MEMORANDUM OF CONVERSATION

SUBJECT: Telephone Conversation with President Mubarak of Egypt (U)

PARTICIPANTS: The President, President Mubarak, Notetaker: C. David Welch

DATE, TIME, AND PLACE: August 9, 1989, 2:06 p.m. - 2:15 p.m. The Oval Office

The President and President Mubarak exchanged greetings and conversed briefly about family matters. (U)

The President said that he wanted to mention a couple of matters. He recalled his meeting in the spring with President Mubarak and the suggestion Mubarak had made that they stay in frequent touch. The President mentioned that he was therefore following the "Mubarak Plan", and had picked up the phone to call. (U)

The President said that he would welcome any ideas on the hostage situation. He added that Defense Minister Abu Taleb had an excellent visit at the White House; he hoped that Abu Taleb had felt that it went well from his end. He continued that we had wanted to show Abu Taleb proper friendship and cooperation at both the White House and at the Pentagon. Returning to hostages, the President said that he would appreciate any ideas, that he was prepared to explore any avenue for the safe release of the hostages, and that he hoped someone in Egypt may have some influence. (G)

President Mubarak responded that he was doing his best and that he had made so many contacts. (G)

The President interjected that perhaps somebody with influence or a Muslim cleric in Egypt could help, as a humanitarian gesture for the return of Higgins' remains. The President stressed that he was not asking for a political solution or statement, but rather for an appeal for any humanitarian help possible. (G)
President Mubarak said he was doing his best. He stated that he had begun to try well before the President's telephone call. He would do the maximum possible. (✓)

The President said that the United States was speaking directly to Syria. He noted that Syria was not doing everything it could but that Syria did not control those who had the hostages. (✓)

President Mubarak responded that Egypt was in touch with some Iranians, some Palestinians, and some Lebanese factions. He stated that it took time, but he had hope. (✓)

The President asked what Mubarak thought of the signals from Iran. (✓)

President Mubarak said that the President should be very cautious, "as we are with our neighbor here." But no signal should be neglected; nothing is lost by trying. (✓)

The President mentioned that we were talking to Israel. Although Israel was willing to trade for Sheikh Obeid, the United States policy was well known. (✓)

On the peace process, the President said that we are pressing ahead. He mentioned NEA Assistant Secretary Kelly's meeting with Mubarak in Cairo recently, and said that the United States was pushing moderate Palestinians to engage on the elections idea. We will keep pressing on this even though it has been by-passed somewhat by the emotional hostage matter. The President added that he valued the opportunity to speak to Mubarak, in whom he places great trust as a friend. The conversations were frank, without any leaks, which gave the President confidence. (✓)

President Mubarak said that he would be seeing the Israeli Ambassador tomorrow; the Ambassador had an urgent message from Arens. He repeated that he was ready to help in any way. (✓)

The President thanked Mubarak and added that he had also recently talked to Sultan Qaboos of Oman, who had mentioned that he was coming to Egypt. (U)

President Mubarak mentioned that he would be in New York for the U.N. General Assembly on September 28. He asked if he could meet with the President.

The President said that he would speak to General Scowcroft about working out a time to get together.

Following this, there was an additional personal exchange on family matters, following which the conversation concluded. (U)