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TELNO 166

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MY TELNO 167: EGYPT INTERNAL

SUMMARY

1. ASSESSMENT OF THE CAUSES AND CONSQUENCES OF THE
POLICE MUTINY. NO EVIDENCE YET AVAILABLE THAT HE WAS
ANYTHING OTHER THAN A SPONTANEOUS OUTBURST. HETS
LIMMEDIATE CONSEQUENCES INCLUDE A FURTHER DETERIORATION IN
EGYPT'S ECONOMY AND THE STRENGTHENING OF THE POSITION OF
THE ARMY. MUBARAK'S PERSONAL PRESTINGE HAS PROBABLY BEEN
ENHANCED IN THE SHORT TERM BY HIS HANDLING OF THE MUTINY,
AND HET IS TOO SOON TO WRITE HIM OFF. BUT, NOW MORE THAN
EVER, HE NEEDS TO BE ABLE TO SHOW SOME SUCCESS IN TACKLING
EGYPT'S PRESSING PROBLEMS.

DETAIL

2. AS REPORTED IN MY TELNO 167, PRESIDENT MUBARAK HAD LITTLE TO SAY IN HIS ADDRESS TO THE NATION ABOUT THE ORIGINS OF THE MUTILITY WHICH BEGAN AT A POLICE CAMP NEAR THE PYRAMIDS ON THE EVENING OF 25 FEBRUARY. NONETHELESS HIT IS TIME TO ATTEMPT AN ASSESSMENT OF THE CAUSES AND CONSEQUENCES FOR EGYPT OF THIS SUDDEN AND DEVASTATING OUTBURST OF VIOLENCE.

3. THE MUTINY WAS CAUSED BY THE LAMENTABLE CONDITIONS OF SERVICE OF CONSCRIPTS IN THE CENTRAL SECURITY FORCE AND SEEMS TO HAVE BEEN SPARKED OFF BY RUMOURS TO THE EFFECT THAT THE IR PERIOD OF SERVICE MIGHT BE EXTENDED FROM 3 TO 4 YEARS (MORE EASILY BELIEVED BECAUSE THOSE WHO FAIL TO PRESENT THEMSELVES FOR MILLITARY SERVICE AT THE RIGHT TIME CAN BE PUNISHED IN THIS WAY) AND THAT DEDUCTIONS WERE TO BE MADE FROM THE ALREADY VERY LOW WAGES OF THE CONSCRIPTS TO HELP MEET THE GOVERNMENT DEBT. AN ATTEMPT BY THE UNPOPULAR MINISTER OF THE INTERIOR TO CONFRONT THE MUTINEERS PERSONALLY FAILED AND, WHEN POLICE FROM A NEARBY CAMP WERE SUMMONED TO RESTORE ORDER, THEY TOO JOINED THE MUTINY. A BOUT OF MAYHEM AND DESTRUCTION ENSUED, IN WHICH HOTELS, RESTRAURANTS AND HUNDREDS OF VEHICLES IN THE PYRAMIDS AREA WERE SET ON FIRE. THE VIOLENCE SPREAD QUICKLY TO OTHER AREAS OF CAIRO AND TO THE TOWNS OF ASSIUT, MINIM AND SOHAG. IN CAIRO, SMALL GROUPS OF CIVILIANS JOINED IN AND ATTACKED NIGHT CLUBS AND OTHER PREMISES ASSOCIATED WITH LUXURY AND

A WESTERN LIFE STYLE. THE ATTACKS DO NOT SEEM TO HAVE BEEN DIRECTED SPECIFICALLY AGAINST ENTHER FORELGNERS OR THE REGIME HTSELF.

