In a statement President Sadat said:

"In the name of God,

Let me seize this opportunity to express my gratitude for the efforts you have done to cover the historical moments here in Ismailia. As you know, after my visit to Jerusalem on the 20th of November a new spirit prevails in the area and we have agreed in Jerusalem and in Ismailia also to continue our efforts towards achieving a comprehensive settlement.

"We have agreed upon raising the level of the representation in the Cairo Conference to ministerial level and as you have heard yesterday we have agreed upon two committees: A political committee and a military committee headed by Ministers of Foreign Affairs and Ministers of Defence. The military committee will convene in Cairo. The political committee will convene in Jerusalem.

"Those committees shall work in the context of the Cairo Conference meaning that they will report to the plenary whenever they reach any decision. On the question of the withdrawal we have made progress. But on the Palestinian question which we consider the core and crux of the problem here in this area.

"The Egyptian and Israeli delegations here discussed the Palestinian problem. The position of Egypt is that on the West Bank and the Gaza Strip a Palestinian state should be established. The position of Israel is that Palestinian Arabs in Judea, Samaria, the West Bank of Jordan and the Gaza Strip should enjoy self rule.

"We have agreed that because we have differed on the issue, the issue will be discussed in the political committee of the Cairo Preparatory Conference.

"I hope I have given you some light upon our work and thank you again."
Israeli Prime Minister, Mr. Menachem Begin then made the following statement:

"Mr. President,

Ladies and gentlemen,

I have come here a hopeful Prime Minister and I am leaving a happy man. The Conference in Ismailia has been successful. We will continue with the momentum of the peace-making process.

"Now starts the phase of the most serious negotiations: how to establish peace between Egypt and Israel as part of a comprehensive settlement throughout the Middle East. These two days are very good days for Egypt, Israel and for peace.

"May I express our gratitude to the President for his gracious hospitality he bestowed upon me, upon my friends and colleagues, the Foreign Minister Moshe Dayan and the Defence Minister Ezer Weizman and our collaborators and advisers.

"This is the second meeting between President Sadat and myself, after the historic event of his break through visit to Jerusalem.

"Here, too, may I say, we spoke as friends. We want to establish real peace. There are problems to discuss and in these two committees the chairmanship of which we will rotate between our respective ministers those serious negotiations and talks will take place.

"Now my friends, I will leave Ismailia and Egypt with the faith that we contributed to the peace making process and there is hope that, with God's help, President Sadat and I and our friends will establish peace.

"Thank you ladies and gentlemen.

The following is the text of the Press Conference given by the Egyptian and Israeli leaders:

Question: Mr. Begin what are the advantages of two or three committees working in tandem rather than a cohesive peace forum and since you and President Sadat obviously coordinated these discussions, do you expect to meet soon and frequently?
Begin: The committees will start with their work quite soon. In the first week of January they will work every day. We hope for good and concrete results. President Sadat and I also agreed during our private talks, if necessary, from time to time we shall meet again.

Question: Mr. Begin and Mr. Sadat, would you say Egypt and Israel are about to achieve a peace treaty in a couple of months?

Sadat: We are working towards a comprehensive settlement. As I said before, we want to establish peace in the area. Without a comprehensive settlement we can’t achieve peace.

Begin: I agree with the President.

Question: (To Begin) What about the declaration of intention you were both to announce? And how do the proposals you submitted to President Carter differ from those you brought here?

Begin: The statement made by the President is an agreed upon statement. So we don’t need now an additional written declaration. We agreed to continue the efforts to establish a comprehensive peace settlement in the Middle East on the basis of U.N. Security Council Resolutions 242 and 338 and to establish these committees. This is the basic agreement. This is the most important development at the Ismailia Conference.

Our colleagues and friends will continue with the efforts as the President and I explained. We have presented to President Sadat the proposals I took to President Carter. There were a few amendments not of decisive importance. And yesterday at the Conference I presented all our proposals in detail. The President listened very attentively and now the committees may have counter-proposals by Egypt as is natural in the process of negotiating peace treaties.

Question: Looking beyond a peace settlement, can you tell us something about your long-term grand designs for peace? How to satisfy your people’s expectations of a better life, of a renaissance in this Middle East cradle of civilization? Are you in favour of co-operation in science, education, agriculture, industry, trade and cultural exchanges between your two countries and eventually between Israel and the Arab world as a whole?

