEDDA, ROME, TEL AVIV,
TUNIS, UKMIS NEW YORK.
SAVING TO: ADEN, ABU DHABI, BAHRAIN, BEIRUT, DOHA, DUBAI, KHARTOUM,
KUWAIT, MUSCAT, RABAT, SANA'A, CG JERUSALEM.

AMMAN TELNO 90 AND WASHINGTON TELNO 868 (NOT TO ALL):
JORDAN/PLO AND THE PEACE PROCESS

SUMMARY

1. THE VIEW FROM CAIRO IS VERY SIMILAR TO THAT FROM AMMAN.
THE EGYPTIANS WANT TO SEE THE JOINT JORDANIAN/PALESTINIAN
DELEGATION FORMED AS QUICKLY AS POSSIBLE, THOUGH THEY ACCEPT
THAT PERES IS NOT YET READY TO NEGOTIATE. APPARENT DISAPPOINTMENT
IN WASHINGTON MAY LEAD TO GREATER EGYPTIAN PRESSURE ON BRITAIN
TO MOVE THE AMERICANS.

DETAIL

2. SEEN FROM HERE, THE ESSENTIAL ELEMENT OF THE IDEAS WHICH
MUBARAK FLOATED IN HIS NEW YORK TIMES INTERVIEW WAS THE
SUGGESTION THAT THE NEXT STEP SHOULD BE FOR THE AMERICANS TO
RECEIVE A JOINT JORDANIAN/PALESTINIAN DELEGATION. IF THIS IS
WHAT THE JORDANIANS WANTED TOO, IT SEEMS THAT KING HUSSEIN'S
MAIN COMPLAINT ABOUT MUBARAK'S INITIATIVE WAS NOT SO MUCH
THE SUBSTANCE AS THE FACT THAT IT HAD BEEN LAUNCHED WITHOUT
PRIOR CONSULTATION. SEVERAL SENIOR MFA OFFICIALS HERE HAVE
TOLD US THAT THEY CONSIDER SUCH A COMPLAINT FULLY JUSTIFIED.
3. ACCORDING TO THE HEAD OF THE PALESTINE DEPARTMENT IN THE
MFA, IF MUBARAK HAD RECEIVED ANY ENCOURAGEMENT FROM PRESIDENT
REAGAN, HE INTENDED TO PRESS HUSSEIN AND ARAFAT TO AGREE ON
THE FORMATION OF A JOINT DELEGATION AS SOON AS POSSIBLE.
FANAWANY CLAIMED THAT SOME PROGRESS HAD ALREADY BEEN MADE:
HUSSEIN HAD ACCEPTED THAT THE LEADER OF THE DELEGATION SHOULD
BE A PALESTINIAN AND ARAFAT HAD AGREED THAT MUBARAK AND
HUSSEIN SHOULD CHOOSE THE PALESTINIAN MEMBERS OF THE DELEGATION
AS LONG AS HE HIMSELF WAS ALLOWED TO VETO THOSE UNACCEPTABLE
TO HIM. HE SAID THAT A NUMBER OF NAMES (HE MENTIONED SPECIFICALLY
THOSE OF THE FORMER WEST BANK MAYORS) HAD ALREADY BEEN CONSIDERED.
4. LIKE HM AMBASSADOR AMMAN, THE EGYPTIAN BELIEVE THAT IT IS
UNREALISTIC TO EXPECT THE PLO TO MOVE FURTHER WITHOUT THE
ASSURANCE OF SOME GUESTURE BY THE AMERICANS IN RETURN. FROM
WHAT FARNAWANY AND OTHERS IN THE MFA HAVE TOLD US, I WOULD
JUDGE THAT THE EGYPTIANS HAVE IN MIND A COMBINATION OF THE
FORMULAE SUGGESTED IN A AND B OF PARAGRAPH 9 OF AMMAN TUR.
THEY DO, HOWEVER, RECOGNISE THAT TIMING IS A PROBLEM. ON THE
ONE HAND, THEY WANT TO MOVE FAST SO THAT THE PLO HAVE LESS
CHANCE TO RUN OUT ON THE AGREEMENT WITH HUSSEIN AND OTHERS, SUCH
AS THE SYRIANS, HAVE LESS OPPORTUNITY TO EMPLOY WRECKING TACTICS.
ON THE OTHER HAND, THEY ACCEPT THAT PERES IS NOT YET IN A POSITION
TO ENTER INTO SERIOUS NEGOTIATIONS. MOHAMMED ABDELLAH, THE
CHAIRMAN OF THE PEOPLE'S ASSEMBLY FOREIGN AFFAIRS COMMITTEE,
TOLD ME ON 12 MARCH THAT THE MAIN MESSAGE HE BROUGHT BACK FROM
HIS MEETING WITH PERES IN MUCHAREST LAST MONTH WAS THAT HE
WOULD NOT BE READY TO NEGOTIATE SERIOUSLY UNTIL HE HAD SORTED
OUT THE ECONOMY AND STRENGTHENED HIS OWN POLITICAL POSITION.

WOULD NOT BE READY TO NEGOTIATE SERIOUSLY UNTIL HE HAD SORTED
OUT THE ECONOMY AND STRENGTHENED HIS OWN POLITICAL POSITION.
HE HAD TOLD ABDELLAH THAT THIS WOULD TAKE 6 OR 7 MONTHS.

5. IF THE PRESS REPORTS WE HAVE SEEN ARE ACCURATE (MIPT), THEN
MUBARAK WILL BE LEAVING WASHINGTON A DISAPPOINTED MAN. IN
THE ABSENCE OF THE CLEAR AMERICAN ACCEPTANCE OF HIS PROPOSALS,
FOR WHICH HE HAD HOPED (HOWEVER NAIVELY), HE WILL BE ANXIOUS
NOT TO RETURN TO CAIRO EMPTY HANDED. HE SEEMS LIKELY THEREFORE
NOT ONLY TO URGE THE PRIME MINISTER TO WORK ON PRESIDENT REAGAN
BUT ALSO TO PRESS FOR PUBLIC UK AND EC SUPPORT FOR THE 11 FEBGUARY
AGREEMENT AND HIS OWN IDEAS FOR CARRYING THE PEACE PROCESS
FORWARD (THE LOCAL PRESS CONTINUE TO REPORT THAT HE WILL BE
STOPPING BRIEFLY, ON HIS WAY HOME FROM LONDON, TO BRIEF CRAXI
IN VENICE).

FCO PSE PASS SAVING ADDRESSEES.

WESTON

00 MOSCOW

PS 610

CONFIDENTIAL

FM FCO 131137Z MAR 85

TO IMMEDIATE MOSCOW

TELEGRAM NUMBER 267 OF 13 MARCH

FOLLOWING TELEGRAM NOW REPEATED TO YOU AT REQUEST OF DEPT WAS

RECEIVED FROM WASHINGTON TELEGRAM NUMBER 896 OF 12 MARCH

FOLLOWING FOR PS, PS NO. 10 (DUTY CLERK)

INFO IMMEDIATE CAIRO TEL AVIV AMMAN

PRIORITY DAMASCUS TUNIS ALGIERS JEDDA JERUSALEM UKMIS NEW YORK

PRESIDENT MUBARAK'S VISIT TO WASHINGTON: BILATERAL ISSUES SUMMARY

1. ATMOSPHERICS GOOD. NEW ECONOMIC AGREEMENTS SIGNED. US TO CONSIDER, WITHOUT COMMITMENT, EGYPTIAN REQUESTS FOR ADDITIONAL AID AND DEBT RELIEF. NO EGYPTIAN RESPONSE TO US REQUEST TO ALLOW TRANSIT OF SUEZ CANAL BY NUCLEAR-POWERED WARSHIPS. DETAIL
2. DUNFORD (STATE DEPARTMENT DIRECTOR FOR EGYPT) HAS GIVEN US A PRELIMINARY BRIEFING ON MUBARAK'S TALKS IN WASHINGTON. HE HAS HAD TALKS AND LUNCH TODAY WITH PRESIDENT REAGAN, WHO, IN BUSH'S ABSENCE, IS TO HOST A DINNER FOR HIM THIS EVENING. HE ALSO SAW SEPARATELY SHULTZ, WEINBERGER AND BAKER, AND MET MEMBERS OF CONGRESS AND OF THE US JEWISH COMMUNITY.
3. DUNFORD SAID THAT THE VISIT WAS GOING SURPRISINGLY WELL. MUBARAK HAD BEEN REASONABLE AND FLEXIBLE AND THE ATMOSPHERICS GOOD. (IN CONTRAST TO HIS LAST VISIT WHEN HE CALLED PUBLICLY, AND IN REAGAN'S PRESENCE, FOR A US/PLO DIALOGUE.)
4. FOUR AGREEMENTS HAD BEEN SIGNED, COVERING THE NEXT STAGE OF THE CAIRO WATER AND SEWERAGE PROJECT; PROVISION OF DLRS 200 MILLION UNDER THE COMMODITY IMPORT PROGRAMME; A CASH TRANSFER OF DLRS 100 MILLION; AND A DLRS 20 MILLION PRODUCTION CREDIT PROGRAMME FOR IMPORT OF US GOODS BY THE EGYPTIAN PRIVATE SECTOR. ALL THESE REPRESENT DRAWINGS ON EGYPT'S FY 85 ESF ALLOCATION. THE AMERICANS HAD ALSO AGREED TO HELP FINANCE A FURTHER UNIT OF THE SHOUBRA CONVENTIONAL POWER PLANT (THIS HAD BEEN HELD UP PENDING ACTION BY THE EGYPTIANS TO INCREASE ELECTRICITY PRICES). AND AN EXCHANGE OF LETTERS HAD REMOVED THE LAST MAJOR OBSTACLE TO THE CONCLUSION OF A BILATERAL INVESTMENT TREATY.
5. MUBARAK HAD PRESSED EGYPT'S REQUEST FOR ADDITIONAL ECONOMIC AID (DLRS 870 MILLION SUPPLEMENTARY AID IN FY 85) AND FOR RELIEF OF THE FMS DEBT BURDEN. HE HAD BEEN REMINDED THAT THE ADMINISTRATION WERE ALREADY ASKING CONGRESS FOR ADDITIONAL AID FOR EGYPT IN FY 86; IT WAS DIFFICULT TO DO MORE WHEN US DOMESTIC PROGRAMMES WERE BEING FROZEN OR CUT. REAGAN HAD RECALLED THAT HE HAD JUST VETOED ADDITIONAL ASSISTANCE TO US FARMERS; BUT HAD UNDERTAKEN TO GIVE THE EGYPTIAN REQUEST CAREFUL AND SYMPATHETIC CONSIDERATION, SUBJECT TO US BUDGETARY CONSTRAINTS. DUNFORD ADDED THAT THE ADMINISTRATION WANTED TO AVOID A DECISION ON SUPPLEMENTARY ASSISTANCE FOR EGYPT UNTIL THEY HAD DECIDED WHAT ACTION TO TAKE ON THE SIMILAR ISRAELI REQUEST.
6. DUNFORD SAID THAT CANCELLING EGYPT'S FMS DEBTS, OR A CHANGE IN THE APPLICABLE INTEREST RATE, WOULD BE COSTLY, AND WOULD REQUIRE LEGISLATION. THE ADMINISTRATION RECOGNISED THAT DEBT REPAYMENT WAS A GROWING BURDEN FOR MANY FMS RECIPIENTS. THEY HAD ASSURED MUBARAK THAT THEY WOULD LOOK AGAIN AT HOW THE PROBLEM MIGHT BE TACKLED. THE EGYPTIANS MEANWHILE HAVE REPAID THE ARREARS DUE IN RESPECT OF THE PERIOD JUNE - SEPTEMBER 1984.
7. MUBARAK HAD REVIEWED SECURITY ISSUES WITH WEINBERGER. THE EMPHASIS HAD BEEN ON COOPERATION. A FURTHER QUOTE BRIGHT STAR UNQUOTE EXERCISE WOULD BE HELD LATER THIS YEAR. PRESIDENT REAGAN HAD RAISED THE QUESTION OF TRANSIT OF THE SUEZ CANAL BY NUCLEAR POWERED US WARSHIPS (THE EGYPTIANS WERE UPSET BY PUBLICITY HERE FOR ONE SUCH TRANSIT LAST YEAR, AND HAD REFUSED TO APPROVE FURTHER TRANSITS). MUBARAK HAD MADE NO DEFINITE RESPONSE, BUT DUNFORD EXPECTED AN EGYPTIAN REPLY IN DUE COURSE. HE WAS NOT CONFIDENT THAT IT WOULD BE FAVOURABLE.
8. FOR DISCUSSION OF ARAB/ISRAEL ISSUES SEE MIFT.

HOWE

NNNN



GR 255
CONFIDENTIAL
DESKBY 131130Z

CONFIDENTIAL

FM CAIRO 130935Z MAR 85
TO IMMEDIATE FCO
TELNO 148 OF 13 MARCH
RFI IMMEDIATE: AMMAN, WASHINGTON
ROUTINE: TEL AVIV, UKRIS NEW YORK
SAVING: PARIS AND OTHER MIDDLE EAST POSTS

CAIRO TELNO 140: JORDAN/PLO

LOCAL PRESS REPORTS OF PRESIDENT MUBARAK'S MEETING WITH PRESIDENT REAGAN CONTRAST SHARPLY WITH THIS MORNING'S BBC (WORLD AND ARABIC SERVICE) BROADCASTS, WHICH WERE PESSIMISTIC CLAIMING THAT MUBARAK HAD FAILED IN HIS ATTEMPT TO OBTAIN A CLEAR AMERICAN ENDORSEMENT OF HIS SUGGESTIONS ABOUT THE BEST WAY FORWARD.

2. THE EGYPTIAN PRESS HIGHLIGHTS THE MORE POSITIVE COMMENTS MADE BY REAGAN, ATTRIBUTING TO HIM STATEMENT THAT THE US HOPES THAT POSITIVE TRENDS WHICH HAVE RECENTLY BECOME APPARENT IN THE REGION WOULD BE STRENGTHENED, AND THAT THEY WOULD OPEN A PATH TO DIRECT NEGOTIATIONS. REAGAN IS ALSO QUOTED AS HAVING SAID THAT, ALTHOUGH THE PARTIES WERE STILL A LONG WAY FROM THE NEGOTIATING TABLE, THE UNITED STATES TOOK AN ACTIVE INTEREST IN RECENT DEVELOPMENTS AND WOULD SUPPORT THE PARTIES' EFFORTS TO BUILD ON A PROMISING BEGINNING.

3. IN VIEW OF THE NEGATIVE REPORTS BROADCAST BY THE BBC AND REFERRED TO ABOVE, IT IS LIKELY THAT MUBARAK, OR ONE OF HIS PARTY, WILL SEEK TO MAKE REPRESENTATIONS ABOUT WHAT THEY WILL UNDOUBTEDLY CONSIDER TO BE AN UNHELPFUL BIAS.

4. SEE MIFT.

WESTON

MIDDLE EAST
STANDARD (PALACE)
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POCO UNIT
MR EGBERTON
CABINET OFFICE

ADDITIONAL DISTRIBUTION
ARAB/ISRAEL DISPUTE

CONFIDENTIAL

MIDDLE EAST

PS
 PS/MR LUCE
 PS/PUS
 MR DEREK THOMAS
 MR FERGUSSON
 MR EGERTON
 HD/NINAD
 HD/HSD
 HD/UND
 HD/CONSULAR DEPT
 PUSD (2)
 NEWS DEPT
 RESIDENT CLERK

NO. 10 DOWNING STREET

CABINET OFFICE DIO



15.11.84

CONFIDENTIAL

DESKBY 130900Z FC0

IMMEDIATE

ADVANCE COPY

FM WASHINGTON 130132Z MAR 85
 TO IMMEDIATE FC0
 TELEGRAM NUMBER 897 OF 12 MARCH

INFO IMMEDIATE CAIRO TEL AVIV AMMAN
 PRIORITY ALGIERS TUNIS JEDDA JERUSALEM DAMASCUS UKMIS NEW YORK

MIPT: PRESIDENT MUBARAK'S VISIT TO WASHINGTON;
 ARAB/ISRAEL
 SUMMARY

1. MUBARAK URGED THE AMERICANS TO FIND A WAY TO OPEN A DIALOGUE WITH PALESTINIANS. US WILLING TO TALK ONLY TO NON-PLO PALESTINIANS. BUT AGREEMENT THAT MOMENTUM MUST SOMEHOW BE MAINTAINED.

DETAIL

2. KIRBY (MURPHY'S DEPUTY FOR MIDDLE EAST NEGOTIATIONS) HAS GIVEN US AN ACCOUNT OF MUBARAK'S DISCUSSION WITH SHULTZ ON THE PEACE PROCESS. HE HAD NOT YET HAD A FULL ACCOUNT OF MUBARAK'S TALK WITH PRESIDENT REAGAN, BUT UNDERSTOOD THAT HIT HAD COVERED MUCH THE SAME GROUND.

3. MUBARAK HAD DESCRIBED AT LENGTH THE HISTORY OF THE JORDAN/PLO AGREEMENT, STRESSING THE EGYPTIAN CONTRIBUTION. HE HAD BEEN CRITICAL OF QADDOUMI AND OTHER PALESTINIAN HARDLINERS WHO HAD REJECTED THE AGREEMENT WITHOUT SEEING A TEXT, AND OF ABU HYAD. HIS SO-CALLED INITIATIVE HAD EVOLVED OUT OF A SERIES OF MEDIA INTERVIEWS IN WHICH HE HAD OUTLINED HIS THINKING. HIS AIM WAS DIRECT NEGOTIATIONS WITH THE PARTICIPATION OF MODERATE PLO MEMBERS. (KIRBY COMMENTED THAT MUBARAK APPEARED TO USE PALESTINIANS AND PLO INTERCHANGEABLY AND THAT HIT WAS NOT CLEAR PRECISELY WHAT HE MEANT BY THIS LAST PHRASE.)

4. MUBARAK SAID THAT THE RUSSIANS TALKED REGULARLY TO THE PALESTINIANS. IN ORDER NOT TO LEAVE THE FIELD OPEN FOR THE RUSSIANS, HIT WAS IMPORTANT THAT THE US SHOULD BEGIN A SIMILAR DIALOGUE; THIS WOULD REDUCE THE RISK OF TERRORISM. (SOME 60 TO 70 PERCENT OF MIDDLE EAST TERRORISM WOULD CEASE IF THE US WERE SEEN TO BE WILLING TO HELP), AND WOULD OBTIATE THE NEED FOR AN INTERNATIONAL

TO HELP), AND WOULD OBVIATE THE NEED FOR AN INTERNATIONAL CONFERENCE. NEITHER THE JORDANIANS NOR THE PALESTINIANS WERE SERIOUS ABOUT AN INTERNATIONAL CONFERENCE; IT WOULD JUST BE THEATRE AND WAS NOT A PRACTICAL PROPOSITION. A JORDAN/PALESTINIAN/ISRAELI MEETING, WITH US HELP, WOULD BE SUFFICIENT.

5. MUBARAK SAID THAT HE KNEW THE AMERICANS WERE CAUTIOUS, BUT URGED THEM TO FIND A WAY FORWARD. HE DID NOT RECOMMEND ANY SPECIFIC ACTION. A DIALOGUE COULD BE INITIATED IN WASHINGTON OR ELSEWHERE; IT COULD BE SECRET OR NOT AS THE AMERICANS WISHED; BUT THE AMERICANS MUST DO SOMETHING TO MAINTAIN THE MOMENTUM. OTHERWISE PALESTINIAN FACTIONS WOULD MOVE TOWARDS LIBYA WHICH WOULD BE COSTLY TO BOTH THE US AND EGYPT. OSAMA EL BAZ ADDED THAT ONE COULD NOT WAIT FOR MORE MOVES FROM JORDAN OR THE PALESTINIANS.

6. SHULTZ RECALLED THE FIRM US CONDITIONS FOR A DIALOGUE WITH THE PLO, BUT ADDED THAT HE HIMSELF HAD RECEIVED MANY PALESTINIANS FROM THE OCCUPIED TERRITORIES WITHOUT THE PLO LABEL. PERES HEEDED TO ESTABLISH HIS LEADERSHIP OVER LEBANON AND THE ECONOMY, ON WHICH HE HAD NOT YET DONE WHAT WAS NEEDED, BEFORE HE COULD TACKLE THE OCCUPIED TERRITORIES. THE US RECOGNISED THAT THERE HAD TO BE A RESPONSE TO THE PRESENT PROCESS, THOUGH THEY HAD RESERVATIONS ABOUT BOTH THE PROCESS ITSELF AND ITS CONTENT. HE AGREED ON THE NEED TO MAINTAIN THE MOMENTUM.

7. MUBARAK SAID THAT HE HAD NOT DISCUSSED WITH KING HUSSEIN WHICH INDEPENDENT PALESTINIANS MIGHT TAKE PART IN A DIALOGUE. BUT IT WOULD BE EASY TO COME UP WITH SOME. KING HUSSEIN WOULD HAVE TO APPROVE THOSE SELECTED, BUT IT WOULD BE SUFFICIENT TO SEEK ARAFAT'S SILENT ACQUIESCENCE. PALESTINIAN PARTICIPANTS IN A DIALOGUE WITH THE US WOULD BE THREATENED BY LIBYANS AND RUSSIANS, NOT BY ARAFAT.

8. SHULTZ ADDED THAT PERES WOULD HAVE TO BE CONSULTED TOO. KIRBY COMMENTED THAT THIS WAS CERTAINLY NOT INTENDED TO SUGGEST AN ISRAELI VETO OVER PALESTINIAN PARTICIPANTS. SHULTZ HAD BEEN TRYING TO GET THE EGYPTIANS TO FOCUS ON THE REAL DILEMMA: TO THE EXTENT THAT PALESTINIAN PARTICIPANTS HAD PLO BLESSING, IT WOULD BE HARDER FOR PERES TO ACQUIESCE, BUT IF THERE WERE NO EXPLICIT PLO BLESSING, PALESTINIANS WOULD BE EXTREMELY RELUCTANT TO COME FORWARD.)

9. ON JORDAN, MUBARAK CLAIMED THAT HE HAD PERSUADED KING HUSSEIN NOT TO GO TO MOSCOW, THOUGH SOME JORDANIAN PURCHASES OF SOVIET WEAPONS HAD BEEN INEVITABLE. SHULTZ SAID THAT THE ADMINISTRATION HAD BEEN PREPARED LAST YEAR TO TAKE ON CONGRESS OVER US ARMS SUPPLIES TO JORDAN. CONGRESSIONAL ATTITUDES WOULD CHANGE IF JORDAN JOINED THE PEACE PROCESS. JORDAN'S SECURITY VIS-A-VIS SYRIA WAS AN IMPORTANT DIMENSION OF THE PROBLEM. IF KING HUSSEIN CAME FORWARD, THE US WOULD MAKE A STRONG STATEMENT OF SUPPORT. MUBARAK TOOK THE LINE THAT THERE WAS NO NEED TO WORRY ABOUT THE SYRIANS; IF THE TRAIN MOVED, THEY WOULD JUMP ON BOARD. HE ALSO SPOKE SCATHINGLY OF KING HASSAN, WHO HAD SENT HIM A MESSAGE TO SAY THAT HIS INITIATIVE SHOULD FIRST HAVE BEEN APPROVED BY AN ARAB SUMMIT, AND OF THE INACTIVITY OF THE ARAB LEAGUE SECRETARIAT.

10. SHULTZ NOTED THAT IMPROVED EGYPT/ISRAEL RELATIONS WERE A FUNDAMENTAL BUILDING BLOCK FOR THE PEACE PROCESS.

MUBARAK SAID THAT HE WANTED GOOD RELATIONS, BUT COULD NOT IGNORE EGYPTIAN PUBLIC OPINION. PERES UNDERSTOOD THIS. HE HAD SENT A MESSAGE TO PERES ON 7 MARCH URGING MODERATION, AND RECEIVED A POSITIVE RESPONSE. PERES SEEMED DISPOSED TO BE FLEXIBLE OVER TABA, THOUGH THE LIKUD VIEW WAS VERY DIFFERENT. TABA WAS AN ISSUE OF NATIONAL IMPORTANCE FOR EGYPT. SHULTZ NOTED

AND RECEIVED A POSITIVE RESPONSE. PERES SEEMED DISPOSED TO BE FLEXIBLE OVER TABA, THOUGH THE LIXUD VIEW WAS VERY DIFFERENT. TABA WAS AN ISSUE OF NATIONAL IMPORTANCE FOR EGYPT. SHULTZ NOTED THAT SOME PROGRESS HAD BEEN MADE AT THE LAST EGYPT/ISRAEL MEETING ON THIS SUBJECT AND ASKED WHETHER A TABA SETTLEMENT WOULD ENABLE MUBARAK TO SEND THE AMBASSADOR BACK.

11. OSAMA EL BAZ INTERJECTED THAT THERE WAS A NEED FOR POLITICAL MOVEMENT ON THE PALESTINIAN ISSUE TOO, NOT JUST ON THE QUALITY OF LIFE. ON TABA, EITHER AGREEMENT OR AGREEMENT TO ARBITRATION WAS ESSENTIAL. MUBARAK ADDED THAT THE ISRAELIS WERE DOING WELL IN LEBANON; BUT THE RETURN OF THE EGYPTIAN AMBASSADOR WOULD HAVE TO BE JUSTIFIED TO THE EGYPTIAN PUBLIC.

12. KIRBY UNDERSTOOD THAT PRESIDENT REAGAN HAD MENTIONED TO MUBARAK THE POSSIBILITY OF AN EARLY VISIT TO THE REGION BY MURPHY. MUBARAK HAD NOT REACTED, AND IT WAS NOT CLEAR WHETHER HE HAD FULLY UNDERSTOOD. THE AMERICANS WOULD BE FOLLOWING UP BEFORE HE LEFT WASHINGTON. KIRBY ADDED THAT THE DATES AND ITINERARY FOR MURPHY'S TRIP HAD YET TO BE AGREED.

WRIGHT

NNNN



10 DOWNING STREET

CAROLINE

Visit of the President of Egypt

Just to let you know that
the President and Mrs. Mubarak
will be bringing a small gift.

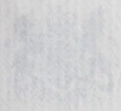
Sue

CDP ^{ca}

(don't intend
to reciprocate.
OK?)

27 February 1985

rubensale vicat



10 DOWNING STREET

CARDIFF

Visit of the President of the

Just to let you know that
the President and Mrs. Wilson
will be staying a week at

due

207

to the President

27 February 1933



10 DOWNING STREET

CAROLINE

Dinner for the President of
Egypt on Thursday, 14 March

The Prime Minister will be giving dinner for the President of Egypt and Mrs. Mubarak on 14 March. The dress is lounge suit. Could you please check whether the Prime Minister will be wearing long or short dress.

There was a mix-up last time they came over this.

Sue

26 February 1985



10 DOWNING STREET

CAROLINE

Visit of the President of Egypt
Thursday, 14 March

The FCO say that President Mubarak
will most probably bring a gift.

Sue

~~OP~~

11 February 1985

CR.
Yand better
file this!

I intend not
to negotiate.
agree?

CR.

CR
12/2 Yen.

File



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.



Prime Minister Foreign and Commonwealth Office
 London SW1A 2AH

4 February 1985

Useful background
 to your meeting
 with Dr. Meguid
 tomorrow morning.

Dear Charles; CDP 4/2
 Call by the Egyptian Foreign Minister: 5 February

With my letter of 1 February I enclosed a brief for the above meeting. The Prime Minister might wish to know the main points Dr Abdel Meguid made in his talks with Sir Geoffrey Howe and Mr Luce today. I also enclose a suggested press line for use after the call.

Dr Abdel Meguid made a good impression. He was clearly well briefed. He said that President Mubarak was clearly looking forward to his visit to London on 14 March, and that the President might stay here for a further day. On Arab/Israel he noted a number of encouraging factors in the present situation. He emphasised the importance of securing US endorsement for the principle of self-determination for the Palestinians and said that Egypt was working to encourage Mr Peres in a number of specific ways.

He also made the point that Arafat was trying to lead the PLO in a moderate direction and to that extent deserved encouragement.

On Sudan, he said that the present situation was serious, but there was no alternative to Nimeiri. Sudan's friends should encourage and support Nimeiri with good advice. On Libya, Britain should deal firmly but discreetly with Qadhafi, who was shrewd, ambitious and dangerous. The military threat he could offer was declining, but he had links with international terrorism. Dr Meguid made clear that Egypt would be glad to cooperate more closely with us against terrorism.

In the afternoon Mr Luce and Dr Abdel Meguid discussed the Maghreb. The latter thought that King Hassan's rapprochement with Qadhafi had been a bad mistake and was already moribund. Progress towards a settlement of the Iran/Iraq war was blocked; he agreed we should work to contain it. In a discussion on arms control he suggested closer Anglo-Egyptian exchanges in preparation for the Non-Proliferation Treaty Review Conference to be held in Geneva in September. This is welcome.

/Dr Abdel Meguid

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Dr Abdel Meguid indicated that he might raise the proposal for increased cooperation in the fight against terrorism with the Prime Minister tomorrow. If he does so, we recommend that the Prime Minister should say that we naturally favour practical cooperation against terrorism, and will follow up his approach soon through our Embassy in Cairo.

Yew,
P F Ricketts

(P F Ricketts)
Private Secretary

C D Powell Esq
10 Downing Street

CONFIDENTIAL

EGYPT
F.M.



VISIT OF HIS EXCELLENCY THE MINISTER FOR FOREIGN AFFAIRS
OF THE ARAB REPUBLIC OF EGYPT AND MRS ABDEL MEGUID
2-6 FEBRUARY 1985

ADMINISTRATIVE PLAN

(To be read in conjunction with the printed programme)

SATURDAY 2 FEBRUARY

Arrival

When the aircraft has landed, a representative of the British Airports Authority will accompany His Excellency the Ambassador of the Arab Republic of Egypt and Mrs Sharara to the aircraft and escort the Minister for Foreign Affairs and Mrs Abdel Meguid to the Special Representative of the Secretary of State for Foreign and Commonwealth Affairs who will present (in order):

Brigadier Alan Cowan	Secretary, Government Hospitality
Group Captain Anthony O'Neill	Government Hospitality Escort Officer
Mrs Eleanora Paterson	Government Hospitality Escort Officer

Transport

Cars are provided by Government Hospitality Fund throughout the visit. (See car plan at Annex 1)

Participation of the Official Suite in the Minister for Foreign Affairs' Programme

His Excellency Mr Yousef Sharara, the Ambassador of the Arab Republic of Egypt to London, and Sir Alan Urwick, HM Ambassador-designate at Cairo, will accompany His Excellency Dr Abdel Meguid throughout the programme.

Members of the Official Suite, as listed at page 1 of the printed programme, are expected to accompany His Excellency Dr Abdel Meguid throughout the programme except for the call on the Prime Minister at which only His Excellency Ambassador Omran El-Shafei will be present.

CAR PLANHeathrow Airport to Hotel Inter-Continental

Car 1	His Excellency Dr Abdel Meguid His Excellency the Ambassador of the Arab Republic of Egypt Special Branch Officer
Special Branch Car	Special Branch Officer Egyptian Security Officer
Car 2	Mrs Abdel Meguid Mrs Sharara Mrs Paterson
Car 3	His Excellency Ambassador El-Shafei Minister Plenipotentiary El-Zoeby Counsellor Sirry Group Captain O'Neill

The above will be the basis of the car seating plan throughout the visit - adjusted by Group Captain O'Neill as necessary.

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PS/Mr Channon (2)

Foreign and Commonwealth Office

Private Secretary (2)
PS/Mr Luce (2)
PS/Mr Raison (2)
PS/PUS (1)
Mr Ferguson (1)
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"B. R.

PRIME MINISTER

MEETING WITH EGYPTIAN FOREIGN MINISTER

Dr. Meguid is coming at 1030 hrs for
half-an-hour. He is on his way to Washington.

He will be accompanied by Ambassador El Shafei.
Mr. Luce will be present.

I attach a card.

C.D.P.

4 February, 1985

MEETING WITH EGYPTIAN FOREIGN MINISTER

1. Look forward to seeing President and Mrs. Mubarak in March.
2. Very grateful for Egypt's move to ^{an}abstention on the Falklands resolution at the UN.
3. Ask for account of talks with Sir G. Howe.
4. Welcome restoration of Egypt/Jordan relations. What prospect of reasonable proposals from PLO?

5. Have urged President Reagan to revive his Middle East peace initiative. Will do so again on 20 February.
6. No enthusiasm for International Conference.
7. Is Egypt able to help prevent further violence in Lebanon after Israeli withdrawal.



Prime Minister

Foreign and Commonwealth Office

London SW1A 2AH

The main point is to tell him that you have already urged President Reagan to revive his Middle East initiative: and will do so again when you go to Washington.
1 February 1985
Dear Charles,
COP 1/2. MR

Call by the Egyptian Foreign Minister

I enclose briefing for the Prime Minister's meeting with Dr Esmat Abdel Meguid on 5 February. As agreed, Mr Luce will be present. Sir Geoffrey Howe will be in Switzerland.

The meeting is primarily a courtesy call as the culmination of Dr Abdel Meguid's first visit here as Foreign Minister. It will also help to set the tone for President Mubarak's short visit here on 14 March (when he will have talks and dinner with the Prime Minister, and lunch with The Queen). We do not expect him to raise any difficulties.

Sir Geoffrey Howe and Mr Luce will have discussed with Dr Abdel Meguid a wide range of regional and other international issues in two sessions of talks on 4 February. Sir Geoffrey Howe believes that Dr Abdel Meguid would particularly welcome the Prime Minister's personal comments on Middle East problems. He will be going on from London to Washington to prepare for President Mubarak's visit there in March. The Egyptians are keen to persuade the Prime Minister to visit Cairo. Dr Meguid may well mention this too.

e | The Prime Minister will wish to be aware that Egypt's move from a positive vote to an abstention on the Falklands resolution at the United Nations last autumn owed much to Dr Abdel Meguid's personal intervention. He is a great UN expert, having come to the Foreign Ministry direct from the Egyptian Mission at New York. Egypt is a member of the Security Council at present.

Yr ever,
Peter Ricketts

(P F Ricketts)
Private Secretary

C D Powell Esq
10 Downing Street



CALL BY THE EGYPTIAN FOREIGN MINISTER, DR ESMAT ABDEL
MEGUID, ON THE PRIME MINISTER, 10.30 am 5 FEBRUARY

POINTS TO MAKE

Bilateral

1. Relations excellent in a wide range of fields. We are naturally keen to do better with the leading Arab country (with its well-known moderate policies). Important to maintain exchanges of Ministerial visits. Look forward to meeting President Mubarak again in March.

(Defensive) Welcome the opportunity to visit Egypt as soon as programme permits. Many conflicting pressures.

Arab/Israel

2. Arab/Israel problem remains central. Progress towards negotiation needed urgently. Input required from both sides. Egypt particularly well placed to help.

3. Welcomed restoration of Egypt/Jordan relations. Recognise need to support King Hussein's initiative and have urged US to take it seriously. What prospect of PLO taking up King Hussein's challenge? Need for clearer moderate Arab acceptance of King Hussein's proposals.

4. International Conference attractive in principle but not realistic until parties much closer. What are Egyptian tactics for President Mubarak's visit to Washington? President Reagan committed to 1982 proposals, but concerned not to endanger Peres' coalition. Soviet Union still on sidelines. UK/Ten determined to pursue positive role on basis of established European positions.



Lebanon

5. Encouraged by Israeli announcement of early withdrawal. But it must be coordinated, to promote effective restoration of Lebanese government authority and reduce risk of violence. Israel/Lebanon must cooperate over security arrangements: both have responsibility for safety of civilians. Discussed situation with UN Secretary-General on 23 January.

6. Support Lebanese efforts to promote national reconciliation. Future can only be assured by cooperation between Lebanese communities. Fresh outbreaks of violence following Israeli withdrawal would seriously harm prospects
How can Egypt help?



[Faint, illegible text, likely bleed-through from the reverse side of the page.]

51 FEB 1966

RECEIVED
FEB 2 1966
LONDON

PRESS LINEVisit of the Egyptian Foreign Minister

Dr Esmat Abdel Meguid paid a courtesy call on the Prime Minister this morning during his two-day visit to London. Their discussion focussed on the Arab/Israel dispute and other Middle Eastern questions. There was a wide similarity of views, in particular on the need for urgent progress in tackling this dangerous and damaging dispute by means of peaceful negotiations. The Prime Minister stressed Britain's and the European Community's support for moderate forces in the Middle East. It was agreed that Britain and Egypt should work closely together in future.

Dr Abdel Meguid's programme includes substantive talks with Sir Geoffrey Howe, Mr Luce and Mr Raison at the Foreign and Commonwealth Office, with the Secretary of State for Defence and with the Minister of Trade, as well as Parliamentary and other contacts. As a member of the Security Council and the leading Arab State, Egypt has wide international interests. This is Dr Abdel Meguid's first visit to Britain as Foreign Minister. He is leaving for Washington on 6 February.



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4 FEB 1985

VISIT OF DR ESMAT ABDEL MEGUID, EGYPTIAN MINISTER FOR FOREIGN AFFAIRS, 4-5 FEBRUARY 1985

1. The visit of the new Egyptian Foreign Minister is at the invitation of the Secretary of State. There have been few recent senior Egyptian visitors to London. President Mubarak was last here in February 1983, the Egyptian Minister of Defence, Field Marshal Abu Ghazala in March 1984 and the Minister of State for Foreign Affairs, Dr Boutros Ghali, in July 1984. Recent ministerial visits to Cairo include Lord Cockfield (March 1983), Mr Kenneth Clarke (October 1983), Mr Luce (November 1983), the Secretary of State (January 1984), Mr Heseltine (October 1984) and Mr Raison (December 1984). Dr Abdel Meguid will travel to Washington on 6 February in preparation for a visit by President Mubarak to the United States in early March. President Mubarak will visit London on 14 March when he will lunch with The Queen and hold talks with the Prime Minister.

2. Our main objectives are:

(a) to emphasise and sustain our political dialogue with the region's natural leader, since January 1984 also a member of the UN Security Council;

(b) to probe Egyptian policy and to explain our own on major Middle Eastern problems, including Arab/Israel, Iran/Iraq and Lebanon, East/West relations and disarmament;

(c) to sound Egyptian views on developments in Sudan and discuss other African topics.

3. Egyptian objectives will be:

(a) to urge Britain and Europe to play a more active role in the search for a Middle East peace settlement;

(b) to urge us to use our influence to modify US policies towards the region, and particularly Israel;

(c) to sound our views on Southern Africa, Cyprus and the

Falklands as well as on general economic questions (specifically North/South, the next summit of industrialised countries and oil prices);

(d) to strengthen bilateral cooperation in political contacts, aid, trade and defence.

4. Dr Abdel Meguid, accompanied by three officials, Ambassador Omran el Shafei, Mr Mohamed el Zoeiby and Mr Teymur Sirri, arrives in London on the afternoon of 2 February. His official programme begins on 4 February with two hours of talks with the Secretary of State followed by lunch. Mr Luce will hold further talks in the afternoon and will give a theatre party that evening. Dr Abdel Meguid is to pay a courtesy call on the Prime Minister on 5 February and will also call on Mr Heseltine, Mr Channon and Mr Raison. He will lunch with the Anglo-Egyptian Parliamentary Group. Mr Luce and Mr Raison will attend a dinner given by the Egyptian Ambassador that evening.

5. Relatively free elections for a new National Assembly on 27 May 1984 produced a healthy but not over-powering challenge to the ossified ruling National Democratic Party and marked a break for President Mubarak from his Sadat inheritance. The death of the elderly and cautious Prime Minister, Dr Fuad Mohieddin, and his replacement by the then Foreign Minister, Kamal Hassan Ali, raised hopes that a more dynamic economic team might be appointed but so far these have been disappointed, and little progress has been made in reforming Egypt's cumbersome economic structures.

6. Mubarak's authority seems unchallenged but he has so far made little impression on Egypt's serious problems of over-population, corruption and bureaucracy. Internal security and the economy have top priority. The Government have achieved some limited success in controlling Islamic extremism. A minor success in the economic field happened when the bread subsidy was reduced by sleight of hand without adverse reaction in November 1984.