4. AS SOON AS AT BECAME CLEAR THAT THE FORCES AT THE DISPOSAL OF THE MINISTER OF THE INTERIOR COULD NOT BE RELIED UPON, MUBARAK CALLED IN THE ARMY. ONCE THAT DECISION HAD BEEN TAKEN, THE MUTINY WAS QUICKLY BROUGHT UNDER CONTROL: ACTIONS WITH SPEED AND EFFICIENCY, THE ARMED FORCES TOOK CONTROL OF CARRO. DISARMED THE SECURITY POLICE AND CONFINED THEM IN CAMPS. THE MUTIMEERS WERE ROUNDED UP AND MANY HUNDREDS ARE STILL UNDERGOING INTERROGATION. PRELIMINARY ESTIMATES OF DAMAGE AND CASUALTIES HAVE NOW BEEN MADE PUBLIC. BUT MAY STILL PROVE CONSERVATINE. SO FAR THE OFFICIAL CASUALTY FIGURES (MUCH LARGER THAN THOSE GIVEN OUR INSTITUTELLY) ARE 107 KILLED AND 719 WOUNDED (ONE ELDERLY DANISH LADY WAS THE ONLY FOREIGNER WHO DIED: THERE WERE ALSO 6 FRENCH TOURISTS AMONG THE WOUNDED). MOST OF THE CASUALTIES OCCURRED NOT IN THE PYRAMEDS AREA WHERE THE VIOLENCE BEGAN BUT IN OTHER PARTS OF CAIRO INCLUDING THE RESIDENTIAL DISTRICT OF MAADI. WHERE MUTINEERS AND PRISONERS ESCAPING FROM THE NEARBY TURA GAOL WERE FIRED ON FROM ARMY HELICOPTERS. DAMAGE TO PREMISES AND PROPERTY IS OFFICIALLY ESTIMATED AT LE150 MILLEON, BUT TO ANYONE WHO HAS SEEN THE DESTRUCTION CAUSED THIS FAGURE SEEMS FAR TOO LOW.

- 5. THERE HAS BEEN MIDESPREAD SPECULATION, BOTH MITHIN EGYPT AND IN THE FOREIN PRESS, THAT THE MUTINY HAD BEEN PLANNED IN ADVANCE AND MAY HAVE BEEN FINANCED AND ORGANISED EITHER BY EGYPT'S ARAB OPPONENTS OR BY THE FUNDAMENTALISTS. BUT MUBARAK MADE NO MENTION OF THESE POSSIBILITIES, AND, AS FAR AS WE KNOW, NO EVIDENCE HAS YET BEEN UNCOVERED TO SUPPORT THEM, CONVENIENT THOUGH INT MIGHT BE FOR THE EGYPTIAN AUTHORITIES TO BE ABLE TO LAY THE BLAME ELSEWHERE. ONCE THE RIOTING WAS UNDER WAY, THE ATTACKS ON NIGHT CLUBS IN PARTICULAR MAY HAVE OMED SOMETHING TO FUNDAMENTALIST INSPIRATION. THE SPEED WITH WHICH THE VIOLENCE SPREAD, BOTH IN CAIRO ITSELF AND TO THE PROVINCIAL CITTIES, REMAINS UNEXPLAINED.
- 6. INT MAY BE SOME TIME BEFORE THE FULL CONSEQUENCES OF THESE EVENTS ARE APPARENT, BUT SOME CAN ALREADY BE DISCERNED. THE USE OF THE ARMY TO QUELL THE MUTINY HAS PRESENTED THE EGYPTIAN GOVERNMENT WITH AN AWKWARD DILEMMA. BY HAS LONG BEEN RECOGNISED THAT THE REFORMS NEEDED TO OVERCOME EGYPT'S ECONOMIC PROBLEMS AND TO SATISFY HER OVERSEAS CREDITORS COULD LEAD TO CHAIL DISORDER: NOW THE RELIABILITY OF THE CENTRAL SECURITY FORCE, UPON WHICH THE GOVERNMENT WOULD DEPEND IN THE FIRST INSTANCE TO CONTROL MANIFESTATIONS OF POPULAR DISCONTENT, AS COMPROMISED. FURTHERMORE THE ALREADY DELICATE RELATIONSHIP BETWEEN THE POLICE AND THE ARMY HAS BEEN DISTURBED.