Sadat: Well, the two committees will start, and, as I said, will report to the plenary. Let me say this — we are working towards a comprehensive settlement in the area here and the nature of peace is on the
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agenda between both sides of the two committees, and all that you have mentioned will be discussed in the committees.

Begin: May I congratulate you, Mr. Carr, on the poetry you read to us and I think this is a very good vision and when we establish peace all those good things you put into your question will be put into realisation.

Question: Mr. President, is the gap on the Palestinians unbridgeable?

Sadat: Inasmuch as we shall be continuing in the Cairo Conference to discuss whatever points of difference between us, we shall continue. As Prime Minister Begin has said, if need be we shall meet again, I don’t think there is any gap that cannot be bridged between us.

Question: President, do you agree that Egypt not only holds the key to peace in the Middle East but also that no combination of Arab countries can wage war in the foreseeable future against Israel.

Sadat: Well, may be you have heard my speech. We were sincere in war and we are sincere for peace since my visit to Jerusalem last November we have agreed upon the fact that let us sit together like civilised people and discuss whatever problem between us. Let us agree upon the fact that the October War should be the last war. We did not differ upon this at all. The continuation of our efforts will answer all this.

Question: What about waging war without Egypt?

Sadat: Well, we have here for sure, in the Arab World, in this area here, the key to war and peace: In Egypt here, this is a fact, a historic fact. Well, I can’t speak for anyone but I can say this.

Question: Mr. President can the West Bank Palestinian issue be solved without a role for the P.I.O.?

Sadat: There should be a solution for this problem. We have passed it to the political committee that we have agreed upon in the Cairo Conference. For sure, we shall find a solution. Because, as I have said before, the Palestinian question is the crux of the whole question or the whole problem. May be in the future after the political committee works and the discussion start a new situation will develop.

Begin: The organisation called the P.I.O. is bent on the destruction of Israel. It is written in its charter. They never changed their position as I stated time and again, from our point of view everything is nego-
tiable except the destruction of Israel. Therefore this organisation is
no partner to our negotiations. Now as I read before I reached Ismailia
the spokesman of this organisation threatened the life of President
Sadat — speaking about one bullet they may change the course of
events. So now we have a situation, after Tripoli, in which such
threats are used both against Israel and Egypt. We want to discuss
the problem of the Palestinian Arabs with our Egyptian friends. We
want to negotiate with the representatives of the Palestinian Arabs
and this we are going to do in the first week of January.

Question: Is there any possibility that other Arab countries will join the
Conference? Will you keep King Hussein of Jordan informed?

Sadat: For sure I will be informing King Hussein of all the developments
that have taken place here in Ismailia and let us hope that others
will join yet in the next stage.

Question: In view of the dramatic changes that have taken place have you
Mr. President, changed your mind about delaying diplomatic rela-
tions for future generations?

Sadat: As I have said before, the nature of peace is one of the important
points that is on the agenda. For the two committees and for the
plenary session after that. Let me tell you this: It is now not more
than 35 or 40 days since my visit to Jerusalem. Everything has
changed since that visit took place. I quite agree with those who say
that visit took place. I quite agree with those who say that the world
after the Jerusalem visit is completely different to the world before
the visit.

Question: Seven years ago the United States and China started ping-pong
diplomacy, will you open the borders to allow sportsmen of both sides,
even at this stage, and in that way to allow people to know each other
and play together?

Sadat: It is not yet ripe. But for sure we shall be continuing our discus-
sions in our meetings. As you have heard there will be a committee
here and a committee there and gradually we shall be in a position
to reach agreement upon all what you are proposing here.

Begin: Until the day the President agrees to exchange our sportsmen
on both sides, do something to strengthen our football team (laugh-
ter).
Question: Mr. President, in view of the disagreement on the Palestinians can an interim accord be reached between Egypt and Israel?

Sadat: The differences should be overcome in the committees. It is a fact.

Question: You are not seeking an alternative to peace?

Sadat: As I have already stated before the Knesset, this time we are not either for a disengagement agreement or a partial agreement — trying to reach some stages and then postponing other steps after that. No. This time we are for peace. Genuine peace, comprehensive settlement.

Begin: May I add, Mr. Zemer, the President and I agreed that there is no alternative to peace.

Sadat: All right.

Question: How do you explain the abrupt change from years of enmity and distrust to friendliness and trust?