7. In foreign policy Mubarak has achieved the modest targets he has set himself. His lowkey approach to reintegration in the Arab world is bearing fruit. Egypt was elected to the Security Council from January 1984 and readmitted to the Islamic Conference Organisation in the same month. The restoration of full diplomatic relations between Egypt and Jordan in September 1984 has not been followed by other Arab states but Egypt has active missions in all but Syria, Libya and Aden. Further progress in the restoration of full diplomatic relations is unlikely in the absence of an Arab summit; even then the Egypt/Israel peace treaty of April 1979 will be hard for many Arabs to swallow. Relations with Israel remain strained. Since the massacre of Palestinians in Beirut in September 1982 the Egyptians have refused to return an Ambassador to Tel Aviv until the Israeli withdraw from Lebanon and the disputed frontier problem of Taba is resolved. Yasser Arafat's call on President Mubarak on 27 December 1983, a publicity coup for the Egyptians, upset the Israelis. But US economic aid encourages the Egyptians to be faithful to Camp David and Mubarak is a man of his word.

8. In Ministerial talks with Dr Abdel Meguid we should concentrate on Middle East topics. On Arab/Israel, Egyptian efforts to encourage the PLO to make positive proposals have been so far unsuccessful. Egypt is committed to support King Hussein's efforts to create a moderate Arab front which could negotiate with Israel. The Egyptians wish to see faster progress now that the US Presidential election is out of the way. Dr Abdel Meguid will wish to discuss ideas for giving new momentum to the peace process and will stress the importance of the Ten's role. Egyptian views on developments in the PLO/Jordan relationship will be of interest. As a major supporter of Iraq, Egypt will want to have our assessment of the prospects for an end to the Gulf War. Egyptian views will also be of interest. Though not actively involved in Lebanon, the Egyptians see the crisis there as a distraction from the main Arab/Israel dispute and want to see an early Israeli withdrawal.

9. The Egyptians share our concern about the disastrous course of events in Sudan: despite their close links these ties have had no success in restraining President Nimeiri. Regular contacts between Egyptians and Sudanese have achieved nothing and the Egyptians seem reluctant to press too hard in case they reawaken traditional Sudanese antipathy towards them. The Egyptians will also welcome an exchange of views on Libya: Mubarak is acutely concerned at the dangers of Libyan subversion. They will also wish to exchange views on events in the Maghreb. Egyptian views on African topics, on which they have expended considerable diplomatic effort, will be of interest and the Egyptians will welcome our special knowledge of Southern Africa and the Horn. As fellow members of the Security Council, the Egyptians will also be interested in discussing a wide range of current international problems eg Cyprus, disarmament and economic topics (North/South, oil).

10. Bilateral relations are cordial though we have some minor irritants to raise. Two particular long running claims cases are a source of continuing embarrassment for both governments. We still wish to raise the case of Messrs Gill and Shiner, detained by the Egyptians following the alleged Libyan plot to assassinate former Prime Minister Bakush. They have been detained for over 10 weeks without charge. We hope that they can give us some idea of how the case will develop. Our trade with Egypt is in surplus but Egyptian insistence of soft financing has made the market less attractive: the previous decline in market share seems to have been halted in 1984. Egypt is a potentially important market for defence sales but British performance against US subsidies and French competition has been disappointing. British aid to Egypt is substantial: the lion's share of it on the Cairo Waste Water scheme to improve the capital's sewage. The Egyptians are particularly keen that the Prime Minister should visit Egypt in the near future: no British Prime Minister has visited Cairo since Mr Churchill during the war.

NEAR EAST AND NORTH AFRICA DEPARTMENT
31 JANUARY 1985

Mr. Goodchild
✓ 89
23/1
Ch.

PRIME MINISTER

President Mubarak's Visit

You agreed in principle to offer President Mubarak talks and a lunch of dinner on his way back from Washington on 14 March. The Egyptians have now let us know that he would be delighted with a dinner.

Confirm agreement to dinner for 48 in honour of President Mubarak?

CDP.

Yes Mr

C. D. POWELL

22 January, 1985



hLE

cc: PC R07

10 DOWNING STREET

From the Private Secretary

11 January, 1985

VISIT BY THE FOREIGN MINISTER OF EGYPT

Thank you for your letter of 9 January asking whether the Prime Minister will wish to see the Egyptian Foreign Minister during his visit to London.

(2)
BF //

The Prime Minister would be happy to receive Dr. Meguid at 1030 hrs on 5 February for half-an-hour.

(2)
BF //

I should be grateful if the necessary briefing could reach me by the evening of 1 February.

(C.D. Powell)

P.R. Ricketts, Esq.,
Foreign and Commonwealth Office.

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EST

✓ cc Mr Powell,

No 10.

10/1.

GR 235
CONFIDENTIAL
DESKBY 101400Z
FM CAIRO 101040Z, JAN 65
TO IMMEDIATE FCO
TELNO 17 OF 10 JANUARY

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YOUR TELNO 007: VISIT OF PRESIDENT MUBARAK

1. I SPOKE TO THE FOREIGN MINISTER'S CHEF DE CABINET THIS MORNING. AFTER CONSULTING HIS MINISTER, MUHSIN FAHMI SAID THAT UNFORTUNATELY PRESIDENT MUBARAK WOULD NOT BE ABLE TO LEAVE WASHINGTON UNTIL THE EVENING OF 13 MARCH, ARRIVING IN LONDON EARLY THE FOLLOWING MORNING. THE PRESIDENT MUCH PREFERRED LUNCHEES TO DINNERS AND HIS TIME WOULD BE LIMITED AFTER HIS LENGTHY VISIT TO THE UNITED STATES. WOULD IT BE POSSIBLE FOR THE PRIME MINISTER TO OFFER THE PRESIDENT LUNCH ON 14 MARCH RATHER THAN DINNER?
2. I SAID THAT I ASSUMED FROM THE FACT THAT LUNCH ON 14 MARCH HAD NOT BEEN MENTIONED AS A POSSIBILITY MEANT THAT IT WOULD BE IMPOSSIBLE FOR THE PRIME MINISTER. HOWEVER, I WOULD REPORT WHAT FAHMI HAD SAID.
3. GRATEFUL FOR FURTHER INSTRUCTIONS. MUBARAK IS CLEARLY INCLINED TO ACCEPT THE INVITATION TO STOP-OFF IN LONDON AND MIGHT WELL DO SO EVEN WITHOUT THE PROSPECT OF A MEAL WITH THE PRIME MINISTER. HOWEVER, IT WOULD OBVIOUSLY ADD CONSIDERABLY TO THE VISIT IF THE PRIME MINISTER WERE ABLE TO RE-ARRANGE HER PROGRAMME AND INVITE HIM TO LUNCH ON 14 MARCH.

WESTON
LIMITED
NEWAD
NEWS D
PROTOCOL
PS
PS Mr LUCE
Mr FERGUSON
Mr EASTON

CONFIDENTIAL

BF 11.5-45 on 4 Feb.

CONFIDENTIAL

CEPC
①



Foreign and Commonwealth Office

London SW1A 2AH

9 January 1985

Prime Minister
Agree to see
Egyptian Foreign
Minister for a brief
meeting. CDP 10/1

Dear Charles,

Yes not

Visit by the Foreign Minister of Egypt

Dr Ismat Abdel Meguid, Foreign Minister of Egypt, is paying an official visit to Britain from 2 until 6 February in return for Sir Geoffrey Howe's visit to Cairo in January 1984. The official programme is planned to take place on 4 and 5 February. He will go on to Washington to prepare for President Mubarak's visit to the United States in March, and will visit Paris on his way back to Egypt. He has particularly asked to see the Prime Minister and will be keen to hear her impressions of the prospects for United States policy following President Reagan's re-election.

Attached

In my letter of 4 January I referred to Sir Geoffrey Howe's belief that it was very much in our interests to maintain close and regular contacts with Egypt at senior political level. The Prime Minister has agreed to invite President Mubarak to visit London on his way back from Washington in March (your letter of 7 January) and we have asked Sir M Weir in Cairo to forward this invitation urgently. If President Mubarak can come, the Egyptians will appreciate very much the opportunity for the Foreign Minister to see the Prime Minister briefly in preparation for the President's visit. If Mubarak cannot come, it will be all the more valuable for the Egyptians to have at least a brief contact with the Prime Minister on this occasion. We therefore recommend that the Prime Minister should receive Dr Abdel Meguid for a short courtesy call on 4 or 5 February, with a preference for the latter, if that were convenient to the Prime Minister.

The last such occasion when the Prime Minister saw an Egyptian Minister was the call by the Minister of Defence, Field Marshal Abu Ghazala, on 6 March 1983.

Lover,

(P F Ricketts)
Private Secretary

Peter Ricketts

C D Powell Esq
10 Downing Street

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10 DOWNING STREET

From the Private Secretary

7 January 1985

POSSIBLE INVITATION TO PRESIDENT MUBARAK OF EGYPT

Thank you for your letter of 4 January suggesting that President Mubarak should be invited to pay a brief working visit to the UK on his way to or from Washington in March.

The Prime Minister agrees in principle to inviting President Mubarak at that time. It would be more convenient if he were able to come on his way back from Washington. The Prime Minister could offer him lunch on 13 March or dinner on 14 March, with a preference for the former.

I should be grateful if this invitation could be put to President Mubarak.

Charles Powell

Peter Ricketts, Esq.,
Foreign and Commonwealth Office.

h



Prime Minister Foreign and Commonwealth Office
 London SW1A 2AH
 Agree to ^{invite} ~~invite~~ President Mubarak to visit London on the way back from Washington (or to it if necessary).

4 January 1985

Dear Charles, ^{you could manage a meal and talks on the dates in question.}

CDP 4/i

Possible Invitation to President Mubarak of Egypt

We have heard from Cairo that President Mubarak will be visiting Washington for talks with President Reagan between 8 and 13 March and Sir M Weir has suggested that it might be an opportune moment to invite President Mubarak for a brief working visit on his way to or from Washington.

President Mubarak last visited the UK in February 1983 when he had talks with the Prime Minister. We invited him to visit again in October that year on his return from Washington but he was unable to do so.

Sir Geoffrey Howe believes that it is very much in our interests to maintain close and regular contacts with Egypt at senior political level. He and the Defence Secretary visited Cairo last year, while the Egyptian Deputy Prime Minister and Minister for Defence, Field Marshal Abu Ghazala, and the Minister of State for Foreign Affairs, Dr Boutros Ghali, came to Britain. We expect the Egyptian Foreign Minister here on an official visit on 4.5 February. But contacts at the highest level have been very infrequent. The Egyptians are themselves keen for the Prime Minister to visit Egypt and have been disappointed that she has so far been unable to do so. There has indeed been some suggestion that President Mubarak is reluctant to visit the UK again before such a return visit to Cairo. Our relative lack of contact at the highest level between Egypt and the UK contrasts unfavourably with that of others. President Mubarak has met President Mitterrand on nine occasions since 1981, and Chancellor Kohl at least five times. The Egyptians may interpret this disparity between our major European partners and ourselves as indicating that we are not serious about dealing with them, or else not interested in their problems and views. This will reflect not only on their political relations with us but also in commercial and other dealings.



Sir Geoffrey Howe believes that we must continue to work to maintain contact with Mubarak. Egypt is now re-emerging as a leading moderate Arab state, and also a member of the UN Security Council. Mubarak's own position is also much stronger than it was a year ago. Given that the pressures on the Prime Minister's diary will make it very difficult for her to go to Cairo herself in 1985, Sir Geoffrey Howe believes that it would be very useful to invite President Mubarak to London again. An ideal opportunity might be on his way to or from Washington in March. The President might be invited to spend one working day in London, in which the Prime Minister's involvement might be limited to one session of talks and, if possible, a meal.

Yours ever,

Peter Ricketts

(P F Ricketts)
Private Secretary

C D Powell Esq
10 Downing Street

010



Lang to note.
A. J. C. 14/9.

Foreign and Commonwealth Office
London SW1A 2AH

13 September, 1983

Dear John,

Possible Visit by President Mubarak

The Egyptian Chargé d'Affaires here has now told us that President Mubarak will not now be visiting London on 5 October, but will return directly to Egypt from the United States. This looks like a firm decision.

Yours ever

(J E Holmes)
Private Secretary

A J Coles Esq
10 Downing Street

British and Commonwealth Office

London, W1A 1AA

13 SEP 1988

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10 DOWNING STREET

From the Private Secretary

12 September 1983

POSSIBLE VISIT BY PRESIDENT MUBARAK OF EGYPT

Thank you for your letter of 8 September.

The Prime Minister would be able to offer talks at 1830 hours on 5 October followed by dinner at 1930 hours.

If the Egyptians confirm that President Mubarak will visit London on that day I should be grateful for a draft guest list for dinner (a total of 48) as soon as possible.

A.J. COLES

John Holmes, Esq.,
Foreign and Commonwealth Office

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Diary.

Could I now pl. have a time

for talks and dinner?

A.S.C. $\frac{12}{7}$

1830 talks.

Foreign

Do talks have to be
followed immediately by dinner?
If not 1600 for talks, 1930
for dinner.

Diary



John

Prime Minister

You could have talks
 for, say, 1 hour and then
 give a dinner.
 Do you will to?

Foreign and Commonwealth Office

London SW1A 2AH

Yes not

8 September 1983

John

Dear John, A.J.C. $\frac{8}{9}$

Possible Visit by President Mubarak of Egypt

We have heard from Cairo that President Mubarak is contemplating a brief visit to London. So far we have not received a direct request from the Egyptians for a visit, but there have been vague reports in the Cairo press and hints from the President's office that he might wish to come here.

President Mubarak is travelling to New York for the United Nations General Assembly session, and to Paris en route. He will, while in the United States, be holding talks with the Americans.

President Mubarak visited the UK in February this year for talks with the Prime Minister. Sir G Howe believes that it is important in the interests of our long-term bilateral relationship and for our interests in the region to maintain close and regular ties with Egypt. The Post has therefore been instructed to sound out the President's office about reports that he would like to come here on 5 October. The Egyptians have told us informally that 5 October is the day Mubarak would be likely to be in London. Would the Prime Minister be able to hold talks on that day and offer a dinner?

The next move is with the Egyptians but I should be grateful for the Prime Minister's views and agreement to the timing of possible talks and entertainment.

Yours ever

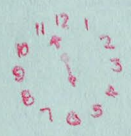
(J E Holmes)
Private Secretary

A J Coles Esq
 10 Downing Street

London and Edinburgh City
HAS AIR MAIL



8 SEP 1983



cc Mander.

CONFIDENTIAL



File No
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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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-Seéda

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

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- 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

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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

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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

/Continuing,

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.

CONFIDENTIAL /The Foreign and Commonwealth

CONFIDENTIAL

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.

A. J. C.

CONFIDENTIAL

010

THE BRITISH COUNCIL

10 Spring Gardens London SW1A 2BN
telephone 01-930 8466

from The Director-General Sir John Burgh KCMG CB

A J Coles Esq
Private Secretary to the
Prime Minister
Prime Minister's Office
No 10 Downing Street
London SW1

1 February 1983

Prime Minister
✓

A. J. C. Y.

CONFIDENTIAL

Dear John.

The Prime Minister may find it useful to know that I spent 45 minutes with President Mubarak last November during my visit to the Council operation in Egypt.

The President -

1. Expressed real interest in the Council's work in Technical Education. (The Council has set up Technical Institutes for training technicians and also provides training in specific areas eg agriculture and electricity. All this is paid by the World Bank).
2. Said he was aware through his wife and children of the Council as a GCE examination centre.
3. Talked of sending his elder son to Britain or Switzerland for business studies. The

Council Representative is in touch
with the son about pursuing his
studies in Britain.

4. Delivered himself of a violent diatribe
against Syria which, he said, would
try to block any settlement in the
Middle East.

I enclose for background information a copy of my
report on my visit to the Council Board.

I am copying to Mr Pym's and Sir Antony Acland's
Private Secretaries.

Yours

John

IN CONFIDENCE

THE BRITISH COUNCIL BOARD

DIRECTOR-GENERAL'S VISIT TO EGYPT : 12-22 NOVEMBER 1982

1. Our Representation's budget this current financial year is nearly £3m, as follows -

	£'000
Grant-in-aid from HMG	
80% from ODA	562
20% from FCO	140
Aid administration	107
	<hr/>
Revenue (mainly DTE)	809
	<hr/>
	787
	<hr/>
	1596
Agency	
ODA { Technical Cooperation Training	650
KELT etc	190
Book Presentation Programme etc	32
UN Agency and PES	446
	<hr/>
	2914

2. There are 7 L/A and 55 L/E staff in Cairo and one L/A and 13 L/E staff in Alexandria. The two DTE's in Cairo and Alexandria employ 99 teachers.

3. The activities cover every aspect of the Council's work.

Exchange of Persons

Scholars, TC Trainees

Bursars, Visitors to Britain

Specialist visitors to Egypt and Academic Links Exchanges.

Key English Language Teaching (KELT)

KELT team with Council support working to improve curricula and training of teachers through better university courses, pre-service and in-service training.

DTE's in Cairo and Alexandria

Direct Teaching of Science operation providing GCE O level courses and laboratory training courses, the only such operation in the Council repertoire.

Council library - the largest in the Middle East.

Project-Based Aid funded variously, in some cases jointly, by ODA, World Bank/IDA, Government of Egypt and the British Council.

The Arts, given the lowest priority - too low at £3500!

4. Against this background I shall focus on three aspects which I found particularly noticeable, even though all the work of the Representation is impressive.
5. First, the development of ELT, carried out by an enthusiastic six-man team at Ain Shams University directed by a Council officer. Started in 1975, this was originally an Anglo/Egyptian/US project. The Americans have now pulled out. The team, working in close collaboration with the Ministry of Education, is intent upon - and

well on the way towards - establishing their Centre at the University as the key point for disseminating the necessary materials to other Egyptian Universities leading to a nation-wide improvement in English Language Teaching.

6. Second, the provision of technical aid to assist the development of technical education, vocational and professional training. This is achieved through a variety of projects and methods which well illustrate the importance of ODA and PES projects for the Council's activities. However financed they enable it to use its expertise to provide a required service.

7. Finally, the exceptional warmth with which the Council's work is regarded by the Egyptian authorities. In addition to being received for 45 (instead of the scheduled 20) minutes by President Mubarak with the Ambassador and our Representative, I spent an hour with the Deputy Prime Minister and Minister of Education. Despite his concern over overseas student fees, his genuine, fulsome praise for the Council and its contribution, particularly to technical education, was splendid to hear and surprising in view of the relatively small amount of UK aid by comparison with the US.

JCB
22.11.82

PRIME MINISTER

Dinner for the President of Egypt
Wednesday, 2 February

I attach the list of guests attending the dinner for the President of Egypt and Mrs. Mubarak tomorrow evening, together with a draft seating plan. John Coles has seen the seating plan.

Do you agree?

Sue Goodchild

1 February 1983

c.c. Mr. Denis Thatcher

Seating plan now revised

Yes
ml

REVISED LIST OF GUESTS ATTENDING THE DINNER TO BE GIVEN BY THE
PRIME MINISTER AND MR. DENIS THATCHER IN HONOUR OF HIS EXCELLENCY
THE PRESIDENT OF THE ARAB REPUBLIC OF EGYPT AND MRS. MUBARAK ON WEDNESDAY
2 FEBRUARY 1983 AT 7.30 PM FOR 8.00 PM
LOUNGE SUIT

The Prime Minister and Mr. Denis Thatcher	
His Excellency Mr. Muhammed Hosni Mubarak and Mrs. Mubarak	President of the Arab Republic of Egypt
His Excellency General Kamal Hassan Ali	Deputy Prime Minister and Minister for Foreign Affairs
His Excellency Dr. Wagih Muhammad Shindy	Minister of Investment and Trade
His Excellency Dr. Boutros-Boutros Ghali	Minister of State for Foreign Affairs
His Excellency Dr. Mohammed Atteya	Personal Physician to the President
His Excellency Mr. Ezz El Din Mokhtar	Secretary General of the Presidency
His Excellency Dr. Osama Al Baz	Chéf de Cabinet to the President and First Under- Secretary, Ministry of Foreign Affairs
His Excellency the Ambassador of the Arab Republic of Egypt and Mrs. Abou-Seéda	
His Excellency Ambassador Said Hamza	First Chamberlain to the Presidency
General Mahmoud El Masri	Aide-de-Camp to the President
Mr. Gamal El Din Abdel Azziz	Private Secretary to the President
<u>Her Majesty's Government</u>	
Rt. Hon. Francis Pym, MP and Mrs. Pym	
Rt. Hon. Michael Heseltine, MP and Mrs. Heseltine	
Rt. Hon. Lord Cockfield and Lady Cockfield	Trade Secretary is due to visit Egypt in next few months

House of Lords

The Right Reverend the Lord Bishop of London
and Mrs. Leonard

The Bishop has paid
an ecumenical visit to
Egypt in January 1983
at the invitation of the
Egyptian Government

Rt. Hon. Lord Chalfont
and Lady Chalfont

Writer on Middle East
Affairs. Helpful over
recent difficulties with
Arab League Delegation

House of Commons

Conservative

Mr. John Page, MP
and Mrs. Page

Chairman, Anglo-Egyptian
Parliamentary Group

Labour

Rt. Hon. Roland Moyle, MP

Opposition front bench
spokesman on Foreign
and Commonwealth affairs

Defence

Field Marshal Sir Edwin Bramall
and Lady Bramall

Chief of Defence Staff.
Recently visited Egypt
and the UK contingent
to the multi-national
Force in Sinai

Business

The Earl of Limerick
and The Countess of Limerick

Chairman, British
Overseas Trade Board.
Regular visitor to
Egypt on BOTB business

The Lord Selsdon
and The Lady Selsdon

Chairman, Committee for
Middle East Trade.
Closely involved in wide
business interests in
Egypt and Middle East

The Lord Weinstock
and The Lady Weinstock

Managing Director,
General Electric Co.

Mr. Anthony Hill
and Mrs. Hill

Higgs and Hill Ltd.
Major contractor in
Egypt. Heavy involvement
in hospital programme.

Mr. P.I. Walters
and Mrs. Walters

Chairman, British
Petroleum

Academics/Culture, etc.

Sir John Burgh
and Lady Burgh

Director General, British
Council. Visited Egypt late
1982.

Dr. Magdi Habib Yacoub
and Mrs. Yacoub

Leading Egyptian heart surgeon
specialising in transplants,
living and working in UK
(National Heart Foundation and
Harefield hospital)

Officials

Sir John Leahy
and Lady Leahy

FCO

Sir Michael Weir

HM Ambassador, Cairo

10 Downing Street

Sir Anthony Parsons
and Lady Parsons

Mr. John Coles
and Mrs. Coles

TABLE A

THE PRIME MINISTER
HIS EXCELLENCY MR. MUHAMMED HOSNI MUBARAK
Mrs. Francis Pym
Field Marshal Sir Edwin Bramall
The Lady Selsdon
The Right Reverend the Lord Bishop of London
Lady Burgh
The Lord Limerick

TABLE B

MR. DENIS THATCHER
MRS. MUBARAK
Rt. Hon. Lord Cockfield
The Lady Limerick
His Excellency General Kamal Hassan Ali
Lady Bramall
Sir John Leahy
Mrs. Abou-Seeda

TABLE C

RT. HON. FRANCIS PYM
His Excellency Dr. Boutros-Boutros Ghali
The Lady Chalfont
Mr. P.I. Walters
His Excellency Dr. Wagih Muhammad Shindy
Mrs. Leonard
The Lord Selsdon
The Lady Weinstock

TABLE D

RT. HON. MICHAEL HESELTINE
His Excellency Dr. Osama Al Baz
Mrs. Walters
Rt. Hon. Lord Chalfont
Mr. Anthony Hill
The Lady Cockfield
His Excellency Ambassador Said Hamza
Mrs. Page
The Lord Weinstock

TABLE E

SIR MICHAEL WEIR
His Excellency Dr. Mohammed Atteya
Mrs. Hill
His Excellency the Ambassador of the Arab Republic of Egypt
Lady Parsons
Mr. John Page
General Mahmoud El Masri
Mrs. Coles
Dr. Magdi Habib Yacoub

TABLE F

MRS. HESELTINE
His Excellency Mr. Ezz El Din Mokhtar
Sir Anthony Parsons
Lady Leahy
Rt. Hon. Roland Moyle
Mr. Gamal El Din Abdel Azziz
Mr. John Coles
Mrs. Yacoub
Sir John Burgh

mf

PRIME MINISTER

Visit of President Mubarak

The President wants to bring to the talks the following:-

Kamal Hassan Ali
Deputy Prime Minister and Foreign Minister

Dr. Boutros Ghali
Minister of State for Foreign Affairs

Dr. SHINDY - Minister of Investment and Trade.

Ambassador Osama al Baz
Chef de Cabinet

Mr Abou-Seeda
The Egyptian Ambassador here

and possibly two others.

I therefore suggest that we meet in the Cabinet Room and that on our side Mr. Pym, Mr. Hurd, Sir John Leahy, Sir Michael Weir and Sir Anthony Parsons attend.

Notes for your after-dinner remarks are attached.

A.S.C.

1 February 1983

May I have the
main speech points typed
or cards.
mf

CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

1 February 1983

Dear Idun,

/ I enclose three sets of the briefing for the
Prime Minister's talks on 2 February with President
/ Mubarak of Egypt, together with notes for a toast.

*Yours ever
J E Holmes*

(J E Holmes)
Private Secretary

A J Coles Esq
10 Downing Street

CONFIDENTIAL



DINNER IN HONOUR OF PRESIDENT MUBARAK OF EGYPT: 2 FEBRUARY.
TOAST

Welcome President and Mrs Mubarak, General Kamal Hassan Ali, Dr Boutros Ghali, other distinguished members of the President's party.

Good to see the President and Mrs Mubarak in Britain again. Almost a year to the day since we last saw him; hope we will sustain pattern of annual meetings, most important that we should keep in touch.

Know that the last year has been a very busy and difficult one for you and your country. Recession has affected Egypt's traditional sources of income, the Suez Canal, tourism, workers remittances. We have followed with interest the development of your new domestic policies, many of which affect us through our trading and other links with Egypt. You have been quick to identify priorities for domestic development to cope with the problems produced by the increasing pressure, of a growing population, on your country's infrastructure. We have been pleased to be able to help. Our own aid programme is concentrated in the ambitious Cairo Waste Water Scheme and more British firms than any others are involved in joint venture projects many of them in the development sphere.

The discovery of oil in Egypt has made an important contribution to your balance of payments. British Petroleum are heavily involved



in Egypt's oil industry. Oil sales to Britain have given Egypt a trading surplus. We hope that you will give British firms an opportunity in the next year to at least bring our trade back into balance. We know the problems but, as we have discussed in our talks, there are ways in which we can help make it easier for you to buy British, both in the Civilian and military fields.

Relations between Egypt and Britain are excellent; one of the reasons why we are so pleased to see you now is to repay the superb hospitality your government have extended to members of HMG over the past year.

Egypt was one of the first countries Mr Pym visited. General Kamal Hassan Ali came to London last June. Glad also that your Minister of Culture was able to come to London last year for the opening by Princess Alexandra of an exhibition to mark the Centenary of the Egypt Exploration Society, an organisation which reflects the fascination Egypt and its antiquities have for the British people.

Above all, Egypt represents to people in Britain a country prepared to take ^{with due} risks for peace, while preserving her honour and her principles. The peace treaty between Egypt and Israel was a remarkable triumph. We recognise that the treaty and the recovery of Egyptian territory were not achieved without a cost and will need hard work to sustain in the face of all the problems that beset the Middle East. But you, Sir, have made it unmistakably clear that the peace remains a foremost priority

/for



for Egyptian policy.

You have also demonstrated that the Egyptian Government will exert every effort to ensure that the peace between Israelis and Arabs is widened. Here too I am encouraged that British and Egyptian views are very close, as our talks clearly showed.

(1) We share your apprehensions that unless there is progress
(2) towards a comprehensive settlement, any partial peace will
(3) in the long term be threatened. We agree with you that it is
(4) essential to involve the Palestinian people themselves in
negotiations, because it is their future which is at stake
and they must play the leading part in determining it. We,
like you, call for recognition from each side that the other
has legitimate rights which must be respected if peace is to
have any hope. And I am sure you share our deep disappointment
that some of the parties concerned have shown great reluctance
to explore the various ideas that have been put forward, in
particular the Fez and Reagan proposals. It is encouraging
to hear that your recent talks in Washington revealed the
continuing determination of President Reagan to pursue his
initiative.

While I take comfort from the similarity of our views on those issues, I know that we both feel that there is a desperate need for a new impetus towards peace, both in the Lebanon negotiations and on the wider question of the future of the Palestinians. Much as we wish for it, neither of us can bring it about on our own. What I can assure you

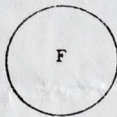
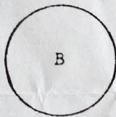
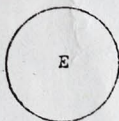
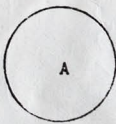
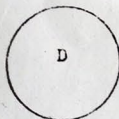
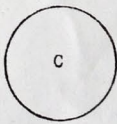
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is that Britain will remain active in the search for a way forward, and we shall want to work very closely with you in the process.

Your visit to Britain on this occasion has been all too short. You have a full schedule and I know that you have pressing business at home. I hope that it will not be too long before you and Mrs Mubarak can visit us again.

TOAST: Your Excellency The President of the Arab Republic of Egypt, and Mrs Mubarak [pronounced Moobarrack, with accent on the bar].



10 Downing Street
2 February 1983

ENTRANCE

TABLE A

THE RT HON THE PRIME MINISTER
His Excellency Mr Muhammed Hosni Mubarak
Mrs Francis Pym
Field Marshal Sir Edwin Bramall
The Lady Selsdon
The Right Reverend the
Lord Bishop of London
Lady Burgh
The Lord Limerick

TABLE B

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Mrs Mubarak
The Rt Hon Lord Cockfield
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Sir John Leahy
Mrs Abou-Seeda

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Mr John Coles
Mrs Yacoub
Sir John Burgh

17

17

17

Mr John Coles

VISIT OF PRESIDENT MUBARAK OF EGYPT: 2-3 FEBRUARY 1983

BRIEFS

1. Steering brief
2. UK/Egyptian Relations (Visits, Trade, Aid, Nuclear Power Co-operation).
3. UK/Egyptian Defence Cooperation (Military Assistance, minefield clearance, Defence Sales).
4. Arab Israel (including Lebanon, MNF)
5. Egyptian Relations with other Arab countries (Sudan, Iraq, Saudi Arabia, Jordan, PLO, Morocco, Libya, Syria).
6. World Issues (Soviet foreign policy, Afghanistan, Namibia, Chad, OAU, Iran/Iraq war, INF, Ethiopia)
7. Egypt Country brief (with 1982 Annual Review and Cairo Tel No 43 of 28 January).
8. Personality Notes on the President and members of his delegation.

VISIT OF PRESIDENT MUBARAK OF EGYPT 2-3 FEBRUARY 1983

BRIEF NO 1: STEERING BRIEF

1. Mubarak visiting London after Washington and Ottawa and before Paris. Last visited Britain in February 1982 for talks with the Prime Minister at Chequers. Mr Pym was in Cairo in October 1982. Mubarak will be accompanied by his wife, by his Deputy Prime Minister and Foreign Minister, Kamal Hassan Ali, by his Minister of State for Foreign Affairs, Dr Boutros Ghali, and his Chef de Cabinet, Osama Al Baz. Those three will participate in the talks, together with Egyptian Ambassador, Abou Seeda.

Objectives:

2. Our main objectives:-

- (a) To underline importance we attach to our good political and economic relations with Egypt. To remind Egyptians of our hope for more balanced trade.
- (b) To probe Mubarak's thinking, and to explain ours, on Middle East peace process, particularly the Palestinian problem, Reagan initiative and Fez, as well as the prospects in Lebanon.
- (c) To hear Mubarak's views on other international and regional issues.
- (d) To express regret that it was not possible for Mubarak to meet The Queen and to explain why timing of the visit ruled this out.

3. Egyptian objectives will be:-

- (a) To probe latest British and European attitudes to Middle East peace settlement.
- (b) To ensure that Egypt's point of view on Arab/Israel is understood. To probe our thinking of US policies.
- (c) To encourage the Prime Minister to visit Egypt soon.

Programme:

4. The talks with the Prime Minister are to begin at 1800 on 2 February and will be followed by a dinner. The President will spend the night of 2 February in London before leaving for Paris at 1300 on the 3rd. The Egyptian Embassy are arranging a

/private

private programme, including meetings with opposition leaders, on the morning of 3 February.

5. It was not possible to arrange a meeting with The Queen as She is still at Sandringham where She does not receive visitors. TRH The Prince and Princess of Wales invited President and Mrs Mubarak to luncheon on 3 February but the President declined ostensibly because of commitments in Paris. There are indications that the President may have felt slighted by not being offered a meeting with The Queen. This is naturally a sensitive point for Egyptian face, though Mubarak's personal style and taste are more republican than his predecessor's.

Talks:

6. We would expect the talks to be dominated by the Middle East and the Arab/Israel dispute and Lebanon in particular. The return of the remainder of Sinai, once seen as a watershed, has been largely over shadowed by events in Lebanon, but Egyptians remain grateful for our agreement to participate in Sinai MFO. Egyptians were severely embarrassed by Israeli invasion of Lebanon and horrified by the Beirut massacre. Relations with Israel remain strained; Egyptian Ambassador to Tel Aviv was recalled in September 1982.

7. Mubarak, elected October 1981 after Sadat's assassination has assumed power smoothly. Internal security and the economy remain his chief pre-occupations. Although at present secure Mubarak has yet to develop popular rapport. Dissatisfaction among growing population with rate of economic and social progress poses long-term threat to regime. Government attempts to deal with Islamic extremism have met with only limited success.

8. Mubarak will be interested to hear our views on likely development of US policies, particularly in the Middle East. It will be interesting to hear his on Egypt's relations with other Arabs (especially with Jordan, Saudi Arabia and Iraq, whose war with Iran, continues to worry the Egyptians), and to hear what he has to say about the future of the PLO in general and Arafat in particular. Tension between Egypt and Libya

/has

has diminished, relations with Sudan have been strengthened with agreement on integration. Efforts have been made in Africa and among the non-Aligned to reduce Egypt's isolation. Improved relations with the Soviet Union have been largely optical.

9. Discussion of bilateral issues need not take up too much time. The UK aid programme is dominated by the Cairo Wastewater project to which ODA is contributing £50m (grant) and Samuel Montagues £100m (ECDG-backed loan). Ratification by the Egyptians of Montague loan is needed quickly if the project is not to be delayed.

10. Trade with Egypt is disappointing, we have moved from balance to an Egyptian surplus (we buy their oil and their own recession has made life difficult for British exporters). British contractors stand little chance in the public sector unless backed by soft finance.

11. Egypt is a potentially important market for defence sales but results have been disappointing so far. The US, as the major military aid donor, dominates the market and the French have done well by their ability to offer soft finance for sales. British firms have had some success with joint production projects.

12. Egyptians have announced plans to develop nuclear power. We hope eventually to secure consultancy and building contracts. Memorandum of understanding on nuclear cooperation signed in 1982. Mr Mellor visited Egypt as Energy Minister in September 1982.

13. Exchanges of ministerial visits in 1982 were affected by Egyptian cabinet reshuffles and showed a sharp drop from 1981, when six British ministers visited Egypt. Lord Cockfield hopes to go to Cairo this year and we have plans to invite Egyptian Defence Minister and Ministers of Trade, Health, Internal Affairs and Agriculture. Mubarak is likely to press for a visit to Egypt by the Prime Minister. A State visit by the Queen, on which Sadat was keen, has not been mentioned since Mubarak took over.

Near East and North Africa Department
Foreign and Commonwealth Office
28 January 1983

VISIT OF PRESIDENT MUBARAK OF EGYPT: 2-3 FEBRUARY 1983

BRIEF 2: UK/EGYPT RELATIONS (VISITS, TRADE, AID, NUCLEAR POWER, CLAIMS)

POINTS TO MAKE

PROGRAMME IN LONDON

1. SORRY IT WAS NOT POSSIBLE TO ARRANGE A MEETING WITH THE QUEEN.
She is at Sandringham where She does not receive visitors.

VISITS

2. GRATEFUL FOR HOSPITALITY EXTENDED TO MINISTERS OVER PAST YEAR.
Important to maintain exchanges of ministerial visits. Hope Deputy Prime Minister and Defence Minister can take up his longstanding invitation soon.

TRADE

3. WE VALUE OUR TRADE LINKS WITH EGYPT, BUT HOPE THAT IT WILL BE POSSIBLE TO REDRESS THE GROWING TRADE IMBALANCE IN EGYPT'S FAVOUR.
Pleased to see that UK Interest in Joint venture investment in Egypt is being maintained, but understand there have been some problems. Sure Egyptian Government will do all it can to resolve them.

(Defensive)

4. ECGD cover readily available for Short and Medium Term credit. But cover for larger contracts has to be looked at on a case-by-case basis.

AID

5. SIGNIFICANT. WE ARE PUTTING MONEY INTO IMPORTANT CAIRO WASTEWATER PROJECT. We have confirmed £50m in aid. In addition, credit cover of £100m for contracts to be awarded to British firms.

/6.

6. [If further UK support for project is raised.] Understand importance Egypt attaches to completing the recommended construction programme. Willing in principle to consider possibility of further ECGD backing at an appropriate time, but important to get the funded contracts under way first. Additional aid funds not available.

NUCLEAR POWER COOPERATION

7. We welcome closer ties between the UK and Egypt in the field of nuclear relations.

8. We are pleased to note that Egypt is proposing to take advantage of the UKAEA's consultancy services in planning her nuclear power programme, and hope that she continues to do so.

CLAIMS

9. STILL SOME OUTSTANDING COMPENSATION CLAIMS BY BRITISH SUBJECTS WHO LEFT EGYPT AFTER 1956. Hope these can be settled soon. Small amounts involved but they mean a lot to those concerned. Parliamentary interest.

VISIT OF PRESIDENT MUBARAK OF EGYPT: 2-3 FEBRUARY 1983

BRIEF 2 UK/EGYPT RELATIONS (VISITS, TRADE, AID, NUCLEAR POWER, CLAIMS)

ESSENTIAL FACTS

POLITICAL RELATIONS

1. British involvement in Egypt longstanding. Disraeli bought Suez Canal shares in 1882. Protectorate declared in 1914, independence in 1922. Anglo-Egyptian Treaty of 1936 ended occupation but retained rights of British forces in Canal Zone until June 1956. Full diplomatic relations with Britain broken during Suez crisis re-established in 1961. Diplomatic relations broken off again from December 1965 (over Rhodesia issue) until December 1967. Relations now excellent (Egyptians value our support eg on Sinai MFO). Perhaps sometimes take our political support for granted - we should remind them of the need eg to ensure that British firms get their share of projects etc.

VISITS

2. Good relations maintained by ministerial and official visits but noticeable reduction in exchanges over the past year. Mubarak was last here in February 1982. Kamal Hassan Ali saw Mr Pym in June. My Pym was in Cairo in October 1982 preceeded by Lord Trenchard, Mr Hurd and Mr Mellor. Lord Cockfield has invited his opposite number to visit London soon. There is a standing invitation for the Defence Minister to come to UK. Visits by the Egyptian Ministers of Health and Agriculture are on the cards.

3. Egyptians are very keen for the Prime Minister to visit Egypt. No British head of state has ever visited Egypt except for Winston Churchill. The idea of a State visit to Egypt, on which Sadat was keen, has not been revived.

TRADE

4. Bilateral trade substantial (UK exports - largely capital equipment - £325m in 1981), but our competitors increasing their market share at our expense. Imports from Egypt (£416m

in 1981), mainly oil based, highlight growing trade imbalance, partly caused by Egyptian economic measures to control non-essential imports. Bilateral trade has been encouraged by frequent ministerial contact and other promotional events.

5. Success in winning major project business modest compared with some of our competitors, who provide more generous aid and more favourable credit terms. Numerous requests under the Aid and Trade Provision are being considered. British Gas and William Press making important contribution to Cairo Natural Gas network. Hope for more.

6. Joint venture investment by UK companies in Egypt continuing. UK in forefront among foreign investors. But many problems, eg difficulties in obtaining hard currency to purchase essential imports and repatriate profits; bureaucratic delays. Egyptian Minister of Investment, Dr Wagih Shindy, now in London and talking individually with interested UK firms about opportunities and problems.