CHERRICA

7. MUBARAK HAS ACTED QUICKLY TO TRY TO REMEDY THE SITUATION.
HIS FIRST MOVE WAS TO APPOINT A NEW MINISTER OF THE INTERIOR,
WHO IN TURN HAS NAMED TWO NEW DEPUTIES AND PROMISED WIDE-RANGING
CHANGES IN THE ORGANISATION AND CONDITIONS OF SERVICE OF THE
CENTRAL SECURITY FORCE. BUT HIT WILL TAKE TIME FOR THESE
REFORMS TO COME INTO EFFECT, FOR THE SECURITY FORCE TO BE
RE-ORGANISED AND FOR CONFIDENCE IN THEM RE-ESTABLISHED.
IN CONTRAST THE ARMY EMERGED WITH HITS REPUTATION ENCHANCED:
IF REFUSED TO BE PROVOKED HATO PRECIPILITATE REACTION AND
IMPRESSED THE GOVERNMENT AND PUBLIC ALIKE WITH HITS QUIET,
BUSINESSLIKE AND EFFECTIVE HANDLENG OF A POTENTIALLY VERY
SERIOUS SITUATION. HIT WAS NOTABLE THAT DURING MUBARAK'S
ADDRESS TO PARLIMMENT, THERE WAS APPLAUSE EACH TIME THE ARMY
WAS MENTIONED.

B. BUT THE ARMY'S SUCCESS CARRIES LITS OWN DANGERS: THE OFFICIERS IN PARTICULAR MAY BE TEMPTED TO LOOK BACK TO THE QUARTER CENTUARY PRECEDING CAMP DAVID WHEN THE ARMY ENJOYED UNPARALLELED PRESTINGE AND WAS EFFECTIVELY THE ARBLITER OF EGYPT'S POLITICAL DESTINY. THEY MAY SEE LIM THE CURRENT ECONOMIC CRISILS PROBLEMS WHICH CANNOT BE SOLVED BY A CINILDAN GOVERNMENT: FROM THIS LITTLES ONLY A SHORT STEP TO A MILLITARY TAKEOVER. THE SAME OFFICERS, ALREADY WORRIED BY THE SPREAD OF FUNDAMENTALISM MILTHIN THE ARMED FORCES, MAY ALSO SEE AN OPPORTUNISTY TO BE RID OF A DANGEROUS THREAT BY STEPPING IN BEFORE THE FUNDAMENTALISTS ARE SUFFICIENTLY ORGANISED TO BID FOR POWER.

9. THE MOST ENCOURAGING ASPECT OF RECENT EVENTS, AS MUBARAK UNDERLINED, WAS THAT SO FEW CHYLLIAMS JOINED IN THE DISTURBANCES AS WELL AS THE SELF-DISCIPLINE AND GOOD HUMOUR SHOWN BY THE PEOPLE OF CAIRO WHEN THE POLICE HAD BEEN WITHDRAWN FROM THE STREETS. THE FULL ANF FRANK-TREATMENT OF THE EVENTS BY THE GOVERNMENT INFORMATION MEDIA UNDOUBTEDLY HELPED. THE GOVERNMENT MAY THUS CONCLUDE THAT THE POWER OF THE FUNDAMENTALISTS AND THE STRENGTH OF POPULAR FEELING AGAINST TOUGH ECONOMIC MEASURES ARE BOTH CONSIDERABLY LESS THAN THEY HAD FEARED. THE RESPONSIBLE BEHAVIOUR OF THE OPPOSITION PARTIES MAY ALSO HAVE GIVEN THEM SOME ENCOURAGEMENT.

10. THE CONSEQUENCES FOR THE EGYPTIAN ECONOMY, ALREADY REELING UNDER THE IMPACT OF FALLING OIL PRICES AND A RUNAWAY DEFICUTE IN THE BALANCE OF PAYMENTS, ARE LIKELY TO BE VERY SEVERE. AS MUBARAK ACKOWLEDGED TOURISM, ALREADY BABDLY HIT BY THE ACHILLE LAURO AND VALLETTA HIJACKING INCOMENTS, WILL BE THE IMMMEDIATE VICTIM. MUBARAK HAS CALLED FOR DECISIVE ACTION TO HALT THE ECONOMIC SLIDE AND SHOWED CLEARLY HIS MOUNTING IMPATIENCE WITH THE FAILURE OF HIS PRESENT CABINET TO COME FORWARD WITH AN ECONOMIC PROGRAMME. FOR THE PEOPLE AS A WHOLE, THERE CAN BE NO DOUBT THAT THE RIOTS WERE A PROFOUND SHOCK: THEY LOOKED OVER INTO THE ABYSS AND WERE APPALLED BY WHAT THEY SAW.

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A WESTERN LIFE STYLE. THE ATTACKS DO NOT SEEM TO HAVE BEEN DIRECTED SPECIFICALLY AGAINST EITHER FOREIGNERS OR THE REGIME HTSELF.