Sadat: It is not abrupt. It must have been in the subconscious of all of us and when I made my step in my calculation, really, I know my people would agree to it. But I never thought that they will go to this extent. It is a natural feeling and there is no fear at all. There will be no revival of anything that has happened in the past.

Question: Mr. President, Mr. Begin: Have you reached the stage where mutual troop reductions in the Sinai are possible?

Sadat: Let us hope that in a few weeks we shall be in a position to report.

Begin: Yes. Yes. We hope so. When peace comes on, both countries, all countries, in the Middle East will be able to reduce their military forces and expenditure which is eating up our substance and rather devote our sources and resources to the liquidation of poverty, development of agriculture and industry. This is our common aim.

Begin: We do hope for the possibility of reducing troops from all sides.

Question: On what moral grounds Mr. Begin, are you denying the Palestinians, the West Bank and Gaza their right to self-determination? And you Mr. President, on what moral grounds can you negotiate about the future of the Palestinians without a single Palestinian representative present?
Begin: One correction, my friends, I belong to the Palestinian people too. Because I am a Palestinian Jew and there are Palestinian Arabs. But of course we want to live in liberty, justice and equality of rights. Therefore I brought the President a proposal of self-rule for the first time in the history of the Palestinian Arabs. Now we have established a political committee. We stated our positions clearly and the political committee will continue the discussion of this very serious problem.

Sadat: What we are discussing really is within the Arab strategy, what was agreed upon in the Arab Summit Conference. But in the details I shall not negotiate for the Palestinians. So they should take their share. But in this Arab strategy what I am doing really is that I am not speaking for myself but for this strategy in its principles. But I shall not put myself as a spokesman for them or speak for them. They should join in the next stage.

Question: Is Israel’s demand for a military presence in the West Bank a major stumbling block?

Sadat: I do not want to reveal what we have already discussed in the proposals that have been made by Prime Minister Begin. He has shown his will to end the military government on the West Bank. But we differ upon the issue as I have told you, of a Palestinian state on the West Bank and the Gaza Strip. That means self-determination.

Question: Did you discuss the future of the Golan Heights?

Sadat: I cannot speak for Syria or the Golan Heights as I told you, now we are concerned with the main principles in the Arab strategy. And whenever we reach agreement upon those points between us in the committees, in the political and military committees, after that everyone should negotiate for himself.

Begin: I do want to express the hope that President Hafez Assad of Syria will join our common effort. We want comprehensive peace treaty. We want peace with all our neighbours to the south, to the north and to the east and when President Assad agrees to negotiate with us we will be willing to negotiate with him. This is a problem of the northern border of Israel and Syria.

Question: I am an Egyptian journalist and I want to ask Mr. Begin in his language.
Begin: You want to speak to me in Hebrew? I understand Hebrew (Laughter).

Question: (in Hebrew) Mr. Prime Minister. I want to ask you if the initiative of President Sadat brought about profound changes in your thinking and outlook, and also how you see the future of Israel and the Middle East after peace?

Begin: (in Hebrew) Firstly I want to tell you, you speak better Hebrew than I do (in English) I want you to know he speaks better Hebrew than I do (addressing President Sadat) (laughter). Congratulations.

I thank you for your question: (in Hebrew). I want to say that the visit of President Sadat to Jerusalem was a visit of historic significance, for the whole Israeli people, for the whole Egyptian people, for all the peoples, and we appreciate it. We, since the visit have worked well on a peace plan and I brought this peace plan before the President and we explained in detail yesterday in the joint meeting, when we were alone and when the two delegations met.

The future of Israel after peace is achieved, as in the case of Egypt — I have no doubt, it will be glorious and that peace will be achieved between the peoples, the Middle East will develop, and as His Majesty the King of Morocco has said, it can become a spot of paradise on earth. This is the cradle of human civilisation and from here came the tidings of peace and progress. Therefore I was very happy to hear your question and that is my answer. No I shall translate into English with a Hebrew accent. (Begin then translated his remarks for Sadat).

Question: Now that you have raised the level of the talks, how do you see the role of the United States? Will you be inviting Secretary of State Vance to take part in some of your talks and is there a role for the Soviet Union?

Answer: Sadat: I foresee for the United States and the United Nations in the political committee (inaudible) but the military committee will be bilateral, as for the United States, it will be in the political committee without the Soviet Union. We didn't exclude them. They excluded themselves. Whenever they find something disagreeable to them — well, we have no objection from our side.
Question: Mr. President, will you call an Arab Summit, and will the other parties be invited to the Cairo Conference when the level is upgraded?