7. ECGD cover readily available for Short Term credit (up to 180 days) and Medium Term credit for contracts up to £5m. But cover for larger contracts very restricted in view of Egypt's difficult financial circumstances and uncertain economic prospects. Present market limit under Section 2 (National Interest) virtually full. Current review may lead to modest increase in cover that can be justified, but not sufficient to accommodate all current applications. ECGD is third highest committed insurer in Egypt (after France and West Germany). ECDG's own financial position requires exercise of caution in undertaking more substantial commitments in developing of high risk countries. No commitments can be made in respect of any particular contract.

AID

8. Provisional Aid Framework Allocation:

<u>1982/1983</u>	<u>1983/1984</u>	<u>1984/1985</u>
£9.1m	£11.85m	£12m

UK Capital Aid

9. There are two main projects:-

a.

- a. The Abu Zaabal Fertiliser and Chemical Company.
£10m on grant terms towards the cost of developing a triple superphosphate factory near Cairo. The project, and ODA's commitment, is nearing its end. Commissioning of the factory is expected towards the end of the year.
- b. The Cairo Wastewater Project.

In 1978 the British Government, acting jointly with a similar US initiative, announced a pledge of £50m on grant terms towards the cost of a new sewerage system for Greater Cairo. Virtually all our remaining capital aid, which is being made available in conjunction with a £100m ECGD-backed line of credit from Samuel Montagu, is tied up in this project. About half the ODA £50m will be spent on design and supervision work. The balance will help finance the first part of the main tunnel. The Egyptians are financing the local costs, which are estimated to run to the equivalent of some £420m (outurn prices) in relation to the ODA and Montagu -funded contracts alone. It is intended that the first construction contracts should be let by the middle of this year, with most of the tunnelling work completed by mid-1987.

10. Following a serious sewage leak in Giza (on the Cairo West Bank) last November the Egyptians have been pressing for completion of the project by the end of 1986. We believe that an accelerated programme of this kind, if practical at all, will be much more expensive, and that any time saving would at best be small. Moreover, an accelerated programme could well lead to cash flow problems on the Egyptian side, as it would also for ODA. We shall be writing to the Egyptians shortly to remind them that our commitment to the present programme is based on the timescale originally recommended by the consultants, and to seek assurances that sufficient local finance will be made available to complete the contracts. We also still await news of Egyptian ratification of the Montagu loan, due to go to the Egyptian People's Assembly for approval on 31 January.

/11.

11. President Mubarak may seek additional UK support for the project. While we should not want altogether to close the door to this it is difficult to offer anything solid at this stage. There is no provision for additional aid finance. Any significant increase in ECGD cover would require an increase in ECGD cover for Egypt as a whole. At this stage, with construction on the initial contracts not yet under way, this would be very difficult to justify, particularly as ECGD face an overwhelming demand from other sectors.

Aid and Trade Provision

12. In the past ATP assistance has been used to supply gas turbines, switch gear and crawler draglines. A recent offer of £7.3m for the West Sabaeya mining scheme has been formally accepted, but the agreement has not yet been ratified by the Egyptians. The mine will supply phosphate for processing at Abu Zaabal (paragraph 2 (a) above). Also on offer is £1.2m towards a new hospital in Cairo.

NUCLEAR POWER CO-OPERATION

13. Egypt has ambitious plans for a civil nuclear programme, involving the construction of 8 power stations between 1983 and the year 2000. The first two units are expected to be purchased from France but subsequent suppliers have yet to be decided on.

14. There have been increasing contacts between Egypt and the UK following the conclusion in 1982 of a Memorandum of Understanding on cooperation in the peaceful uses of nuclear energy. Officials of the UKAEA have visited Cairo on several occasions, and in September 1982 Mr Mellor (PUSC at the Department of Energy) visited Egypt. Professor Hammad, Chairman of the Egyptian Nuclear Safety Commission, is hoping to visit the UK in the Spring of 1983.

15. In August 1982 the UKAEA presented a Consultancy Proposal to the Egyptians, intended to help develop the infrastructure

/of

of Egypt's nuclear industry. In the long term, it is hoped that this will lead to major export opportunities for British firms. In January 1983 the Egyptian Nuclear Power Plan Authority asked the UKAEA to present detailed proposals for quality assurance and environmental studies at the first two stations to be sited at El Daboa.

CLAIMS

16. British assets in Egypt were sequestrated in 1956 following Suez operation, and again in 1961 (when other nationals were also affected). Anglo-Egyptian Agreements of 1959 and 1971 provided in certain cases for payment of compensation and in others for return of sequestrated assets and restoration of rights to United Kingdom nationals.

17. (i) Action by MR D T W FORSYTH to regain possession of his villa has been subject to many years delay. In October 1981, after no less than 36 postponed hearings, the Egyptian courts decided that Mr Forsyth was the legal owner of the villa. However, he still has to secure the eviction of the tenant (who was installed by the Egyptian Sequestrator General) in order to obtain possession of the villa. The tenant, a member of the influential Amer family, has counter claimed that the villa is now hers by virtue of her long occupancy of it. Given the very long delay that has already occurred, we hope that the Egyptian authorities will ensure that these issues (the hearings of which have been repeatedly postponed) and disposed of with all possible speed.

(ii) the late application of MR AND MRS B C MASSEY for release of sequestrated funds was refused by Sequestrator-General in accordance with the regulations. While acknowledging that the Massey's did not apply for the release of their property within the period stipulated in the 1967 Exchange of Notes, we have expressed the hope that the Egyptian authorities might find it possible to agree to release their funds ex gratia, and in the light of our representations the Egyptian Government are reviewing the case.

18. Mr Hurd mentioned the Forsyth and Massey cases to Egyptian Ministers during his visit to Cairo in December 1979. Lord Carrington raised them with Gen Kamal Hassan Ali, the Egyptian Deputy Prime Minister and Minister of Foreign Affairs, when he visited Cairo in January 1981, and Mr Biffen mentioned them during his visit to Cairo in November 1981. Mr Hurd again raised them, with Gen Kamal Hassan Ali, during President Mubarak's visit to Britain in February 1982 and Mr Pym raised the matter yet again with Dr Kamal Hassan Ali last October in Cairo. HM Ambassador in Cairo has followed up these Ministerial approaches with representations to the Egyptian Government over the years.

Near East and North Africa Department
Foreign and Commonwealth Office
31 January 1983

VISIT OF PRESIDENT MUBARAK OF EGYPT: 2-3 FEBRUARY 1983

BRIEF NO 3: UK/EGYPTIAN DEFENCE COOPERATION (INCLUDING DEFENCE SALES)

POINTS TO MAKE

PLEASED WE ARE ABLE TO ASSIST IN THE TRAINING OF EGYPTIAN SERVICEMEN IN THE UK.

1. Hope we can be of help in the future.

UK PARTICIPATING IN THE INTERNATIONAL COMMITTEE WHICH IS CONSIDERING THE PROBLEMS OF MINE CLEARANCE IN THE WESTERN DESERT.

2. Hope that the work of the Committee will be helpful to you in your efforts to undertake this difficult task.

DEFENCE SALES:

3. THE UK USED TO BE A MAJOR SUPPLIER OF DEFENCE EQUIPMENT TO EGYPT BUT NOT SINCE 1976. Co-operation has been excellent and extensive defence contacts have been continued in recent years but the results have been disappointing. We have much to offer from a wide range of modern and effective equipment much of which has proved itself in the Falklands.

4. UNDERSTAND THAT PROPOSALS FOR PATROL CRAFT, LIGHT GUNS, FIRE VEHICLES AND COMMUNICATIONS ARE CURRENTLY UNDER NEGOTIATION AND THAT THE ROYAL ORDNANCE FACTORIES ARE ASSISTING WITH INDUSTRIAL DEVELOPMENT. I trust our proposals are attractive both technically and financially. Credit is available at rates fully supported by the British Government and we are backing our suppliers to the full.

5. DEFENSIVE (If credit package raised) - We would be happy to consider any proposals you put forward.

VISIT OF PRESIDENT MUBARAK OF EGYPT: 2-3 FEBRUARY 1983

BRIEF NO 3: UK/EGYPTIAN DEFENCE RELATIONS (INCLUDING DEFENCE SALES)

ESSENTIAL FACTS

1. UK MILITARY ASSISTANCE: Relations with the Egyptian Armed Forces are cordial but not extensive, although CDS visited Egypt in December 1982 for talks with the Egyptian Minister of Defence, Field Marshal Abu Ghazala. During 1981/82, 57 Egyptian students attended military courses in the UK (compared with 61 students in 1981 and 50 in 1980). In 1981 over half of the students attended RN courses and one third attended Army courses.
2. The UK Military Training Assistance Scheme (UKMTAS) allocation for 1982/83 is £120,000. The money is used to pay for Egyptian students on the Army Staff Course and at the Royal College for Defence Studies.
3. WORLD WAR II MINEFIELDS: Egypt has approached the UK, US, Germany, Italy and France for help in identifying and clearing World War II minefields in the Western Desert. All of these countries have agreed to participate in an International Committee, which will meet in Cairo between 19 February and 3 March.
4. Two UK experts (one Royal Engineers officer and one retired officer) will attend the meeting (at FCO cost). Our aim is not to become directly involved in mine clearing operations in Egypt, but to identify the types of mine involved and the scope of the problem so as to be able to offer places on suitable training courses in the UK. The RAF will also be offering to undertake an aerial photography flight in support of the mineclearing operations. This will form part of a normal training mission from Cyprus and will be at no cost to the UK.
5. EXERCISES: In late 1980 the Egyptians suggested to us that an exercise with British Forces would be welcomed. Their objective appeared to be a demonstration of military links other than those

/with

with the US. Because we already had a full exercise programme and did not want to upset our relations with Gulf States, we asked for details of what the Egyptians had in mind but did not volunteer our services. Nr Nott's proposal for Naval passages exercises with Egyptians made in July 1982 has not been followed up by Egyptians.

6. RAPID DEPLOYMENT FORCE: The US envisage developing Ras Banas as a possible base for their Rapid Deployment Force (RDF). Egypt has refused, however, to give a written commitment in advance to US use of the base or the prepositioning of troops and equipment (although they have agreed that Egyptian territory could be used if the RDF were to deploy to assist an Arab country under actual threat). The US Congress has insisted on such an undertaking as a condition for financing the development of Ras Banas.

DEFENCE SALES

7. BACKGROUND: Egypt was a major market for UK defence sales until 1976 but results have been disappointing after the cessation of Arab aid following Camp David. Successes have been limited to maintenance and spares contracts and local production agreements: total business of £100m over 4 years. By contrast France has achieved major sales in this period, mainly aircraft, by offering very soft credit terms and aid.

8. CREDIT: Egyptian funds immediately available for Defence purchases are very limited and attractive financing proposals are essential to secure any business. Separate credit proposals have been made to cover current business but following the precedent set by the French with £800m credit for Alpha Jet, Mirage and Crotale, the Egyptian Defence Minister (Field Marshal Abu Ghazala) asked Head of Defence Sales for a wider credit package to embrace patrol craft (£270m), Light Gun (£10m) and Fire Vehicles (£50m). We did not respond to this request to avoid prejudicing the exceptional credit terms agreed by EX outside the normal credit ceilings (85% over 8¹/₂ years from delivery at 8% interest).

/This

This offer has now expired and the interest rate cannot be repeated. The concept of a defence package of say £300m-£350m outside the Section 2 allocation is being examined but it has not been possible to reach agreement prior to Mubarak's visit. Most of the current Section 2 allocation is committed already and a separate defence package will have to be considered in conjunction with major new civil business which will also need credit. However, without such a package the UK is unlikely to obtain substantial Defence business in Egypt.

9. RAMADAN FAST PATROL CRAFT: Vosper Thornycroft have already supplied six Ramadan Class fast patrol craft to Egypt and since 1981 have been pursuing an order for six more. They face strong competition from other European and American suppliers. The work is badly needed at Portsmouth and credit will be essential.

10. COMMAND AND CONTROL COMMUNICATIONS SYSTEM - C³: This is a major new requirement, the first phase of which is worth £100m+. The French are our main competitors.

Near East and North Africa Department
Foreign and Commonwealth Office
31 January 1983

VISIT OF PRESIDENT MUBARAK OF EGYPT: 2-3 FEBRUARY

BRIEF NO 4: ARAB/ISRAEL AND LEBANON

Points to make

1. Believe European and Egyptian assessments of Arab/Israel remain close. A window of opportunity to make progress on Reagan lines. But window is closing. Fez not enough for US to convince Israel that Arabs are serious about peace.
2. King Hussein/Arafat negotiations could make the link between Arab approach and Reagan. Both need support of moderate Arabs and Europeans if they are to stay the course. PLO must also realise significant progress impossible unless they accept Israel's rights in a settlement. Know you have also pressed PLO on this point. Impression of support for Arafat's line within PLO?
3. Breakthrough unlikely unless US demonstrate will to bring Israel to accept settlements freeze. We and Ten have urged them strongly on this. View in Washington?
4. Egypt/Israel relations: realise difficulty of Egyptian position and extent of damage done. Prospects for improvement once Israeli withdrawal from Lebanon agreed?
5. Sinai MFO: Glad Force operating smoothly. [if raised - MFO should police Taba]. Have your request in mind. Understand sensitivity of Taba question for Egypt: hope negotiated solution possible. MFO role would involve change in Force's mandate: would need to be sure both Egypt and Israel were in favour. US reaction?

LEBANON

6. Sympathize with Lebanon's dilemma in withdrawal negotiations: President Gemayel cannot make substantial concessions without endangering internal consensus and relations with Syria and

/Saudi

Saudi Arabia. Can Gemayel stand up to conflicting pressures?

7. British contribution to Multinational Force due to arrive early February.

VISIT OF PRESIDENT MUBARAK OF EGYPT: 2-3 FEBRUARY

BRIEF NO 4: ARAB/ISRAEL AND LEBANON

Essential Facts

ARAB/ISRAEL

1. The Egyptians have not been directly involved in much of the recent activity. The focus of US interest as regards Arab participation in the peace process has shifted to Jordan. Egypt remains outside formal Arab counsels and did not attend Fez, although informal contacts with the moderates and the PLO are improving. The Israeli invasion of Lebanon put a heavy strain on Egypt/Israel relations: normalisation has come to a halt, and the substance of relations has largely withered. Nevertheless, President Mubarak has continued to play an active role in urging the Arabs to take the opportunities offered by the Reagan initiative and in using what leverage he has with Israel to encourage an early withdrawal from Lebanon. Egyptian and European positions on most of the major issues continue to be close. His reading of President Reagan's present attitude to Arab/Israel and Lebanon will be of interest.
2. Peace Process. The Egyptians accept that the Reagan initiative offers the most realistic way forward, although they have criticised some aspects of it (particularly the failure to endorse self-determination, or to define the borders to which Israel should withdraw). They regard the Fez communiqué as fine in principle, but lacking any mechanism (or prospect) of implementation. They have pressed for firm US action to compel Israeli acceptance of a settlements freeze, and have given King Hussein general encouragement in his efforts to bring the PLO to accept confederation and negotiations on the basis of the Reagan initiative. They have made clear that there is no question of the autonomy negotiations resuming in their old format (ie without Jordanian/Palestinian participation).
3. Egyptian relations with the PLO have improved in recent months. Earlier in the year, President Mubarak tried to obtain

/US

US commitment to a more balanced Palestinian policy in exchange for Egyptian agreement to take PLO fighters from Beirut. The US refused, and the Syrians undercut Mubarak's position by accepting many of the fighters without preconditions (the Egyptians have however claimed a share of the credit for the Reagan initiative which followed shortly afterwards). At about the same time, Mubarak suggested that the PLO should form a Government-in-exile in Cairo; the PLO declined, and Mubarak has since backed off, suggesting that Tunis would be the appropriate place. Since then there have been a series of well-publicised contacts between Kamal Hassan Ali and PLO representatives; the Egyptians seem to have been acting as a channel between the US and PLO, in order to explore the possibilities for a US/PLO dialogue. The US have evidently shown no flexibility, because Mubarak has recently urged the PLO to recognise Israel unilaterally, to enable a US/PLO dialogue to begin. Arafat, in the course of two long interviews published in Egypt in the last two weeks, turned this idea down, but otherwise spoke in warm terms of Egypt's role in the Arab world. Earlier plans for an Arafat visit to Egypt fell through, but Arafat and Mubarak may meet at the Delhi Non-Aligned Summit in March.

4. President Mubarak has strong views on Syria. He is deeply critical of the Syrian role in Lebanon and their efforts to turn the PLO against closer cooperation with Jordan. Relations with Saudi Arabia were improved, but contacts remain discreet. The Saudis have urged Egypt not to push for readmittance to the Arab League yet. Egypt accepts this is not on in the near future.

5. Egypt/Israel relations have fallen to a low ebb since the invasion of Lebanon. The formal structure remains, but normalisation has come to a halt, trade and tourism have fallen sharply, and the confidence of the Egyptian public in the policy of peace with Israel has been undermined. The Egyptian Ambassador in Tel Aviv has been withdrawn and will not return until a timetable for Israeli withdrawal from

/Lebanon

Lebanon is agreed. The Egypt/Israel border has remained generally quiet, but the border dispute at Taba drags on. The Egyptians were nettled by the Israeli decision to complete and open a hotel in the disputed strip last year. Since then the Israelis have refused Egyptian requests to resume negotiations over Taba in isolation from talks on other aspects of relations.

6. Sinai MFO. No reports of any problems in the Force's operation, except that it sustained its first casualties in early January when two US paratroopers were wounded in a landmine explosion. The Egyptians have asked us to agree that the MFO should police the disputed strip at Taba. We have said that we would need a joint request from the Egyptians and Israelis to change the Force's mandate: this is unlikely to be forthcoming.

LEBANON

7. The Egyptians have taken a close interest in the progress of the Israel/Lebanon withdrawal negotiations. The Egyptian Minister of State Dr Boutros Ghali and Mubarak's Chef de Cabinet Dr Osama al Baz paid a surprise one day visit to Beirut in early December 1982 to deliver a personal message of support to President Gemayel from President Mubarak. Few details of the talks emerged and Dr Ghali confined himself to a statement at the time that the Egyptian government supported the withdrawal of all foreign forces from Lebanon and national reconciliation in the country. But it is reasonable to assume that the Lebanese asked the Egyptians to exert what leverage they could on the Israelis and Americans. Leverage on Israel is being attempted by refusing to send back the Egyptian Ambassador to Tel Aviv (para 5 above).

8. The advance party of the British contingent for the Multinational Force is due to arrive in Beirut on 1 February with the remainder following on 8 February.

Near East and North Africa Department
Foreign and Commonwealth Office
27 January 1983

VISIT OF PRESIDENT MUBARAK OF EGYPT: 2-3 FEBRUARY 1983

BRIEF 5

EGYPTIAN RELATIONS WITH OTHER ARAB COUNTRIES

Points to Make

1. PROSPECTS FOR RAPPROCHEMENT WITH OTHER ARABS
How is process of reconciliation likely to develop?
2. RELATIONS WITH JORDAN, MOROCCO, IRAQ, SAUDI ARABIA?
Syrians remain major obstacle.

SUDAN

3. NIMEIRI RECENTLY IN LONDON
British aid (second largest budget after India) and Army Training Team evidence of our support for Sudan. UK offering additional £7m emergency aid.
4. BILATERAL RELATIONS. MOVES ON 'INTEGRATION DECLARATION'
Egyptian plans for increased cooperation with Sudan. Nimeiri's position.

LIBYA

5. BILATERAL RELATIONS. QADHAFI ISOLATED IN AFRICA AND ARAB WORLD
OAU débâcle. Risk of a new Qadhafi adventure in Chad. Significance of Libya/Ethiopia PDRy agreement.

VISIT OF PRESIDENT MUBARAK OF EGYPT: 2-3 FEBRUARY 1983

BRIEF 5

EGYPTIAN RELATIONS WITH OTHER ARAB COUNTRIES

Essential Facts

SUDAN

1. In its relations with the other Arab states Egypt has continued to give high priority to Sudan, Somalia and Oman, the only three states which did not break diplomatic relations with Egypt over Camp David. Sudan regards Egyptian political, and potentially, military support (against Ethiopia and Libya) as important for its security. This was probably behind the Sudanese initiative to press for the integration agreement concluded between the two countries in October, which appears to have little real substance but which gave Sudan an outward and visible sign of Egyptian backing. Despite Nimeiri's enthusiasm signs that Southern Sudan would reject the agreement if allowed to (Southern Assembly is closed). Mubarak was embarrassed by Nimeiri's untimely attempt to orchestrate an Arab/Egyptian reconciliation at the Arab Summit in September. Egyptians continue to see Nimeiri as their best bet for the future but can do little to help his economy.

IRAQ

2. Content of Egypt's relations with Iraq has grown steadily as Iraq has suffered military setbacks in the Gulf War and has been obliged to temper its radical fervour with pragmatism. Egyptian military supplies to Iraq began in the early stages of the war and have expanded to include artillery and armoured vehicles in addition to large quantities of ammunition and land mines supplies to Iraq have helped Egypt to expand its arms industry. Iraq appealed publicly and unsuccessfully for regular Egyptian troops to supplement the Egyptian volunteers already in Iraq. Commercial flights between Baghdad

/and

and Cairo have resumed and there have been several publicised visits by senior officials. Iraqi leaders have replaced invective with praise for Egypt.

SAUDI ARABIA

3. Anxiety in the Gulf about Iranian intentions has induced some of the smaller States to speak out in favour of reconciliation. They are unlikely to act however without Saudi Arabia. Saudis, although also concerned about Iran, want to wait for a Pan-Arab consensus on conciliation (Egyptians also suspect that Saudis do not want Egypt to resume leadership of the Arab world). Saudi hesitation appears to stem from its wish to avoid antagonising Syria and provoking new splits in the Arab world.

4. Saudi/Egyptian relations have nevertheless warmed of late. Mubarak attended King Khaled's funeral, the only exception to his rule about visits to countries not having diplomatic relations with Egypt. Egyptian newspapers have reappeared in Saudi Arabia and Saudi criticism of Egypt has dropped.

JORDAN AND THE PLO

5. Hussein has been open in espousing reconciliation, calling for Egyptian participation in the Arab Summit and for an end to the trade boycott. Jordan has also kept in close touch with Egypt over attempts to pursue the Reagan initiative and recently asked Egypt to intensify its efforts to persuade the PLO to cooperate in the peace process.

6. Contacts between the PLO and Egypt had begun before the final return of Sinai and have since intensified because of the Lebanon war and the Reagan initiative. Egypt has moved closer to the PLO on Palestinian rights and the PLO has seen Egypt as a useful channel to Washington. Arafat and the Egyptians have publicly welcomed the idea of a visit to Cairo by Arafat but privately both sides remain doubtful of the benefits without closer agreement on substance. Mubarak

/has

has now withdrawn his earlier offer of Cairo as a home for a Palestinian government-in-exile. Mubarak's conviction that the Reagan plan offers the only realistic hope of peace led to his recent calls for unilateral recognition by the PLO and to his current emphasis on the need for the PLO and Jordan to reach agreement on a delegation to peace talks acceptable to all parties.

MOROCCO

7. Moroccan leaders have been among the more vocal in supporting reconciliation. The Egyptians would be likely to discourage the Moroccans from acting unilaterally as premature. But the Moroccan Foreign Minister has visited Cairo. Morocco's motive has been to secure Egyptian support in the OAU on the Western Sahara question.

LIBYA

8. Libya remains implacably opposed to Camp David but there is now little exchange of invective in the Cairo and Tripoli media.

SYRIA

9. Alone among the Arab States Syria appears to have no links with Egypt. Its opposition to Camp David is undimmed and was most recently reiterated at the end of a meeting of Syrian, Iranian and Libyan Foreign Ministers, who rejected conciliation with Egypt unless it reneged on Camp David. Syria constitutes a significant barrier to formal reconciliation between other Arab States and Egypt. Mubarak reciprocates Asad's personal hostility and has castigated him as a Soviet puppet and a traitor to the Arab cause.

Near East and North Africa Department
Foreign and Commonwealth Office
27 January 1983

VISIT OF PRESIDENT MUBARAK OF EGYPT: 2-3 FEBRUARY 1983

BRIEF NO 6: WORLD ISSUES

POINTS TO MAKE

SOVIET FOREIGN POLICY UNDER ANDROPOV

1. ANDROPOV FIRMLY IN CHARGE, ALTHOUGH COLLECTIVITY AND CONTINUITY STRESSED. A formidable operator - intelligent, assured, in command of the issues.
2. ANDROPOV'S MAJOR FOREIGN POLICY STATEMENTS HAVE SHOWN IMPRESSIVE FEEL FOR TIMING. Main thrust of his initiatives (including Warsaw Pact Summit Declaration of 6 January) directed against the West and INF deployment. But no real change in direction, eg on Afghanistan.

AFGHANISTAN

3. ANOTHER OVERWHELMING VOTE AT UN. International concern undiminished after three years. Hope that NAM Summit in Delhi will maintain pressure on Soviet Union. Following UN mediation with interest, Cordovez must adhere to fundamental UN principles.
4. RESISTANCE. Appear to be holding their own. Welcome your views. Vast REFUGEE problem must not be forgotten. UK aid to date (over 11 million) demonstrates HMG's continued concern.

NAMIBIA

5. NEED FOR EARLY SETTLEMENT. Situation in Southern Africa disturbing. Namibia settlement could be key to reduction of violence. With the Five, we remain committed to peaceful solution through negotiation.
6. CUBA/ANGOLA. Agreement now reached on nearly all issues preventing implementation of UN Plan. But timing of settlement now in practice depends on outcome of US/Angolan/South African talks on regional security. An agreement on Cuban troop withdrawal /remains

remains essential for both the US and South Africa.

7. UK ATTITUDE TO CUBAN WITHDRAWAL. Cuban withdrawal not part of UN Plan. But we accept the political reality, and believe that Angolan security requirements can be met without need of foreign troops.

CHAD

8. CHADIANS SHOULD BE ALLOWED TO DETERMINE THEIR OWN FUTURE. Disapprove of Libyan meddling in Chadian politics (or anywhere else in Black Africa). Sincerely hope that peace will hold so that reconstruction may at last begin in earnest.

9. [IF RAISED] PRIORITIES FOR BRITISH AID LIE ELSEWHERE. However, we gave £400,000 to Chad in Emergency Aid last year and also contribute significantly through EDF.

OAU

10. Regret the current difficulties of the OAU. Hope they may be quickly resolved.

11. Grateful for President Mubarak's views on likely developments in the near future: When and where will a new Summit be held?

IRAN/IRAQ WAR

12. MILITARY SITUATION: Did recent meeting in Paris between Boutros Ghali and Tariq Aziz presage closer Egyptian involvement? If so, what form might this take?

13. MEDIATION: Prospects remain poor. The Algerians are still active, but the Iranians are not yet ready to settle. Any new thoughts on how the mediation process can be made more effective? (West has no power to bring Iran to the table).

INF (if raised) (no essential facts).

14. Strongly support nuclear arms control agreement based on balance. Important for East/West stability that Soviet monopoly on the relevant INF missiles be removed. Much the best way would be through NATO's zero option, on offer in INF negotiations. In absence of zero NATO would have to deploy some Cruise and Pershing II missiles.

ETHIOPIA

15. State of relations with Ethiopia? Egyptian/Somali relations? Egyptian military supplies to Somalia?

VISIT OF PRESIDENT MUBARAK OF EGYPT: 2-3 FEBRUARY 1983

BRIEF NO 6: WORLD ISSUES

ESSENTIAL FACTS

SOVIET FOREIGN POLICY UNDER ANDROPOV

1. Andropov has not yet introduced any real change into the direction of Soviet foreign policy. No evidence of genuine flexibility on Afghanistan, Poland or Eastern Europe generally.
2. He has nevertheless adopted a presentationally new (and superficially non-confrontational) note in his first major foreign policy speeches. Central Committee speech of 22 November emphasised Soviet commitment to détente (on Soviet terms), while stressing that there could be no question of making improved relations with the West conditional on concessions by the Soviet Union. 21 December Supreme Soviet speech, almost half of which was devoted to foreign policy, emphasised 'peace'. Strong element of trying to appeal to Western, particularly European, public opinion over the head of governments.

AFGHANISTAN

International Concern

3. In November, UN General Assembly voted 114-21-13 for resolution tabled by Pakistan and Islamic countries (including Egypt) which reiterated case for immediate withdrawal of foreign troops; and self determination for the Afghan people.

Soviet Position

4. Russians argue that their forces are a limited temporary presence at the request of the legitimate Afghan government and that external interference must end before any withdrawal can be considered. Despite press speculation, no sign of movement from the new leadership.

UN Mediation

UN Mediation

5. Diego Cordovez, Secretary-General's personal representative, is currently visiting Tehran, Islamabad and Kabul to propose a timetable and agenda for further talks. He will return to New York around 4/5 February.

Situation on the Ground

6. Fighting continues with many resistance attacks in Kabul itself, despite increased security around third anniversary of Soviet invasion.

Refugees

7. More than one-fifth of the Afghan population have fled homeland. Now some 2.7m in Pakistan alone.

Egyptian Position

8. Egypt supported all four UN resolutions, and the EC proposals in July 1981. Has also openly admitted supplying arms to the resistance. In September 1981 Sadat stated that Egypt had supplied weapons expressly at the request of the Americans. This embarrassed both the Pakistanis and the Americans. However, Mubarak has made no public statement on arms supplies and we should be interested in any indication of a change in policy.

NAMIBIA

9. Negotiations - Present Position. With agreement reached on nearly all issues preventing implementation of UN Plan for Namibia's independence, timing of a settlement now depends on outcome of talks between the US and Angola (but also involving the South Africans) on the withdrawal of Cuban troops from Angola. Angolans and South Africans also discussing bilaterally (starting in Cape Verde in December) a possible cease-fire in Southern Angola.

10. Linkage of Cuban Withdrawal with Namibia Settelement.

Cuban withdrawal not formally part of the UN Plan nor therefore of the Five's remit, although we have agreed to support American efforts. Despite occasional public criticism of linkage the generally muted African reaction suggests that they too recognise

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the political reality that South Africa will not be prepared to go forward on a Namibia settlement without some agreement on Cuban withdrawal.

11. EGYPTIAN ATTITUDES. Egypt has voted consistently with the African Group at the United Nations in favour of resolutions violently hostile in South Africa but also critical of the Five's efforts. We doubt if we can change this pattern; but we should make clear our belief that such posturing does not help the negotiations.

CHAD

12. President Hissein Habré (backed by Egypt and Sudan) overthrew President Goukouni Weddeye (supported by Libya) in June 1982. This brought to an end, temporarily at least, years of civil war. Habré has since formed a broadly-based government including many Southerners, and is in control of most of the country. But in October, a rival 'Government of National Salvation', backed by Libya and headed by Goukouni, was said to be in control of Bardai in the middle of the Sahara desert in northern Chad.

13. Just north of this lies the Aouzou strip, an area of northern Chad bordering on Libya. Libya claims this and has effectively occupied it for several years. Reports that Libya has introduced a large amount of armaments, and aircraft, into the Strip. But seems unlikely at present that Qadhafi wishes to become directly involved in another full-scale invasion of Chad after the loss of many troops during his previous occupation in 1980/81. He is, however, intent on supporting Goukouni and some local skirmishing has already been reported in the north.

14. Small number of Libyan troops have set up a training camp in Central African Republic. This could be used as a base to encourage dissident activity in Southern Chad. Some skirmishes there too. A convoy of Libyan mercenaries was intercepted in Cameroon earlier this month, apparently heading for southern Chad. So a series of raids from several directions, coupled with cultivation of dissidents, may be used by Qadhafi to undermine Habré's position.

15. Chad faces huge economic problems after years of civil war. Habré has already begun the huge task of reconstruction. But his priority is likely to be defence. Help most likely to come from USA, France and Egypt. At a donors' conference organised by the UN in Geneva in November pledges totalling \$150-170m were made for civil reconstruction.

16. UK direct interests are slight. British Embassy is resident in London: visits twice a year. Our very small bilateral aid programme has been supplemented by emergency humanitarian relief (£400,000 in 1982). UK's contribution to reconstruction mainly through EDF which has pledged nearly \$50m and has a further \$50m still available under Lomé I and Lomé II.

OAU

17. OAU is in disarray after the second failure in four months to hold the nineteenth Summit of the OAU in Tripoli.

18. In August the first attempt to hold a Summit failed to achieve its quorum of 34 due to a boycott resulting from dispute over the admission of the 'SADR' (Saharan Arab Democratic Republic), as the 51st member-state of the OAU.

19. Despite a compromise on this issue whereby the 'SADR' 'voluntarily and temporarily' withdrew, a second attempt to convene the Summit in November was wrecked by a similar disagreement over the representation of Chad. Whereas many of the moderate states insisted on the admission of Hissein Habré's delegation to the Council of Minister (preceding the Summit), Libya and her supporters (eg Algeria and Mozambique) opposed this. The Council of Ministers broke up in disarray. Egypt did not attend either meeting.

IRAN/IRAQ WAR

Military Situation:

20. Both sides have regrouped after the Iranian military gains in October and November. A major Iranian attack looks imminent in the Amara area. Iraqis are superior in numbers and equipment but their morale is suspect.

/Mediation:

Mediation:

21. Algerian efforts have so far met with little success. Iranians still reluctant to accept a settlement on the terms available. Iraqis are becoming increasingly desperate to bring conflict to an end and may resort to more attacks on economic targets, (Kharg and shipping).

Economic:

22. Iraq is in economic and financial difficulty and the situation is worsening. Reserves have been depleted and she is now looking for credit. Collapse of OPEC meeting in Geneva throws a host of uncertainties into the situation.

ETHIOPIA

23. Government of Colonel Mengistu which overthrew Emperor Haile Selassie in 1974 has gradually consolidated its hold on power. It remains closely aligned with Moscow on whom it depends for military support. Its major preoccupation is to hold Ethiopia together in the face of longstanding claims to autonomy by various parts of the country. Its chief problems are with Eritrea, the former Italian colony incorporated into Ethiopia by Haile Selassie, and the Ogaden, abutting on to Somalia and inhabited by ethnic Somalis.

24. Faint signs that Mengistu is increasingly disappointed by paucity of Soviet economic help and wishes to improve relations with the West. Actions of the regime make this difficult: eg treatment of political opponents and members of former imperial family, attacks on Somali border villages, still closer links with Soviet communist party, collaboration with Libya in undermining Nimeiri's regime in Sudan.

25. Unpleasant though Mengistu's regime is, problem for the West is that simple confrontation with it will drive Ethiopia even deeper into the Russian embrace. This problem compounded by fact that President Siad Barre's regime in Somalia, although vigorously pro-Western, is corrupt and unpopular.

26. Egypt, and Saudi Arabia, incline to the view that continuation of secessionist war in Eritrea and Somali claims to the Ogaden help perpetuate the Russian presence in Ethiopia.

27. Egypt/Somali relations good; Siad Barré visited Cairo April 1982. Discussion on Egyptian military supplies to Somalia.

Near East and North Africa Department
Foreign and Commonwealth Office
31 January 1983

VISIT OF PRESIDENT HUBARAK OF EGYPT: 2-3 FEBRUARY

BRIEF NO 7: COUNTRY BRIEF

ESSENTIAL FACTS

Political History

1. British protectorate from 1914 until independence in 1922. 'Free Officers' led by Nasser staged coup in 1952. Monarchy abolished and republic declared in 1953. Nasser appointed Prime Minister in 1954, died in 1970. Sadat became President, consolidated position after 1973 war. In May 1980 Sadat took over post of Prime Minister, threw out the Russians and embarked on a plan to modernise and revitalise Egypt's economic and social systems. Historic visit to Jerusalem in 1977 led to signature of Camp David agreement in 1979. Sadat assassinated 6 October 1981. Mubarak, Vice President since 1975, elected President 14 October. Cabinet reshuffle in January 1982 with appointment of Prime Minister (Dr Fouad Mohieddin). No Vice President yet appointed (speculation that Defence Minister Abu Ghazala may be in line). Mubarak elected Chairman of ruling National Democratic Party, replacing Sadat, on 26 January 1982. Second ministerial reshuffle in September 1982 with appointment of Defence Minister as Deputy Prime Minister and revamping of economic team.

INTERNAL SITUATION

2. Mubarak has disappointed hopes aroused by his earliest pronouncements and actions as President when he deliberately disavowed the more unpopular features of Sadat's domestic policies. Dropped personality cult of President, condemned favouritism, privilege, profiteering and corruption, released political prisoners, relaxed government control of the press, received opposition personalities and launched a national debate to solve Egypt's economic problems.

3. See HM Ambassador's Annual Review for 1982 and Cairo telno 43 (attached for detail).

/FOREIGN

FOREIGN POLICY

4. Mubarak's first test came with the Israeli withdrawal from Sinai in April 1982. The Egyptians withstood provocation both before and after the withdrawal allowing neither Israelis' scorched earth policy nor their attempts to appropriate Taba to deflect them. The Lebanon war, was the first Arab/Israeli war without Egypt, was a major embarrassment for Mubarak, particularly since many Egyptians believed the United States had tacitly agreed to the Israeli invasion. Mubarak deflected severe domestic and Arab pressure for a break in relations with Israel as long as he could, by halting further progress on normalisation and by using the Franco/Egyptian initiative at the United Nations as a diversion. But the Beirut massacres finally drove him to withdraw the Egyptian Ambassador from Tel Aviv. His commitment to the peace treaty (and his refusal to make concessions for the sake of rapprochement with the Arabs) could be tested over the next few months against the background continuing negotiations over Lebanon and the Palestinian question.

Relations with Israel

5. The Egyptians have been disturbed by Begin's behaviour since the Sinai withdrawal, principally his insistence that neither Mubarak's projected visit nor the autonomy talks could take place unless they included Jerusalem. Egyptians had no faith in US proposals for a tripartite summit, and they declined President Reagan's invitation to New York, fearing that Begin would spring some disagreeable surprise that would damage Mubarak in both Egyptian and Arab eyes, as he had done to Sadat with the raid on Baghdad after their meeting at Sharm el Sheikh. Mubarak was more prescient than he knew.

6. Invasion of Lebanon dealt the final blow to Egypt's stubborn justification of Camp David: that it had reduced the risks of war, that Egypt had not abandoned her Arab responsibilities, and on the contrary was thereby better placed to secure the rights of the Palestinians. Israel

/compounded

compounded the humiliation by proclaiming proudly that the peace with Egypt was holding fast. The regime had difficulty in keeping popular indignation within bounds, and it was surprising that they were able to confine themselves to verbal reactions until the Beirut massacres compelled the withdrawal of their Ambassador from Tel Aviv.

Relations with the United States

7. Mubarak's surprising refusal to accept PLO fighters from Beirut was due not only to the need for Israel's treaty partner to avoid any suspicion of connivance but to genuine fear of the domestic trouble the Palestinians could cause within Egypt. The fact that he maintained this refusal in the face of strong American pressure reflected an impatience with Washington that had been growing throughout the year; Haig's preoccupation with 'regional strategic consensus' at the expense of the Palestine problem, Washington's inability to move the Israelis on any issue affecting Egypt. Above all reflected the conviction that the Americans had been privy to the Israeli invasion.

Mubarak visited Washington 26-28 January

8. Americans satisfied that visit repaired bilateral relationship strained by Israeli invasion of Lebanon. Predictable Egyptian pressure for early progress towards withdrawal of all foreign troops from Lebanon, a precondition inter alia for Egyptian/Israeli relations.

Relations with other Arab countries

9. See brief 5 for detail.

10. Mubarak's line on reconciliation has been that he is in no hurry and has made a rule of not visiting any Arab state with whom Egypt does not have relations (exception made for Khaled funeral).

. /11.

11. Egypt has welcomed Fez declaration but believes summit proposals to be unworkable. Although question of Egyptian return to Arab fold was discussed at Fez, Egyptians have not pressed the issue believing that it is for those who made the break to re-establish relations rather than for Egypt to run after other Arabs. Process of formal rapprochement has not been helped by Israeli action but private contacts with moderate Arabs continue (particularly Morocco, Jordan, and Kuwait). Military cooperation with Iraq has developed over the past year. Saudi Arabia remains aloof and Egyptians suspect Saudis may be in no hurry to see a potential rival return to the fold. But Mubarak's relations with individual leaders have paved the way for closer cooperation when Saudis are convinced that the time is right and that rapprochement with Egypt will not provoke a wider split in the Arab world. Syria remains adamantly opposed to reconciliation. Libya is becoming increasingly isolated from all other Arab opinion. Egyptians fear that if Reagan fails the discredit will rub off on Egypt, whose dilemma will then be acute within the Arab world.

