

ROUTING

Top Secret 217

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Friday March 25, 1977

CG NIDC 77-069C

State Dept. review completed

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EGYPT: Fahmi Speech

\_\_\_\_\_ Egyptian Foreign Minister Fahmi has told some Egyptian legislators that recent public statements by President Carter and General Secretary Brezhnev are:

--Evidence of the success of Egypt's diplomacy.

--An improvement over the previous static situation.

--A sign that both leaders are dealing personally with the Middle East.

--A guarantee that there will be movement on Middle East problems because each statement requires the other major power to react.

\_\_\_\_\_ Fahmi said it is clear that President Carter's remarks on borders and on a Palestinian homeland are trial balloons--parts of which are not acceptable to Egypt. The US statements, according to Fahmi, prompted Brezhnev to express Soviet views about a solution. Fahmi indicated that Egypt's diplomacy has sought to produce such exchanges.

\_\_\_\_\_ Fahmi termed Brezhnev's statement timely and positive for Egypt. President Sadat said on Tuesday it showed moderation, although it offered no significant change in the Soviet position. Fahmi told the legislators that he hoped President Carter would reply to Brezhnev.

\_\_\_\_\_ On the substance of a settlement, Fahmi also vigorously reasserted Egypt's position that "there will be no negotiations over an inch of territory, and there can be no solution without an independent national entity for the Palestinians." Negotiations, he said, must begin with the Palestinian problem. He made clear that only settlement of this issue would eliminate the reason for war.

\_\_\_\_\_ Fahmi's presentation partly reflects pressures within Egypt and the Arab world for the Egyptian government to show

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that its diplomatic initiatives are producing results. At the same time, Egyptian leaders probably also believe developments are moving in the right direction.

[redacted] The danger is that in the months ahead the pressures will gradually push Egyptian rhetoric well beyond what is justified by developments, raising unwarranted popular--and official--expectations regarding a settlement. Egyptian leaders and populace went through a similar period of escalating expectation and subsequent disillusionment in 1972 and 1973. [redacted]

[redacted]