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FOR NENAD.

VISIT OF EGYPTIAN MINISTER OF DEFENCE TO THE UK

1. FIELD MARSHAL ABU GHAZALA IS DUE TO CALL ON THE PRIME MINISTER AND THE SECRETARY OF STATE DURING HIS VISIT TO THE UK NEXT WEEK. I HOPE THERE MAY ALSO BE THE OPPORTUNITY FOR A SHORT PRIVATE MEETING WITH THE SECRETARY OF STATE FOR DEFENCE, WHEN HE ATTENDS THE OPENING DAY OF THE BRITISH ARMY EQUIPMENT EXHIBITION AT ALDERSHOT. THE FOLLOWING IS INTENDED TO SUPPLEMENT THE BRIEFING YOU AND MOD WILL HAVE PREPARED FOR THE VISIT.

ABU GHAZALA'S POSITION AND HIS RELATIONS WITH MUBARAK

2. AS DEPUTY PRIME MINISTER AND MINISTER OF DEFENCE AND MILITARY PRODUCTION, ABU GHAZALA IS SECOND ONLY TO THE PRESIDENT IN TERMS OF THE POWER AND INFLUENCE HE WIELDS IN EGYPT. FOR SOME TIME THERE HAS BEEN SPECULATION ABOUT WHETHER HE MIGHT BECOME VICE-PRESIDENT. WHILE I HAVE NO DIRECT EVIDENCE FOR THIS, MY BELIEF IS THAT ABU GHAZALA WOULD NOT WELCOME IT, PARTLY BECAUSE HE BELIEVES IT IS A NON-JOB AND PARTLY BECAUSE IT WOULD MEAN ABANDONING HIS POWER BASE IN THE MINISTRY OF DEFENCE WHICH I ASSUME HE WOULD BE LOATH TO DO (FOR FINANCIAL AS WELL AS OTHER REASONS). THERE HAS ALSO BEEN SPECULATION THAT HE MIGHT BECOME PRIME MINISTER. AGAIN I DOUBT IF HE WOULD BE INTERESTED, BECAUSE HE WOULD ALMOST CERTAINLY HAVE TO GIVE UP THE DEFENCE PORTFOLIO AND IS NO ECONOMIST (IT IS OF COURSE IN THE ECONOMIC FIELD THAT EGYPT'S MOST PRESSING PROBLEMS CURRENTLY LIE). THERE IS HOWEVER NO DOUBT OF ABU GHAZALA'S INFLUENCE IN THE CABINET AS THE SENIOR DEPUTY PRIME MINISTER, NOR OF HIS IMPATIENCE WITH MANY OF THE CIVILIAN MINISTERS (ABOUT SOME OF WHOM HE IS HIGHLY UNCOMPLIMENTARY IN PRIVATE). ONE WIDELY BELIEVED STORY HAS IT THAT, WHILE DR ALI LUTFI WAS IN HOSPITAL IN THE UK, ABU GHAZALA CHAIRED A CABINET MEETING AT WHICH DECISIONS WERE TAKEN ON 23 OUT OF THE 25 MATTERS RAISED; THIS APPARENTLY PROVED TOO MUCH FOR ALL CONCERNED, AND HE WAS NOT CONFIRMED IN HIS POSITION AS ACTING PRIME MINISTER, NOR ALLOWED TO CHAIR ANOTHER CABINET MEETING.