OAU/Non-Aligned Movement

12. Mubarak has underlined Egypt's commitment to the Organisation of African Unity (OAU) and to the Non-Aligned Movement and the Egyptians have worked hard on improving their relations with a wide range of countries in Africa, Asia, Latin America and Eastern Europe. Egypt stayed away from the 1982 OAU Summit which should have been held in Tripoli because of opposition to Qadhafi's chairmanship rather than the Saharan Arab Democratic Republic or Chad issues.

13. Mubarak's recent decision to visit a number of Eastern Europe countries, including Romania, appear to have been intended as a sign (particularly to the Americans) that his political horizons extend further than Sadat's apparently unquestioning commitment to the West. Egypt was represented at the Non-Aligned preparatory conference held in Kuwait

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and is keen to attend the next Non-Aligned Summit. Egypt's neutral public position on the Falklands invasion reflected her wish to avoid antagonising either the Non-Aligned or Britain. Privately Egyptian leaders were more forthcoming in their support for British action to recover the islands.

Relations with the Soviet Union

14. Some signs of an improvement in Egyptian/Soviet relations which deteriorated steadily under Sadat culminating in expulsion in September 1981 of Soviet Ambassador, some staff and nearly all of several hundred civilian advisers. Speculation that the return of the Ambassador might be used to counterbalance the reinstatement of Egyptian Ambassador to Tel Aviv. Some advisers, eg those who work on the High Dam and are indispensable have returned. Much Egyptian industrial infrastructure and military equipment is of Soviet origin. Mubarak, who remembers his pilot training in USSR and Soviet behaviour in Egypt has no illusions about Soviet intentions and will tread carefully.

Near East and North Africa Department
Foreign and Commonwealth Office
31 January 1983

EGYPT FACT SHEET

TITLE	ARAB REPUBLIC OF EGYPT
CAPITAL	CAIRO
AREA	1,002,000 Kms ²
POPULATION	44 million
GROWTH RATE	(1970-79) 2%
GNP	\$US 23,140 million (1980)
GNP/CAPITA	\$US 580 (1980)
TOTAL ARMED FORCES	367,000
TOTAL MILITARY EXPENDITURE	\$US 2,170 million (1979-80)
TOTAL EXPORTS	1980 \$US 3,854 million
	1981 \$US 3,999 million
TOTAL IMPORTS	1980 \$US 6,814 million
	1981 \$US 7,918 million

UK EXPORTS TO	£m	<u>1979</u> 265	<u>1980</u> 325	<u>1981</u> 325	<u>1982 (Jan-Nov)</u> 305
UK IMPORTS FROM	£m	253	336	416	403
UK BALANCE	£m	+2	-11	-91	-98
UK AID FRAMEWORK	£m	<u>1982/3</u> 9.1	<u>1983/4</u> 11.85	<u>1984/5</u> 12	

MEMBERSHIP OF PRINCIPAL INTERNATIONAL ORGANISATIONS:

UN
NAM
G77
OAU

10 January 1983

The Rt Hon Francis Pym MC MP
Secretary of State for Foreign and
Commonwealth Affairs
London SW1


Sir

EGYPT: ANNUAL REVIEW FOR 1982

1. A Special Report on Egypt in The Times last month pronounced that after years when Egypt was rarely out of the headlines it had faded from the limelight since the death of Sadat. I suspect that President Mubarak minds this state of affairs less than most of his ministers, journalists and even fellow-citizens who had grown accustomed to a ruler who created events rather than followed them. Like it or not, however, a review of 1982 has to be a review of Mubarak's stewardship, now nearly 15 months old. The consensus in Egypt as well as abroad is that he has precious little to show for it, except that things might be worse. My guess is that they probably will get worse, for the West as well as for Egypt.

2. In foreign affairs Mubarak was dealt a bad hand, and has played it with surprising skill. Taking over with six months still to go before Israel's withdrawal from Sinai, he was faced with a crescendo of Israeli complaints and threats during the count-down that suggested an intention at least to delay matters beyond the sacred date of 25 April. Self-interest dictated that the Egyptians should not react, but one still had to admire their ability to shrug off this barrage as a combination of brinkmanship and domestic politicking by Begin; even more the dignity with which they swallowed the legacy of

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scorched earth the Israelis left behind in northern Sinai and the appropriation of a slice of Egypt's coastline simply because it was the only attractive beach near Eilat. Eyeless in Gaza, or topless in Taba, the Israelis do not leave a country as they found it.

3. The Egyptians were more disturbed by Begin's post-withdrawal symptoms, principally his insistence that neither Mubarak's projected visit nor the autonomy talks could take place unless they included Jerusalem. When several ministerial missions failed to move him, the Egyptians concluded that he was aiming either to buy time until calling an election or to provoke Egypt into denouncing the autonomy talks, whereupon he would be free to proclaim the annexation of the West Bank like that of Golan a few months before. They had no faith in the American nostrum of a tripartite summit; and Mubarak told me on 2 June that he had declined President Reagan's invitation to New York. He feared that Begin would spring some disagreeable surprise that would damage Mubarak in both Egyptian and Arab eyes, as he had done to Sadat with the raid on Baghdad after their meeting at Sharm el Sheikh. He was more prescient than he knew.


4. The invasion of Lebanon came as the last straw. It dealt the final blow to Egypt's stubborn justification of Camp David: that it had reduced the risks of war, that Egypt had not abandoned her Arab responsibilities, and on the contrary was thereby better placed to secure the rights of the Palestinians. Israel compounded the humiliation by proclaiming proudly that the peace with Egypt was holding fast. The regime had difficulty in keeping popular indignation within bounds, and it was surprising that they were able to confine themselves to verbal reactions until the Beirut massacres compelled the withdrawal of their Ambassador from Tel Aviv. To outrage was

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added bewilderment at Israeli motives/ⁱⁿ- as Egypt saw it - jeopardising the peace treaty and Egyptian goodwill. Now however that agreement to a peace treaty and "normalisation" has emerged as the price of Israel's withdrawal from Lebanon, the Egyptians are beginning to detect a glimmering of logic if not of reason. They believe that the Israelis, or at least the Begin/Sharon school, are not interested in a peace between equals but consider that to be durable it must be imposed. And Israel must retain certain advantages (commercial and cultural links - and Taba - in the case of Egypt, settlements in an autonomous West Bank, security enclaves in Lebanon) to give her leverage in case the other party is tempted to back out. The Egyptians are confident that the sheer mass of their country and its impenetrable bureaucracy can withstand any such Israeli infiltration. But they fear that Israel's present terms could quickly turn Lebanon into a helpless satellite; they advised President Gemayal in this sense, and earned an American rebuke for their pains.

5. In a wider political sense Egypt is far from immune. Mubarak's surprising refusal to accept PLO fighters from Beirut was due not only to the need for Israel's treaty partner to avoid any suspicion of connivance but to genuine fear of the domestic trouble the Palestinians could cause within Egypt. The fact that he maintained this refusal in the face of strong American pressure reflected an impatience with Washington that had been growing throughout the year, first on account of Haig's preoccupation with his "regional strategic consensus" at the expense of the Palestine problem, secondly with Washington's inability to move the Israelis on any issue affecting Egypt. Above all it reflected the conviction that the Americans had been privy to the Israeli invasion and thus to Egypt's discomfiture. On several /occasions



occasions the Egyptians appealed to Britain to join them in pressing for a more active American policy not only on Arab/Israel but also towards the Gulf War. Unfortunately our response was inhibited by the Falklands crisis and the Egyptians turned to the French, who have since skilfully transformed their joint Security Council draft from an ephemeral balloon to a new benchmark for peace formulae that supersedes the Venice Declaration and enables France to claim a privileged relationship with Egypt and the other Arabs alike.

6. Given Egypt's dependence on US aid Mubarak has carried this disengagement process about as far as he dare, for example in resisting American wishes over the projected Red Sea airfield "facilities" and exercises with the Rapid Deployment Force. The government therefore received the Reagan initiative with both relief and self-congratulation, although the wave of anti-American feeling aroused by Lebanon persists and seems to be spreading. Excluded from Fez, the Egyptians are intensifying their contacts with the PLO in the hope of improving their pan-Arab credentials and retaining an equal role in the initiative with King Hussein. Their ministers have visited Beirut, Amman and other capitals in the same cause, but there is a forlorn and implausible air about such forays. Having, as Boutros Ghali observes, lost count of the assurances they have received from an American president that this time he really is in earnest, they have little hope that Begin will not succeed in filibustering this one too into the doldrums of the 1984 presidential election.

7. Mubarak is doing his best to prepare for that eventuality. As well as cultivating the West Europeans, he is rediscovering Egypt's African personality through integration with the Sudan and other

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excursions, re-furbishing her non-aligned credentials through trips to India and Eastern Europe, and even hinting at a rapprochement with Moscow. What is missing from the public record is any emphasis on what must privately be his top priority, namely reconciliation with the moderate Arabs. This is partly a matter of pride - let those who broke off relations make the first move (as Iraq, Jordan, Morocco, and even Arafat are doing at least verbally). But Saudi Arabia is the key, and the Egyptians suspect that the Saudis may be in no hurry to see a potential rival to their own pre-eminence return to the fold. I detect also the fear that if Reagan fails the discredit will inevitably rub off on Egypt, whose dilemma will then be acute. For the other Arab moderates the collapse of the Reagan "last chance" will by common consent be bad enough - leading via a recrudescence of PLO extremism to the "radicalisation" of the regimes. For Egypt, there will be domestic as well as Arab pressure to close ranks, but in these circumstances the price of reconciliation is almost bound to include some concrete gesture like the removal of the Israeli Ambassador from Cairo. The Israelis could be relied on to exploit such a clear breach of Camp David to the utmost during a US election campaign, and the Administration would be hard put to it to maintain their economic commitment to Egypt. Mubarak could not afford to allow such a sequence of events to develop. But the unpalatable alternative will be a relapse into isolation internationally, and increasing repression of dissentient voices at home.

8. How strong then is Mubarak's domestic position? He has certainly disappointed the hopes he aroused by his earliest pronouncements and actions as President, when he deliberately disavowed the more unpopular features of Sadat's domestic policies:

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he dropped the personality cult of the President and the "First Lady", abandoned Sadat's peripatetic and spasmodic working style for an unremitting six-day week, condemned favouritism, privilege, profiteering and corruption, released political prisoners, relaxed government control of the press, received opposition personalities and launched a national debate on how to solve Egypt's economic problems. A year later the exhaustive debate has given birth to a 5-year plan, but there is little sign of new policies and Mubarak is reduced to explaining that there are no magic solutions and calling for increased productivity. Indeed the familiar problems have got worse, as revenues from oil, remittances, and tourism have declined with the world recession, while the cost of subsidies on food and fuel mounts up with the inexorable growth of population. Although a programme of retrenchment in subsidies and in Egypt's bloated bureaucracy would always have involved some risk, Mubarak might have got away with it in the period up to the final Israeli withdrawal when people were braced for reform and unwilling to rock the boat. Having been dissuaded by cautious politicians mindful of the 1977 riots he has probably now missed the moment, and seems likely to settle for small and gradual steps that will make little impact on the basic problems. The economy will become increasingly dependent on foreign aid and investment, with the highest hopes pinned on a renewed inflow of Arab money, which has begun but seems unlikely to materialise on a decisive scale.


9. The government's more intelligent critics, like Mohamed Hassanein Heikal and others silenced by Sadat, recognise that economic miracles are impossible but argue that this makes it all the more important

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to promote social and political reform. People must be given a greater feeling of belonging to a democratic society that has their rather than individual and sectional interests at heart. Otherwise they, and in particular the youth, will be engulfed by the advancing tide of Islamic fundamentalism, which feeds upon the materialism and corruption of existing society and the glaring contrast between the wretchedness of their living conditions and the conspicuous affluence of a few. There is no doubt that the arrest and prosecution of Sadat's brother on corruption charges was Mubarak's most popular move in 1982, and a sustained campaign against corruption could do more than anything else to rally public support. Unfortunately the signs are that fear of skeletons in the cupboard will combine with bureaucratic resistance to frustrate him.

10. The political panacea of the critics, a return to multi-party democracy through fresh elections and the dissolution of the discredited NDP, while attractive in theory looks even less likely to be realised. Mubarak would have to overcome the combined resistance of the military, the security services, and the party hacks, who would see it as an invitation to anarchy, and he has shown no disposition as yet to impose his will on them. He deserves credit for candour, tolerance, perseverance, for setting his face against change for the sake of change, and for such limited ministerial changes as he has made. But the impression is growing that Mubarak has no sense of direction, and is being led along by others like the Defence Minister Abu Ghazala and the colourless Prime Minister Fuad Mohieddin, acting from more personal motives - respectively ambition and self-preservation. Such is the long-suffering nature of the Egyptian people that the pattern of drift could continue for a year or two yet, but unless Mubarak can find some way of inspiring and mobilising the


/nation's



nation's energies as both his predecessors did I fear that sooner or later he may be pushed aside by a more masterful and dynamic rival. Whether this came about as a reaction to an internal upheaval or to pre-empt one, it would be a change of management rather than a revolution. But a successor bent on economic and social reform would probably need to offset its harsher effects at home with an assertion of Egyptian national interests abroad. It seems unlikely that these interests would continue to be so closely identified with those of the West, and the United States in particular, as they are now.

11. This is the sort of prediction one is tempted to make when writing one's fourth annual review from the same post and looking for something original to say. I may well have to find variations on the same theme for the fifth and the sixth, and we may still be muddling along with Mubarak. But there is something of the sleeping giant about Egypt, as its conquerors and antagonists have found over the millenia, and as the visitor to the chaotic megalopolis of Cairo senses today. It can be a powerful force for disruption as well as stability, and in recent years at least British policy has seen a national interest - both political and commercial - in encouraging the latter. But we are too prone to cool off when the going begins to look rough, rather than, say, to treat disenchantment with America as an opportunity for Europe. Last year French exports to Egypt were more than 50% up on 1981, nearly double the prospective British figure - largely because we cannot match the financing packages that all our competitors offer, and ECGD are again talking about restricting cover. President Mitterand crowned an annus mirabilis for France in Egypt with a triumphal visit in late November, whereas British visits were sharply down from the peak reached in 1981.

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This is no doubt an irritating point to make, given Britain's other preoccupations in 1982. But it remains I submit a striking anomaly that no British head of state or government has ever visited Egypt, except for Winston Churchill during the war. We shall have to do something to redress the balance, in material as well as political terms, if we wish to be taken seriously.

11. I am sending copies of this despatch to Her Majesty's Representatives at Abu Dhabi, Algiers, Amman, Baghdad, Beirut, Damascus, Jedda, Khartoum, Kuwait, Muscat, Rabat, Tehran, Tel Aviv, Tripoli, Tunis, Washington and UKMis New York.

I am Sir
Yours faithfully

(M S Weir)

CONFIDENTIAL

CF 1000 APY

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FM CAIRO 281130Z JAN 83

TO IMMEDIATE FCO

TELNO 43 OF 28 JANUARY

SAVING AMMAN, BAGHDAD, BEIRUT, DAMASCUS, JEDDA, KHARTOUM, TEL AVIV, TRIPOLI, TUNIS, PARIS, UKMIS NEW YORK, WASHINGTON.

MUBARAK'S VISIT TO BRITAIN : 2-3 FEBRUARY.
SUMMARY.

1. IN 15 MONTHS PRESIDENT MUBARAK HAS CONSOLIDATED HIS POSITION AT HOME AND ABROAD. BUT PEOPLE ARE BECOMING RESTIVE AT HIS FAILURE TO DEAL DECISIVELY WITH EGYPT'S ECONOMIC PROBLEMS, AS WELL AS AT EGYPT'S UNCHANGED ISOLATION WHILE THE REAGAN INITIATIVE MARKS TIME. MUBARAK DEPENDS ON THE US AND THE WEST FOR POLITICAL AND ECONOMIC SUPPORT. BRITISH INTERESTS LIE IN DEMONSTRATING OUR SUPPORT, MAINLY BY PRESSING FOR EARLY PROGRESS ON LEBANON, PEACE NEGOTIATIONS AND ISRAELI SETTLEMENTS. WE ALSO NEED TO PROMOTE OUR COMMERCIAL INTERESTS.

DETAIL.

AGENDA IN LONDON.

2. THE FOREIGN MINISTER WHOM I SAW ON 25 JANUARY EXPECTS THAT PRESIDENT MUBARAK WILL WISH TO COVER SOME OR ALL OF THE FOLLOWING SUBJECTS IN HIS TALKS WITH THE PRIME MINISTER.
- (I) THE REAGAN INITIATIVE AND THE SITUATION IN LEBANON. MUBARAK'S ASSESSMENT, AFTER HIS TALKS IN WASHINGTON, OF THE CHANCES OF PROGRESS THIS SIDE OF THE US PRESIDENTIAL ELECTION. HIS VIEW OF THE EUROPEAN ROLE.
 - (II) THE IRAN/IRAQ WAR.
 - (III) AFRICAN QUESTIONS (THE SUDAN AND THE HORN, AND THE OAU) AND EGYPT'S ROLE AMONG THE NON-ALIGNED.
- HE ALSO HOPES TO HEAR THE PRIME MINISTER'S VIEWS ON:
- (IV) THE PROBLEM OVER THE ARAB LEAGUE DELEGATION VISIT TO LONDON AND OUR MOVES TO RESOLVE IT.
 - (V) US/EUROPE, EAST/WEST RELATIONS, AND THE NEW SOVIET REGIME.
3. MUBARAK IS UNLIKELY TO RAISE ANY PURELY BILATERAL ISSUES. WE SHOULD NEVERTHELESS REGISTER OUR DEFENCE AND COMMERCIAL INTERESTS ESPECIALLY SINCE WE MAY NOT HAVE MUCH NEW TO SAY ABOUT ARAB/ISRAEL. THE MOST IMPORTANT ARE:
- (A) DEFENCE SALES. WE HAVE A GOOD CHANCE OF CONTRACTS WORTH ABOUT £300 MILLION FOR SHIPS AND OTHER EQUIPMENT. DETAILS ARE CONTAINED IN MY TELNO ACA/ZMC/ZMD/286 OF 21 JANUARY TO THE MOD.
 - (B) OUR COMMITMENTS IN AID (£50 MILLION) AND EXPORT CREDITS (£100 MILLION) TO THE CAIRO WASTEWATER SCHEME. THE FIRST CONTRACTS SHOULD BE LET THIS YEAR.

CONFIDENTIAL

/ (c)

(C) WILLIAM PRESS'S LEADING ROLE IN THE NATURAL GAS DISTRIBUTION PROJECT.

(D) THE INTEREST OF SEVERAL BRITISH COMPANIES IN FURTHER JOINT VENTURES IN EGYPT IF BUREAUCRATIC OBSTACLES CAN BE OVERCOME.

MUBARAK'S POSITION.

4. AFTER 15 MONTHS IN OFFICE MUBARAK'S MOST DISTINCTIVE ACHIEVEMENT REMAINS THE PROFOUND CHANGE HE HAS BROUGHT IN THE STYLE OF THE PRESIDENCY, AND THUS IN THE POLITICAL ATMOSPHERE OF THE COUNTRY. HIS APPROACH TO GOVERNMENT IS PRAGMATIC AND, ABOVE ALL, CAUTIOUS. THE NEW STYLE HAS ITS ADVANTAGES: HIS SPEECHES ARE SHORTER AND FEWER THAN SADAT'S AND FREE OF RHETORIC AND VAIN PROMISES. HE CONSULTS WIDELY AND REGULARLY, AND HIS PERSONAL INTEGRITY IS UNQUESTIONABLE.

5. BUT WHAT WAS AT FIRST AN ASSET MAY HAVE BECOME A LIABILITY. THERE IS NO SIGN THAT HE HAS COMMUNICATED HIS OWN WORK ETHIC TO HIS FELLOW COUNTRYMEN. HE APPEARS TO HAVE ABANDONED ANY SERIOUS ATTEMPT TO PROMOTE ECONOMIC REFORM OR TO REDUCE EGYPT'S SUFFOCATING BUREAUCRACY. HIS MINISTERIAL APPOINTMENTS HAVE BEEN UNINSPIRING, SOMETIMES DISMAL. THE CAMPAIGN AGAINST CORRUPTION, PARTICULARLY THE PROSECUTION OF SADAT'S BROTHER, HAS WON WIDESPREAD APPROVAL, BUT HAS DONE LITTLE TO DISPEL THE SUSPICION THAT THE REALLY BIG FISH ARE SWIMMING FREE.

FOREIGN POLICY

6. MUBARAK'S CHIEF OBJECTIVE IN FOREIGN POLICY IS REAL PROGRESS IN WIDENING THE PEACE PROCESS BECAUSE:

(A) IN THE ABSENCE OF ACTIVE NEGOTIATIONS TOWARDS A COMPREHENSIVE SETTLEMENT THE SEPARATE PEACE TREATY WILL ALWAYS BE VULNERABLE TO ATTACK. SO WILL THE EGYPTIAN LEADERSHIP.

(B) THE ISRAELI INVASION OF LEBANON, WHICH MOST EGYPTIAN BELIEVE HAD TACIT US APPROVAL, GENERATED STRONG ANTI-AMERICAN FEELING AND SEVERE PRESSURE FOR A COMPLETE BREAK WITH ISRAEL, TO THE ACUTE EMBARRASSMENT OF THE REGIME.

(C) MUBARAK WOULD LIKE A RAPPROCHEMENT WITH THE MODERATE ARABS. THE LATTER ARE UNLIKELY TO RESTORE FORMAL RELATIONS WITH EGYPT WITHOUT EITHER A PRICE IN TERMS OF EGYPTIAN/ISRAELI RELATIONS (SUCH AS EXPELLING THE ISRAELI AMBASSADOR OR RENOUNCING CAMP DAVID, BOTH OF WHICH ARE UNACCEPTABLE TO MUBARAK) OR PROGRESS TOWARDS A WIDER PEACE.

7. MUBARAK BELIEVES THAT ONLY THE REAGAN PLAN HAS ANY CHANCE OF SUCCESS, SINCE IT IS BASED ON CAMP DAVID, STILL THE ONLY PEACE AGREEMENT TO WHICH THE ISRAELIS ARE COMMITTED. HE IS WORRIED THAT IT WILL BE BLOCKED BY ISRAELI (AND SYRIAN) PROCRASTINATION IN THE LEBANON WITHDRAWAL TALKS. HE HAS THEREFORE BEEN URGING THE AMERICANS TO INSIST ON AN EARLY START TO WITHDRAWAL, AND DECLARED

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/THAT

THAT MEANWHILE EGYPT WILL NOT RESUME PEACE NEGOTIATIONS. BUT HE HAS ALSO DECLINED TO SUPPORT HADID'S ATTEMPTS TO MEET ISRAEL'S DEMANDS FOR A QUID PRO QUO FOR HER WITHDRAWAL. HE HAS CONSISTENTLY CALLED FOR MUTUAL AND SIMULTANEOUS RECOGNITION BETWEEN THE PLO AND ISRAEL, FOR A US/PLO DIALOGUE AND (GOING BEYOND CAMP DAVID) FOR US RECOGNITION OF THE PALESTINIANS' RIGHT TO SELF-DETERMINATION. RECENTLY, HOWEVER, MUBARAK HAS ILUNTLY URGED THE PLO (WITH WHOM HE IS IN CLOSE TOUCH) TO RECOGNISE ISREAL UNILATERALLY: "IF YOU HAVE ONLY ONE CARD, PLAY IT BEFORE IT LOSES ITS VALUE". HIS ADVISERS FIND THIS SHIFT AS INCOMPREHENSIBLE AS PDO THE REST OF US.

8. MUBARAK HAS SOUGHT TO DISGUISE EGYPT'S EMBARRASSMENT ON THE ARAB/ISRAEL FRONT BY ACTIVITY IN OTHER AREAS. FRANCE HAS EMERGED AS A MAJOR PARTNER IN THIS, PROVIDING NOT ONLY THE FRANCO-EGYPTIAN "INITIATIVE" BUT ALSO ALPHAJET, A METRO FOR CAIRO, NUCLEAR POWER STATIONS, SURPLUS FOOD SUPPLIES (ALL ON GENEROUS TERMS) AND FREQUENT MINISTERIAL VISITORS. HE HAS RESPONDED WITH REPEATED STOPOVERS IN PARIS (THE FIRST AND LAST PORT OF CALL ON HIS PRESENT JOURNEY) AND WITH HIS LAVISH RECEPTION OF MITTERRAND FOR A STATE VISIT LAST NOVEMBER. OTHER INTERLOCUTORS AND AID-GIVERS, SUCH AS THE FRG, JAPAN, AND OURSELVES ARE VALUED IN PROPORTION TO THEIR CONTRIBUTION AND ATTENTIONS. MUBARAK IS ALSO SEEKING TO RESTORE EGYPT'S STANDING IN THE OAU AND AMONG THE NEUTRAL AND NON-ALIGNED, VISITING INDIA, ROMANIA AND YUGOSLAVIA, AND THERE IS INCREASING (P) (59. OF RESUMING AMBASSADOR-LEVEL RELATIONS WITH THE SOVIET UNION (SADAT EXPELLED THE SOVIET AMBASSADOR IN SEPT 1981). A MAJOR MOTIVE IN ALL THIS, PARTLY IN RESPONSE TO POPULAR FEELING, IS TO DILUTE THE ALMOST TOTAL IDENTIFICATION OF EGYPTIAN WITH US INTERESTS THAT MUBARAK INHERITED FROM SADAT. BUT HE HAS TO PROCEED CAUTIOUSLY AS CONGRESS APPEARS SENSITIVE TO EVEN UNEXCEPTIONABLE MOVES.

INTERNAL/ECONOMIC.

9. MUBARAK STILL DEFINES HIS DOMESTIC PRIORITIES AS INTERNAL SECURITY AND THE ECONOMY. ON THE FORMER, BY A SHREWD COMBINATION OF CARROT AND STICK, THE REGIME HAS SUCCEEDED IN CONTAINING THE SPREAD OF ISLAMIC FUNDAMENTALISM ON THE UNIVERSITY CAMPUSES. BUT, WITHOUT PROGRESS IN OFFERING EGYPT'S YOUTH (ABOUT HALF THE POPULATION IS UNDER 16) A BETTER MATERIAL FUTURE THE REPITE CAN ONLY BE TEMPORARY. NO-ONE NOW DISCOUNTS THE POSSIBILITY OF AN ISOLATED ACT OF VIOLENCE OR A RESURGENCE OF RADICAL ISLAM IN OTHER FORMS OR AREAS.

10 THE ECONOMIC OUTLOOK IS EQUALLY CLOUDY. THE ECONOMY CONTINUES TO EXPAND AT AROUND 8 PERCENT P.A., BUT THE BALANCE OF PAYMENTS HAS BEEN HIT BY A DECLINE IN THE COUNTRY'S FOUR MAIN SOURCES OF FOREIGN EXCHANGE - OIL, REMITTANCES FROM OVERSEAS WORKERS, THE SUEZ CANAL AND TOURISM. MEANWHILE POPULATION GROWTH, AT 2.5 PERCENT P.A., IS STEADILY FORCING UP EGYPT'S HUGE EXPENDITURE ON

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FOOD IMPORTS AND CONSUMER SUBSIDIES. YET, GIVEN THE SIZE AND SOPHISTICATION OF THE MARKET, EGYPT REMAINS A GOOD PROSPECT FOR BRITISH INVESTORS AND EXPORTERS, PROVIDED OUR PRICES AND CREDIT TERMS ARE RIGHT.

BRITISH INTERESTS.

11. IT IS IN OUR INTEREST:

(A) THAT EGYPT SHOULD REMAIN A FRIEND OF THE WEST AND A FORCE FOR MODERATION IN THE MIDDLE EAST AND IN THE THIRD WORLD. MUBARAK'S PERSONAL COMMITMENT TO THE PEACE TREATY IS NOT IN DOUBT BUT HE BADLY NEEDS TO SHOW THAT HIS TIES WITH THE WEST ARE PRODUCING MOVEMENT TOWARDS A COMPREHENSIVE SETTLEMENT,

(B) TO PRESS UPON THE UNITED STATES THE URGENCY, FOR ALL THE MODERATE ARABS, OF PROGRESS ON WITHDRAWAL FROM LEBANON AND ON THE REAGAN PLAN,

(C) TO MAINTAIN OUR SHARE OF THE LARGE AND EXPANDING EGYPTIAN MARKET BY OFFERING AID AND CREDIT ON COMPETITIVE TERMS.

FCO PSE PASS RELEVANT SAVING ADDRESSEES.

WEIR

(REPEATED AS REQUESTED)

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CABINET OFFICE

ADDITIONAL DISTRIBUTION

ARAB/ISRAEL DISPUTE

MR. EGERTON
MR. THOMAS
MR. HAYES

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MUBARAK, MUHAMMAD HUSNI (SAID)

President of the Republic (14 October 1981).

Born 1928, in Menoufia Governorate. Military Academy 1949. Air Academy 1950. Trained as a fighter pilot. Between 1959 and 1961 spent two periods in the Soviet Union on navigation and instructor courses. Associated with Tupolev TU-16 light bombers since their first delivery to Egypt in late 1961. In 1962 commanded TU16's operating over North Yemen. In 1964 he visited Russia twice, to attend a staff course and to study the naval version of the TU16. In January 1966 appointed Commander of Cairo West Airbase, in 1967 Director of the Air Academy and in January 1969 Chief of Staff of the Air Force. Promoted Air Vice-Marshal in November 1969, and appointed Commander of the Air Force in April 1972. Promoted Air Marshal in February 1974, and appointed Vice President in April 1975. Played a prominent part in the creation of the National Democratic Party in 1978, later becoming its Secretary-General. The People's Assembly nominated Mubarak as Presidential candidate on 7 October 1981, a choice which was approved by 98.6% of the voters in a referendum on 13 October. He was inaugurated as President the following day. Mubarak visited the United States, Britain, Germany, France, Italy, (including the Holy See) and Austria in early 1982, as well as making a short trip to Oman.

Mubarak was regarded by his Air Force colleagues as a brave and capable pilot and a model officer who owed his promotion to merit rather than connections. All remark on his efficiency and moral integrity. Following the expulsion of the Soviet advisers in July 1972, he was thought to be one of the few top Egyptian officers still acceptable to the Russians. He was employed by Sadat in a military fence-mending exercise at the end of that year, visiting Moscow with Prime Minister Sidqi and leading a military delegation. Despite (or because of) the absence of Soviet advisers his Air Force performed satisfactorily in the secondary role allocated (realistically) to it in the war of October 1973, which he helped plan with President Sadat. He proved an efficient and impressive Air Force Commander.

His sudden elevation to the Vice-Presidency in April 1975 came as a considerable surprise, although with his disciplined military approach and administrative efficiency, he quickly made the job his own. In addition to his work with the NDP, Mubarak undertook much of the supervision of the daily business of Government. He maintained his interest in military and intelligence matters - Mubarak seems to have been personally involved in several major procurement decisions - and, for much of the time, oversaw the running of the Presidency. In this connection, there were rumours (published in the 'Jerusalem Post' in January 1981) of Mubarak seeking to introduce his own supporters into positions of influence, and of his having clashed with Mrs Sadat, Mansur Hassan (qv) and Osman Ahmad Osman (qv) in the process. Whatever the truth of such stories, Mubarak remained until the end Sadat's loyal, but unobtrusive, assistant whom the President came frequently to entrust with important missions to the United States and Europe.

Sadat certainly regarded Mubarak as his natural successor, and hinted (for example, to Mr Callaghan in April 1981) that he was in any case contemplating an early transfer of power to his Vice-President. Although Mubarak expressed reluctance to assume the Presidency when it was thrust upon him, he has displayed the same quiet, but cheerfully confident, competence seen in his earlier career. At the time of writing, the changes have been mainly of style, not substance. Gone are the uniforms, rest-houses and flamboyant speeches associated with Sadat. Mubarak keeps a much lower profile, only rarely addressing the nation on television and then for not more than half an hour from a script prepared in classical Arabic by his able Chef de Cabinet Osama al Baz (qv).

/No

No longer is the President front page news every day. Instead a photograph of him meeting a Minister or an Opposition figure may appear on an inside page, or not at all. Unlike Sadat, Mubarak has made a point of consulting a wide range of informed opinion – academics, and Opposition figures of all shades – with a view to creating a national consensus on which to base his policies.

So far, however, Mubarak has shown no sign of facing up to the tough decisions needed to deal with the mounting problems of the Egyptian economy, the solution of which he has identified as his main priority. It is in the economic field that a continued absence of new policies will be most sorely felt, and there that Mubarak's qualities of leadership will be most severely tested. He will not find it easy to satisfy an expectant and increasingly impatient public.

Although no intellectual, since becoming President, Mubarak has shown a clear grasp of issues and gives the impression of a man who makes up his own mind. His modesty manifests itself in his dislike of extravagance and ostentation. Always affable and usually smiling, he is not yet at ease on public occasions and tends to turn journalists' awkward questions aside with a joke. Mubarak speaks Russian and English, his command of the latter growing with his confidence. He rises early, puts in long hours at the office, and plays squash regularly.

Suzanne Mubarak, whom the President married when she was 17, is the daughter of an Egyptian doctor, who died in 1981, and the former Lilian Palmer, a nurse from Pontypridd, who lived in Cardiff until her death in about 1979. Mrs Mubarak, an attractive, lively and intelligent woman, studied sociology at the American University in Cairo in 1972-76, and supports a project for deprived children in the poor suburb of Bulaq. Since her husband became President, she has continued her charitable work and other public activities, but with a minimum of publicity, in marked contrast to Mrs Sadat. The Mubaraks have two sons, (born 1960 and 1962), both of whom are studying economics at the American University in Cairo. Mrs Mubarak's brother, Brigadier Munir Sabit, is head of the Egyptian procurement mission in Washington. There have been allegations in the American press that he was involved in corruptly supplying arms to the PLO.

ALI, KAMAL HASSAN

Deputy Prime Minister and Minister of Foreign Affairs (May 1980).

Born 18 September 1921. Studied at Military Academy 1942 and then at tank school in the UK 1948-49. He also took courses in USSR 1958-59. Served in the wars of 1948 and 1967. Wounded in action in 1948, 1965 and 1967. Operational commander of the Armoured Forces in the Yemen 1963-65. Chief of Staff of Armoured Forces and then Commander of Armoured Forces 1971-75. Assistant to Minister of War May-July 1975, then head of General Intelligence 1975-78. As Minister of Defence in 1978 and 1979 played a prominent role in negotiations with the Israelis over the treaty and withdrawal arrangements. He was promoted general in May 1979.

Small and cuboid, Ali resembles the tanks he used to command. He had the reputation of being a good armoured commander and is well liked in the services. But he was not considered to have had a firm grip on the General Intelligence Service. As Defence Minister, the high proportion of his time spent on negotiations with the Israelis and Americans reduced his effectiveness, and led to criticism that he was too political and spent too little time on service matters.

As Foreign Minister he has continued to concentrate on relations with Israel and the US, and the Middle East in general. He has left Third World and Non-Aligned work to his able Minister of State, Boutros Ghali. He is said to dislike the Russians intensely. Ali has been conscientious in mastering his briefs, and has gradually earned the respect and affection of many of his staff in the MFA, although he has mounted an economy campaign with the Diplomatic Service. He clearly enjoys the new President's confidence, and has been mooted as a possible Vice President.

Ali has been plagued by health problems in recent years, including a form of muscular dystrophy, and has visited Switzerland, the US and elsewhere for treatment.

Visited Britain with Mubarak in February 1982. Speaks good English and believed also to speak Russian. Has four brothers, a general, a gynaecologist, a civil engineer and an educationalist. His wife, who suffers from heart trouble, speaks very little English. He has two grown-up children, one a son with mental problems.

BOUTROS GHALI, DR BOUTROS (YUSSEF)

Minister of State for Foreign Affairs (1978).

Born about 1920 from a prominent Coptic family (his grandfather was the Prime Minister assassinated in 1910). Studied law at the Sorbonne and later political philosophy in the United States. Appointed Professor of International Law at Cairo University and edited the economic weekly "Al Ahram Al Iqtisadi". For a long period held a post with the Secretariat of the ASU Central Committee and edited Al Ahram's International Affairs quarterly. Visiting Professor in 1968 at the Sorbonne. Head of Al Ahram's Strategic Studies Centre in 1976. In the Ministerial reshuffle in October 1977 Ghali was appointed a Minister of State without portfolio. It was thought that he was being appointed as one of the "token Copts" in the Council of Ministers. However, on the resignation of Ismail Fahmi (qv) and Muhammad Riad (qv) in November 1977 he was appointed Minister of State for Foreign Affairs and for a month was acting Foreign Minister, accompanying President Sadat to Jerusalem. On the resignation of Muhammad Ibrahim Kamil in September 1978 he again became Acting Foreign Minister and was No 2 in the Egyptian delegation to the Washington talks. Like Kamal Hassan Ali he somewhat blotted his copy book by accepting ad referendum a treaty with which the President later found fault. Appointed Minister of State for Foreign Affairs in October 1978 when the Prime Minister, Mustafa Khalil (qv), took the Foreign Affairs portfolio. Remained in his position when Kamal Hassan Ali was appointed Minister. They appear to work well as a team.

He is sensitive, intelligent and intellectual, with a sophisticated sense of humour. His religion probably prevented him from being appointed substantive Foreign Minister, but since 1978 he has been a good advocate for Egyptian policy at home and in numerous international forums. He is a particular expert on African affairs. He bore the brunt of the "rejectionist" attack on Egypt since the peace treaty with eloquent resilience, notably at the OAU Summit in Monrovia and the Non-Aligned Meetings in Havana. He paid a successful visit to Britain in Spring 1981 as the guest of HMG, speaking at Chatham House and in Oxford.

Ghali speaks good English and German, but is more at home in French. First married to a Romanian, but soon divorced. Married for many years to an Alexandrian Jewess (grand-daughter of the Chief Rabbi of that city) of considerable charm and intelligence. She speaks better French than English, and takes her duties as the Minister's wife very conscientiously. No children.

AL BAZ, DR OSAMA (SAYYID)

President's Chef de Cabinet for Political Affairs (October 1981) and First Under Secretary, Ministry of Foreign Affairs (December 1977).

Born 1937. Trained as a lawyer. After Cairo University, spent a brief spell in the Egyptian Foreign Service before seven years leave of absence studying in the US. Obtained a PhD at Harvard Law School where he became President of the 28,000 strong Pan-Arab Student Movement. Has never served in an Egyptian mission overseas. Nevertheless sometime before 1970 he was appointed as a Counsellor to be the senior instructor in the MFA's training institute. He also worked in the Arab Socialist Union's Youth Secretariat following the dismissal of the left-wing supporters of Ali Sabri in May 1971. In late 1973 Ismail Fahmi (who had been appointed Minister of Foreign Affairs the previous October) brought him in as deputy head of his private office. Early in 1975 he was promoted Ambassador and replaced the previous Chef de Cabinet, Omar Sirri, on the latter's transfer. He accompanied President Sadat to Jerusalem. Fahmi's resignation in November 1977 did not harm to his meteoric rise. In December 1977 he was in quick succession appointed one of the three Egyptian delegates to the Cairo Conference called by President Sadat after his visit to Jerusalem, named Chef de Cabinet for Political Affairs to the Vice President and promoted within the MFA to First Under Secretary. In 1980 he was awarded, but did not collect, the Harold Weil Medal of the New York University School of Law for his "contributions to the Treaty of Peace".

He played a leading role in the peace negotiations during 1978, and impressed both the Americans and Israelis by his technical competence. At Camp David he was the member of the Egyptian delegation who assisted President Carter in drafting the agreements. His detractors argue that he should have used his position to dissuade President Sadat from accepting the two agreements without more substantial 'linkage' between them.