4. AS SOON AS LIT BECAME CLEAR THAT THE FORCES AT THE DISPOSAL OF THE MINISTER OF THE INTERIOR COULD NOT BE RELIED UPON, MUBARAK CALLED IN THE ARMY. ONCE THAT DECISION HAD BEEN TAKEN, THE MUTINY WAS QUICKLY BROUGHT UNDER CONTROL: ACTIONS WITH SPEED AND EFFICIENCY, THE ARMED FORCES TOOK CONTROL OF CARRO, DISARMED THE SECURITY POLICE AND CONFINED THEM IN CAMPS. THE MUTIMEERS WERE ROUNDED UP AND MANY HUNDREDS ARE STILL UNDERGOING INTERROGATION. PRELIMINARY ESTIMATES OF DAMAGE AND CASUALTIES HAVE NOW BEEN MADE PUBLIC, BUT MAY STILL PROVE CONSERVATIVE. SO FAR THE OFFICIAL CASUALTY FIGURES (MUCH LARGER THAN THOSE GIVEN OUR INLITERALLY) ARE 107 KILLED AND 719 WOUNDED (ONE ELDERLY DANISH LADY WAS THE ONLY FOREIGNER WHO DIED: THERE WERE ALSO 6 FRENCH TOURISTS AMONG THE WOUNDED). MOST OF THE CASUALTIES OCCURRED NOT IN THE PYRAMIDS AREA WHERE THE VIOLENCE BEGAN BUT IN OTHER PARTS OF CAIRO INCLUDING THE RESIDENTIAL DISTRICT OF MAADIN, WHERE MUTINEERS AND PRISONERS ESCAPING FROM THE NEARBY TURA GAOL WERE FIRED ON FROM ARMY HELICOPTERS. DAMAGE TO PREMISES AND PROPERTY IS OFFICIALLY ESTIMATED AT LE150 MILL: ON, BUT TO ANYONE WHO HAS SEEN THE DESTRUCTION CAUSED THIS FIGURE SEEMS FAR TOO LOW.

5. THERE HAS BEEN MADESPREAD SPECULATION, BOTH WITHIN EGYPT AND IN THE FOREIN PRESS, THAT THE MUTINY HAD BEEN PLANNED IN ADVANCE AND MAY HAVE BEEN FLNANCED AND ORGANISED ENTHER BY EGYPT'S ARAB OPPONENTS OR BY THE FUNDAMENTALISTS. BUT MUBARAK MADE NO MENTION OF THESE POSSIBILITIES, AND, AS FAR AS WE KNOW, NO EVIDENCE HAS YET BEEN UNCOVERED TO SUPPORT THEM, CONVENIENT THOUGH INT MIGHT BE FOR THE EGYPTIAN AUTHORISTIES TO BE ABLE TO LAY THE BLAME ELSEWHERE. ONCE THE RIGHTING WAS UNDER WAY, THE ATTACKS ON NIGHT CLUBS IN PARTICULAR MAY HAVE OWED SOMETHING TO FUNDAMENTALIST INSPIRATION. THE SPEED WITH WHICH THE VIOLENCE SPREAD, BOTH IN CAIRO LITSELF AND TO THE PROVINCIAL CLITIES, REMAINS UNEXPLAINED.

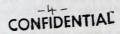
6. INT MAY BE SOME TIME BEFORE THE FULL CONSEQUENCES OF THESE EVENTS ARE APPARENT, BUT SOME CAN ALREADY BE DISCERNED. THE USE OF THE ARMY TO QUELL THE MUTINY HAS PRESENTED THE EGYPTIAN GOVERNMENT WITH AN AWKWARD DILEMMA. BY HAS LONG BEEN RECOGNISED THAT THE REFORMS NEEDED TO OVERCOME EGYPT'S ECONOMIC PROBLEMS AND TO SATISFY HER OVERSEAS CREDITORS COULD LEAD TO CHYLL DISORDER: NOW THE RELIABILITY OF THE CENTRAL SECURITY FORCE, UPON WHICH THE GOVERNMENT WOULD DEPEND IN THE FIRST INSTANCE TO CONTROL MANIFESTATIONS OF POPULAR DISCONTENT, IS COMPROMISED. FURTHERMORE THE ALREADY DELICATE RELATIONSHIP BETWEEN THE POLICE AND THE ARMY HAS BEEN DISTURBED.