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3. ABU GHAZALA IS WIDELY POPULAR AND HIGHLY RESPECTED IN THE EGYPTIAN ARMED FORCES. INDEED THE MAJORITY OF ARMY OFFICERS PROBABLY FEEL A GREATER SENSE OF LOYALTY TO HIM THAN TO MUBARAK. THE EFFICIENT WAY IN WHICH THE ARMY MOVED IN TO RESTORE ORDER FOLLOWING THE POLICE MUTINY EARLIER THIS YEAR ENHANCED HIS PRESTIGE STILL FURTHER. THIS RAISES THE QUESTION OF THE RELATIONSHIP BETWEEN ABU GHAZALA AND MUBARAK. THEY ARE VERY DIFFERENT CHARACTERS AND I DO NOT THINK THEIR PERSONAL RELATIONS ARE VERY CLOSE. MUBARAK IS EXTREMELY SENSITIVE TO ABU GHAZALA'S STANDING IN THE COUNTRY AND PARTICULARLY TO HIS ALLEGED SPECIAL RELATIONSHIP WITH THE AMERICANS; THIS SHOWED THROUGH VERY CLEARLY IN THE AFTERMATH OF THE ACHILLE LAURO INCIDENT. HOWEVER ALL THE EVIDENCE WE HAVE SUGGESTS THAT MUBARAK IS AWARE OF HOW IMPORTANT ABU GHAZALA'S CONTINUING SUPPORT IS TO HIM AND THAT ABU GHAZALA HIMSELF IS CONTENT FOR THE TIME BEING AT ANY RATE TO REMAIN WHERE HE IS, WIELDING GREAT POWER AND INFLUENCE (AND ENJOYING THE HEDONISTIC LIFESTYLE WHICH WOULD SCARCELY BE POSSIBLE FOR HIM AS PRESIDENT). THIS COULD, OF COURSE, CHANGE IF MUBARAK CONTINUED TO SHOW HIMSELF UNWILLING OR UNABLE TO DEAL SUFFICIENTLY DECISIVELY WITH THE COUNTRY'S PROBLEMS AND IF ABU GHAZALA CAME UNDER PRESSURE FROM WITHIN THE ARMED FORCES TO TAKE OVER. IF THIS WERE TO HAPPEN, I WOULD NOT ALTOGETHER EXCLUDE ITS TAKING PLACE AS THE RESULT OF AN AGREEMENT BETWEEN THE TWO MEN. THE OBVIOUS TIME FOR THIS WOULD BE IN OCTOBER 1987 WHEN MUBARAK'S FIRST TERM AS PRESIDENT ENDS AND WHEN HIS FAMILY AT LEAST MAY URGE HIM TO STEP DOWN. ON BALANCE, HOWEVER, I DO NOT EXPECT THIS TO HAPPEN AND CONSIDER IT MORE LIKELY THAT MUBARAK WILL BE RE-ELECTED AND THAT ABU GHAZALA WILL REMAIN IN HIS PRESENT POSITION.

THE CURRENT PREOCCUPATIONS

4. LIKE THE PRESIDENT, ABU GHAZALA IS PREOCCUPIED BY EGYPT'S CURRENT FINANCIAL PROBLEMS AND, IN HIS CASE, IMPLICATIONS FOR THE EGYPTIAN ARMED FORCES. HIS PARTICULAR CONCERN MUST BE HOW TO RECONCILE THE NEED FOR THE CONTINUED MODERNISATION OF THEIR EQUIPMENT WITH DWINDLING FINANCIAL RESOURCES, BEARING IN MIND THE IMPLICATIONS FOR THEIR MORALE. HE TAKES A KEEN INTEREST IN WELFARE AND CONDITIONS OF SERVICE, AS WELL AS IN THE MANAGEMENT OF THE MANY MANUFACTURING AND OTHER ECONOMIC PROJECTS IN WHICH THE ARMED FORCES ARE INVOLVED. HE WILL CONTINUE TO DO THE BEST HE CAN FOR THOSE UNDER HIS COMMAND, EVEN THOUGH ECONOMIC CONSTRAINTS WILL IMPOSE DELAYS ON THE PURCHASE OF MUCH NEEDED EQUIPMENT, AND HE CAN CERTAINLY ACHIEVE MORE FOR THE ARMED FORCES THAN ANY LIKELY SUCCESSOR.