Al Baz has continued to play a major role in all Arab/Israel issues since Camp David, leading official level talks on autonomy and withdrawal. He accompanied Mubarak to Britain in September 1980, and dazzled a Wilton Park conference that year with his exposition on Egypt/Israel relations. Always close to Mubarak, his influence has increased since the latter assumed the Presidency. Al Baz appears not only to draft the President's speeches, but also to advise across the whole range of domestic and foreign policy. Al Baz was with the President on his visit to Britain, the US and five other countries in late January-early February 1982.

An interesting personality, whom one cannot quite see as a Minister, though there has been conjecture about this. Unimpressive in appearance, he has an extremely sharp and questioning mind, some charm and a good sense of humour. But he can also be aggressive and insensitive. He enjoys argument for its own sake and seems to have no very deep political commitments. His rise has earned him some animosity in the MFA and there is friction between him and Boutros Ghali. His brother Faruq is a leading scientist and has been a senior official with the American NASA (naming three craters on the moon).

His wife, Hama, who was one of his pupils at the Diplomatic Institute and then did post graduate work at Oxford, is a member of the Egyptian Foreign Service presently serving in London. They have one son. He speaks impeccable, if heavily American, English.

ABU SEEDA, HASSAN ALI HASSAN

Egyptian Ambassador in London (December 1979).

Born about 1930. Commanded Artillery Brigade in the October War. Later commanded the Second Infantry Division. In 1978 was appointed Director of Military Operations for the Western Military District, where he ran the last mini-war against Libya.

His appointment as Egyptian Ambassador to London in December 1979 was a surprise. He had the reputation of being one of the ablest and most popular officers, and was reluctant to leave the forces and Egypt for a diplomatic career. But there had evidently been some clash with the senior military establishment, probably with General Badawi, who felt that there was no room for such an ambitious man in the Army. In London he has been energetic but somewhat gauche. His military ways have raised eye-brows inside and outside the Egyptian Diplomatic Service. There have been frequent rumours that he would be replaced and even brought back to Cairo as Vice President. He is known to be ill at ease with the forms of diplomatic work, to pursue individual whims and to drive his staff hard. He gives his rank as Lieutenant General, although the military assure us that he left the Army as a Major General.

Abu Seeda, who is from a family influential in the Delta, married for the first time in 1973. His wife, a successful TV personality with a line in revealing interviews, has two children by her first marriage and now a third by Abu Seeda.

DINNER IN HONOUR OF PRESIDENT MUBARAK OF EGYPT: 2 FEBRUARY.
TOAST

Welcome President and Mrs Mubarak, General Kamal Hassan Ali, Dr Boutros Ghali, other distinguished members of the President's party.

Good to see the President and Mrs Mubarak in Britain again. Almost a year to the day since we last saw him; hope we will sustain pattern of annual meetings, most important that we should keep in touch.

Know that the last year has been a very busy and difficult one for you and your country. Recession has affected Egypt's traditional sources of income; the Suez Canal, tourism, workers remittances. We have followed with interest the development of your new domestic policies, many of which affect us through our trading and other links with Egypt. You have been quick to identify priorities for domestic development to cope with the problems produced by the increasing pressure, of a growing population, on your country's infrastructure. We have been pleased to be able to help. Our own aid programme is concentrated in the ambitious Cairo Waste Water Scheme and more British firms than any others are involved in joint venture projects many of them in the development sphere.

The discovery of oil in Egypt has made an important contribution to your balance of payments. British Petroleum are heavily involved

in Egypt's oil industry. Oil sales to Britain have given Egypt a trading surplus. We hope that you will give British firms an opportunity in the next year to at least bring our trade back into balance. We know the problems but, as we have discussed in our talks, there are ways in which we can help make it easier for you to buy British, both in the Civilian and military fields.

Relations between Egypt and Britain are excellent; one of the reasons why we are so pleased to see you now is to repay the superb hospitality your government have extended to members of HMG over the past year.

Egypt was one of the first countries Mr Pym visited. General Kamal Hassan Ali came to London last June. Glad also that your Minister of Culture was able to come to London last year for the opening by Princess Alexandra of an exhibition to mark the Centenary of the Egypt Exploration Society, an organisation which reflects the fascination Egypt and its antiquities have for the British people.

Above all, Egypt represents to people in Britain a country prepared to take risks for peace, while preserving her honour and her principles. The peace treaty between Egypt and Israel was a remarkable triumph. We recognise that the treaty and the recovery of Egyptian territory were not achieved without a cost and will need hard work to sustain in the face of all the problems that beset the Middle East. But you, Sir, have made it unmistakably clear that the peace remains a foremost priority

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for Egyptian policy.

You have also demonstrated that the Egyptian Government will exert every effort to ensure that the peace between Israelis and Arabs is widened. Here too I am encouraged that British and Egyptian views are very close, as our talks clearly showed. We share your apprehensions that unless there is progress towards a comprehensive settlement, any partial peace will in the long term be threatened. We agree with you that it is essential to involve the Palestinian people themselves in negotiations, because it is their future which is at stake and they must play the leading part in determining it. We, like you, call for recognition from each side that the other has legitimate rights which must be respected if peace is to have any hope. And I am sure you share our deep disappointment that some of the parties concerned have shown great reluctance to explore the various ideas that have been put forward, in particular the Fez and Reagan proposals. It is encouraging to hear that your recent talks in Washington revealed the continuing determination of President Reagan to pursue his initiative.

While I take comfort from the similarity of our views on those issues, I know that we both feel that there is a desperate need for a new impetus towards peace, both in the Lebanon negotiations and on the wider question of the future of the Palestinians. Much as we wish for it, neither of us can bring it about on our own. What I can assure you

is that Britain will remain active in the search for a way forward, and we shall want to work very closely with you in the process.

Your visit to Britain on this occasion has been all too short. You have a full schedule and I know that you have pressing business at home. I hope that it will not be too long before you and Mrs Mubarak can visit us again.

TOAST: Your Excellency The President of the Arab Republic of Egypt, and Mrs Mubarak [pronounced Moobarrack, with accent on the bar].

VISIT OF HIS EXCELLENCY THE PRESIDENT OF THE ARAB REPUBLIC OF
EGYPT AND MRS MUBARAK 2-3 FEBRUARY 1983

ADMINISTRATIVE ARRANGEMENTS

(to be read in conjunction with the programme)

ARRIVAL

2 February

- 0920 Sir Michael Weir will arrive at the Special Waiting Room, Heathrow Southside
- 0925 HE Mr Abou-Seéda and Mrs Abou-Seéda will arrive at the Special Waiting Room
- 0930 HE Mr Sayed Nasr El-Din Mustafa and Madame Mustafa will arrive at the Special Waiting Room
- 0940 The Secretary of State for Foreign and Commonwealth Affairs The Rt Hon Francis Pym will arrive at the Special Waiting Room
- 0945 The Lord in Waiting to Her Majesty The Queen The Lord Lucas of Chilworth will arrive at the Special Waiting Room.
- 1000 The President and Mrs Mubarak will arrive by special flight from Washington at Heathrow Airport (Southside). Please see map attached at Annex 2. As soon as the aircraft has come to a standstill Mr R S Baxendale of the British Airports Authority will escort the Greeting Party to the bottom of the aircraft steps. When the aircraft doors open the official photographer and security guards will emerge first. The Ambassador of the Arab Republic of Egypt and Mrs Abou-Seéda will then board the aircraft and lead the President and Mrs Mubarak to the tarmac. The following will be at the aircraft steps in order:-
- The Lord in Waiting to Her Majesty The Queen -
The Lord Lucas of Chilworth
- The Rt Hon Francis Pym MP
Secretary of State for Foreign and Commonwealth Affairs
- Sir Michael Weir
British Ambassador to the Arab Republic of Egypt

The Sudanese Ambassador -
His Excellency Sayed Nasr El-Din Mustafa and
Madame Mustafa

Brigadier J A C Cowan -
Secretary Government Hospitality Fund

The Hon Diana Makgill -
Lady Ceremonial Officer

Group Captain Robert Thomson and
Wing Commander Tommy Cody -
Escort Officers, Government Hospitality Fund

The Lord in Waiting will greet the President and Mrs Mubarak on behalf of Her Majesty The Queen. The Secretary of State for Foreign and Commonwealth Affairs The Rt Hon Francis Pym MP will greet on behalf of Her Majesty's Government. The Lord in Waiting will take the President and his wife down the receiving line. The President will then be welcomed by the members of the Egyptian Embassy, members of the Egyptian Community and students. The party will then proceed through the ceremonial guard to the Special Waiting Room.

When the President is ready to depart for Claridges the Lord in Waiting will accompany the President and Mrs Mubarak to their cars.

Transport

Cars are provided for the official party throughout the visit as indicated at Annex 1.

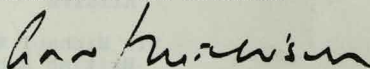
Talks at No 10 Downing Street 2nd February

The following will also be present:-

Dr Boutros Ghali:	Mr Pym
	Mr Hurd
Mr Ezz el Din Mokhtar	Sir J Leahy
	Sir M Weir
Ambassador Dr Osama Al Baz	Private Secretary
HE Hassan Abou-Seéda	
Private Secretary	

Dinner at No 10 Downing Street

Mrs Mubarak and all members of the Official Suite are invited.



Miss Anne Hutchison
Inward Visits Section
Protocol and Conference Department

CAR PLAN

LONDON HEATHROW AIRPORT TO CLARIDGE'S ON 2 FEBRUARY AND RETURN TO
HEATHROW 3 FEBRUARY

1st CONVOY

Rolls Royce (unmarked Flag Car)	His Excellency The President His Excellency Mr Abou-Seéda Special Branch Officer
Jaguar (Police)	
3. Egyptian Security Car	
4. Daimler	Mrs Mubarak Mrs Abou-Seéda The Hon Diana Makgill Special Branch Officer
5. Daimler	The President's sons
6. Egyptian Security Car	
7.	His Excellency General Kamal Hassan Ali Sir Michael Weir Group Captain Robert Thomson
8.	His Excellency Dr Boutros-Boutros Ghali
Rover (Police Vehicle)	Secretary of State The Rt Hon Francis Pym MP

2nd CONVOY

9.	His Excellency Dr Mohammed Atteya Wing Commander Tommy Cody
10.	His Excellency Mr Ezz El Din Mokhtar
11.	His Excellency Dr Osama Al Baz
12.	His Excellency Ambassador Said Hamza General Mahmoud El Masri
13.	Mr Gamal El Din Abdel Azziz Mr Abdel Wahab Zaki
Motor Cycle Escort Group CLARIDGE'S FOR FCO FOR TALKS	
8. Dept (1515 hours)	His Excellency Dr Boutros-Boutros Ghali Wing Commander Tommy Cody
7. Dept (1710 hours)	His Excellency General Kamal Hassan Ali Sir Michael Weir Wing Commander Tommy Cody /CLARIDGE'S

CLARIDGE'S TO 10 DOWNING STREET FOR TALKS ON 2 FEBRUARY

Rolls Royce

His Excellency The President
His Excellency Mr Abou-Seéda
Special Branch Officer

Jaguar (Police)

Egyptian Security Car

8. His Excellency Dr Boutros-Boutros Ghali
Group Captain Robert Thomson
Sir Michael Weir
9. His Excellency Dr Mohammed Atteya
10. His Excellency Mr Ezz El Din Mokhtar
11. His Excellency Dr Osama Al Baz
12. His Excellency Ambassador Said Hamza
General Mahmoud El Masri
13. A Private Secretary
Wing Commander Tommy Cody

CLARIDGE'S TO 10 DOWNING STREET FOR DINNER ON 2 FEBRUARY

4 Daimler

Mrs Mubarak
Mrs Abou-Seéda
The Hon Diana Makgill

13. A Private Secretary
Wing Commander Tommy Cody

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TELNO 43 OF 28 JANUARY

SAVING AMMAN, BAGHDAD, BEIRUT, DAMASCUS, JEDDA, KHARTOUM, TEL
AVIV, TRIPOLI, TUNIS, PARIS, UKMIS NEW YORK, WASHINGTON.

MUBARAK'S VISIT TO BRITAIN : 2-3 FEBRUARY.

SUMMARY.

1. IN 15 MONTHS PRESIDENT MUBARAK HAS CONSOLIDATED HIS POSITION
AT HOME AND ABROAD. BUT PEOPLE ARE BECOMING RESTIVE AT HIS
FAILURE TO DEAL DECISIVELY WITH EGYPT'S ECONOMIC PROBLEMS, AS
WELL AS AT EGYPT'S UNCHANGED ISOLATION WHILE THE REAGAN INITIATIVE
MARKS TIME. MUBARAK DEPENDS ON THE US AND THE WEST FOR POLITICAL
AND ECONOMIC SUPPORT. BRITISH INTERESTS LIE IN DEMONSTRATING OUR
SUPPORT, MAINLY BY PRESSING FOR EARLY PROGRESS ON LEBANON, PEACE
NEGOTIATIONS AND ISRAELI SETTLEMENTS. WE ALSO NEED TO PROMOTE
OUR COMMERCIAL INTERESTS.

DETAIL.

AGENDA IN LONDON.

2. THE FOREIGN MINISTER WHOM I SAW ON 25 JANUARY
EXPECTS THAT PRESIDENT MUBARAK WILL WISH TO COVER SOME OR ALL OF
THE FOLLOWING SUBJECTS IN HIS TALKS WITH THE PRIME MINISTER.
(I) THE REAGAN INITIATIVE AND THE SITUATION IN LEBANON. MUBARAK'S
ASSESSMENT, AFTER HIS TALKS IN WASHINGTON, OF THE CHANCES OF PRO-
GRESS THIS SIDE OF THE US PRESIDENTIAL ELECTION. HIS VIEW OF THE
EUROPEAN ROLE.
(II) THE IRAW/IRAQ WAR.
(III) AFRICAN QUESTIONS (THE SUDAN AND THE HORN, AND THE OAU) AND
EGYPT'S ROLE AMONGH THE NON-ALIGNED.
HE ALSO HOPES TO HEAR THE PRIME MINISTER'S VIEWS ON:

HE ALSO HOPES TO HEAR THE PRIME MINISTER'S VIEWS ON:
(IV) THE PROBLEM OVER THE ARAB LEAGUE DELEGATION VISIT TO LONDON
AND OUR MOVES TO RESOLVE IT.
(V) US/EUROPE, EAST/WEST RELATIONS, AND THE NEW SOVIET REGIME.

3. MUBARAK IS UNLIKELY TO RAISE ANY PURELY BILATERAL ISSUES.
WE SHOULD NEVERTHELESS REGISTER OUR DEFENCE AND COMMERCIAL INTERESTS
ESPECIALLY SINCE WE MAY NOT HAVE MUCH NEW TO SAY ABOUT ARAB/ISRAEL.
THE MOST IMPORTANT ARE:

(A) DEFENCE SALES. WE HAVE A GOOD CHANCE OF CONTRACTS WORTH ABOUT
£300 MILLION FOR SHIPS AND OTHER EQUIPMENT. DETAILS ARE CONTAINED
IN MY TELNO ACA/ZHC/ZMD/Z3G OF 21 JANUARY TO THE MOD.

(B) OUR COMMITMENTS IN AID (£50 MILLION) AND EXPORT CREDITS (£100
MILLION) TO THE CAIRO WASTEWATER SCHEME. THE FIRST CONTRACTS SHOULD
BE LET THIS YEAR.

(C) WILLIAM PRESS'S LEADING ROLE IN THE NATURAL GAS DISTRIBUTION
PROJECT.

(D) THE INTEREST OF SEVERAL BRITISH COMPANIES IN FURTHER JOINT
VENTURES IN EGYPT IF BUREAUCRATIC OBSTACLES CAN BE OVERCOME.

MUBARAK'S POSITION.

4. AFTER 15 MONTHS IN OFFICE MUBARAK'S MOST DISTINCTIVE ACHIEVEMENT
REMAINS THE PROFOUND CHANGE HE HAS BROUGHT IN THE STYLE OF
THE PRESIDENCY, AND THUS IN THE POLITICAL ATMOSPHERE OF
THE COUNTRY. HIS APPROACH TO GOVERNMENT IS PRAGMATIC AND, ABOVE ALL,
CAUTIOUS. THE NEW STYLE HAS ITS ADVANTAGES: HIS SPEECHES ARE SHORTER
AND FEWER THAN SADAT'S AND FREE OF RHETORIC AND VAIN PROMISES. HE
CONSULTS WIDELY AND REGULARLY, AND HIS PERSONAL INTEGRITY IS
UNQUESTIONABLE.

5. BUT WHAT WAS AT FIRST AN ASSET MAY HAVE BECOME A LIABILITY.
THERE IS NO SIGN THAT HE HAS COMMUNICATED HIS OWN WORK ETHIC TO
HIS FELLOW COUNTRYMEN. HE APPEARS TO HAVE ABANDONED ANY SERIOUS
ATTEMPT TO PROMOTE ECONOMIC REFORM OR TO REDUCE EGYPT'S SUFFOCATING
BUREAUCRACY. HIS MINISTERIAL APPOINTMENTS HAVE BEEN UNINSPIRING,
SOMETIMES DISMAL. THE CAMPAIGN AGAINST CORRUPTION, PARTICULARLY THE
PROSECUTION OF SADAT'S BROTHER, HAS WON WIDESPREAD APPROVAL, BUT HAS
DONE LITTLE TO DISPEL THE SUSPICION THAT THE REALLY BIG FISH ARE
SWIMMING FREE.

FOREIGN POLICY

6. MUBARAK'S CHIEF OBJECTIVE IN FOREIGN POLICY IS REAL PROGRESS
IN WIDENING THE PEACE PROCESS BECAUSE:

(A) IN THE ABSENCE OF ACTIVE NEGOTIATIONS TOWARDS A COMPREHENSIVE
SETTLEMENT THE SEPARATE PEACE TREATY WILL ALWAYS BE VULNERABLE TO
ATTACK. SO WILL THE EGYPTIAN LEADERSHIP.

(B) THE ISRAELI INVASION OF LEBANON, WHICH MOST EGYPTIAN BELIEVE
HAD TACIT US APPROVAL, GENERATED STRONG ANTI-AMERICAN FEELING AND
SEVERE PRESSURE FOR A COMPLETE BREAK WITH ISRAEL, TO THE ACUTE
EMBARRASSMENT OF THE REGIME.

(C) MUBARAK WOULD LIKE A RAPPROCHEMENT WITH THE MODERATE ARABS.
THE LATTER ARE UNLIKELY TO RESTORE FORMAL RELATIONS WITH EGYPT
WITHOUT EITHER A PRICE IN TERMS OF EGYPTIAN/ISRAELI RELATIONS
(SUCH AS EXPELLING THE ISRAELI AMBASSADOR OR RENOUNCING CAMP DAVID,

(SUCH AS EXPELLING THE ISRAELI AMBASSADOR OR RENOUNCING CAMP DAVID, BOTH OF WHICH ARE UNACCEPTABLE TO MUBARAK) OR PROGRESS TOWARDS A WIDER PEACE.

7. MUBARAK BELIEVES THAT ONLY THE REAGAN PLAN HAS ANY CHANCE OF SUCCESS, SINCE IT IS BASED ON CAMP DAVID, STILL THE ONLY PEACE AGREEMENT TO WHICH THE ISRAELIS ARE COMMITTED. HE IS WORRIED THAT IT WILL BE BLOCKED BY ISRAELI (AND SYRIAN) PROCRASTINATION IN THE LEBANON WITHDRAWAL TALKS. HE HAS THEREFORE BEEN URGING THE AMERICANS TO INSIST ON AN EARLY START TO WITHDRAWAL, AND DECLARED THAT MEANWHILE EGYPT WILL NOT RESUME PEACE NEGOTIATIONS. BUT HE HAS ALSO DECLINED TO SUPPORT HABIB'S ATTEMPTS TO MEET ISRAEL'S DEMANDS FOR A QUID PRO QUO FOR HER WITHDRAWAL. HE HAS CONSISTENTLY CALLED FOR MUTUAL AND SIMULTANEOUS RECOGNITION BETWEEN THE PLO AND ISRAEL, FOR A US/PLO DIALOGUE AND (GOING BEYOND CAMP DAVID) FOR US RECOGNITION OF THE PALESTINIANS' RIGHT TO SELF-DETERMINATION. RECENTLY, HOWEVER, MUBARAK HAS ILUNTLY URGED THE PLO (WITH WHOM HE IS IN CLOSE TOUCH) TO RECOGNISE ISREAL UNILATERALLY: "IF YOU HAVE ONLY ONE CARD, PLAY IT BEFORE IT LOSES ITS VALUE". HIS ADVISERS FIND THIS SHIFT AS INCOMPREHENSIBLE AS FDO THE REST OF US.

8. MUBARAK HAS SOUGHT TO DISGUISE EGYPT'S EMBARRASSMENT ON THE ARAB/ISRAEL FRONT BY ACTIVITY IN OTHER AREAS. FRANCE HAS EMERGED AS A MAJOR PARTNER IN THIS, PROVIDING NOT ONLY THE FRANCO-EGYPTIAN "INITIATIVE" BUT ALSO ALPHAJET, A METRO FOR CAIRO, NUCLEAR POWER STATIONS, SURPLUS FOOD SUPPLIES (ALL ON GENEROUS TERMS) AND FREQUENT MINISTERIAL VISITORS. HE HAS RESPONDED WITH REPEATED STOPOVERS IN PARIS (THE FIRST AND LAST PORT OF CALL ON HIS PRESENT JOURNEY) AND WITH HIS LAVISH RECEPTION OF MITTERPAND FOR A STATE VISIT LAST NOVEMBER. OTHER INTERLOCUTORS AND AID-GIVERS, SUCH AS THE FRG, JAPAN, AND OURSELVES ARE VALUED IN PROPORTION TO THEIR CONTRIBUTION AND ATTENTIONS. MUBARAK IS ALSO SEEKING TO RESTORE EGYPT'S STANDING IN THE OAU AND AMONG THE NEUTRAL AND NON-ALIGNED, VISITING INDIA, ROMANIA AND YUGOSLAVIA, AND THERE IS INCREASING (59. OF RESUMING AMBASSADOR-LEVEL RELATIONS WITH THE SOVIET UNION (SADAT EXPELLED THE SOVIET AMBASSADOR IN SEPT 1981). A MAJOR MOTIVE IN ALL THIS, PARTLY IN RESPONSE TO POPULAR FEELING, IS TO DILUTE THE LAMOST TOTAL IDENTIFICATION OF EGYPTIAN WITH US INTERESTS THAT MUBARAK I.AHERITED FROM SADAT. BUT HE HAS TO PROCEED CAUTIOUSLY AS CONGRESS APPEARS SENSITIVE TO EVEN UNEXCEPTIONABLE MOVES.

INTERNAL/ECONOMIC.

9. MUBARAK STILL DEFINES HIS DOMESTIC PRIORITIES AS INTERNAL SECURITY AND THE ECONOMY. ON THE FORMER, BY A SHREWD COMBINATION OF CARROT AND STICK, THE REGIME HAS SUCCEEDED IN CONTAINING THE SPREAD OF ISLAMIC FUNDAMENTALISM ON THE UNIVERSITY CAMPUSES. BUT, WITHOUT PROGRESS IN OFFERING EGYPT'S YOUTH (ABOUT HALF THE POPULATION IS UNDER 16) A BETTER MATERIAL FUTURE THE RSPITE CAN ONLY BE TEMPORARY. NO-ONE NOW DISCOUNTS THE POSSIBILITY OF AN ISOLATED ACT OF VIOLENCE OR A RESURGENCE OF RADICAL 'ISLAM' IN OTHER FORMS OR AREAS.

10 THE ECONOMIC OUTLOOK IS EQUALLY CLOUDY. THE ECONOMY CONTINUES TO EXPAND AT AROUND 5 PERCENT P.A., BUT THE BALANCE OF PAYMENTS HAS BEEN HIT BY A DECLINE IN THE COUNTRY'S FOUR MAIN SOURCES OF

TO EXPAND AT AROUND 3 PERCENT P.A., BUT THE BALANCE OF PAYMENTS HAS BEEN HIT BY A DECLINE IN THE COUNTRY'S FOUR MAIN SOURCES OF FOREIGN EXCHANGE - OIL, REMITTANCES FROM OVERSEAS WORKERS, THE SUEZ CANAL AND TOURISM. MEANWHILE POPULATION GROWTH, AT 2.5 PERCENT P.A., IS STEADILY FORCING UP EGYPT'S HUGE EXPENDITURE ON FOOD IMPORTS AND CONSUMER SUBSIDIES. YET, GIVEN THE SIZE AND SOPHISTICATION OF THE MARKET, EGYPT REMAINS A GOOD PROSPECT FOR BRITISH INVESTORS AND EXPORTERS, PROVIDED OUR PRICES AND CREDIT TERMS ARE RIGHT.

BRITISH INTERESTS.

11. IT IS IN OUR INTEREST:

(A) THAT EGYPT SHOULD REMAIN A FRIEND OF THE WEST AND A FORCE FOR MODERATION IN THE MIDDLE EAST AND IN THE THIRD WORLD. HUBARAK'S PERSONAL COMMITMENT TO THE PEACE TREATY IS NOT IN DOUBT BUT HE BADLY NEEDS TO SHOW THAT HIS TIES WITH THE WEST ARE PRODUCING MOVEMENT TOWARDS A COMPREHENSIVE SETTLEMENT,

(B) TO PRESS UPON THE UNITED STATES THE URGENCY, FOR ALL THE MODERATE ARABS, OF PROGRESS ON WITHDRAWAL FROM LEBANON AND ON THE REAGAN PLAN,

(C) TO MAINTAIN OUR SHARE OF THE LARGE AND EXPANDING EGYPTIAN MARKET BY OFFERING AID AND CREDIT ON COMPETITIVE TERMS.

FCO PSE PASS RELEVANT SAVING ADDRESSEES.

WEIR

[REPEATED SAVING AS REQUESTED]

NNNN

MFJ

Egypt

27 January 1983

Visit of President Mubarak

Thank you for your letter of
20 January. I agree with the arrangements
which you describe.

AJC

John Holmes Esq
Foreign and Commonwealth Office

da

MR. COLES

re Egypt
VB
c. Mrs Goodchild

Dinner for President Mubarak of Egypt:
2 February 1983

Lord Weinstock (GEC) would like to be invited to this dinner.

I am asking Sue Goodchild to ring a Mr. Lippitt on 493 8484 when a decision on the guest list has been reached.

CAROLINE STEPHENS

21 January 1983



1) Caroline

Timing O.K.? ^{Final} ^{es. 2/11}

Foreign and Commonwealth Office

2) back to me.

London SW1A 2AH

A.P.C. 4/1

20 January 1983

✓ on: see forward file.

Dear Idan,

Visit of President Mubarak

The Egyptian Embassy have confirmed that President Mubarak would prefer to have his meeting with the Prime Minister immediately before the dinner at 10 Downing Street on 2 February (the talks would thus be from 1800 to 1930 and the dinner at 1930 for 2000).

The Egyptians have proposed that six members of the President's suite should attend the meeting. It would be difficult to leave out any of those they have proposed (you will see that contrary to previous indications, the Egyptian Foreign Minister, General Kamal Hassan Ali, will be with the President). Subject to the Prime Minister's views we therefore suggest that the following should take part in the talks:

The Prime Minister	President Mubarak
Mr Pym	Mr Kamal Hassan Ali
Mr Hurd	Dr Boutros Ghali
Sir J Leahy	Mr Ezz el Din Mokhtar
Sir M Weir	Ambassador Osama Al Baz
Private Secretary	Egyptian Ambassador
	Private Secretary to the President

Briefing for the talks is being coordinated by the Foreign and Commonwealth Office and will be submitted later.

I am copying this letter to Richard Hatfield (Cabinet Office).

(J E Holmes)
Private Secretary

Yours ever
John Adams

A J Coles Esq
10 Downing Street

London and Westminster
London W1A 1AA

21 JAN 1984

1 2 3 4 5
6 7 8 9 10
11 12 13 14 15



Egypt

bcc Caroline HU



10 DOWNING STREET

From the Private Secretary

6 December 1982

Visit of President Mubarak of Egypt

Thank you for your letter of 1 December.

The Prime Minister would be glad to hold talks with President Mubarak on Wednesday 2 February and to give a dinner for him immediately following these talks. The precise timings could be discussed by our diary secretaries.

Mrs. Thatcher has made no comment on the possibility of receiving the Algerian Foreign Minister on 3 February - I note that you are not yet in a position to let us have a firm recommendation on this point.

A. J. COLES

John Holmes, Esq.,
Foreign and Commonwealth Office.

Spoke to abo. KEO
Suggested 1800. She will
confirm to morrow. 4.5/1

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Prime Minister

Foreign and Commonwealth Office

London SW1A 2AH

Would you like to give him
talks followed by dinner
on Wednesday, 2 February?
A.J.C. $\frac{2}{12}$

Yes
no

1 December 1982

Dear John,

Visit of President Mubarak of Egypt

The Egyptians have asked whether we could accept a short visit to London by President Mubarak in early February 1983.

The President is planning a trip to the United States (27-30 January) and Canada (30 January - 1 February), and has asked if he could come to London on 2 and 3 February. If this were acceptable the President has it in mind to arrive in London at around 0900 on Wednesday 2 February and leave in the early afternoon of Thursday 3 February.

✓ If the Prime Minister's diary permits, Mr Pym recommends that Mrs Thatcher agree to see the President for talks on 2 February, followed by a dinner at 10 Downing Street that evening.

Mr Pym believes that it would be useful for us to hear at first hand current Egyptian thinking on attempts to find a lasting peace in the Middle East; a process in which President Mubarak still has an important role to play.

I should add that the President's visit will unfortunately coincide with that of the Algerian Foreign Minister, Dr Abdul Taleb Ibrahim, with whom Mr Pym expects to have talks and lunch on 2 February. In view of our rapidly developing relations with the Algerians, who have shown increasing interest in commercial and defence cooperation with Britain, Mr Pym will probably wish to recommend that the Prime Minister agree to receive Dr Taleb Ibrahim for a courtesy visit, perhaps on 3 February. This will be the first visit to London by a leading Algerian since the rescue operation involving Mr Mark Thatcher over which the Algerians were so helpful.

I should be grateful to know if the Prime Minister is content.

Yours ever
John Holmes

(J E Holmes)
Private Secretary

A J Coles Esq
10 Downing Street

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London and Westminster

London SW1A 1AA



1 DEC 1982



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HC

Egypt



10 DOWNING STREET

From the Private Secretary

8 February 1982

See fol.

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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SUBJECT

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(c. Hester)

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

* * * * *

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

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

CONFIDENTIAL

/ absence

CONFIDENTIAL

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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.

CONFIDENTIAL

/ President Mubarak

CONFIDENTIAL

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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

CONFIDENTIAL

SUBJECT.



Egypte. dl

10 DOWNING STREET

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 24 A / 82.

THE PRIME MINISTER

6 February 1982

see Master act
pp.

Dear Mr. President:

I know that for many years of your life you have been deeply interested in aviation matters and your distinguished career as a pilot is also well known to us. I therefore thought that you might like to have, as a memento of your visit, this picture of one of the most famous aircraft used by the Royal Air Force in the First World War.

It is a single-seater aircraft of the type SE5a. Its technical details are as follows:

Maximum speed: 132 mph
Maximum ceiling: 20,000 feet
Wing span: 27 feet
Length: 21 feet

The artist, who is called Mr. S.T. Gleed, comes from East Anglia.

Yours sincerely
Margaret Thatcher

His Excellency President Mohammed Hosni Said Mubarak

dl

From

01-499 5906-7

THE PARKER GALLERY,
2 Albemarle Street,
Piccadilly, London, W1X 3HF

S. T. Gleed

He is an East Anglian Artist in his sixties and paints almost exclusively for the Parker Gallery - very limited production.

The S. E. 5a was one of the outstanding S/S Fighters of the 1914-18 War
In October 1918 the S. E. 5a equipped No's 1, 2 $\frac{1}{2}$, 29, 32, 40, 41, 56, 60,
6 $\frac{1}{2}$, 7 $\frac{1}{2}$, 8 $\frac{1}{2}$, 85, 92, 111, 145, and 229 Squadrons.

One 200 - H.P. 220 - H.P. or 240 - H.P. Hispano-Suiza or 200 - H.P. Wolsey Viper Engine.

Loaded Weight	2,048 Lbs
Max Speed	132 M.P.H.
Max Ceiling	20,000 Ft
Wing Span	26, Ft 7 $\frac{1}{2}$ "
Length	20Ft 11"

on Grove
Bond
1115 510

SPEECH BY THE PRIME MINISTER
AT A LUNCHEON IN HONOUR OF
PRESIDENT MUBARAK OF EGYPT
ON 6 FEBRUARY 1982

WELCOME PRESIDENT AND MRS MUBARAK, GENERAL KAMAL HASSAN
ALI, OTHER DISTINGUISHED MEMBERS OF THE
PRESIDENT'S PARTY.

GOOD TO SEE PRESIDENT IN BRITAIN AGAIN.

A POIGNANT MOMENT.

WE WERE ALL GREATLY SADDENED BY THE TRAGIC
DEATH OF PRESIDENT SADAT, WITH US ONLY LAST
AUGUST.

HIS DEATH A GREAT SHOCK.

WORLD HELD ITS BREATH.

/. BUT WE HAVE

BUT WE HAVE ALL BEEN IMPRESSED AND RELIEVED BY THE CALM
AND CAPABLE WAY IN WHICH PRESIDENT TOOK COMMAND
OF THE SITUATION.

A TENSE TIME FOR EGYPT - STILL NOT OVER AS
PREPARATIONS CONTINUE FOR THE TRANSFER OF SINAI.
WE KNOW WHAT THIS - THE RETURN OF EGYPTIAN LAND -
MEANS TO YOU,

WE HAVE BEEN GLAD TO BE ABLE TO HELP BY OUR
CONTRIBUTION TO THE MULTINATIONAL FORCE,

PEACE TREATY HAS BROUGHT BENEFITS TO EGYPT.

PEACE ALWAYS WORTH THE STRUGGLE,

YOUNG LIVES WHICH COULD SO EASILY HAVE BEEN LOST
IN WAR CAN BE TURNED TOWARDS BUILDING EGYPT.

BUT PEACE PROCESS HAS ALSO HAD ITS COSTS,

PAST FEW YEARS HAVE NOT BEEN EASY.

/ARAB NEIGHBOURS

ARAB NEIGHBOURS HAVE REJECTED CAMP DAVID AND SOUGHT TO MAKE
LIFE DIFFICULT FOR EGYPT.

WITH LIMITED SUCCESS.

IT IS NOT EASY TO IGNORE A COUNTRY WHICH HAS SO
LONG BEEN A LEADER IN THE ARAB WORLD - OTHER
ARAB LEADERS MIGHT HAVE ASKED THEMSELVES WHO
WAS REALLY ISOLATED FROM WHOM!

YOU HAVE JUST RETURNED FROM WASHINGTON WHERE YOU HAVE
HAD IMPORTANT TALKS WITH AMERICAN LEADERS ON
THE FUTURE OF THE MIDDLE EAST.

THE AMERICANS HAVE PLAYED AN IMPORTANT ROLE IN
SECURING PEACE.

CAMP DAVID AGREEMENTS REMAIN A FIRM BASIS FOR
PEACE BETWEEN ISRAEL AND EGYPT AND THE FRAMEWORK
FOR THE RETURN OF SINAI.

/ APRIL 25TH WILL

APRIL 25TH WILL BE A WATERSHED IN MIDDLE EAST
AFFAIRS BUT AS WE HAVE AGREED IN OUR OWN TALKS
IT WILL BE IMPORTANT TO CARRY THE PROCESS FORWARD
AFTER APRIL.

WE IN EUROPE ARE ANXIOUS TO HELP IN ANY WAY WE CAN TOWARDS
ACHIEVING A WIDER PEACE IN THE MIDDLE EAST,
NOT BY CUTTING ACROSS BUT BY COMPLEMENTING THE
CAMP DAVID AGREEMENTS.
VENICE DECLARATION OF JUNE 1980 REMAINS BASIS
OF EC POSITION.
HAVE NOTED YOUR PUBLIC EMPHASIS ON SELF-
DETERMINATION FOR PALESTINIANS - ONE OF VENICE
PRINCIPLES.
FULL ACCORD BETWEEN US.

/ RELATIONS BETWEEN

RELATIONS BETWEEN EGYPT AND BRITAIN ARE EXCELLENT AND
ONE OF THE REASONS WE ARE SO PLEASED TO SEE YOU
NOW IS TO REPAY THE SUPERB HOSPITALITY YOUR
GOVERNMENT HAVE EXTENDED TO MEMBERS OF HMG
OVER THE PAST YEAR.

WE LOOK FORWARD TO WELCOMING OTHER MEMBERS OF THE EGYPTIAN
GOVERNMENT LATER THIS YEAR.

A NOTABLE OCCASION WILL BE THE VISIT OF YOUR
MINISTER OF CULTURE WHO WILL BE IN LONDON LATER
THIS MONTH TO ATTEND THE OPENING BY PRINCESS
ALEXANDRA OF AN EXHIBITION TO MARK THE CENTENARY
OF THE EGYPT EXPLORATION SOCIETY, AN ORGANISATION
WHICH REFLECTS THE FASCINATION EGYPT AND ITS
ANTIQUITIES HAVE FOR THE BRITISH PEOPLE.

/ YOUR VISIT TO

YOUR VISIT TO BRITAIN ON THIS OCCASION HAS BEEN ALL TOO
SHORT.

YOU HAVE A FULL SCHEDULE AND I KNOW THAT YOU
HAVE PRESSING BUSINESS AT HOME.

I HOPE THAT IT WILL NOT BE TOO LONG BEFORE YOU
AND MRS MUBARAK CAN VISIT US AGAIN.

TOAST: HIS EXCELLENCY THE PRESIDENT OF THE ARAB REPUBLIC
OF EGYPT AND MRS MUBARAK.

LIST OF GUESTS ATTENDING THE LUNCHEON TO BE GIVEN BY THE PRIME MINISTER
AND MR. DENIS THATCHER IN HONOUR OF HIS EXCELLENCY THE PRESIDENT OF THE ARAB
REPUBLIC OF EGYPT AND MRS. MUBARAK ON SATURDAY, 6 FEBRUARY 1982 AT 12.45 PM FOR 1.00PM
AT CHEQUERS

- * The Prime Minister
and Mr. Denis Thatcher
- Miss Carol Thatcher
- Mr. Mark Thatcher
- * His Excellency Mr. Mohammed Hosni Mubarak
and Mrs. Mubarak
- * His Excellency General Kamal Hassan Ali Deputy Prime Minister for Foreign Affairs
- * His Excellency the Ambassador of the Arab Republic of Egypt
and Mrs. Abou-Seeda
- His Excellency Mr. Ezz El Din Mokhtar Secretary General of the Presidency
- * His Excellency Dr. Osama Al Baz First Under Secretary, Ministry of
Foreign Affairs
- * Rt. Hon. Humphrey Atkins, MP
and Mrs. Atkins
- * The Hon. Douglas Hurd, MP
- * Sir Michael Weir HM Ambassador, Cairo
- * Mr. John Moberly FCO
- * Mr. John Coles

* Attending talks commencing at 11.30 a.m.
(10 in total)

DRAFT SEATING PLAN FOR LUNCH ON SATURDAY 6 FEBRUARY 1982

Mr. John Moberly

Miss Carol Thatcher

HE The Ambassador of the Arab Republic
of Egypt

Sir Michael Weir

Mrs. Atkins

Mrs. Abou-Seeda

HIS EXCELLENCY MR. MOHAMMED HOSNI
MUBARAK

MR. DENIS THATCHER

PRIME MINISTER

MRS. MUBARAK

His Excellency General Kamal Hassan
Ali

Rt. Hon. Humphrey Atkins

The Hon. Douglas Hurd

His Excellency Mr. Ezz El Din Mokhtar

His Excellency Dr. Osama Al Baz

Mr. John Coles

Mr. Mark Thatcher

ENTRANCE

SIT OF HIS EXCELLENCY THE PRESIDENT OF THE ARAB REPUBLIC OF EGYPT

MRS MUBARAK, 6-7 February 1982

ADMINISTRATIVE ARRANGEMENTS

(to be read in conjunction with the programme).

