

CONFIDENTIAL

BRITISH DIPLOMATIC MISSION,

CAIRO.

January 16, 1961.

OT No.31
(1651/61)

Dear Department,

We are asked from time to time by visiting businessmen about the incidence of bribery and corruption, or backsheesh, in business and governmental circles here today. You too are no doubt asked similar questions.

2. This practice has, of course, been part of the Egyptian scene for centuries. After the revolution of 1952 the new regime tried hard to stop it and passed laws prescribing fairly heavy penalties for those who continued it. In the early stages this had some effect. But our impression, and that of some of our colleagues in other Missions, is that the offering of payments, bribes, etc. has noticeably increased again over the past year. We hear from many sides now that this or that official takes payment in return for favourable consideration of tender bids, for advance information etc., but it is, of course, hard to obtain evidence unless the case comes out into the open.

3. One such case has recently come out. A fairly prominent businessman, Georges Fahoum, agent amongst other things for Strojexport of Czechoslovakia, was arrested just before Christmas for allegedly attempting to bribe officials in connection with the supply of Czechoslovak agricultural equipment for Tahrir Province. There was evidently more than a little truth in this, as we have now heard that Dr. El Sami, Under-Secretary of State in the Agrarian Reform Ministry, with particular responsibility for Tahrir Province, has also been arrested, together with five other officials allegedly for accepting bribes from Mr. Fahoum. The case may well have further repercussions yet.

4. Restrictions on import licences have also opened the way to bribery and corruption. There are a number of people, mostly ex-army officers or relatives and hangers-on of Ministers or the Presidency, who seem to be able to obtain licences which they do not use themselves but hawk round to the highest bidder. The same goes for foreign currencies. Despite an official abolition in September 1959 of "special" currency deals, there seem to be several sources from which hard currencies can still be obtained on payment of a percentage over and above the normal premium (at present 10%).

5. One or two British businessmen we know are in touch with these sources, but it is not a practice we can officially recommend. There is also some risk of things going wrong with undesirable consequences for the participants.

6. We are sending a copy of this letter to Levent Department, Foreign Office.

Yours ever,

COMMERCIAL DEPARTMENT

Commercial Relations and Exports Department,
Board of Trade,
Horse Guards Avenue,
London, S.W.1.

CONFIDENTIAL

Please note that this copy is supplied subject to the Public Record Office's terms and conditions and that your use of it may be subject to copyright restrictions. Further information is given in the enclosed 'Terms and Conditions of supply of Public Records' leaflet

Dated Jan 11th

Copy sent to [unclear]

for entry

Haley

257

FM CAIRO JAN11/61 SECRET *Canadian/UK eyes only*
 TO TT EXTERNAL 20 DEFERRED FM LDN
 INFO LDN
 TT WASHDC PERMISNY NATOPARIS FM LDN
 TT DEPT IMMIG OTT TANDC OTT FM OTT *Required reading for*
 BAG ENBPARI BRU BONN TAVIV BEIRUT TEHRAN KARACHI DELHI BGRAD FM LDN
 DOMESTIC MORALE *John Zinn Jan 25*
Sir H. Peckley o.a. W

MORALE IN EGYPT, WHICH IMPROVED SO MARKEDLY THROUGHOUT 1959, HAS DETERIORATED SIGNIFICANTLY SINCE LAST FEB., AND HAS I THINK DROPPED RATHER SHARPLY DURING THE PAST FEW MONTHS. THIS IS ESPECIALLY NOTICABLE AMONG THE VARIOUS MINORITIES, EACH OF WHICH HAS REASON ENOUGH OF ITS OWN FOR INCREASING CONCERN. BUT THERE IS ALSO, IT SEEMS TO ME, GROWING ANXIETY AMONG MOSLEM EGYPTIANS OF WESTERN EDUCATION (WHETHER ACQUIRED PARTLY AT UNIVERSITIES ABROAD, OR ENTIRELY AT UNIVERSITIES HERE), AND AMONG THE BUSINESS AND PROFESSIONAL COMMUNITIES EXTENDING DOWN EVEN TO SHOPKEEPERS. I ALSO SENSE THIS ANXIETY AND DECLINING MORALE AMONG CAREER DIPLOMATS AT THE FOREIGN MINISTRY. INDEED A FEW OF THESE HAVE SPOKEN TO ME DIRECTLY ABOUT THEIR CONCERN AT THE PRESENT DIRECTION OF UAR POLICIES, AND SEVERAL OTHERS HAVE HINTED AS MUCH. MANY UAR DIPLOMATS ARE OF COURSE WORRIED BY THE IMPLICATIONS FOR THEIR PERSONAL FUTURE, AS THIS GROUP IS AMONG THE MOST CLEARLY WESTERNISED OF ALL EGYPTIAN OFFICIALS. AS YOU KNOW, I HAVE DETECTED (OR THOUGHT I DID), SOME UNEASE AND LACK OF CONFIDENCE EVEN AMONG A NUMBER OF MINISTERS AND PRESIDENTIAL ADVISERS CONCERNED WITH FOREIGN POLICY QUESTIONS, BUT IT IS OF COURSE NECESSARY TO TAKE THIS WITH GREAT CAUTION. CERTAINLY THERE IS CONCERN AMONG A NUMBER OF THOSE QUOTE EXECUTIVE MINISTERS UNQUOTE WITH RESPONSIBILITIES IN THE ECONOMIC AND SOCIAL FIELDS.