VIEWS ON FOREIGN AFFAIRS

5. ABU GHAZALA IS MORE DECISIVE AND LESS CAUTIOUS THAN MUBARAK AND TENDS TO SEE PROBLEMS IN BLACK AND WHITE. HE SPENT ALMOST 5 YEARS AS DEFENCE ATTACHE IN WASHINGTON IN

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THE LATE 1970S AND IS GENERALLY REGARDED AS PRO-AMERICAN. WHILE THIS ON BALANCE PROBABLY COUNTS AGAINST HIM INTERNALLY, IT ALSO HAS IMPORTANT ADVANTAGES IN DEALING WITH THE US ON WHOM EGYPT WILL CONTINUE TO HAVE TO RELY FOR THE FORESEEABLE FUTURE FOR MOST OF HER MILITARY NEEDS. ABU GHAZALA TOLD ME IN TERMS AT THE TIME THAT HE FAVOURED THE US ACTIONS AGAINST LIBYA AND WELCOMED OUR AGREEMENT TO THE USE OF BASES IN THE UK, ALTHOUGH HE WISHED THAT THE AMERICANS HAD SUCCEEDED IN FINISHING QADHAFI OFF. HOWEVER, HIS NATURAL TENDENCY TO TAKE A ROBUST LINE OVER LIBYA IS TEMPERED BY HIS KNOWLEDGE OF THE SHORTCOMINGS OF THE EGYPTIAN ARMED FORCES, THE GREAT EXPENSE OF PROTRACTED MILITARY OPERATIONS AND THE RELATIVE FAILURE, IN TERMS OF CASUALTIES SUFFERED, OF THE VALLETTA HIJACK RESCUE OPERATION FOR WHICH HE INCURRED BITTER CRITICISM BOTH IN THE EGYPTIAN PEOPLE'S ASSEMBLY AND IN THE OPPOSITION PRESS. IN GENERAL HE IS DISMISSIVE OF THE MILITARY CAPABILITIES OF OTHER ARABS, EXCEPT PERHAPS FOR THE JORDANIANS AND THE OMANIS.

VIEWS ON UK AND DEFENCE SALES

6. I ASSUME MOD SALES WILL BE PROVIDING UP TO DATE BRIEFING ON OUR CURRENT NEGOTIATIONS. ABU GHAZALA GREATLY ENJOYS HIS VISITS TO LONDON AND IS ALWAYS HIGHLY COMPLIMENTARY ABOUT THE BRITISH ARMED FORCES (HE WAS PARTICULARLY APPRECIATIVE OF OUR CONTRIBUTION TO THE MINE CLEARING OPERATIONS IN THE GULF OF SUEZ IN 1984 AND OUR SUBSEQUENT ACTION IN MAKING AVAILABLE TO THE EGYPTIANS THE RESULTS OF OUR STUDY OF THE SOVIET MINE WHICH WE FOUND). HE WOULD ALMOST CERTAINLY LIKE TO PURCHASE MORE FROM US BUT FOR FINANCIAL REASONS IS NOW MAINLY RESTRICTED TO AMERICAN EQUIPMENT; THERE IS A ROW GOING ON WITH THE SPANIARDS ABOUT PAYMENT FOR PAST DEFENCE PURCHASES AND THE FRENCH ARE DELAYING DELIVERIES OF MILITARY ITEMS IN LINE WITH DELAYS IN EGYPTIAN PAYMENTS.

7 WHEN ABU GHAZALA CALLED ON THE PRIME MINISTER DURING HER VISIT TO CAIRO LAST SEPTEMBER, THERE WAS SOME DISCUSSION OF DEFENCE CONTRACTS BEYOND THE EXISTING £150 MILLION LINE OF CREDIT AND SPECIFICALLY ON THE POSSIBLE PURCHASE AND MANUFACTURE IN EGYPT OF BRITISH TANKS. MRS THATCHER SUBSEQUENTLY SAID PUBLICLY THAT IF EGYPT WAS INTERESTED IN "OTHER THINGS" WE WOULD BE READY TO CONSIDER ANY SPECIFIC REQUEST THE EGYPTIANS PUT TO US AND THE LINE OF CREDIT THAT WOULD GO WITH IT (COI TELNO RETRACT 002 TO CAIRO OF 18 SEPTEMBER 1985). RECENT PUBLIC STATEMENTS HERE SUGGEST THAT ABU GHAZALA MAY RAISE THE QUESTION OF A FURTHER LINE OF CREDIT FOR THE TANK FACTORY.

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MR GROSSMAN
MR COOGLI
MR DAUNT
SIR J. MILES

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