Saturday 6 February

- 0800 Sir Michael Weir will arrive at the Special Waiting Room, Heathrow Southside.
- 0805 HE Mr Abou-Seéda and Mrs Abou-Seéda will arrive at the Special Waiting Room
- 0810 The Lord Privy Seal will arrive at the Special Waiting Room
- 0830 The President and Mrs Mubarak will arrive by special flight from Washington at Heathrow Airport (Southside). As soon as the aircraft has come to a standstill Mr Allan Munds Deputy Airport Director of the British Airports Authority will escort the Greeting Party to the bottom of the aircraft steps. When the aircraft doors open the Ambassador of the Arab Republic of Egypt and Mrs Abou-Seéda will board the aircraft and lead the President and Mrs Mubarak to the tarmac. The following will be at the aircraft steps in order:-
- The Rt Hon Humphrey Atkins MP
The Lord Privy Seal
- Sir Michael Weir
British Ambassador to the Arab Republic of Egypt
- Brigadier J A C Cowan
Secretary, Government Hospitality Fund
- The Hon Diana Makgill
Lady Ceremonial Officer
- Group Captain Robert Thomson and
Group Captain Anthony O'Neill
Escort Officers, Government Hospitality Fund.

The Lord Privy Seal will greet the President and Mrs Mubarak on behalf of the Government and take them down the receiving line. When the President is ready to depart for Clarence's the Lord Privy Seal will accompany the President and Mrs Mubarak to their cars.

Transport

Cars are provided for the official party throughout the visit as indicated at Annex 1.

Talks at Chequers

The following will also be present:-

Lord Privy Seal
The Rt Hon Douglas Hurd
Sir Michael Weir
Mr John Moberly
Private Secretary

HE General Kamal Hassan Ali
HE Ambassador Osama Al Baz
HE Mr Abou-Seéda

Luncheon at Chequers

The following are also invited:-

HE General Kamal Hassan Ali
HE Mr Ezz el Din Mokhtar
HE Ambassador Dr Osama Al Baz
HE Mr Hassan Ali Abou-Seéda
Mrs Abou-Seéda

Luncheon at Red Lion, Wendover, hosted by Mr R D Gordon, Protocol and Conference Department.

The following are invited:-

Dr Hassan Zahd
Major General Mohammed Nagaty Farahat
Mr Nour El Din Farghal
Mr Gamal el Din Abdel Azziz
Mr Abdel Wahab Zaki
Group Captain Anthony O'Neill

5 February 1982

Ann Hutchison
Miss Anne Hutchison
Visits Section
Protocol and Conference Department

C A R P L A NAirport to Claridges on Saturday 6 February and return to Heathrow on Sunday 7 February

Rolls Royce
(unmarked
Flag car)

HE The President
HE Mr Abou-Seéda
Special Branch Officer

Unmarked
Daimler

Mrs Mubarak
Mrs Abou-Seéda
The Hon Diana Makgill
Special Branch Officer

Followed by
Special Branch Car

3. HE General Kamal Hassan Ali
Group Captain Robert Thomson
4. HE Dr Mohammed Atteya
Dr Hassan Zahd
5. HE Mr Ezz el Din Mokhtar
Group Captain Anthony O'Neill
6. HE Ambassador Dr Osama Al Baz
7. Major General Mohammed Nagaty Farahat
8. Mr Nour El Din Farghal
9. Mr Gamal el Din Abdel Azziz
Mr Abdel Wahab Zaki

Police Car

Claridges/Kensington Palace/Helicopter/To and from Chequers

Unmarked

HE The President
HE Mr Abou-Seéda
Special Branch Officer

Special Branch Car

3. HE General Kamal Hassan Ali
Group Captain Robert Thomson

6. HE Ambassador Dr Osama Al Baz
Mr J C Moberly
Egyptian Security Officer
-

Claridges/Chequers/Official Suite to and from, by road

4. Dr Hassan Zahd
5. HE Ezz El Din Mokhtar
Group Captain Anthony O'Neill
7. Major General Mohammed Nagaty Farahat
8. Mr Nour El Din Farghal
9. Private Secretaries
-

Claridges to Chequers, to and from by road

Unmarked Mrs Mubarak
Daimler Mrs Abou-Seéda
 The Hon Diana Makgill
 Special Branch Officer

Special Branch Car plus 2 motor cycle escorts.

D I S T R I B U T I O N

10 DOWNING STREET

Private Secretary to the Prime Minister (2)
Press Office
Mr Rylands

EMBASSY OF THE ARAB REPUBLIC OF EGYPT (10)

FOREIGN AND COMMONWEALTH OFFICE

Private Secretary (2)
PS/Lord Privy Seal (2)
PS/Mr Hurd (2)
PS/PUS
Mr J C Moberly

NENAD (10)
News Department (3)
Col Durrant (4)
Miss D F Lothian
Protocol and Conference Department (6)
Resident Clerks (2)
Heads of Mission Section (2)

GOVERNMENT HOSPITALITY FUND

Brigadier J A C Cowan
Mr C R Taylor
Mr J Watt (2)

MINISTRY OF DEFENCE

Major B Cockcroft

METROPOLITAN POLICE

Cannon Row

Programme only: Dr Semmence, CSD.

MR INGHAM

cc: Mr Whitmore ✓
Mr Kydd

Egypt
h
14

President Mubarak's Visit
Press Facilities at Chequers

I was asked to speak to the Chequers Trustees about the possibility of an interview at Chequers tomorrow, after the Prime Minister's meeting with President Mubarak, for an Egyptian journalist and TV camera, either outside the house or, if wet, in the Hawtrey Room.

Lord Campbell is greatly dismayed by this proposal. He says that he has been a Trustee of Chequers for many years, and the Trustees have consistently striven to protect the privacy of the Prime Minister from the Press at Chequers. If foreign journalists are to have a facility of this kind, Lord Campbell does not see how anything can be done to stop this being invariably demanded and granted.

He offers this view through no wish to restrict the freedom of action of the Prime Minister, but from his long-standing concern for privacy at Chequers.

I have not yet been able to contact Sir Ralph Verney, who I would expect to take a somewhat more relaxed view.

Lord Campbell will certainly want to bring the general question up at the next meeting of the Trustees.

CV?

5 February 1982

D.R.
~~PRIME MINISTER~~

Visit of President Mubarak

Those taking part in the talks are:-

Lord Privy Seal
Mr. Douglas Hurd
Sir Michael Weir
Mr. John Moberly
Myself

President Mubarak
General Kamal Hassan Ali
(Foreign Minister)
Mr. Osama Al Baz
(Egyptian Minister of Foreign
Affairs)
Mr. Abou-Seeda
(Egyptian Ambassador)

I attach some relevant telegrams, one of which you have not seen before.

Please note also that I have put in your folder a revised version of Brief No. 3.

I also attach some speaking notes which you may wish to use at lunch.

A.S.C. $\frac{5}{2}$

5 February 1982

OV

cc No cables
No 10

XX

WONFO041/5WONNY02/5

OO FCO

OO CAIRO

PP TEL AVIV

RR UKMIS NEW YORK

RR JEDDA

RR AMMAN

RR DAMASCUS

RR BEIRUT

RR TRIPOLI

GRS 1200

CONFIDENTIAL

FM WASHINGTON 050319Z FEB 82

TO IMMEDIATE FCO

TELEGRAM NUMBER 366 OF 4 FEBRUARY

INFO IMMEDIATE CAIRO

PRIORITY TEL AVIV

ROUTINE UKMIS NEW YORK JEDDA AMMAN DAMASCUS BEIRUT TRIPOLI

INFO SAVING OTHER MIDDLE EAST POSTS PARIS ROME BONN

PRESIDENT MUBARAK'S VISIT TO WASHINGTON

1. DRAPER, STATE DEPARTMENT, BRIEFED US TODAY ON MUBARAK'S VISIT. IN ADDITION TO TWO SESSIONS OF TALKS WITH THE PRESIDENT AND A WHITE HOUSE DINNER, MUBARAK HAD SEPARATE MEETINGS WITH BUSH, HAIG, WEINBERGER, REGAN AND MEMBERS OF BOTH HOUSES OF CONGRESS. HE IS TO ADDRESS THE NATIONAL PRESS CLUB TOMORROW.

IMMEDIATE

ADVANCE COPY

MINIMAL

B-
B/LB
A/Me Hurd
B/For.
The Moberly
to NSA
to MEX.

(x7)

2. THE ATMOSPHERICS OF THE VISIT HAD BEEN EXCELLENT. MUBARAK HAD BEEN IMPRESSIVE - VIGOROUS, ARTICULATE AND MORE SELF-ASSURED THAN THE AMERICANS HAD PREVIOUSLY SEEN HIM. HE CLEARLY KNEW HIS OWN MIND AND HAD RESPONDED BLUNTLY TO SOME SHARP QUESTIONING FROM MEMBERS OF CONGRESS (HE ADVISED ONE CONGRESSMAN WHO WAS ARGUING FOR US BASES IN SINAI TO QUOTE GO BUY A MAP UNQUOTE). DRAPER ADDED THAT MUBARAK HAD SUCCEEDED IN PUTTING HIS OWN UNOSTENTATIOUS AND LOW-KEY IMPRINT ON THE VISIT, FOR EXAMPLE BY WEARING A LOUNGE SUIT TO THE PRESIDENTS BLACK TIE DINNER AND BY NOT OFFERING A RETURN DINNER.

3. MUBARAK HAD BEEN ANXIOUS TO MAKE THE POINT THAT THE AMERICANS DID NOT NEED TO WORRY ABOUT THE GENERAL TENOR OF EGYPTIAN POLICY. THE PURCHASE OF MIRAGES, THE RETURN OF SOVIET TECHNICIANS AND RELAXATION OF ARRANGEMENTS ON THE EGYPT/LIBYA BORDER WOULD NOT AFFECT EGYPT'S CLOSE ASSOCIATION AND FRIENDSHIP WITH THE US. EQUALLY, MUBARAK HAD MADE IT CLEAR THAT EGYPT WOULD MAINTAIN HER IDENTITY - THERE WAS NO QUESTION OF A CLIENT STATE RELATIONSHIP WITH THE US - AND WOULD FROM TIME TO TIME SAY THINGS WHICH WERE NOT STRICTLY IN ACCORDANCE WITH AMERICAN POLICY.

4. ON THE PEACE PROCESS MUBARAK ACCEPTED THE AMERICAN VIEW THAT CAMP DAVID WAS STILL THE ONLY GAME IN TOWN AND REAFFIRMED EGYPTIAN WILLINGNESS TO CONTINUE THE AUTONOMY TALKS AFTER ISRAELI WITHDRAWAL FROM THE SINAI. HE EXPRESSED CONFIDENCE THAT THE ISRAELIS WOULD WITHDRAW AND SAID THAT HE WOULD NOT ALLOW EGYPT/ISRAELI RELATIONS TO DETERIORATE, THOUGH HE LEFT THE IMPRESSION THAT THE EGYPTIANS MIGHT BE MORE OUTSPOKEN ABOUT ISRAELI ACTIONS AFTER 25 APRIL. BOTH IN PUBLIC AND IN THE PRIVATE TALKS, MUBARAK SPOKE OF THE NEED FOR PALESTINIAN SELF-DETERMINATION, FOR THE ESTABLISHMENT OF A PALESTINIAN ENTITY AND FOR A US/PLO DIALOGUE WITH THE OBJECTIVE OF MUTUAL AND SIMULTANEOUS RECOGNITION BY THE ISRAELIS AND PALESTINIANS. THIS ECHOES THE LINE TAKEN BY SADAT ON HIS VISIT HERE LAST AUGUST, BUT THE REFERENCE TO A PALESTINIAN ENTITY IS NEW.

5. THERE HAD BEEN CONSIDERABLE DISCUSSION OF REGIONAL AND STRATEGIC ISSUES, INCLUDING POLAND AND AFGHANISTAN. MUBARAK HAD ARGUED VIGOROUSLY BOTH WITH THE ADMINISTRATION AND ON THE HILL FOR MORE US AID TO SUDAN AND SOMALIA. ON LIBYA MUBARAK HAD GENTLY EXPRESSED SOME CONCERN THAT THE VISIBILITY OF THE US POSITION MIGHT BE COUNTER-PRODUCTIVE AND FEED QADHAFI'S EGO. MUBARAK HAD EXPRESSED CONCERN TOO ABOUT THE STABILITY OF THE ARAB GULF STATES, ESPECIALLY IN THE WAKE OF THE IRANIAN SPONSORED COUP ATTEMPT IN BAHRAIN. HE HAD QUESTIONED QUOTE TO SOME DEGREE UNQUOTE US MILITARY STRATEGY IN THE REGION AND HAD MADE THE POINT THAT IT WAS UNLIKELY TO MAKE PROGRESS WITHOUT A COMPREHENSIVE POLITICAL STRATEGY.

6. DRAPER SAID THAT THE AMERICANS DID NOT EXPECT MUBARAK TO RUSH INTO THE ARMS OF THE MODERATE ARABS AFTER 25 APRIL. HE WAS IN NO HURRY AND EGYPTIAN PRIDE IN ANY CASE DICTATED THAT THE OTHER ARABS SHOULD MAKE THE FIRST MOVES. MUBARAK HAD WARNED THAT HE MIGHT HAVE TO SAY THINGS ABOUT THE FAHD PLAN WHICH WERE DIVERGENT FROM THE US POSITION, BUT HAD ADDED THAT THE AMERICANS SHOULD NOT TAKE ANY SUCH STATEMENTS AS IMPLYING A WEAKENED EGYPTIAN COMMITMENT TO CAMP DAVID.

7. MUBARAK HAD ATTACHED IMPORTANCE TO THE DISCUSSION OF BILATERAL ISSUES. AN ECONOMIC AGREEMENT IS TO BE MADE PUBLIC ON 5 FEBRUARY: IT WILL NOTE PROPOSED EGYPTIAN ECONOMIC REFORMS AND WILL INDICATE THAT THE US ECONOMIC AID PROGRAMME SHOULD BE SHAPED TO ASSIST THEM (THOUGH DRAPER MADE IT CLEAR THAT THE AID WAS NOT CONDITIONAL ON IMPLEMENTATION OF THE REFORMS). IN EFFECT THIS MEANS THAT, SUBJECT TO CONGRESSIONAL APPROVAL, US AID FUNDS WILL BE DIVERTED FROM SPECIFIC PROJECTS, ESPECIALLY CONSTRUCTION PROJECTS, AND DEVOTED TO SUPPORT OF EGYPTIAN POLICIES IN SUCH SECTORS AS EDUCATION AND HOUSING. MORE FUNDS WITHIN THE US AID PROGRAMME WILL BE EARMARKED FOR THE PURCHASE OF COMMODITIES (IE ALMOST ANY IMPORT FROM THE US). AGREEMENT HAS ALSO BEEN REACHED ON THE PROVISION OF DOLLARS 275 MILLION UNDER THE PL 480 PROGRAMME: THIS WILL GIVE THE EGYPTIANS RATHER MORE THAN DOLLARS 1.5 MILLION TONNES OF WHEAT WHICH THEY WERE PROMISED.

8. MUBARAK HAD COMPLAINED OVER THE TERMS OF US MILITARY AID AND THE LONG DELIVERY TIMES. (MUBARAK TOLD THE SENATE FOREIGN RELATIONS COMMITTEE THAT HE HAD DECIDED TO BUY MIRAGES ONLY BECAUSE IT TOOK SO LONG TO ACQUIRE AMERICAN AIRCRAFT). THE AMERICANS HAD AGREED TO PROVIDE DOLLARS 1.3 BILLION IN FMS CREDITS FOR FY 83 (AN INCREASE OF DOLLARS 400 MILLION ON THE FY 82 FIGURE) OF WHICH DOLLARS 400 MILLION WOULD BE VIRTUALLY FREE GRANTS. DRAPER SAID THAT MUBARAK WOULD BE ABLE TO PORTRAY THIS AS A CONSIDERABLE CONCESSION AND THAT IT WOULD ALLOW THE EGYPTIANS TO PLACE MILITARY ORDERS EARLIER.

9. IN RESPONSE TO A QUESTION ABOUT RAS BANAS, DRAPER CONFIRMED THAT THE AMERICANS DID NOT EXPECT TO ACHIEVE A WRITTEN AGREEMENT. THERE HAD BEEN AN INCONCLUSIVE EXCHANGE ABOUT WHETHER IT WOULD NOT BE BETTER TO MAKE MORE USE OF FACILITIES AT CAIRO WEST, WHERE THE US HAVE HITHERTO PLANNED ONLY TO PREPOSITION AVIATION FUEL. THE AMERICANS WOULD BE FOLLOWING THIS UP.

10. DRAPER SUMMED UP THAT THE VISIT HAD GONE VERY WELL. THE AMERICANS HAD TAKEN SOME PAINFUL DECISIONS, GIVEN CURRENT PRESSURES ON THE BUDGET, TO GIVE MUBARAK MOST OF WHAT HE WANTED IN THE BILATERAL CONTEXT AND THE EGYPTIANS HAD BEEN APPRECIATIVE. OUR CONTACTS ON THE HILL SUGGEST THAT THERE, TOO, MUBARAK MADE A GOOD IMPRESSION.

FCO PASS SAVING TO:- PARIS BONN ROME ABU DHABI ADEN ALGIERS
BAGHDAD BAHRAIN DOHA DUBAI JERUSALEM KHARTOUM KUWAIT MUSCAT
RABAT SANAA TUNIS

HENDERSON

NNNN



Foreign and Commonwealth Office

London SW1A 2AH

4 February 1982

h-a
WJL 5/2

Dear John,

/ I enclose four sets of briefing for the Prime Minister's talks with President Mubarak of Egypt on 6 February. The briefs have been cleared where appropriate with other Whitehall Departments. I understand that a revised version of Brief No 3 on Defence Sales will be circulated at the briefing meeting tomorrow to take account of recent developments on the warships contracts. I am also enclosing a speaking note which could form the basis of a short speech at the Chequers luncheon and a copy of Cairo telegram no 62 of 3 February which you may not have seen.

The programme and administrative plan are being distributed separately by Protocol and Conference Department.

Yours ever,

John Holmes

(J E Holmes)
Private Secretary

A J Coles Esq
10 Downing Street

Q: ON THE EVE OF THE EGYPTIAN PRESIDENT MUBARAK'S VISIT TO THE UK I WOULD LIKE TO ASK YOU HOW DO YOU LOOK AT RELATIONS BETWEEN UK AND EGYPT AT THE MOMENT?

I ?

I am greatly
A: ~~We are~~ looking forward ~~greatly~~ to seeing President and Mrs Mubarak in Britain. This is of course not the first time they have visited us, ~~as I~~ saw Mr Mubarak when he came as Vice-President in 1980. ~~Now we welcome him as President,~~ *we glad to* though ~~The event holds some regret in reminding us of the~~ *tragic* loss of President Sadat, who came to London with Mrs Sadat only last August. ~~But under President Mubarak Britain's relationship with Egypt is as strong as ever. We shall continue to work closely with the Egyptian government on efforts to find a lasting peace in the Middle East and our offer of a British contingent to the Multinational Force has been made in this spirit.~~ *naturally remind*

and when we remember with affection and respect

Q: WHEN ARE YOU GOING TO VISIT EGYPT?

I should very much like to visit Egypt again soon
A: ~~No dates have been agreed for a visit by me to Egypt but I am looking forward very much to taking up the idea soon.~~ *but there are no firm dates in prospect at the moment.*

Q: WHAT SUBJECTS, YOU THINK, WILL FOCUS PROMINENTLY IN THE TALKS YOU WILL HOLD WITH PRESIDENT MUBARAK?

A: The President's visit comes at a difficult time. Egypt

and should we to

~~is to~~ be congratulated on achieving peace with Israel.

Now we shall ~~wish to discuss with the Egyptian~~ ^{need to consider} Government ways in which the Middle East ^{peace} process can develop. ~~The~~ ^{Mubarak} President is coming from Washington where he will have had important talks with Mr Reagan and Mr Haig, ~~and~~ ^{we} shall be interested to know how those went. We shall also be keen to hear the President's views on other developments in the Middle East and his thoughts on important issues outside his own region. ^{develop in the world}

Our ~~relations with Egypt~~ are such that ~~there are no~~ ^{between us} bilateral problems that I know of, but we shall naturally wish to discuss ways in which our relationship should develop, particularly in the economic field.

Q: YOUR GOVERNMENT HAS STATED THAT IT WOULD DO EVERYTHING POSSIBLE TO SUPPORT EGYPT'S STABILITY AND CONTINUITY AT THE PRESENT SITUATION. WHAT STEPS YOU ARE CONTEMPLATING IN THIS DIRECTION?

A: We were all shocked and distressed by the tragic death last October of President Sadat, but ~~we have~~ ^{admire} ~~witnessed with admiration~~ the smooth way in which President Mubarak has taken over and ensured stability and continuity. Britain has reaffirmed, both bilaterally and with our European partners, her political support for Egypt and ^{will play} ~~has played~~ a small role in helping

/Egypt

facilitating the arrangement for the return of Sinai,

Maintain the Peace
~~Egypt achieve the recovery of the remainder of Sinai, through~~
our contribution to the Multinational Force. We have
for some years been an aid donor to Egypt and we have been
involved ~~through our aid~~ in a number of important projects
aimed at improving Egypt's infrastructure. In the course
of our normal trading links British firms have made a
considerable contribution to Egypt's industrial growth.

16.

Q: Britain held the Presidency of the EEC for the last six months. What is your opinion on possible EEC future initiatives to help achieve a comprehensive solution to the Middle East question in the light of statements by some European leaders that we have already bypassed the Venice Declaration on the Middle East.

A: We in Europe have a direct interest in a comprehensive peace settlement, ~~quite apart from our~~ ^{We have a} long and valued ~~association with the countries of the Middle East~~ ^{and} ~~We cannot shut our eyes to the continuing crisis there; on the contrary, we remain ready to contribute~~ ^{to the peace process} in any way we can. As far as the UK is concerned, and I have no doubt that the rest of the Ten share our view, the principles we set out at Venice remain entirely valid. But there is a limit to what we can do from the outside: you cannot force people to compromise. The important thing is for Israel and the Palestinians to accept each other's legitimate rights: only then can a peace process involving all the parties begin.

Q: How would you assess the situation in the Middle East following the last phase of Israeli withdrawal from Sinai next April, and what possible moves could be taken to settle the Palestinian question.

A: The return of the last part of the Sinai to Egypt will mark the successful completion of the dramatic achievement

of peace between Egypt and Israel. This peace must become the starting point for a wider peace process involving all the parties, and with the United States playing a central role. As a step towards this we hope that Egypt's relations with the rest of the Arab world will improve after April and that the Arabs together will show that they are ready to make peace with Israel while providing for the future of the Palestinians. The Palestinians must be enabled to determine what their own future should be as part of a peace settlement, but they must also show that they are ready to live with Israel in peace and security. That is where the key to future progress lies.

Q: When Britain announced its intention to contribute to the MFO, your government underlined the intention to help the return of Sinai to Egypt. How do you qualify Britain's and the EEC's contribution to the MFO?

A: The MFO, whose operations will begin after Israel's withdrawal, has a vital role to play in preserving the peace between Egypt and Israel. Our support for the treaty has always been wholehearted and we see our contribution to a strong, international peace-keeping force as ^a practical expression of this support. We are delighted to be able to help in this way and glad that Egypt has given our contribution such a warm welcome.

VISIT OF PRESIDENT MUBARAK OF EGYPT: 6-7 FEBRUARY 1982

BRIEFS

1. Steering Brief
2. UK/Egyptian Relations (Visits, Trade, Aid, Nuclear Power Cooperation)
3. UK/Egyptian Defence Cooperation (Military Assistance, Defence Sales)
4. Arab/Israel (including MFO)
5. Egyptian Relations with other Arab countries (Sudan, Libya, Iran/Iraq war)
6. World Issues (East/West relations, Poland, Soviet policies, Afghanistan, Chad, Namibia, US policies)
7. Egypt Background (Political and Economic)
8. Personality Notes on the President and members of his delegation.

VISIT OF PRESIDENT MUBARAK OF EGYPT: 6-7 FEBRUARY 1982

BRIEF NO 1: STEERING BRIEF

1. Mubarak visiting London after Rome, Paris and Washington and before Bonn; his first overseas tour since his election in October 1981. His first visit to Britain since September 1980, as Vice President, (last saw Prime Minister then). Mubarak will be accompanied by his wife, by his Foreign Minister, Kamal Hassan Ali (who came with Sadat 2-4 August 1981) and his Chef de Cabinet, Osama Al Baz. Those three will participate in the talks, with Egyptian Ambassador, Abou Seeda.

2. Our main objectives:-

(a) To underline importance we attach to our good political and economic relations with Egypt.

(b) To probe Mubarak's thinking and to explain ours on Middle East peace process and its development after return of Sinai to ensure that we are working together.

(c) To hear Mubarak's views on a wide range of international issues.

3. Egyptian objectives will be:-

(a) To probe latest British and European attitudes to Middle East peace settlement. Reiterate Egyptian thanks for British MFO participation.

(b) To ensure that Egypt's point of view on Arab/Israel is understood. To probe our thinking of US policies.

(c) To encourage The Queen and the Prime Minister to visit Egypt soon.

4. The talks with the Prime Minister are to begin at 1130 and will be followed by a luncheon. The President will spend the night of 6 February in London (he wishes to rest and no programme is being

/arranged

arranged) before flying to Bonn the next day.

5. We would expect the talks to be dominated by the Middle East and the Arab/Israel dispute in particular. The return of the remainder of Sinai is an overriding priority for Mubarak's government. In a recent message to the Prime Minister Mubarak expressed Egypt's gratitude that Britain had agreed to participate in the Sinai MFO. Recent discussion with the Israelis led to agreement on practical arrangement for the handover in April. The Israeli annexation of Golan has however added to uncertainty in the region. Mubarak, elected October 1981, has assumed power smoothly. His chief domestic preoccupations: internal security and the economy.

6. Mubarak will be interested to hear our views on world issues such as Poland, Afghanistan, Namibia and East West relations in general. Mubarak generally maintains Sadat's anti-communist line but the first months of his presidency have seen a slight thaw in Egyptian/Soviet relations. It will be interesting to hear his views on Egypt's relations with the Middle East (especially with Saudi Arabia and Iraq). Tension between Egypt and Libya has diminished but relations remain strained. The Egyptians are watching events in Chad closely and are concerned at the deteriorating situation in Sudan.

7. There are no major outstanding problems between the UK and Egypt and discussion of Bilateral Issues need not take up too much time. Trade with Egypt is in balance but we need to win more large civil and military contracts. British Gas and William Press are involved in Natural Gas Distribution Projects. A British Consortium is bidding for the West Nubariya land reclamation scheme.

Mr Biffen was in Cairo last November for a successful conference on trade. The export credits limit for Egypt is under pressure with large prospective civil and military contracts dominating the cover. Our Aid is significant, most going on the Cairo Waste Water Scheme.

8. Egypt is a potentially important market for Defence Sales, but results have been disappointing so far. The Hawk deal fell through
/in

in 1980. In talks in Cairo last September, Mr Nott discussed prospects for sales of Naval vessels, Helicopters and Main Battle Tanks. The US, and the major military aid donor dominates the market and the French have done well by their ability to offer soft finance for sales. If Egyptian-Saudi relations improve, Saudi money may again become available for Egyptian Defence projects but in the meantime Credit and favourable financial terms crucial.

9. The Egyptians have announced plans to develop Nuclear Power. (We hope eventually to build them two power stations) and the Egyptian Minister of Electricity was in London last September to sign a Memorandum of Understanding on nuclear cooperation.

10. Six British ministers visited Egypt last year as did members of the Royal Family. Sadat was here in August, Prince of Wales and Lord Carrington attended Sadat's funeral. Visits this year will include Egyptian Culture Minister here for Centenary of Egypt Exploration Society. Mubarak is likely to press for an early State Visit by The Queen and a visit by the Prime Minister. The earliest possible date for a State Visit would seem to be in the winter of 1983/4.

~~_____~~

Near East and North Africa Department
Foreign and Commonwealth Office

2 February 1982

VISIT OF PRESIDENT MUBARAK OF EGYPT: 6-7 FEBRUARY 1982

BRIEF NO 2: UK/EGYPTIAN RELATIONS (INCLUDING TRADE AND AID)

POINTS TO MAKE

Visits

GRATEFUL FOR HOSPITALITY EXTENDED TO MINISTERS AND MEMBERS OF ROYAL FAMILY OVER PAST YEAR

1. Important to maintain exchanges of ministerial visits. Looking forward to seeing Ministers of Culture, and of Development and Housing here soon.

(IF RAISED) STATE VISIT PROGRAMME FULL FOR NEXT FEW YEARS

2. The Queen is looking forward to a visit to Egypt at a convenient time. Immediate programme full but we must discuss dates soon.

Trade

UK FIRMS CONTINUING TO PUT MAJOR EFFORT INTO EGYPTIAN MARKET

3. Will therefore be keenly watching developments on Egyptian economic policy over the coming months.

HOW WILL CURRENT EGYPTIAN GOVERNMENT REVIEW OF 'OPEN DOOR' POLICY AFFECT FOREIGN INVESTMENT AND IMPORT POLICY?

4. Egyptian firms have more joint ventures with British partners than with any other country. Important that these should not be jeopardised.

/ONE

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ONE CURRENT PROBLEM IS DIFFICULTIES WILLIAM PRESS LTD ARE HAVING
ON CAIRO NATURAL GAS PROJECT

5. Difficulties with Egyptian subcontractor have meant that penalty clauses have been invoked. Pity if this undermined good work on an important public project.

WE ARE PUTTING MONEY INTO IMPORTANT CAIRO WASTE WATER PROJECT

6. We have confirmed £50m in aid. In addition credit cover of £100m for contracts to be awarded to British firms.

7. Defensive. Unlikely that any more money could be found for aid to Egypt in present economic climate.

Nuclear Power Cooperation

KEEN TO HELP EGYPT DEVELOP NUCLEAR POWER PROGRAMME

8. Hope that recently signed Memorandum of Understanding will lead to increased cooperation in this field. URENCO discussing enrichment services.

Claims

STILL SOME OUTSTANDING COMPENSATION CLAIMS BY BRITISH SUBJECTS WHO LEFT
EGYPT AFTER 1956

9. Hope these can be settled soon. Small amounts involved but they mean a lot to those concerned.

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VISIT OF PRESIDENT MUBARAK OF EGYPT 6-7 FEBRUARY 1982
BRIEF NO 2: UK EGYPTIAN RELATIONS (INCLUDING TRADE AND AID)
ESSENTIAL FACTS

Political Relations

1. British involvement in Egypt longstanding. Disraeli bought Suez Canal shares in 1882. Protectorate declared in 1914, independence in 1922. Anglo-Egyptian Treaty of 1936 ended occupation but retained rights of British forces in Canal Zone until June 1956. Full diplomatic relations with Britain broken during Suez crisis reestablished 1961. Diplomatic relations broken off again from December 1965 until December 1967.

Visits

2. Relations now excellent (Egyptians value our support eg on MFO), maintained by regular ministerial and official visits. Lord Carrington visited Cairo January 1981, followed by ministers of Overseas Development, Health, Agriculture, Defence and Trade. COMET/CBE Conference in Cairo in November. Egyptian Vice-Prime Minister for Economic Affairs, Ministers of State for Foreign Affairs and Military Production came to London last year. HRH The Duke of Edinburgh and Prince Andrew visited Egypt. Prince and Princess of Wales went there on honeymoon. Prince of Wales and Lord Carrington attended Sadat's funeral. Visits this year include Minister of Culture (to attend opening by HRH Princess Alexandra of exhibition marking Centenary of Egypt Exploration Society at the British Museum) and the Minister for Housing and Development who will be here for talks with the Department of Trade. Duke of Edinburgh will be in Egypt later this month (World Wildlife Fund).

/3. Trade

3. 1980 UK visible exports to Egypt were £325m (28% increase in value over previous year). (£337 imports from Egypt.) The UK was Egypt's fourth largest supplier with $8\frac{1}{2}\%$ market share. 1981 figures not available but almost certainly adversely affected by import regulations introduced in August which will probably have had a similar impact on our competitors.

4. Trade Secretary's visit to Egypt in November coincided with the CBI/Committee on Middle East Trade Conference on Investment and Trade Co-operation. Large UK turnout (110 firms represented) for an event less than 2 months after President Sadat's death impressed Egyptian authorities. Mubarak met many UK representatives present. In Mr Biffen's meetings with Egyptian Ministers he stressed UK contribution to infrastructure development, to which President Mubarak attaches high priority. UK firms involved in Cairo Waste Water Scheme (worth over £150m).

5. William Press Ltd and British Gas working on Cairo and Alexandria Natural Gas distribution projects: an important public sector project. William Press have suffered financially from poor performance of Egyptian subcontractor (imposed on them by Egyptians) which has led to imposition of penalty clauses on William Press. They have in turn imposed sanctions on the subcontractor with the result that work has been suspended on those phases. Work on sections being undertaken by William Press is proceeding satisfactorily. Answer seems to be for both sides to lift sanctions so that work can continue.

Petrojet - Gas transmission pipeline.

/William

William Press are willing to do this.

6. UK consortium, led by Tate and Lyle, have submitted proposals for joint venture operation to reclaim desert land for sugar beet growing at West Nubariya. Proposals envisage significant UK equity investment and British conditions will be tough. Egyptian Minister of Development, Housing and Land Reclamation will discuss deal with Mr Rees and consortium in UK in March. Not for use. No prospect of UK aid, other than technical assistance for West Nubariya but are supporting Egyptian application for EC aid.

Exports Credits

7. Ministers have invested much effort in Egyptian market and British firms have responded. ECGD Section 2 limit under pressure. Ministers agreed recently to a £270m special reservation for warships (see Brief No 3) and that existing Section 2 limit should be raised to £530m (not for use). The limit may be reviewed later if found to be insufficient.

Aid

8. Egypt is major recipient of western aid, with the United States being in the forefront at over \$500m per year. The United Kingdom programme is modest with the total commitment of around £100m, but with actual aid flow of around only £10m per year. HMG contributes also through multilateral institutions who provide help to Egypt.

/9.

9. Main Capital Aid project is the Cairo Waste Water scheme. (£50m grant and £100m in commercial credits). A fertiliser scheme (West Sahaya) being developed with a £10m grant for a factory and £7.3m in ATP.

10. British technical cooperation central to Egypt's developmental needs priorities are technical education, family planning, agricultural management training and town planning.

Nuclear Cooperation

11. Egypt ratified NPT in February 1981. Several States in region, including Israel, Saudi Arabia, Algeria and the United Arab Emirates, have not signed NPT.

12. UK/Egypt Memorandum of Understanding on cooperation in peaceful uses of nuclear energy signed in London in November during the visit by Egyptian Electricity Minister. Memorandum follows normal pattern on technical cooperation but also includes specific references to non-proliferation commitments of each government. In long term should lead to opportunities for UK firms in the supply of nuclear fuel and hardware.

13. URENCO (the Anglo/German/Dutch enrichment organisations) is discussing possible supply of enrichment services to Egypt. But first power reactors are likely to be supplied by France and the US, who are likely also to supply at least the initial fuel loads.

/Claims

Claims

14. British assets in Egypt were sequestered in 1956 following Suez operation, and again in 1961 (when other nationals were also affected). Anglo-Egyptian Agreements of 1959 and 1971 provided in certain cases for payment of compensation and in others for return of sequestered assets and restoration of rights to United Kingdom nationals. Still some intractable cases (Mr Forsyth, villa and refund of duties on father's sequestered estate; Mr Mosseri, part of his brother's estate sequestered in 1961; Mr and Mrs Massey, for release of sequestered funds). Egyptian Delta Light Railway bond-holders still await compensation.

15. Mr Hurd mentioned the Forsyth and Massey cases to Egyptian Ministers during his visit to Cairo in December 1979. Lord Carrington raised all three cases with Dr Kamal Hassan Ali, when he visited Cairo in January 1981. HM Ambassador has followed up these Ministerial approaches with representations to the Egyptian Government, but so far with limited success.

Prime Minute
This is a slightly revised version of
the earlier brief no-3.
A. J. C.

VISIT OF PRESIDENT MUBARAK OF EGYPT: 6-7 FEBRUARY 1982

BRIEF NO 3: UK/EGYPTIAN DEFENCE COOPERATION (INCLUDING DEFENCE SALES)

POINTS TO MAKE

Military Training Assistance

GLAD TO ASSIST EGYPT IN TRAINING OF ARMED FORCES THROUGH THE UK
MILITARY TRAINING ASSISTANCE SCHEME

WILL MAINTAIN PRESENT LEVEL OF ASSISTANCE, WHICH HAS BEEN WELL USED
IN PAST

/ONLY IF RAISED BY THE EGYPTIANS/ WE ARE PREPARED TO CONSIDER FURTHER
HELP WITH CLEARING WORLD WAR II MINEFIELDS

Defence Sales

INDUSTRIAL COOPERATION

PLEASED TO NOTE RECENT GROWTH IN COOPERATION BETWEEN UK AND EGYPTIAN
DEFENCE INDUSTRIES

1. Important part of our defence/industrial relationship. Ready to offer further assistance involving licensed production and technology transfer.

WARSHIPS

WE HOPE VOSPER THORNYCROFT (WHO HAVE SUPPLIED SHIPS TO YOU BEFORE)
WILL BE CHOSEN TO BUILD RAMADAN PATROL BOATS OR THE 2 FRIGATES.

2. Mr Nott has sent a message to your Defence Minister offering a

£270m British credit package for ships on favourable terms. We have now improved this offer further.

LAND ROVERS

HOPE YOUR ARMY WILL BUY LAND ROVERS FROM US. GOOD CREDIT IS AVAILABLE AND OFFER OF LOCAL ASSEMBLY.

AIRCRAFT REPAIR/OVERHAUL (IF RAISED)

3. BAe, with my Government's assistance, would be glad to put together a package for further overhaul of your military aircraft. Also ready to meet any new requirements.

RAPIER (defensive)

4. Disappointed Rapier in its present design does not seem to meet Egyptian requirements. BAe ready to cooperate on further development of Rapier to sell Egyptian needs, including local production.

FUTURE PROSPECTS

HOPE DEFENCE COOPERATION CAN BE EXPANDED IN FUTURE. DISCUSSIONS ALREADY UNDER WAY ON HELICOPTERS, MAIN BATTLE TANK AND SELF PROPELLED ARTILLERY PROJECTS

AOI (defensive)

5. HMG regret the disagreement between Egypt and her previous partners in AOI and consequent difficulties between AOI and UK companies. We hope that these differences can be resolved.

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VISIT OF PRESIDENT MUBARAK OF EGYPT 6-7 FEBRUARY

BRIEF NO 3 : UK/EGYPTIAN DEFENCE COOPERATION (INCLUDING DEFENCE SALES)

ESSENTIAL FACTS

A. MILITARY TRAINING ASSISTANCE

1. 1981/82 allocation under UKMTAS = £110,000.
2. Money used to pay for Egyptian students at Army Staff Course and RCDS, and for visit of Major General Mustafa Ismail, Chairman of the Committee of the Egyptian Armed Forces, to UK in May 1981, from which flowed training for 10 officers.
3. Egyptian Defence Minister in correspondence with Mr Nott seeking help in clearing World War II minefields from Western Desert (US, Germans, Italians and French also approached). Royal Engineers officer visited Egypt at FCO expense in April 1981. Recommended preparation of maps of the minefields. We have offered the RAF phot reconnaissance. We have nominated our Defence Attache (Royal Engineers) as UK member of an international commission set up in Cairo. We aim to be as helpful as possible but cannot be involved in mine-clearing or spend much on the scheme.
4. In 1980 Egyptians suggested exercises in Egypt by British forces. Objective was to show their military links with countries other than the US. Because of our very full exercise programme, the high cost of a joint exercise and potential damage to our relations with Gulf we declined. Since then Egyptians have not revived idea of Army joint training but we are discussing limited training with Egyptian Navy.