WHITE HARM

BUT A MILLITANT MINORITY, HAVING SEEN THE EFFECT OF A MUTINY BY A FEW THOUSAND POLICEMENT, MAY BE TEMPTED TO TRY AGAIN ON A LARGER SCALE ESPECHALLY AS ECONOMIC HARDSHIPS BEGIN TO BE FELT.

11. MUBARAK'S PERSONAL PRESTIGE HAS PROBABLY BEEN ENHANCED IN THE SHORT TERM BY HIS HANDLING OF THE MUTINY. HE GAVE EVERY APPEARANCE OF ACTING QUICKLY AND FIRMLY, AND IN DOING SO TO HAVE COMMANDED POPULAR SUPPORT. HIS DEPENDENCE ON THE ARMY HAS INCREASED, AND HE SEEMS LIKELY TO COME UNDER MOUNTING PRESSURE TO ABANDON HIS ACADEMIC PRIME MINISTER IN FAVOUR OF A POLITICIAN CAPABLE OF TAKING HARD DECISION: HE MUST NOW BE BLITTERLY REGRETTING HIS ABRUPT DISMISSAL OF THE STRONG AND WIDELY RESPECTED KAMAL HASSAN ALIE LAST SUMMER. THE POSITION OF THE DEPUTY PRIME MANISTER AND MINISTER OF DEFENCE, FIELD MARSHAL ABU GHAZALA. HAS UNDOUBTEDLY BEEN STRENGTHENED. BUT WE HAVE LATTLE EVIDENCE THAT HE IS YET READY TO DISPLACE MUBARAK. ALTHOUGH THERE COULD BE INCREASING PRESSURE FROM WITHIN THE ARMED FORCES FOR HIM TO DO SO. ABU GHAZALA IS ALREADY WIDELY REGARDED WITHIN EGYPT AS THE AMERICAN CANDIDATE FOR THE SUCCESSION: BUT THIS WILL NOT NECESSARILY WORK TO HIS ADVANTAGE. NOR CAN ABU GHAZALA HIMSELF BE UNDER ANY ILLUSIONS ABOUT THE HARD AND UNPOPULAR DECISION WHICH LIE AHEAD.

12. THERE IS ALREADY A TENDENCY, BOTH IN THE WESTERN PRESS AND PERHAPS IN PARTS OF THE US ADMINISTRATION, TO WRITE MUBARAK OFF. UNLESS HE CAN SHOW SOME SUCCESS IN TACKLING EGYPT'S DEEP-SEATED PROBLEMS, NEITHER HIS ESSENTIAL MODERATION AND DECENCY NOR HIS COMMITMENT TO FREEDOM OF SPEECH AND DEMOCRATIC PRACTICES VENE IN TIMES OF ADVERSITY ARE LIKELY TO SAVE HIM. A MORE AUTHORITARIAN SUCCESSOR, WILLING TO TAKE DECISIONS HIMSELF RATHER THAN SEEK TO DELEGATE AUTHORITY AS MUBARAK HAS DONE, MIGHT SUCCED FOR A WHILE. BUT HE WOULD FACE SOME OVERWHELMING PROBLEMS, WHICH PROVE EVEN HARDER TO HANDLE WITHOUT THE SAFETY VALVE OFFERED BY THE PRESENT POLITICAL FREEDOMS.



IF THUS ANALYSUS IS CORRECT, IT REMAINS STRONGLY IN THE WESTERN INTEREST THAT MUBARAK SHOULD COME THROUGH HIS PRESENT ORDEAL. HE HAS SHOWN COURAGE IN STACKLING TO HIS POLICIES, INCLUDING THE PEACE TREATY WITH ISRAEL, IN SPITE OF THE PRESSURES ON HIM TO ALTER COURSE. HE 45 UNDOUBTEDLY FEELING SHAKEN AND BRUISED BY WHAT HAS HAPPENED AND WILL BE LOOKING ANXIOUSLY TO HIS FRIENDS FOR BOTH PUBLIC SUPPORT AND PRACTICAL HELP.

URWICK

YYYY FCO PSE PASS SAVING ADDRESSEES

CCHPAN 1555

EGYPTIAN INTERNAL SITUATION

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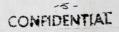
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