Sadat: Until we reach in the committee agreement on the main issues and mainly the Palestinian on which we have differed, until we reach this point, as it is part of our Arab strategy. I shall not be in a position to ask for an Arab Summit meeting. But whenever we reach this, I think that after that I shall be in a position to discuss with my Arab colleagues the possibility of a summit.

Question: Do you feel that Mr. Begin’s proposals contain sufficient concessions to have justified your trip to Jerusalem?

Sadat: Well, we have agreed on certain points. We have made progress on the withdrawal. We have differed among us on certain points, namely the Palestinian question. These proposals that have been made by Premier Begin will be put before the committee, political or military, and other counter-proposals will be submitted to these committees and until we reach them we think that the momentum that we have given to the peace process is continuing.

Question: What do you think of Begin’s proposals?

Sadat: Well, as I have told you, we have points of difference and points of agreement.

Question: Can you be more specific on what progress was made on Sinai? And does this mean Foreign Ministers exclusively in the Cairo Conference?

Sadat: I have stated before that in the political committee there will be the Foreign Ministers, and in the military committee there will be the Defence Ministers. For the first part that you have asked: I have heard the proposals Premier Begin told us about and we are preparing our counter-proposals in the military committee, but really what concerns us in this respect is a comprehensive settlement, this is not the Sinai that is the problem now, because as I told you, after peace, after a genuine peace in the area, regarding Sinai, this is a side issue and of course, in a comprehensive settlement it will be part of it. And as I told you, I prefer not to reveal anything, and leave the military committee to work on the details and discuss proposals and counter-proposals until we reach agreement.

Question: Mr. President, what about the P.L.O.? Don’t you feel the
Palestinians have the right to choose their representatives? What role do you think the P.L.O. should play in the peace-making process?

Sadat: I have stated before the Knesset that the Palestinians should be a part of this settlement because as I said, the Palestinian question is the core of the whole problem. The P.L.O. is now in the rejection camp. I sent them an invitation and they refused and excluded themselves. Well, I didn’t exclude them. For the future, let us wait for what will develop.

Question: Mr. President, is it still your position that Israel must withdraw from all occupied land, including east Jerusalem?

Sadat: That’s right.

Question: When you speak of progress on the question of withdrawal, may I ask Mr. Begin how he interprets that progress?

Begin: Well, Resolution 242 (of the U.N. Security Council) does not commit Israel to total withdrawal, and therefore this matter is a matter for negotiation, to establish those secure and recognised boundaries which are mentioned in the second paragraph of resolution 242. And this is the crux of our problem — to negotiate the conditions of peace in order to establish peace throughout the Middle East. This is what we are going to do in the next few weeks and months.

Question: Will Syria eventually join the talks, and what would be the effect?

Sadat: I can’t answer this. You should ask President Assad. I can’t speak for him, as I told you. Whenever they find it convenient for them to join, we shall welcome them.

Question: Will the Cairo Conference reconvene simultaneously with the two ministerial committees? or alternately?

Sadat: It has always been my position that without good preparation, Geneva will be a failure. I said this during my visit last April in the United States. I made my first proposal for a working group under Vance to start contacting all the parties concerned and a meeting to be prepared before Geneva for the preparation. What we are doing here in Cairo is the preparation for Geneva. Geneva is not excluded.
Question: But what about simultaneous meetings of the two committees?

Sadat: They will be working in the context of the Cairo Conference, and as I said, they will report to the plenary.

Question: Does this mean the Cairo Conference will continue on the Foreign Minister level, that Mr. Vance and Mr. Waldheim will come here?

Sadat: Let us hope so. But for sure, we shall not go back. We are going forward.

Question: But the political committee is meeting in Jerusalem. Does this mean that Mr. Vance and Mr. Waldheim will also be in Jerusalem?

Sadat: Well, we shall leave this to them.

Question: Mr. Begin, do you accept the principle of non-acquisition of territory by force and are you going to apply it to a comprehensive settlement?

Begin: Yes, we are for a comprehensive settlement and I accept the principle established under law attesting that there mustn’t be any acquisition of territory in the wake of a war of aggression. The war of the six days was a war of legitimate self-defence, and the President told me yesterday, yes, he does remember the slogans issued in those days to throw the Israelis into the sea and so we defended ourselves and this is my reply to you, in complete accordance with international law and practice.

Thank you.