B. DEFENCE SALES

5. Egypt is a potentially important market but hard going. US provide most military aid and French have done well by offering attractive finance (eg recent Mirage/Alpha jet/Gazelle order: £820m). We were involved in the Arab Organisation for Industrialisation AOI from which Egypt's Arab partners (Saudi Arabia, Qatar, UAE) withdrew

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in 1979 after Camp David. Egyptian nationalisation of AOI assets led to litigation with Westlands. Company's relations with Egypt are improving but law suit not yet settled. HMG have avoided direct involvement. BAe Swingfire factory was salvaged. We are involved in Egypt in two ways:

i) Industrial Cooperation

ROF's advise on running of artillery factory (Factory 100) in Egypt, which Lord Trenchard has been invited to open, and are discussing local work on a self propelled artillery project gun and ammunition. British civilian and military radios are made in Egypt. A joint optics factory is about to be commissioned - Swingfire is in local production for the Army.

ii) Equipment Sales

- a. Warships. Egyptian Navy have yet to decide whether they want 6 repeat (52 metre) Ramadans, 6 'stretched' (63 metre) Ramadans, or 2 frigates. Value of potential order £240m. Vosper Thornycroft could do any. Competition from US, France, Spain and Italy. Order very important to Vospers. Ex-committees agreed on 25 January to make special allocation of £270m export credit on very favourable terms. Mr Nott has told the Egyptian Defence Minister, General Abu Ghazala. Very competitive credit being offered by other countries. Vospers are negotiating a package with Egyptians: current offer is 80% of price on $8\frac{1}{2}$ years at $7\frac{1}{2}\%$. Interest rate may be eased to match competition.
- b. Helicopters. Westlands hope to sell more Sea King maritime helicopters and the Commando land based version. Through their Egyptian affiliate Helicopter Holdings they are involved in maintenance contracts with the Egyptian Armed Forces.

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c. Rapier. BAe have been hoping to sell the Rapier surface to air missile. But Rapier has an impact fuze and the Egyptians have now decided that they want a proximity fuze. The project has been temporarily abandoned for lack of finance but BAe would be prepared to enter a joint programme later to develop a new fuze. Competition from France and Switzerland. Order worth potentially £2-400m.

d. Main Battle Tank. For the long term future. Mr Nott discussed Egyptian requirements for a new MBT in Cairo last year. A presentation on the British design was made recently in Egypt.

e. Land Rover. Order is for 2,000 complete vehicles (c. £20m). In addition, Land Rover have proposed that 6,000 kits per year should be assembled at a factory in Cairo. Competitor is the Jeep (currently assembled locally) which is backed by attractive USA Foreign Military Sales (FMS) aid. ECGD can offer only standard terms 80% of price on 5 years at 10% and has not been able to make its credit more attractive by increasing repayment period for Land Rovers (which are preferred by Egyptian Minister of Defence) to 8 years.

f. Aircraft. BAe's Cairo agent has suggested that BAe might secure further orders for refurbishment of Soviet fighters (some Migs already being refurbished by BAe and RR) if linked with a mixed package of 'reconnaissance' aircraft (perhaps Nimrod AEW) and secondhand B707s.

g. 105mm Light Gun. 40 needed for special airborne force. A package worth £20m has been offered by IMS.

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VISIT OF PRESIDENT MUBARAK OF EGYPT: 6-7 FEBRUARY 1982

BRIEF NO 4: ARAB-ISRAEL

POINTS TO MAKE

General

BASIS OF EUROPEAN POLICY REMAINS VENICE PRINCIPLES. TEN CAN STILL PLAY A HELPFUL ROLE, PARTICULARLY WITH ANTI-CAMP DAVID ARABS

1. But Ten generally agreed that primary need for now is to ensure final Israeli withdrawal goes ahead smoothly. No interest in rocking the boat.
2. But something more will be needed after April.

CONCERNED BY TREND OF OPINION IN ISRAEL AND SOME PARTS OF ARAB WORLD

3. Risk of slide to renewed confrontation. Opportunity for a peaceful settlement may be missed. Only US can prevent Israel from making peace impossible through her policies in the occupied territories. Egyptian influence on US thinking crucial: essential to continue the effort to bridge the gap to the Palestinians.

Autonomy Talks

APPRECIATE DIFFICULTIES OF EGYPT'S POSITION. AGREE THAT ONLY AN ARRANGEMENT ACCEPTABLE TO THE PALESTINIANS THEMSELVES IS WORTHWHILE (PLO IMPORTANT HERE) AND THAT AUTONOMY MUST BE CAPABLE OF LEADING ON TO PALESTINIAN SELF-DETERMINATION

4. Israelis must not be allowed to dictate a choice between meaningless autonomy or annexation. If full autonomy not possible, a new approach must be tried, with US support. Europe will be sympathetic.

/Fahd

Fahd Principles

VITAL THAT ARABS SHOULD HAVE A POSITIVE APPROACH TO OFFER FAHD PRINCIPLES MAY BE A BASIS

4. Hope that Egypt can restore relations after April and begin to play a constructive part.

Golan

ISRAELI LAW PROVOCATIVE AND UNHELPFUL. MAIN CONCERN IS TO SHOW THAT IT HAS NO MEANING OR VALIDITY FOR US

MFO

ANTICIPATE GOOD WORKING RELATIONSHIP BETWEEN EGYPT AND MFO

VISIT OF PRESIDENT MUBARAK OF EGYPT: 6-7 FEBRUARY 1982

BRIEF NO 4: ARAB-ISRAEL

ESSENTIAL FACTS

1. The current priority for the Egyptians remains the safe recovery of the rest of Sinai on 25 April. Total liberation of occupied Egyptian territory will be the justification for the sacrifices involved in peace with Israel. The Israelis have a clear treaty obligation to withdraw and there is no sign that they intend to renege. Mr Begin has pledged that Israel will honour her commitments. The remaining practical difficulties about the withdrawal appear to have been successfully resolved in a recent meeting between Mr Sharon and General Kamal Hassan Ali. It looks as though the MFO operation should go reasonably smoothly. But the evacuation of settlers from Yamit and elsewhere is a highly charged issue in Israel and resulting hitches and delays cannot be ruled out.

2. President Mubarak is ready to continue the autonomy talks after 25 April if necessary. It is important for the Egyptians to give the Israelis no pretext for holding up withdrawal. But the President also appears determined that if progress is to be made it will be as a result of major concessions by Israel, not Egypt. If Egypt is to be able to improve relations with the other Arabs after April (and the Saudis and Jordanians at least seem more than ready), she must not be seen to betray Palestinian interests by signing an unsatisfactory autonomy agreement or declaration of principles. The Egyptians have been making clearer than before their view that autonomy is only a step on the road to self-determination and a Palestinian state and that any autonomy agreement must be acceptable

/to

to the Palestinians themselves. (These are not in fact new positions; as the Israelis claim.) There nevertheless remains a risk (less than in President Sadat's more capricious days) that the Egyptians will be provoked by US pressure into going further on autonomy than they wish.

3. In fact the chances of further real progress in the autonomy talks are poor. The gap between the two sides remains wide - virtually unbridgeable on such issues as the status of the East Jerusalem Arabs. The Americans, through Mr Haig, are making a desperate attempt to breath new life into the talks, but, in addition to Egypt's stance, the Israelis are also making clear that it is not for them to make concessions, particularly when they fear the future development of Egyptian policy. Thus the talks will probably drag inconclusively on well beyond April. The problem is that the Israelis are in effect posing the choice as between autonomy (on their terms) and annexation; and this threat leaves the US inclined to press concessions from Egypt even when it sympathizes with the Egyptian approach.

4. More widely:

(i) the Egyptians were embarrassed by Israel's Golan move and made their outrage clear. They were pleased by the tough initial US response. But they were not prepared to jeopardise their relations with Israel themselves;

(ii) they find little with which to disagree in the Fahd principles but were concerned that US attention should not switch away from them to Saudi Arabia. They may be sympathetic to a new approach, based on Fahd, after April and when autonomy talks are finally played out;

(iii) President Mubarak seems to share President Sadat's

distaste for the PLO but also to share his view that they cannot be kept out indefinitely. There is some evidence to suggest that Egyptian-PLO links have developed recently; (iv) the Egyptians are also gradually reestablishing contacts with the Jordanians and Saudis. They are not soliciting however; they feel the other Arabs must come to them (and accept the Egypt-Israel peace).

MFO

5. The Egyptians have enthusiastically supported the concept of European participation in the MFO from the beginning and have followed the saga of Israeli objections anxiously. They will be pleased at what now seems likely to be a satisfactory outcome. One small problem which could conceivably cause difficulty is the question of two small islands in the Strait of Tiran. They are apparently Saudi, but were lent to the Egyptians for military reasons in the early 60s. The MFO may be required to station a post on one of the islands, but Saudi Arabia could object. This is an issue which we wish to take up with the MFO. However the Egyptians are unlikely to raise it with us themselves.

Near East and North Africa Department
29 January 1982

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VISIT OF PRESIDENT MUBARAK OF EGYPT: 6-7 FEBRUARY 1982

BRIEF NO 5: EGYPTIAN RELATIONS WITH OTHER ARAB COUNTRIES

POINTS TO MAKE

Sudan

SITUATION WORRYING. SURVIVAL OF PRO-WESTERN REGIME IMPORTANT.

1. We share your concern at developments. You saw Nimeiri on 27 January. How do you rate his chances of survival. If he went who do you think would replace him? Any risk of an anti-Western regime assuming power?

ECONOMY AT ROOT OF PROBLEM. WE ARE DOING WHAT WE CAN TO HELP.

2. Sudan will be second largest recipient of UK aid 1982/3 (after India). We have pledged \$11 m. in emergency aid.

Libya

WE HAVE NO ILLUSIONS ABOUT QADHAFI BUT BELIEVE ISOLATION COULD BE COUNTER PRODUCTIVE

3. We are trying to maintain as near normal relations as possible but monitoring Libyan behaviour carefully. Attempts to isolate Qadhafi could push him towards Russians and raise his stock in Arab world.

4. Libyan/Egyptian relationships appear to have improved. Although still hostile we detect some change in Libyan tone. Possibly in preparation for Qadhafi's OAU chairmanship.

/Iran

Iran-Iraq

WAR CONTINUES TO BE ONE OF ATTRITION. OUTCOME DIFFICULT TO PREDICT.
IRANIANS MAY HAVE SLIGHT EDGE.

5. Have Iraqis made overtures about resuming relations? Understand Egyptian civilians in Iraq have become caught up in war.

ANY SIGNS OF FLEXIBILITY IN ATTITUDES OF OTHER ARABS?

6. How do you see relations with eg. Saudi Arabia, Jordan, developing over next year?

VISIT OF PRESIDENT MUBARAK OF EGYPT: 6-7 FEBRUARY 1982

BRIEF NO 5: EGYPTIAN RELATIONS WITH OTHER ARAB COUNTRIES

ESSENTIAL FACTS

Sudan

1. Egyptians are concerned by political instability of southern neighbour. Egyptians have close economic and military relationship with Nimeiri, only Arab to have accepted Camp David. Have tried to help economy but own resources limited. Nimeiri flew to Aswan on 27 January for talks with Mubarak. Sudan's economy at the root of Nimeiri's problems. Debts worldwide around \$3.5 billion. Only IMF standby agreement, not yet approved, can keep Sudan solvent. Aid donors met on 27 January to pledge emergency aid to help close \$375 million. Ministers have agreed that \$ 11m of UK 1982/3 aid budget to Sudan can be brought forward as our pledge. Total UK aid to Sudan over next year at around £40m will be second largest allocation after India.

2. IMF conditions attached to standby arrangement have forced Nimeiri to raise prices and remove subsidies. Popular reaction led to riots in the New Year. Subsequent dismissal of First Vice President and party leaders symptomatic of political divisions. Nimeiri remains in control but attitude of Armed Forces over next few weeks and subsequent performance of economy will be crucial.

Libya

3. Egypt-Libya relations have complicated history. Qadhafi modelled himself on Nasser and at one time prospect of Union was discussed.

/Qadhafi

Qadhafi saw Sadat's negotiations with Israel as treachery and never forgave him. Tension reached its height immediately after Sadat's assassination; Qadhafi may have seen some prospect of an uprising, but shortlived. Although Libyans maintain implacable anti-Camp David line, some signs of improvement in Egypt-Libya relations following informal contacts. Qadhafi may see something of Nasser in Mubarak and seems ready to give him a chance. For his part Mubarak has avoided confrontation. Border opened 31 January.

4. Egyptians have been prepared when necessary to use Libyan card to extract more military aid from US. In fact neither side has the capacity to conduct sustained war against the other, and economic and family ties (there are 80,000 plus Egyptians in Libya) would complicate the picture.

5. Our own relations with Libya have improved since low point in 1980 when two Libyans were killed in London. We have made development of relations conditional on assurances that there will be no recurrence of such behaviour and, with the Americans, monitor Libyan activities worldwide closely. We have been under some pressure from US to join them in isolating Qadhafi. We (and rest of the Ten and many Arabs, including Egyptians) see dangers in forcing Qadhafi into a corner. He buys arms from the Russians but there is no real political relationship. An appeal to Arab unity in the face of US pressure could place even moderates in a dilemma.

Iran-Iraq

6. Egyptians broke off relations with Iran in 1979. Sadat gave Shah refuge and the Shah's widow still based in Cairo.

Iraq led moves to impose sanctions against Egypt at Baghdad Summit in 1979 in wake of Camp David. Recent reports of Iraqi overtures to Egypt to resume relations could be indicative of Iraqi concern at way war is going.

7. Recent Iranian victories in war have meant that Iraq is now ready to settle on almost any terms. Iranian attitudes hardening. Egypt has been supplying ammunition and spare parts for Iraqi Russian tanks over the past year. Reports of unspecified number of Egyptians working in Iraq now being forcibly conscripted.

VISIT OF PRESIDENT MUBARAK OF EGYPT: 6-7 FEBRUARY 1982

BRIEF NO 6: WORLD ISSUES. (EAST/WEST, POLAND, AFGHANISTAN, CHAD, NAMIBIA, US POLICIES).

POINTS TO MAKE

East/West Relations

EAST/WEST RELATIONS SERIOUSLY AFFECTED BY POLISH CRISIS

1. No doubt Russians encouraged crackdown; violation of Helsinki Final Act and UN Charter. Right they should be condemned in strongest terms.

HAVE MADE CLEAR TO RUSSIANS THAT IF SITUATION IN POLAND DETERIORATES AND RUSSIANS INTERVENE, WILL BE VERY STRONG WESTERN REACTION BOTH POLITICALLY AND ECONOMICALLY

2. But would be much more than East/West crisis. International relations world-wide would be affected by yet another example of Soviet disregard for UN Charter.

Poland

MILITARY AUTHORITIES HAVE ESTABLISHED TIGHT CONTROL THROUGHOUT COUNTRY BUT PASSIVE RESISTANCE REPORTED TO CONTINUE

3. Some cosmetic relaxation of martial law; ICRC have however been given full access to detainees.

/Afghanistan

Afghanistan

OVERWHELMING UNGA VOTE ON 18 NOVEMBER DEMONSTRATED CONTINUING WORLD CONCERN

4. Will not allow Afghanistan problem to be forgotten. Must keep up pressure on Russians to withdraw. Determined to stand by our friends in Middle East and Third World and help them resist Soviet subversion and expansionism. No more Afghanistans. The Ten's proposals provide a basis for political solution.

RESISTANCE APPEAR TO BE BETTER EQUIPPED AND MORE EFFECTIVE. REFUGEES A PROBLEM

5. How do Egyptians assess performance of Resistance. Pakistan needs continuing support in exposed position.

Chad

HOW DO EGYPTIANS ASSESS PROSPECTS FOR RECONCILIATION BETWEEN HABRE AND GOUKOUNI, AND FOR PEACE

6. Are arms still reaching Habré from outside? We hope he will not compound problems for OAU force. What are prospects of Qadhafi accepting an invitation to return.

Namibia

FIVE CONTINUING EFFORTS TO ACHIEVE SETTLEMENT

7. Five's efforts constitute best chance of achieving peaceful settlement. Relunched negotiations going satisfactorily; but Front Line States and SWAPO have objected to Five's proposals for mixed electoral system for Constituent Assembly. Hope that, nonetheless, momentum can be maintained.

/NEED

NEED FOR SUPPORT IN PHASE 2

8. Next steps of negotiations will involve the Five in tackling series of tricky issues. We shall need continued support. Hope Egypt will use influence with African friends to respond positively and flexibly to Five's proposals.

United States Policies

REAGAN REMAINS PERSONALLY POPULAR BUT WE NOTE GROWING PUBLIC CONCERN ABOUT THE STATE OF THE ECONOMY, PARTICULARLY THE GROWTH IN UNEMPLOYMENT AND THE BUDGET DEFICIT

9. Generally we share the US objectives of revitalised economic activity, reduction in inflation and stable exchange rates. But the operation of present US policies, confirmed in Reagan's State of the Union message, seem likely to sustain the present large budget deficit and high interest rates. This makes difficulties for America's trading partners.

UK AND US SHARE BASIC OBJECTIVES

10. But wrong to expect total uniformity. Inevitably see some issues in different perspectives (eg. Middle East) but any differences can be reconciled by close and continual consultation.

VISIT OF PRESIDENT MUBARAK OF EGYPT: 6-7 FEBRUARY 1982

BRIEF NO 6: WORLD ISSUES

ESSENTIAL FACTS

Afghanistan

1. Egyptian position: Egypt made a public declaration of support for the Ten's proposals in July 1981. Sadat openly admitted supplying arms to the Resistance. Mubarak appears to share his predecessor's views.
2. UN Secretary General expected to appoint a special representative soon to continue talks between Pakistan and Afghanistan. British aid for refugees since Soviet invasion totals £8.7m.

Chad

3. Egyptian position: Egyptians, who until recently backed Hissein Habré, the former Defence Minister, have reviewed their position since Libyan withdrawal in November 1981, have reduced open support, and are waiting to see how fighting in Eastern Chad develops. Egyptians strongly condemned Libyan invasion and are totally opposed to renewed involvement by Libya.
4. Signs that Ndjamea is returning to some semblance of normality. Aid agencies have renewed programmes. Some countries preparing (not too fast) to reopen missions. British Ambassador (resident in London) proposes to present credentials in mid-February if possible.

Namibia

5. Egyptian position (not for use). Egypt has voted consistently

/with

with the African group at the UN in favour of resolutions violently hostile to South African but also critical of the Five's efforts. Unlikely we can change this pattern but we should make clear our view that such posturing does not help negotiations.

6. Front Line States and SWAPO and South Africans have replied to Five's revised proposals for constitutional principles. Front Line States and SWAPO object to Five's proposed mixed system (of proportional representation and single-member constituencies) for election to the constituent assembly. This will mean a delay in conducting the first phase of the Five's agreed 3 phase process for the relaunched negotiations. In phase 2 we shall tackle other unresolved issues such as impartiality of the electoral process and the size and role of UNTAG.

United States Policies

7. Egyptian position: Egyptians rely heavily on US support. US gives about \$1 billion a year in civil aid and Mubarak recently called for flexibility in using it. He is also keen to speed up arms deliveries from America. Egypt is remodelling its Armed Forces with a massive injection of US military aid (around \$900m in 1980/3) but needs more. Americans are likely to point to their own economic problems.

8. The economy is President Reagan's central concern. The Administration is pressing ahead with the phased introduction of income tax cuts and despite the growing federal budget deficit (expected to reach a record level of \$100 billion in 1982) Reagan is resisting the temptation to boost revenues by increasing indirect taxes. Although the rate of inflation has decreased there is no sign yet

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of an end to the current recession. Industrial production has declined and unemployment has increased. Great uncertainty surrounds interest rates, which remain relatively high. In his State of the Union address on 26 January, Reagan indicated that the Administration would attempt to reduce the budget deficit by cutting Government spending, eg. welfare programme.

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VISIT OF PRESIDENT MUBARAK OF EGYPT

6-7 FEBRUARY 1982

BRIEF NO. 7 : EGYPT: COUNTRY BRIEF

ESSENTIAL FACTS

Political History

1. British protectorate from 1914 until independence in 1922. 'Free Officers' led by Nasser (and including Sadat) staged coup in 1952. Monarchy abolished and republic declared in 1953. Nasser appointed Prime Minister in 1954, died in 1970. Sadat became President, consolidated position after 1973 war. In May 1980 Sadat took over post of Prime Minister. Sadat assassinated 6 October 1981. Mubarak, Vice President since 1975 elected President 14 October. Cabinet reshuffle in January 1982 with appointment of Prime Minister. (Dr Fouad Mohieddin) No Vice President yet appointed (rumours in Cairo that present Ambassador to London, Abou Seeda, may be in line). Mubarak elected Chairman of ruling National Democratic Party replacing Sadat, on 26 January.

Internal Political Situation

2. President Mubarak has promised and provided continuity but departed deliberately from Sadat's style and methods. Internal security and the economy are his twin priorities. His sensitive handling of security measures, and his release of prominent

/detainees

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detainees have gained him popularity. The media are enjoying greater freedom. Mubarak has shown that he is prepared to talk to the political opposition in a way that Sadat refused to.

3. Although Government have hinted at a wider plot, Sadat's assassination was not followed by widespread disruption, only isolated incidents. Trial of assassins continues but has yet to throw light on precise motives of attackers which would enable new regime to draw lessons for the future. Support for the islamic fundamentalist movement in Egypt likely to increase, especially among the young. Dissatisfaction with the temporal world likely to grow unless Egypt's economic problems can be brought under control.

Economy

4. Mubarak has turned most attention to the economy. Although committed for the time being at least, to Sadat's 'open door' policies Mubarak has shown that he has his own ideas. He has emphasised need for production to be concentrated on basic essentials rather than consumer goods. He has called a major conference for late February to discuss the economy and prepare 5 year plan. He has defined his objectives as increasing production, savings, curbing consumption and imports and linking wages to production. His reshuffle in January was designed to revitalise his economic team and remove some suspected of corruption.

5. His room for manoeuvre is small. The grossly inefficient Egyptian

/bureaucracy

bureaucracy is probably beyond reform and the subsidy system which distorts the economy (one third of non-investment government expenditure goes on subsidies) cannot be dismantled without major upheaval. Neither could major changes be made in the open door policy without scaring off foreign investment and aid donors. Egypt is likely to be looking soon to her oil-rich neighbours for help.

6. Budget deficit in first quarter of 1981 reached E£640 m (£415 m) compared with £140 m over same period in 1980. Oil glut and drop in tourism since Sadat's death are expected to cut further into budget. Mubarak has ordered celebrations for 25 April. Sinai hand over to be scaled down and 6 October parade for next year cancelled to save money.

7. Population of Egypt now 42 m (40% under 14 years of age) and growing at rate of 1 million a year. Over 25% of the population crammed into Cairo. Expensive effort under way to irrigate desert but for every acre of arable land thus gained two are lost as topsoil is removed to make bricks to deal with the most pressing problem: housing shortage. Unemployment minimal but there is widespread under-employment in government jobs. Over 3 million Egyptians work abroad: 1 million in Iraq, 50,000 in the Gulf, same in Libya.

Foreign Policy

8. Final Israeli withdrawal from Sinai is Mubarak's overriding

/objective

objective. Egypt will scrupulously observe the peace treaty and is being reasonably flexible over normalisation but will not sign an autonomy agreement unacceptable to West Bank opinion. Egyptians are clearly concerned that signature of an autonomy agreement around April could be seen by Israel as 'legitimising' her occupation of the other territories. Mubarak will not be willing to put his name to almost anything which would see the Camp David process through. This reflects concern for relations with moderate Arabs. Mubarak has scrupulously avoided antagonising Arab leaders, even Qadhafi with whom relations have improved since October, but further rapprochement unlikely before 25 April handover. Improvement of relations with Saudi Arabia likely thereafter, already signs that Jordanians are willing to have high level contacts. Syria, perhaps even more than Libya is seen as an implacable antagonist dangerously subservient to Moscow.

9. In speeches Mubarak has emphasised Egypt's African and Islamic identity and has placed more emphasis on non-alignment than Sadat. Egyptians would ideally have wished to prevent forthcoming non-aligned and OAU summits in Baghdad and Tripoli but having failed they are anxious to safeguard Egypt's place at both.

10. United States remain indispensable source of military and economic aid on the scale that Egypt needs and Mubarak has been prepared to defend aspects of Egypt's strategic relationship with the US which have come in for criticism, such as the recent Exercise Bright Star. Over-identification with American military policies in the region

/holds

holds dangers for Egypt. Next test will be the proposed \$300 m US 'facility' at Ras Banas.

11. Some recent signs of an improvement in Egyptian/Soviet relations which deteriorated steadily under Sadat culminating in September 1981 in expulsion of Soviet Ambassador, some staff and nearly all of several hundred Soviet civilian advisers. Some advisers have returned, Ambassador may be back after April but Mubarak who remembers his pilot training in USSR and Soviet behaviour in Egypt has no illusions about Soviet intentions and will tread carefully.

Near East and North Africa Department

29 January 1982

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VISIT OF PRESIDENT MUBARAK OF EGYPT 6-7 FEBRUARY 1982

BRIEF NO 8 PERSONALITY NOTES ON THE PRESIDENT AND MEMBERS
OF HIS DELEGATION

- A. President Muhammed Hosni Mubarak
- B. General Kamal Hassan Ali
- C. Ambassador Dr Osama Al Baz
- D. Mrs Susanne Mubarak
- E. Mr Ezz El Din Moukhtar

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MOHAMMED HOSNI MUBARAK*

PRESIDENT OF THE ARAB REPUBLIC OF EGYPT (OCTOBER 1981)

Born 1928. Military Academy 1949. Air Academy 1950. Trained as a fighter pilot and considered capable and brave. In 1959 and 1961 spent two periods in the Soviet Union on navigation and instructor courses. In 1962 commanded the TU16's operating over the Yemen. In 1964 he again visited Russia to attend a high level staff course. In January 1966 he was appointed Station Commander of Cairo West airfield, in 1967 Director of the Air Academy and in January 1969 Chief of Staff of the Egyptian Air Force. He was promoted Air Vice Marshal in November 1969 and appointed Commander of the Egyptian Air Force in April 1972. Promoted Air Marshal in February 1974.

In period following the expulsion of the Soviet advisers in July 1972, he was thought to be one of the few top Egyptian officers still acceptable to the Russians. He was employed by Sadat in a military fence-mending exercise at the end of that year, visiting Moscow with Prime Minister Sidqi and leading a military delegation. Despite (or because of) the absence of Soviet advisers his Air Force performed satisfactorily in the secondary role allotted to it (realistically) in the war of 1973, which he helped plan with President Sadat. He proved an efficient and impressive Air Force Commander.

His sudden elevation to the Vice President in April 1975 came as a considerable surprise, although with his disciplined military approach and administrative efficiency he quickly made the job his

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/own

own. His reputation then as now, was one of incorruptability in Office. In summer 1978 he was prominent in the creation of the National Democratic Party, which became one of his power bases.

The assassination of President Sadat in October 1981 brought him reluctantly to power. Although the obvious choice for the job in due course, he apparently had no wish to take it on so soon. Mubarak is no intellectual. His style in office is to confer on all points and to take the majority views. He is cheerful by nature and extremely modest. Speaks Russian and English. Rises early, plays an hour of squash each day and puts in long hours at the office. His two sons, now at Cairo University, speak excellent English, and does his wife, Susanne, whose mother was Welsh and lived in Cardiff until her death some time ago. An attractive and amusing family who obviously enjoy good living and make good company.

*Pronounce 'Moo-barrack', with accent on the 'bar'.

GENERAL KAMAL HASSAN ALI

Deputy Prime Minister and Minister of Foreign Affairs (May 1980).

Born September 1921. Studied at Military Academy 1942 and then at tank school in the UK 1948-49. He also took courses in USSR 1958-59. Served in the war of 1948, 1965 and 1967. Operational commander of the Armoured Forces in the Yemen 1963-65. Chief of Staff of Armoured Forces and then Commander of Armoured Forces 1971-75. Assistant to Minister of War May-July 1975, then head of General Intelligence 1975-78. Appointed Minister of Defence in October 1978 in which role he played a prominent role in negotiations with the Israelis over the treaty and withdrawal arrangements.

Small and square, looking somewhat like the tanks he used to command, Hassan Ali has an easy manner and a good sense of humour. He had reputation of being a good armoured commander and is well liked in the services. He was considered not to have had a firm grip on the General Intelligence Organisation. The high proportion of his time as Defence Minister spent on negotiations with the Israelis and Americans dampened his effectiveness in the job, and led to criticism that he was too political and spent too little time on service matters. As Foreign Minister he has continued to concentrate on the Middle East, and Israel in particular, leaving third world and non-aligned work largely to his able Minister of State, Boutros Ghali. He is on good terms with Mubarak.

Speaks good English and believed also to speak Russian. His wife, who suffers from heart trouble, speaks very little English. He has two grown up children; one is a son with marital problems.

AMBASSADOR DR OSAMA AL BAZ

Chef de Cabinet to the President (since October 1981) and First Under Secretary in the Minister of Foreign Affairs.

Born 1931. After joining the Egyptian Foreign Service he had 7 years leave of absence studying in the US where he obtained a PhD at Harvard. As a result he has never yet served in an Egyptian mission overseas. Nevertheless sometime before 1970 he was appointed as a Counsellor to be the senior instructor in the MFA's training institute. He also worked in the Arab Socialist Union's Youth Secretariat following the dismissal of the left-wing supporters of the Ali Sabri in May 1971. In late 1973 or early 1974 Ismail Fahmi (who had been appointed Minister of Foreign Affairs the previous October) brought him in as deputy head of his private office. Early in 1975 he was promoted Ambassador and replaced the previous Chef de Cabinet, Umar Sirri, on the latter's transfer. Fahmi's resignation in November 1977 did no harm to his meteoric rise: in December 1977 he was in quick succession appointed one of the three Egyptian delegates to the Cairo Conference called by President Sadat after his visit to Jerusalem, named Chef de Cabinet to the Vice-President and promoted within the MFA.

He played a leading role in the peace negotiations during 1978, and impressed both the Americans and the Israelis by his technical competence. At Camp David he was the member of the Egyptian delegation who assisted President Carter in drafting the agreements. His detractors argue that he should have used his position to dissuade President Sadat from accepting the two agreements without a more substantial 'link' between them.

An interesting personality: of a diminutive stature yet with considerable 'stage presence'. He has an extremely sharp and questioning mind, some charm and a good sense of humour. In short very interesting company but not always easy. He enjoys arguments for their own sake and seems to have no very deep political commitments. He is a very influential with the President on both Foreign and

/domestic.

domestic policies and is thought to play a major part in drafting the President's speeches.

MRS SUSANNE MUBARAK

President Mubarak has made it clear that he does not wish his wife to play an active role in public life. The title 'Egypt's First Lady' used by Madame Sadat has been quietly dropped. Madame Sadat herself, who appears to be an object of some embarrassment to the new regime, has been encouraged to drop out of the public eye completely.

Mrs Mubarak, who was a sociology student at the American University in Cairo (1972-76) has for the past four years supported a deserving project for deprived children in one of the poorest sections of Cairo. She does this without publicity. She has considerable achievements to her credit. Her project now sponsors five primary schools for boys and girls from the ages of six to twelve.

Apart from this charity work, her studies and official functions, Mrs Mubarak has little time for other activities, but she is very fond of ballet.

Mrs Mubarak's mother who was British (and Welsh) died three years ago (our Embassy advise that not too much should be made of the British connections in case the Egyptians wish to play it down). Her father is a doctor still alive in Egypt and her brother is a Brigadier in the Egyptian Army.

The Mubaraks have two sons aged 22 and 20. Both are studying economics at the University of Cairo. Both are in London for the visit (but unofficially).

EZZ EL DIN MOUKHTAR

Secretary General to the Presidency

Former Army officer (Brigadier) he was Egyptian Military Attache in Brussels and Paris. Army spokesman during the 1973 October war. He has worked with Mubarak since he became Vice President in 1975 and visited London with Sadat and Mubarak in the past.

Married.

PRIME MINISTER

PRESIDENT MUBARAK'S VISIT - MEDIA

We have received through the Egyptian Ambassador a request that you should give Egyptian television an in-depth interview after the President's visit. We understand that the interviewer has recorded interviews with President Mitterand and Chancellor Schmidt.

Quite apart from your existing commitments next week which would make an interview difficult to schedule, there are dangers that an in-depth interview for the Egyptians would expose you to considerable Jewish criticism in this country as well as Israel.

I have discussed this with John Coles and we are agreed that the request should be turned down. However, the Ambassador will be very disappointed and it would help, in turning down the request, if we left open the possibility that you might be prepared to consider an extremely short (1 - 1½ minute) news interview in the grounds of Chequers immediately after the President's departure.

Content?

JK

IAN KYDD

4 February 1982

Yes no

Mr Coles r-a M ⁵/₂

You wanted to have the attached letter back.
I have told FCO News Dept & NEWS the
outcome and I am in touch with the
Egyptian Embassy. I have not spoken
to Sir Ian Hand

I. Kydd
5/2



Foreign and Commonwealth Office

London SW1A 2AH

3 February 1982

A J Coles Esq
Private Secretary
No 10 Downing Street

Dear John,

EGYPTIAN TELEVISION : REQUEST FOR INTERVIEW WITH THE PRIME MINISTER

1. The Egyptian Ambassador has asked if the Prime Minister would give an interview to Egyptian television, who are preparing a round-up of President Mubarak's visit to the United States and Europe. I understand that President Mitterand and Prime Minister Spadolini have already given interviews in this connection.

2. It would put us in a bad light if the Prime Minister were the only one of President Mubarak's hosts to refuse. I therefore recommend that the Prime Minister should agree to give a short interview to Egyptian television as soon as possible after President Mubarak's visit, confining herself to a few brief remarks about its successful outcome.

Yours ever,

S M J Lamport
Private Secretary to
Mr Hurd

FEB 1982



cc Mr. Grogan 103
Miss. Malgin 103
Mr. Elger New Dept

GR 1600

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FM CAIRO 030900Z FEB 82

TO PRIORITY FCO

TELNO 62 OF 3 FEBRUARY

AND TO PRIORITY BANGKOK (FOR PRIVATE SECRETARY)

INFO ROUTINE TEL AVIV, JEDDA, AMMAN, DAMASCUS, BEIRUT, BONN
AND WASHINGTON.

SAVING TRIPOLI, KHARTOUM, PARIS, ROME.

VISIT OF PRESIDENT MUBARAK : 6/7 FEBRUARY.

1. IN THE PAST FOUR MONTHS PRESIDENT HUSNI MUBARAK HAS EMERGED FROM THE LONG SHADOW CAST BY ANWAR SADAT AND NOW HOLDS THE REINS OF POWER FIRMLY IN HIS HANDS. THE OUTLINE OF HIS FOREIGN AND DOMESTIC POLICY IS BEGINNING TO EMERGE.

EGYPTIAN AGENDA FOR THE TALKS.

2. ACCORDING TO OSAMA AL BAZ (PRESIDENT MUBARAK'S CHEF DU CABINET), MUBARAK WOULD LIKE TO COVER THE FOLLOWING SUBJECTS IN HIS DISCUSSIONS WITH THE PRIME MINISTER:

- (I) HIS DISCUSSIONS IN WASHINGTON INCLUDING HIS ASSESSMENT OF US MIDDLE EAST POLICY.
 - (II) HIS VIEW OF EGYPT'S FUTURE ROLE IN THE ARAB WORLD.
 - (III) A REVIEW OF THE AUTONOMY TALKS INCLUDING THE PROSPECTS FOR AN AGREEMENT AND LIKELY TIME SCALE.
 - (IV) TO THANK THE UK FOR CONTRIBUTING TO THE MULTI NATIONAL FORCE.
 - (V) TO HEAR THE PRIME MINISTER'S ASSESSMENT OF THE SITUATION IN EUROPE, WITH PARTICULAR REFERENCE TO POLAND.
- MUBARAK IS UNLIKELY TO RAISE ANY BILATERAL ISSUES.

MUBARAK THE MAN.

3. BOTH IN PERSONALITY AND STYLE MUBARAK COULD HARDLY BE MORE OF A CONTRAST TO HIS PREDECESSOR. THE KEYNOTE, EXEMPLIFIED BY HIS LIFE-STYLE, IS HARD WORK. HE RISES EARLY, PLAYS SQUASH FOR AN HOUR, WORKS LONG HOURS AT HIS DESK, AVOIDS UNNECESSARY TRAVEL, PERSONAL EXTRAVAGANCE, LONG SPEECHES, AND KEEPS HIS WIFE IN THE BACKGROUND. ON ALL MAJOR ISSUES HE INVITES ADVICE. WHERE THERE ARE DIFFERENCES OF VIEW, HE WILL WANT, IF POSSIBLE, TO SUPPORT THE MAJORITY.

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4. HIS CURRENT POPULARITY STEMS AS MUCH FROM DISENCHANTMENT WITH HIS PREDECESSOR AND A FEELING THAT HE IS MORE IN TUNE WITH EGYPT'S PROBLEMS AS FROM ANYTHING HE HAS DONE (RATHER LITTLE SO FAR OTHER THAN THE RELEASE OF SOME OF THE MORE PROMINENT DETAINEES AND AN UNIMPRESSIVE MINISTERIAL RESHUFFLE). HE HAS CORRECTLY IDENTIFIED THE FRUSTRATIONS OF ORDINARY EGYPTIANS; SADAT'S BROKEN PROMISES, THE GROWING INEQUALITIES BETWEEN RICH AND POOR, CORRUPTION IN HIGH PLACES, THE APPALLING LIVING CONDITIONS IN THE URBAN SLUMS. HIS APPROACH TO EGYPT'S MANY DAUNTING PROBLEMS WILL BE TO PROCEED CAUTIOUSLY AVOIDING EXTRAVAGANT PROMISES, TO TACKLE INDIVIDUAL ISSUES THROUGH LONG-TERM PLANNING ARRIVED AT BY CONSENSUS, AND TO STAMP HARD ON CORRUPTION. HE LACKS SADAT'S VISION AND APPEARS TO HAVE NO OVERALL CONCEPT OF THE EGYPT THAT HE WOULD LIKE TO SEE. THE HUMAN RESOURCES AT HIS DISPOSAL ARE VAST BUT, WITHIN THE GOVERNMENT INTELLIGENCE, DRIVE AND BASIC MANAGERIAL SKILLS HAVE BEEN STIFLED BY YEARS OF PUNDEROUS BUREAUCRACY. THE DANGER IS THAT THE LEVERS OF POWER, WHEN HE PULLS THEM, WILL COME AWAY IN HIS HAND. IF HE IS NOT PREPARED OCCASIONALLY TO IGNORE THE BUREAUCRACY AS SADAT WAS, HE MAY PROVE INCAPABLE OF RESPONDING TO CHALLENGE, PARTICULARLY IN THE ECONOMIC FIELD WHICH HE HAS IDENTIFIED AS HIS FIRST PRIORITY.

FOREIGN POLICY

5. FINAL ISRAELI WITHDRAWAL FROM SINAI ON 25 APRIL, WHICH WAS TO HAVE BEEN SADAT'S CROWNING ACHIEVEMENT, REMAINS FOR MUBARAK THE FIRST AND MOST IMPORTANT FOREIGN POLICY GOAL. THERE WILL BE NO GOING BACK ON THE PEACE TREATY WITH ISRAEL. (THE EGYPTIANS POINT OUT, IN ANY CASE, THAT A DECISION BY THEM TO ABROGATE THE PEACE TREATY WOULD CERTAINLY END ANY PROSPECT THAT OTHER ARAB COUNTRIES COULD HOPE TO RECOVER TERRITORY FROM ISRAEL BY NEGOTIATION.) PEACE IS ESSENTIAL FOR EGYPT AND EGYPTIANS HAVE SACRIFICED MUCH FOR IT. BUT BEGIN'S UN-NEIGHBOURLY BEHAVIOUR WILL INEVITABLY COOL THE NORMALISATION PROCESS. IN THE AUTONOMY TALKS THE TWO SIDES ARE MILES APART, AND THE EGYPTIANS HAVE NO INTENTION OF SELLING OUT PALESTINIAN INTERESTS, EITHER BEFORE OR AFTER 25 APRIL. AN AUTONOMY AGREEMENT SEEMS HIGHLY UNLIKELY THOUGH THE EGYPTIANS WILL BE READY TO CONTINUE THE NEGOTIATIONS FOR SOME TIME YET.

6. MUBARAK HAS ALREADY BEGUN TO LAY THE BASIS FOR A RECONCILIATION WITH THE MODERATE ARAB STATES. THOUGH PERSONALLY NOT INCLINED TO WOO THEM, HE NO DOUBT RECOGNISES THAT CONTINUING ISOLATION REPRESENTS A THREAT TO EGYPT'S SECURITY. CRITICISM OF OTHER ARAB STATES CEASED WITHIN HOURS OF SADAT'S DEATH AND SECRET CONTACTS ARE NOW TAKING PLACE WITH SAUDI ARABIA AND JORDAN. BUT THE EGYPTIAN MESSAGE IS CLEAR: RECONCILIATION CANNOT BE AT THE EXPENSE OF THE PEACE TREATY.

