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ASSISTANT SECRETARY OF DEFENSE  
WASHINGTON, D.C. 20301

MAR 19 1979  
DEP. SEC HAS SEEN

19 March 1979

INTERNATIONAL  
SECURITY AFFAIRS

MEMORANDUM FOR THE SECRETARY OF DEFENSE

SUBJECT: Meeting with General Kamal Hassan Ali, Minister of Defense and War Production, Egypt

Here are points you will wish to cover with Kamal Ali. Also, Bill Perry is prepared to discuss defense production in a general way, and he will join the meeting for this purpose. If asked, you can offer to incorporate the items of agreement in a letter from you to Ali, in a similar way to the Weizman letter.

An annotated equipment list is at Tab A. Kamal Ali's schedule is at Tab B. Note that he will be in-country all week.

EGYPT

Financing

- Prepared to provide military equipment and services during the next three years up to \$1.5 billion.
- Portion cash, portion FMS credits.
- Assume you will wish to approach Saudi Arabia or other friendly states for assistance with respect to cash portion.
- With respect to FMS credits, we are prepared to recommend to the Congress the same repayment terms for Egypt as we are proposing for Israel, namely, loan at current interest rates, ten year deferrment on principal, 20 years to repay thereafter.

Equipment

- We are prepared in general to supply the items on your most recent list, subject to Congressional approval and to your own estimate of priorities.

Aircraft

- I am prepared to agree to a more advanced aircraft than the F-5. I am not prepared to say for certain it will be F-4 but believe it will be. I understand you are re-thinking your requirements

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Submarines

. Lets see what we can do by pressure-testing the hulls of your present submarines before deciding on supply of additional ones.

Teams

. Navy team can arrive in country about 10 April. Will examine submarines and discuss details of ship transfers.

. Air Defense team can arrive on 15 April. Will discuss Egyptian AD requirements and the integration, support, etc. of 12 SAM batteries.

. Armor team can arrive between 1-15 May, and discuss transfer of APCs and tech data package for T-54/T-55 tanks.

*RJ Murray*

ROBERT MURRAY  
Deputy Secretary  
Near Eastern, African, and  
South Asian Affairs

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Revised Egyptian Arms List

<u>Item</u>	<u>Cost</u>
50 40 F-4 Phantom Fighters	\$750 million (Mar '82 - July '83)
10 Cargo Aircraft C130	\$143 million (22 months)
4 ELINT & Jamming Pods (for F-5/F-4)	\$1.64 million (24 months)
12 Btys I-HAWKS	\$522 million (30 months)
4 TPS/59 Radar ("3 Dimension")	\$33.3 million (30 months)
8 Radar for detecting low flying A/:	Type unknown. Should request more information from Egyptians.
<i>Frigates</i> 4 Destroyer (used) - we would over: : <i>want 4 active ships</i>	\$16-18 million (36 months) <i>per ship</i>
2 Submarines (overhauled) (Tang Cl:..	\$32-36 million (24 months) <i>per ship</i>
1500 M113 APC's	\$187.5 million (18 months)
200 Kits to upgrade T-54/55 Tanks	\$250 K per tank (Availability unknown)
Lorries and Trucks	Quantity unspecified, more data needed.
Ground Equipment (Radars, etc Side Looking Radar/Camera Frogmen equipment, etc.)	More data needed.

\* Items include Supply, Support, and training.

Other Items discussed/approved but not contained on revised Egyptian list.

1 Cruiser (Albany) ( <i>don't need</i> )	\$34.1 million (1 year)
100 CH-47 Helos	\$770 million (33 months)
50 additional F-5Es	\$431 million (21 months)
50 Light Cargo Aircraft (C2A)	\$900 million (30 months)

*CH 53*

*Coastal patrol boats*

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PROGRAM FOR THE VISIT OF  
LTGEN KAMAL HASSAN ALI  
MINISTER OF DEFENSE, MILITARY PRODUCTION,  
AND COMMANDER IN CHIEF OF THE ARMED FORCES, EGYPT

SATURDAY  
17 MARCH

1540 Arrive Washington, D.C., via Flight 891, Dulles International Airport. Met by Assistant Secretary of State Atherton; Assistant Secretary of State Saunders; Deputy Assistant Secretary of Defense Robert J. Murray; and Chief of Protocol Edith J. Dobelle.

1650 Arrive Madison Hotel.

Evening Free

SUNDAY  
18 MARCH

Discussions on military aspects of the treaty by Egyptian, Israeli and State Department representatives.

Evening Free

MONDAY  
19 MARCH

Morning Continuation of talks on military aspects of the treaty if required.

1045 Depart Madison Hotel for Pentagon.

1100-1230 Meeting with Secretary Brown at Pentagon Building.

1100-1230 Rest of Party -- Briefing from Army Staff (Room 3E912) subject: I-HAWK System and M-113 APC Family.

1230-1330 Working luncheon hosted by SECDEF.

1330 Open

Evening Open

TUESDAY  
20 MARCH

0715 Depart Madison Hotel for Andrews AFB

0800 Depart Andrews AFB via C-9 for Nellis AFB Nevada to view "Red Flag Ops" and F-5 Ops (breakfast on board aircraft).

1000 (Local: EST -3) Arrive Nellis AFB -- Initial briefings on F-5 operations.

1230-1330 Lunch Nellis AFB.

1345 Observe Red Flag Operations.

1800 Depart Nellis AFB for Las Vegas (Sands Hotel).

2000 Dinner

WEDNESDAY  
21 MARCH

0700 (Local) Depart Nellis AFB Nevada via C-9 for Fort Bliss, Texas.

1000 (Local: EST -2) Arrive Fort Bliss -- Initial briefings.

1200-1300 Lunch at Fort Bliss.

1315-1700 View J-HAWK Operations.

1800 Depart Fort Bliss via C-9 for Andrews AFB (dinner served on board aircraft).

2230 Arrive Andrews AFB.

2315 Arrive Madison Hotel.

THURSDAY  
22 MARCH

(Schedule times tentative, to be confirmed.)

0915 Depart Madison Hotel for Pentagon.

0930-1015 Meeting with Chairman, JCS, General Jones (General Ali plus 2).

THURSDAY.  
22 MARCH (Cont'd)

0930	Rest of Party -- briefings.
1030	Entire party will tour National Military Command Center (NMCC) in Pentagon.
1230-1330	Luncheon (hosted by HINDEF Ali).
Afternoon	Open

\* If time available, additional items will be scheduled for Thursday and Friday, 23 and 24 March 1979.

\*\* Separate program will be provided for Mrs. Ali as desired.