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/7. MOREOVER

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7. MOREOVER, WITH THE COLLAPSE OF THE FEZ SUMMIT, THE EGYPTIANS WILL BE IN NO HURRY TO MEND FENCES AFTER APRIL. THEY RECOGNISE THAT TIME WILL BE NEEDED TO COMPOSE ARAB DIFFERENCES. CERTAINLY THEY WOULD LIKE TO SEE THE OTHER ARAB STATES AGREE ON A FAHD PLAN, OR SOMETHING LIKE IT, SINCE ONLY IN THIS WAY CAN EGYPT'S RECOGNITION OF ISRAEL BE MADE RESPECTABLE. BUT THEY ALSO SEE THAT THE FAHD PLAN, EVEN IF ACCEPTED BY THE ARABS, IS NON-NEGOTIABLE AT PRESENT. IF THE MODERATE ARABS RUSH TO A RECONCILIATION WITH EGYPT BEFORE THE NECESSARY SPADE-WORK HAS BEEN DONE TO PROMOTE ACCEPTANCE OF THE FAHD PLAN, THERE ARE BOUND TO BE FRESH RUMPUSES WITHIN THE ARAB RANKS. ACCORDING TO OSAMA AL BAZ THE EGYPTIANS HAVE RECENTLY DISCUSSED ALL THIS WITH THE SAUDIS AND BOTH SIDES HAVE AGREED THAT THEY SHOULD BE IN NO HURRY TO BRING ABOUT A PUBLIC RECONCILIATION.

8. THE MESSAGE FOR THE EUROPEANS IS, I SUGGEST, THAT WE TOO MAY NEED TO MARK TIME BEFORE ATTEMPTING TO PROMOTE ALTERNATIVES TO THE AUTONOMY TALKS. ANYTHING WE CAN DO MEANWHILE DISCREETLY TO PROMOTE AN ARAB CONSENSUS, EG OVER MUTUAL BUT CONDITIONAL RECOGNITION BETWEEN THE PLO AND ISRAEL, WILL BE WELCOME TO THE EGYPTIANS. SO TOO WILL EUROPEAN ADVOCACY OF GREATER AMERICAN PRESSURE ON ISRAEL. BUT IT MAY BE MANY MONTHS BEFORE THE MAJORITY OF ARAB STATES CAN FIND A FORMULA FOR NEGOTIATION WITH ISRAEL WHICH WILL ENABLE THE ARABS TO SETTLE THEIR DIFFERENCES, AND AT THE SAME TIME ACCEPT EGYPT BACK IN THE FOLD. WHAT THAT FORMULA MIGHT LOOK LIKE IS TOO EARLY TO SAY. SEEN FROM HERE, THERE IS MUCH TO BE SAID FOR OUR REMAINING IN THE BACKGROUND UNTIL THE INTER-ARAB DISCUSSION IS FURTHER ADVANCED.

9. MEANWHILE THROUGH THE INTELLIGENT DIPLOMACY OF DR BOUTROS GHALI, WHO HAS RECENTLY VISITED BOTH DELHI AND BELGRADE, MUBARAK IS SEEKING TO BOLSTER EGYPT'S POSITION IN THE NON-ALIGNED AND AFRICAN FORA. HIS TACTICAL OBJECTIVE IS TO SECURE EGYPT'S PLACE AT THE NON-ALIGNED AND OAU SUMMIT MEETINGS. HE ALSO SEEKS TO MINIMISE THE EFFECTS OF EGYPT'S ISOLATION IN THE ARAB WORLD AND TO DEMONSTRATE THAT EGYPT IS NOT AMERICA'S LACKEY. MORE WITH A VIEW TO IMPROVING RELATIONS AND THUS ADDING CREDIBILITY TO EGYPT'S NON-ALIGNED CREDENTIALS. BUT ANY RAPPROCHEMENT WITH THE ^{Russians} RUSSINGS WILL BE LARGELY OPTICAL. THE RELATIONSHIP WITH THE WEST (ESSENTIALLY THE US) WILL REMAIN PARAMOUNT.

CONFIDENTIAL

ECONOMIC POLICY

10. MUBARAK HAS CALLED AN ECONOMIC CONFERENCE FOR 13 FEBRUARY, TO INCLUDE ACADEMICS, REPRESENTATIVES OF THE OPPOSITION PARTIES AND FORMER MINISTERS IN ADDITION TO THE PRESENT GOVERNMENT TEAM, TO WORK OUT AN ECONOMIC STRATEGY FOR THE NEXT FINANCIAL YEAR BEGINNING IN JULY. EGYPT'S MAIN ECONOMIC STRENGTHS ARE OIL (WHICH NOW ACCOUNTS FOR 2/3 OF EXPORT EARNINGS), REVENUES FROM THE SUEZ CANAL, TOURISM AND REMITTANCES BY EGYPTIANS WORKING OVERSEAS. BUT INCOME FROM THESE SOURCES WHICH HAD BEEN RISING RAPIDLY AND HAD LED TO A GREATLY IMPROVED BALANCE OF PAYMENTS, MAY NOW BE REACHING A PLATEAU. AND ON THE NEGATIVE SIDE THERE IS A HUGE AND GROWING IMPORT BILL (MAINLY FOR FOOD), STAGNATION IN THE PUBLIC SECTOR (WHICH STILL ACCOUNTS FOR SEVENTY PERCENT OF GDP) AND SERIOUS DEFICIENCIES IN INFRASTRUCTURE.

11. MUBARAK'S ROOM FOR MANOEUVRE IS THUS LIMITED AND THE MAIN CHANGED FROM THE ECONOMIC POLICIES OF HIS PREDECESSOR MAY BE PRINCIPALLY OF STYLE. HE HAS ALREADY EMPHASISED HIS SUPPORT FOR SADAT'S OPEN DOOR POLICY AND THE ROLE OF FOREIGN AND OTHER ARAB INVESTMENT. BUT HE HAS STRESSED THAT THIS MUST BE DIRECTED TO IMPROVING PRODUCTION RATHER THAN INCREASING CONSUMPTION. THUS WHILE HE WILL CONTINUE TO SUPPORT FREE ENTERPRISE HE WILL BE LOOKING TO CONTROL CONSUMPTION AND IMPORTS OF LUXURY GOODS.

12. HE IS UNLIKELY TO BE ANY MORE SUCCESSFUL THAN SADAT IN DEALING WITH THE CRUCIAL PROBLEM OF FOOD AND ENERGY SUBSIDIES (COSTING TOGETHER SOME LE5 BILLION PER YEAR) OR IN OBTAINING A REASONABLE RATE OF RETURN OUT OF THE PUBLIC SECTOR. ONE OF THE OBJECTIVES OF HIS CURRENT TOUR WILL BE TO SEEK NOT ONLY THE CONTINUATION OF GENEROUS AID, PARTICULARLY FROM THE US, (AND MEASURES TO IMPROVE THE DISAPPOINTINGLY SLOW RATE OF DISBURSEMENT) BUT UNDERSTANDING OF THE PROBLEMS HE FACES AND THE REASONS WHY HE WILL CONTINUE TO HAVE TO MOVE SLOWLY.

THE INTERNAL SITUATION

13. INTERNALLY MUBARAK HAS

DRACKED DOWN HARD ON THE ISLAMIC EXTREMISTS. SADAT'S ASSASSINS ARE ON TRIAL AND HUNDREDS OF OTHER EXTREMISTS, SOME CHARGED WITH CONSPIRING TO SET UP AN IRANIAN-STYLE REGIME, WILL SHORTLY FOLLOW THEM TO THE COURTS. MUBARAK IS NOW WORKING BEHIND THE SCENES TO BRING THE POWERFUL SECURITY FORCES UNDER HIS PERSONAL CONTROL. THE ARMED FORCES ARE LIKELY TO REMAIN PASSIVE SO LONG AS HE RETAINS POPULAR SUPPORT AND HALTS ANY FURTHER EROSION OF THEIR PRIVILEGED POSITION.

CONFIDENTIAL

14. ANOTHER SUCCESSFUL PLOT AGAINST THE LEADERSHIP IS UNLIKELY IN THE SHORT TERM. NEVERTHELESS, THE ASSASSINATION, FOLLOWING IN THE WAKE OF THE IRANIAN COUP, HAS DOUBTLESS GIVEN THE ISLAMIC FUNDAMENTALISTS A BOOST. MUBARAK KNOWS THAT THE THREAT WILL PERSIST AS LONG AS ORDINARY EGYPTIANS, PARTICULARLY THE YOUNGER ONES, FEEL THAT THEY HAVE NO HOPE OF IMPROVING THEIR PRESENT LOT. THIS AWARENESS DICTATES THE HIGH PRIORITY ACCORDED TO ECONOMIC REFORM. THE INCREASED PROSPERITY OF RECENT YEARS MUST BE DISTRIBUTED MORE EVENTLY. IF IT IS RESTRICTED TO A PRIVILEGED FEW, IT WILL MERELY SERVE AS A TARGET FOR A FURTHER FUNDAMENTALIST CRUSADE.

FCO PSE PASS SAVING ADDRESSEES.

REEVE

[THIS TELEGRAM WAS NOT ADVANCED]

[REPEATED AS REQUESTED]

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FM PARIS 031205Z FEB 82

TO IMMEDIATE FCO

TELEGRAM NUMBER 127 OF 03 FEB 82

INFO PRIORITY CAIRO WASHINGTON TEL AVIV

INFO SAVING JEDDA RABAT DAMASCUS BEIRUT BAGHDAD TRIPOLI ALGIERS
TUNIS AMMAN KUWAIT ABU DHABI UKMIS NEW YORK BONN ROME

MIPT: VISIT TO PARIS BY PRESIDENT MUBARAK

1. THE ELYSEE HAVE TOLD THE EMBASSY THAT AS THE TALKS BETWEEN THE TWO PRESIDENTS TOOK PLACE WITH ONLY AN INTERPRETER PRESENT IT HAS NOT YET BEEN POSSIBLE FOR FRENCH OFFICIALS THEMSELVES TO OBTAIN A FULL ACCOUNT. FOR THE SAME REASON THE QUAI D'ORSAY HAVE NOT YET FIXED A TIME FOR A COMMUNITY BRIEFING.

2. IT SEEMS LIKELY THAT THE TALKS CENTRED ON PRESIDENT MITTERRAND'S FORTHCOMING VISIT TO ISRAEL ON 3-5 MARCH, AND ON WAYS IN WHICH FRANCE'S NEW DIALOGUE WITH ISRAEL COULD BE MADE HELPFUL TO EGYPT.

3. THIS HELP IS MOST LIKELY TO BE OVER THE QUESTION OF PALESTINIAN AUTONOMY IN THE AFTERMATH OF ISRAELI WITHDRAWAL FROM SINAI ON 25 APRIL. PRESIDENT MITTERRAND HAS RUN VARIOUS TRAILERS FOR HIS INTENTION TO TALK TO THE ISRAELIS ABOUT PALESTINIAN RIGHTS. THERE HAVE ALSO BEEN HINTS THAT FRANCE WILL MAKE SOME KIND OF EFFORT TO PERSUADE THE ISRAELIS TO STOP FLOGGING THE DEAD HORSE OF A LIMITED FORM OF AUTONOMY SO THAT THE FAHD PLAN CAN HAVE A CHANCE.

4. IF THIS IS CORRECT, FRENCH POLICY IS NOT VERY DIFFERENT IN ESSENCE FROM THE UK'S OR THAT OF THE TEN GENERALLY. BUT THE FRENCH GOVERNMENT DOES ALL IT CAN TO CONVEY THE IMPRESSION THAT IT IS AHEAD OF THE OTHER EUROPEANS IN INFLUENCE ON ISRAEL, IN SUPPORT FOR A PALESTINIAN STATE, AND IN SUPPORT FOR THE FAHD PLAN. SEEN FROM PARIS, THE FRENCH HAVE BEEN ADROIT IN DOING THIS, AND THERE ARE AS YET NO OBVIOUS SIGNS THAT THE MISTRUST OF FRANCE EXPRESSED FOR EXAMPLE TO HM AMBASSADOR AT AMMAN HAS HAD ANY SERIOUS REPERCUSSIONS ON FRENCH INTERESTS.

5. THE VISIT OF PRESIDENT MUBARAK WILL HAVE BEEN USEFUL TO THE FRENCH IN SEVERAL RESPECTS:

(A) IT HAS STRENGTHENED THE CLOSE RELATIONSHIP WITH EGYPT. APART FROM THE MAIN ARAB-ISRAEL THEME, THERE MUST HAVE BEEN A COMPARING OF NOTES ON LIBYA (BOTH COUNTRIES SEEM TO BE MOVING WARILY TOWARDS A RAPPROCHEMENT), THE SUDAN (THE FRENCH HAVE PUT UP 14 MILLION POUNDS FOR THE LATEST BALING OUT OPERATION) AND /PERHAPS

CONFIDENTIAL

CONFIDENTIAL

PERHAPS IRAN (THERE HAVE BEEN RUMOURS, DENIED BY THE EGYPTIANS, THAT DURING HIS STAY HERE PRESIDENT MUBARAK SAW MR BAKHTIAR, THE FORMER IRANIAN PRIME MINISTER, NOW OPERATING FROM PARIS). THE MEETING WITH FRENCH BUSINESSMEN SHOWS THAT THE FRENCH HAVE ALSO USED THE VISIT TO GIVE A FURTHER SHOVE TO THEIR FLOURISHING COMMERCIAL RELATIONS WITH EGYPT.

(B) IT HAS MADE FRANCE LOOK LIKE A POTENTIALLY USEFUL PARTNER TO THE MODERATE ARAB STATES, ESPECIALLY SAUDI ARABIA, WHICH APPEAR TO BE SHAPING UP FOR A RECONCILIATION WITH EGYPT. IN THIS CONNECTION IT IS RUMORED THAT PRESIDENT MUBARAK HAD A SECRET MEETING IN FRANCE WITH KING HASSAN OF MOROCCO, WHO HAS BEEN STAYING ON PRIVATELY IN FRANCE AFTER SEEING PRESIDENT MITTERRAND LAST WEEK.

(C) IT HAS REINFORCED THE GENERAL IMPRESSION WHICH THE FRENCH GOVERNMENT WISHES TO GIVE TO THE WORLD AND THE FRENCH PUBLIC THAT FRANCE HAS AN IMPORTANT AND INDEPENDENT ROLE TO PLAY IN THE MIDDLE EAST.

FCO PLEASE PASS SAVING TO ALL

HIBBERT

[PASSED AS REQUESTED]

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CABINET OFFICE

ADDITIONAL DISTRIBUTION

ARAB/ISRAEL DISPUTE

10. R.

①

Prime Minister

I think this would be a nice

gesture

A.J.C. 2.

MR. COLES

Flowers for Mrs. Mubarak

Joan Porter will arrange for flowers to be sent to Mrs. Mubarak's suite at Claridges on Saturday morning prior to the Chequers lunch.

If the Prime Minister is agreeable to this, could she please sign the attached card to go with the arrangement.

Sue Goodchild

2 February 1982

Flowers ordered for delivery at Claridge's on Sat., 6 Feb., by Jan. Wording on P.M.'s card is "With every good wish. Margaret Thatcher." J.F. 4/2.

977
R.
PRIME MINISTER

PRESIDENT MUBARAK'S VISIT

As you know, the talks begin at Chequers at 1130 hrs on Saturday.

I think *it* you might find a briefing meeting beforehand useful. We could do this either at Chequers at 1030 hrs on Saturday (the Lord Privy Seal might not be able to be present because he will be meeting Mubarak but I think Douglas Hurd could be there) or some time on Friday. Which would you prefer?

Pruden *Pr. iding*
mt.

A.S.C.

12-50 ✓ CSE
✓ Anglen Chud.
✓ Michael Wain.
✓ John Robbery.
- Jeffrey Lewis. Peter Jeff.
- Trade. Roy Williams.

1 February, 1982



Mr. Lloyd

10 DOWNING STREET

17
✓ A. S. C. 1/2

I have already seen a
copy of HENK's questions
and have said to them
that although the
answers might be fine
for last C they are
not terribly appropriate
to the P.H. There is
one thing another bit
all these

The Knight
3/1



Foreign and Commonwealth Office

London SW1A 2AH

29 January 1982

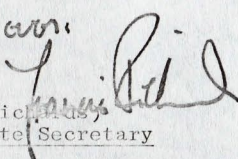
Dear John,

President Mubarak's Visit:

Interview with the Prime Minister

Mr Hosny Emam, London Bureau Chief of the Middle East News Agency (the official Egyptian agency) asked for an exclusive interview with the Secretary of State on the occasion of Mr Mubarak's visit.

As Lord Carrington will be away at the time, I understand that the Prime Minister has agreed to give a written interview to MENA. I enclose the list of questions provided by the agency. We shall submit draft answers by close of play on Tuesday 2 February.

Yours ever,

(F N Richards)
Private Secretary

A J Coles Esq
10 Downing Street

QUESTIONS FOR AN INTERVIEW TO BE GIVEN BY BRITISH SECRETARY OF STATE FOR FOREIGN AND COMMONWEALTH AFFAIRS LORD CARRINGTON TO THE MIDDLE EAST NEWS AGENCY CHIEF CORRESPONDENT IN LONDON HOSNY EMAM ON THE OCCASION OF THE VISIT TO BRITAIN NEXT MONTH BY EGYPTIAN PRESIDENT HOSNY MUBARAK.

Q: ON THE EVE OF THE EGYPTIAN PRESIDENT'S VISIT TO THE UK NEXT MONTH I WOULD LIKE TO ASK YOU IN THIS CONNECTION HOW YOU LOOK AT RELATIONS BETWEEN OUR TWO COUNTRIES AT THE MOMENT.

A: YOU MAY RECALL THAT DURING YOUR PRESIDENCY OF THE EUROPEAN COMMUNITY YOU MENTIONED THAT THE EEC WOULD DO EVERYTHING POSSIBLE TO SUPPORT AND HELP EGYPT FOLLOWING THE ASSASSINATION OF PRESIDENT SADAT. WHAT STEPS YOU ARE CONTEMPLATING IN THIS DIRECTION.

Q: THE EUROPEAN COMMUNITY HAS BEEN TRYING DURING THE LAST SIX MONTHS TO HELP THE 'PEACE PROCESS' IN THE MIDDLE EAST. WOULD YOU SAY THAT ANY NOTABLE PROGRESS HAS BEEN ACHIEVED UNDER YOUR PRESIDENCY?

A: WHAT IS YOUR OPINION ABOUT POSSIBLE EEC FUTURE INITIATIVES IN THIS REGARD IN THE LIGHT OF THE STATEMENTS BY SEVERAL EUROPEAN LEADERS THAT WE HAVE ALREADY BYPASSED THE VENICE DECLARATION ON THE MIDDLE EAST.

Q: HOW DO YOU ASSESS THE SITUATION IN THE MIDDLE EAST FOLLOWING THE LAST PHASE OF THE ISRAELI WITHDRAWAL FROM SINAI AND WHAT POSSIBLE MOVES COULD BE TAKEN TO HELP SETTLE THE PALESTINIAN AND THE MIDDLE EAST QUESTIONS?

A: DO YOU SEE ANY DIFFERENCES IN THE PERCEPTION OF

THE MIDDLE EAST ISSUE BY THE TEN?

Q: WHEN YOU ANNOUNCED BRITAIN'S INTENTION TO PARTICIPATE IN THE MFO YOU UNDERLINED YOUR INTENTION TO HELP THE RETURN OF SINAI TO EGYPT. HOW DO YOU QUALIFY THE EUROPEAN COMMUNITY'S PARTICIPATION IN THE MFO?

A: ISRAEL HAS ANNOUNCED ITS DECISION TO ANNEX THE GOLAN HEIGHTS. DO YOU THINK THAT THIS IS A SETBACK TO THE PEACE EFFORTS THAT HAVE BEEN IN PROGRESS SO FAR? WHAT IS YOUR OPINION TAKING INTO ACCOUNT SOME OF THE RECENT STATEMENTS BY ISRAELI PRIME MINISTER BEGIN IN THIS REGARD?

A: HOW DO YOU VIEW THE PROSPECTS OF A SUCCESSFUL CONCLUSION TO THE PALESTINIAN AUTONOMY TALKS?

A: WHAT DO YOU ADVISE THE PALESTINIANS TO DO NOW AND DO YOU HAVE ANY PLANS TO MEET PLO LEADER YASSER ARAFAT?

A: BRITAIN HOLDS THE VIEW THAT THE SAUDI PEACE PLAN COULD REPRESENT A SOLID BASIS FOR ACHIEVING A COMPREHENSIVE PEACE SETTLEMENT IN THE MIDDLE EAST. DO YOU THINK THAT THE TIME HAS COME FOR GIVING SHAPE TO THIS PLAN THROUGH A RESOLUTION AT THE UN?

MEKA LONDON BUREAU CHIEF CORRESPONDENT

Hosny MAM
HOSNY MAM



Foreign and Commonwealth Office

London SW1A 2AH

29 January 1982

Dear John,

Thank you for your letter of 28 January. The Egyptian Embassy have now passed on the President's views on participation in the talks which differ slightly from their earlier advice. The President will be joined at the talks by Kamal Hassan Ali, Osama Al Baz and the Egyptian Ambassador. The Egyptians would, however, be grateful if Mr Mokhtar could be invited to the luncheon (he is on the list) but see no need for the inclusion of the Private Secretary (who is, of course, no longer involved in the talks). They did not mention the Doctor but in view of his seniority we think that he should be left on the guest list as agreed.

The Egyptians have told us that the President would wish to have the other members of his delegation with him at Chequers. I understand that it would be possible to accommodate them in an ante-room. GHF will arrange for them to be given luncheon outside Chequers.

Yours ever,
F N Richards
(F N Richards)
Private Secretary

A J Coles Esq
10 Downing Street

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10 DOWNING STREET

From the Private Secretary

28 January 1982

Visit of President Mubarak of Egypt

Thank you for your letter of 27 January.

The participation you propose for the talks is agreed.

As regards the lunch, I think that if the Private Secretary to the President is included in the talks it would be a little invidious to exclude him from the lunch. This, together with the fact that both Mr. Mark Thatcher and Miss Carol Thatcher are to be invited, causes a problem of numbers. I wonder therefore whether Mrs Moberly could be asked to stand down on this occasion.

The Prime Minister would be most grateful if Mrs Atkins could arrive at Chequers sufficiently early to look after Mrs Mubarak if she arrives before the talks end.

As space at Chequers is limited and it will be difficult to look after members of Mubarak's party who are not included in the talks and lunch, I should be grateful if the above arrangements could be specified clearly to the Egyptian side. I assume from your letter that, of those in the official suite, the President's Aide-de-Camp, the First Chamberlain and one of the Private Secretaries will not be coming to Chequers.

B/K I should be grateful if the briefs for the talks could reach me by close of play on Thursday 4 February.

A. J. COLES

Francis Richards, Esq.,
Foreign and Commonwealth Office.



✓ Sue Goodchild

Foreign and Commonwealth Office

London SW1A 2AH

27 January 1982

Dear John,

Visit of President Mubarak of Egypt

The Egyptians have now provided us with further information on those who will accompany President Mubarak when he visits Britain on 6 and 7 February. The President will be accompanied by an official suite of eight (listed in Annex A to this letter).

A meeting was held on 21 January attended by FCO, GHF and 10 Downing Street officials to discuss arrangements for the visit. A draft programme was prepared (Annex B to this letter) which has been put to the Egyptians. The Lord Privy Seal will meet President and Mrs Mubarak at Heathrow Airport before travelling with the President by road to Chequers with other members of his delegation taking part in the talks. Mrs Mubarak will join her husband later at Chequers for the lunch. Subject to the Prime Minister's views we suggest that the following should take part in the talks.

The Prime Minister
Lord Privy Seal
Mr Douglas Hurd
Sir Michael Weir
Mr John Moberly
Private Secretary

President Mubarak
Gen. Kamal Hassan Ali
Mr Ezz El Din Mokhtar
Ambassador Osama Al Baz
Egyptian Ambassador
Private Secretary to the
President

I attach a draft guest list for the luncheon. Mr Mark Thatcher and Miss Carol Thatcher were included in the list at No 10's suggestion, made before we learnt that President Mubarak's sons will play no part in his official programme.

Briefing for the talks is being coordinated by the Foreign and Commonwealth Office and will be submitted later.

Yours ever,

(F N Richards)
Private Secretary

A J Coles Esq
No 10 Downing Street



Annex A

VISIT OF PRESIDENT MUBARAK OF EGYPT
OFFICIAL SUITE (IN PROTOCOL ORDER)

HE Mr Muhammed Hosni Mubarak

President of the Arab Republic of Egypt.

HE General Kamal Hassan Ali

Deputy Prime Minister for Foreign Affairs.

HE Dr Mohammed Atteya

Personal Physician to The President.

HE Mr Ezz El Din Mokhtar

Secretary-General of The Presidency.

HE Ambassador Dr Osama Al Baz

First Under-Secretary, Ministry of Foreign Affairs.

Major General Mohammed Nagaty Farahat

Aide-de-Camp in Chief to the President.

Mr Nour El Din Farghal

First Chamberlain to The Presidency.

Mr Gamal el Din Abdel Azziz

Private Secretary to The President.

Mr Abdel Wahab Zaki

Private Secretary to The President.



Annex B

VISIT OF HIS EXCELLENCY THE PRESIDENT OF THE ARAB REPUBLIC OF
EGYPT AND MRS HOSNI MUBARAK

DRAFT PROGRAMME
6-7 FEBRUARY 1982

Saturday 6 February

ARRIVAL

1030 am London Heathrow Airport by Boeing 707
Egyptian airforce (?) Special Waiting
Room Southside. Met by The Lord Avon
[the Lord Privy Seal] and HM Ambassador
Cairo. Carpet lining Guard by RAF (48 men).

1045 Departure by car for Chequers.

1120 Arrive Chequers.
Photocall

1130 Talks with the Prime Minister.

1135 Mrs Mubarak leaves London.

1245 Mrs Mubarak arrives at Chequers.

1300 Luncheon

1500 Departure for London by car.

1555 Arrival at Egyptian Ambassador's Residence.

1600 Arrival at Claridge's.

Sunday 7 February

DEPARTURE

1030 (?) London Heathrow Airport. The Lord Avon
will bid farewell.



DRAFT GUEST LIST

LUNCHEON IN HONOUR OF HIS EXCELLENCY THE PRESIDENT OF THE ARAB
REPUBLIC OF EGYPT AND MRS MUBARAK

[Max. 18]

CHEQUERS: SATURDAY 6 FEBRUARY
12.45 for 1.15⁵⁰ pm

The Prime Minister ✓
Mr Denis Thatcher ✓
~~Mr Mark Thatcher~~ *Dr. Noel Thatcher*
Miss Carol Thatcher
HE Mr Mohammed Hosni Mubarak
Mrs Suzanne Mubarak

Egyptian Suite

HE Gen. Kamal Hassan Ali	Deputy Prime Minister for Foreign Affairs.
HE Dr Mohammed Atteya	Personal Physician to the President.
HE Mr Ezz el Din Mokhtar	Secretary-General of the Presidency.
HE Ambassador Dr Osama Al Baz	First Under-Secretary, Ministry of Foreign Affairs.

Private Secretary to President

Egyptian Embassy

HE Mr Hassan Ali Abou-Seéda	Egyptian Ambassador
Mrs Abou-Seéda.	

Foreign and Commonwealth Office

The Rt Hon Humphrey Atkins MP	Lord Privy Seal
Mrs Atkins	
The Hon Douglas Hurd CBE MP	
Sir Michael Weir KCMG	HM Ambassador at Cairo
Mr J C Moberly CMG	Assistant Under Secretary
Mrs Moberly	
Private Secretary	



27 JAN 1982

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Foreign and Commonwealth Office
London SW1A 2AH

12 January 1982

Dear John,

Visit of the President of Egypt

Thank you for your letter of 5 January. Our Embassy have confirmed that the arrangements proposed in your letter are acceptable to the Egyptians. We shall be making separate arrangements to accommodate President Mubarak and his wife in London on the night of 6/7 February.

We do not yet know who the President will be bringing with him, but on past form we would expect him to be accompanied by the Minister of Foreign Affairs and the Minister for Presidential Affairs. We have asked the Egyptians to let us have details quickly so that a decision can be made on participation in the talks and on a guest list for the luncheon.

The Egyptian Middle East News Agency has already revealed that Mubarak will be coming to London and 10 Downing Street will no doubt wish to make an announcement soon. I enclose a background note for the Press Office.

Yours ever,

(F N Richards)
Private Secretary

Francis Richards

A J Coles Esq
10 Downing Street

1) Copy to Mr. Lyham Egypt
2) Action to me. A.P.C. 12/1

K.A.
M 13/1



Background Note

Visit of President Hosni Mubarak of the Arab Republic of Egypt 6-7 February 1982

President Mubarak (pronounced 'Moobarrack' with accent on the 'bar') was elected in October 1981 shortly after the assassination of President Sadat. Mubarrak, who had been Vice President since 1975, was sworn in on 14 October 1981 as the fourth President of Egypt. Initially he retained the post of Prime Minister (as Sadat had done from May 1980) but appointed a separate Prime Minister, Mr Mohieddin in January 1982. No Vice President has yet been appointed.

As Vice President Mubarak (with his wife) paid an official visit to Britain from 1-5 September 1980. The programme included a call on the Prime Minister followed by luncheon at 10 Downing Street and a visit to the Farnborough Air Exhibition (Mubarak, a former Commander in Chief of the Egyptian Air Force is an accomplished pilot; he was promoted Air Marshal in 1974 (but is now addressed as 'Mr')).

Mubarak, who speaks English, has two children by his half Welsh wife.

Anglo-Egyptian relations are excellent with regular exchanges of high level visits. Lord Carrington was in Cairo in January 1981. Mr Nott and Mr Biffen also visited Egypt last year as did the Duke of Edinburgh and the Prince and Princess of Wales. President Sadat came on 2-4 August 1981. Trade figures for 1981 not available but expected to be less favourable for UK than 1980 (UK exports £347m, Egyptian exports £337m).

112 JAN 1982





10 DOWNING STREET

Egypt
subject copy filed on:-
Middle East Situation: Pt 9

THE PRIME MINISTER

7 January 1982

**PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 18/82**

Dear Mr. President,

Thank you for the kind message which your Ambassador delivered to me on 17 December. I am glad that we have been able to help by offering a contribution to the Multi-national Force and Observers. We are aware of the importance your Government attaches to the final withdrawal from Sinai and it is our firm hope that it will take place on schedule and according to plan. We and our European partners will continue in other ways to help progress towards a comprehensive peace in the Middle East, on the basis of the principles set out in the Venice Declaration. Egypt's role remains crucial and I know your efforts will be directed at the same end.

I very much hope that you will be able to come here next month and look forward to seeing you then.

Yours sincerely,

MT

His Excellency Mr. Mohammed Hosni Mubarak

mt



Foreign and Commonwealth Office

London SW1A 2AH

6 January 1982

Dear John,

Message from President Mubarak

/ I enclose a draft reply to President Mubarak's message of 17 December 1981.

Yours over.

(F N Richard
Private Secretary

Francis Richards

A J Coles Esq
10 Downing St

1 (Revised)

DRAFT: ~~XXXXX~~ Letter to ~~XXXXX~~ ~~XXXXX~~ ~~XXXXX~~ ~~XXXXX~~ ~~XXXXX~~

TYPE: Draft/Final 1+

FROM:

Reference

Prime Minister

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

Top Secret
Secret
Confidential
Restricted
Unclassified

His Excellency
Mr Mohammed Hosni Mubarak
President of the Arab Republic of
Egypt
CAIRO

Copies to:

PRIVACY MARKING

SUBJECT:

.....In Confidence

CAVEAT.....

Thank you for the kind message which your Ambassador delivered to me on 17 December. I am glad that we have been able to help by offering a contribution to the Multinational Force and Observers. We are aware of the importance your Government attaches to the final withdrawal from Sinai and it is our firm hope that it will take place on schedule and according to plan. We and our European partners will continue in other ways to help progress towards a comprehensive peace in the Middle East, on the basis of the principles set out in the Venice Declaration. Egypt's role remains crucial and I know your efforts will be directed at the same end.

I very much hope that you will be able to come here next month, and look forward to seeing you then.

Enclosures—flag(s).....

MR 6/1

11/11/1962

11 11 1962

File

JWP

cc. C. Stephens
S. Goodchild

5 January 1982

Visit of the President of Egypt

Following discussion with your office yesterday, I have now had an opportunity to consult the Prime Minister about the proposed visit by President Mubarak on 6/7 February.

The Prime Minister would be prepared to hold talks with President Mubarak at Chequers at 1130 on Saturday, 6 February and to give him lunch following the talks. Would you please confirm as soon as possible that this arrangement is acceptable to the Egyptians.

A. J. COLES

F.N. Richards, Esq.,
Foreign and Commonwealth Office.

[Handwritten mark]

Sue Goodchild ✓ 59 S/1

I have written to the F.C.O. re. ask them to send ①
a draft guest list over as soon as possible.

A.J.C. $\frac{5}{1}$

PRIME MINISTER

President of Egypt

A firm decision is now needed on whether it is convenient to receive President Mubarak in London on 6/7 February. These are apparently the only dates on which he is likely to be able to visit this country in the near future.

Unfortunately, the dates cover a weekend. Would you be prepared to have talks with Mubarak on Saturday, 6 February and to offer him lunch?

Yes - duty lunch *mb*

You are due to be at Chequers that weekend. Would you like the talks and lunch to take place there?

Yes *mb*

A.J.C. $\frac{4}{1}$

4 January 1982

B.R.

MS

PRIME MINISTER

B/f.

Now
overlooked -
new date being
suggested. →
A.C.G.

1) We have been informed that President Mubarak is visiting the UK on his way to or from the US on Saturday and Sunday, 6/7 February. He is apparently keen to see you, and has expressed a preference for a meeting on the Saturday. The Egyptian Embassy are hoping for a reply on Monday. You were due to be at Chequers that weekend, but you might feel it would be better to have the meeting in London. Can I say that you agree in principle to a meeting on Saturday 6 February?

2) You may also be interested to hear about the bomb blast at Severn Trent Water Authority, Birmingham. The device was planted by Workers Army of the Welsh Republic campaigning against fees charged for Welsh water.

3) A second bomb, half-pound in size, was planted at Industrial Developments Consultants Limited, Timothy Bridge Road, Stratford-upon-Avon. This is a Head Office of a company called HDS in which Mr. Thatcher has an interest. The device did not go off.

2 January 1982

WILLIE RICKETT

Mr. Dicklett MW 4/1/82

I have now written to the P.R. again about Mubarak.

A.C.G. 4/1

SECRET

ca. Harter
+ Middle East Situation A-4



FILE

EE Egypt - visit of Mubarak
S.E. Egypt - visit of mybarak
20.12.81
VUS

BF

10 DOWNING STREET

From the Private Secretary

17 December 1981

Call on the Prime Minister by the Egyptian Ambassador

Would you please refer to Francis Richards' letter of 16 December and your own of 17 December.

Mr. Abou Seeda paid a 10-minute call on the Prime Minister today. His primary purpose was to convey a letter to the Prime Minister from President Mubarak. A copy is enclosed with this letter.

The Prime Minister read the letter and commented that it was our firm hope that withdrawal from Sinai would take place on schedule and according to plan. The Ambassador said that Egypt was hoping for the best. All calculations suggested that the Israelis ought to complete the withdrawal process and Egypt was sure that they would indeed withdraw. The Israeli Government could, however, be expected to make difficulties, for which Egypt would be ready.

The Ambassador congratulated the Prime Minister on the speech she had made to the Board of Deputies of British Jews on the recent Israeli move on the Golan. HMG's attitude was very solid and encouraging. The Israelis could be counted upon to raise new issues to complicate the peace process, for example in Southern Lebanon their objective would be to distract attention from the Palestinian issue. The autonomy negotiations presented great difficulty but Egypt had to go on with them. There was no other way to promote peace. Egypt hoped that after the completion of Sinai withdrawal in April 1982, friendly Governments, including the United Kingdom, would co-ordinate action with the Americans to stimulate new movement towards peace. Egypt wanted a comprehensive peace, not just a settlement in Sinai.

The Prime Minister said she concluded from this that Egypt's approach was not limited to the ideas contained in the Camp David Agreement (the Ambassador confirmed that that was so). She added that it was important that Egypt's relations with other Arabs should improve.

/ The Prime

SECRET

RESTRICTED

- 2 -

The Prime Minister then said that she hoped President Mubarak would be able to visit London soon. Mr. Abou Seeda said that the President was hoping to visit the United States in February. The Prime Minister said he would be very welcome to visit London either on his way to or back from the United States, or at any other time. The Ambassador said that he would convey this invitation with pleasure to President Mubarak.

I should be grateful if you could let me have in due course a draft reply for the Prime Minister to send to President Mubarak's letter.

A. J. COLES

R. M. J. Lyne, Esq.,
Foreign and Commonwealth Office.

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cc: Egypt - visit of Mubarak *Seen by AS*



Foreign and Commonwealth Office

London SW1A 2AH

17 December 1981

Dear John,

The Prime Minister has kindly agreed to see the Egyptian Ambassador Mr Abou Seeda at 1230 pm today. The Ambassador has told us that he wishes to deliver a message from President Mubarak. We have not seen the text but believe it to be a general statement on the Middle East and to contain an expression of thanks for the decision to make British troops available for the Sinai multinational force.

Lord Carrington believes that it would be useful if the Prime Minister could take the opportunity to invite President Mubarak to visit Britain next year. Our Embassy have reported Mubarak as saying that he has accepted invitations to visit the United States and France. It would be useful, particularly in the first half of 1982 as the date for the Israeli withdrawal from Sinai approaches, for us to see Mubarak briefly in London. We shall also need to keep closely alongside Egypt on general Middle East questions next year, as their role is likely to grow in importance. The transition of power in Egypt has gone smoothly; Mubarak is firmly in command. He is broadly sticking to Sadat's policies, but there are already signs that he has his own ideas. He is dissatisfied with the inefficiency of the economy and has shown that he is prepared to take a more flexible line with the opposition and with other Arab states.

Our relations with Egypt are excellent. Mr Nott and Mr Biffen have both visited Cairo in the past few months. Mubarak, who has a Welsh wife, has made it clear that he wishes to maintain Egypt's close ties with Britain.

*Yours ever
Rodric Lyne*

(R M J Lyne)
Private Secretary

John Coles Esq
10 Downing St

gis

cc: Egypt - visit of Mubarak

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Foreign and Commonwealth Office

London SW1A 2AH

Yes
mt

16 December 1981

Prime Minister

*I had hoped to spare you the but I recommend that
you see him for 10 minutes at 12.30 on 17 Dec
(there is only one item on the OD agenda). Agree?
A. S. Cole 16/12*

Dear John,

We spoke the other day about a request by the Egyptian Ambassador for a call on the Prime Minister to deliver a message from President Mubarak. We agreed that a call on a Foreign and Commonwealth Office Minister would suffice and the Lord Privy Seal agreed to see Mr Abou Seeda on 17 December.

The Ambassador has reacted strongly to this suggestion. His message, he says, is for Mrs Thatcher personally. Refusal by the Prime Minister to see him would place him in a difficult position and give him no alternative but to return the message to Cairo undelivered. This would be regarded by the President as a slight.

The Ambassador is due to leave London on Friday 18 December for Cairo, where he will spend the Christmas holidays. Although Lord Carrington is reluctant to submit to a reaction that comes close to blackmail, it is clear that if a 5 or 10 minute gap could be found in the Prime Minister's diary, a potentially embarrassing incident could be avoided. The Egyptians are feeling vulnerable at the moment, particularly after the Israeli announcement on the Golan Heights; and Lord Carrington believes that we should not give them grounds for believing that our relations with them are anything less than the best.

I should be grateful to know if the Prime Minister can agree to see Mr Abou Seeda very briefly to receive the message.

Yours ever,

(F N Richards)
Private Secretary

Francis Richards

John Coles Esq
10 Downing Street