2. I AM NOT RPT NOT AT ALL SUGGESTING THAT THERE IS ANY FOCUS FOR POLITICAL OPPOSITION, BUT I THOUGHT I SHOULD REPORT THE WIDESPREAD AND INCREASING DISQUIET.

PAGE TWO 20

3. THERE ARE A NUMBER OF FACTORS BEHIND THE DECLINE IN PUBLIC MORALE. SOME APPLY ONLY TO PARTICULAR GROUPS. THE GREEK, ITALIAN, ARMENIAN, LEBANESE, AND OTHER CHRISTIAN MINORITIES, WHO FOR CENTURIES HAVE PLAYED A PROMINENT PART IN EGYPTIAN LIFE, HAVE FOR SOME YEARS NOW BEEN ANXIOUS ABOUT THEIR FUTURE. THIS IS IN PART AN INEVITABLE RESULT OF THE POLITICAL AWAKENING OF THE MOSLEM MAJORITY, UNDERSTANDABLY DETERMINED TO CHANGE A SITUATION IN WHICH THE CHRISTIAN MINORITIES USED TO HAVE AN OVERWHELMING PREDOMINANCE IN JOURNALISM, COMMERCE, BANKING, RETAILING, AND INDEED IN MOST SKILLED CRAFTS. MANY OF THESE CHRISTIANS WERE NOT RPT NOT EGYPTIAN CITIZENS, BUT MANY WERE AND ARE.

4. AT THE TIME OF MY RETURN TO CAIRO IN OCT, NEW LAWS HAD TRANSFORMED THIS GRADUALLY INCREASING CONCERN ABOUT THEIR LONG-TERM FUTURE INTO NEAR PANIC ON THE PART OF THE FOREIGN MINORITIES. IT WAS ANNOUNCED THAT FOREIGNERS WOULD REQUIRE ANNUAL LABOUR PERMITS, AND THAT ALL CONCERNS (THUS INCLUDING EVEN SMALL SHOPS) COULD EMPLOY A MAXIMUM OF ONLY 15 PERCENT FOREIGNERS WHO COULD RECEIVE ONLY 25 PERCENT OF THE TOTAL SALARY AND WAGE BILL. (SEE OURLET 748 DEC 6). THE GREEK AMBASSADOR TOLD ME AT THE TIME THAT IF THESE NEW LAWS WERE ENFORCED, HE WOULD HAVE TO SHIP 60,000 GREEKS HOME WITHIN A FEW MONTHS. THE ITALIAN COMMUNITY WAS SIMILARLY AFFECTED, BUT ITALIAN GOVT POLICY IS IN ANY CASE GRADUALLY TO REPLACE ITS RESIDENT COLONY HERE BY WAGE EARNERS COMING FOR ONLY SHORT TERM WORK IN EGYPT. THE ITALIAN AMBASSADOR THEREFORE, ALTHOUGH DISTURBED, WAS LESS ALARMED. REFS BY BOTH AMBASSADORS, ASSISTED BY MORE CASUAL ENQUIRIES AND EXPRESSIONS OF CONCERN FROM A FEW OTHER WESTERN REPS INCLUDING MYSELF, LED IN LATE NOV TO REASSURING STATEMENTS BY HAR MINISTERS THAT THE GOVT DID NOT RPT NOT INTEND TO LIQUIDATE THE FOREIGN COMMUNITIES. IN PRACTICE, IT WAS ANNOUNCED, THE LABOUR LAW WOULD NOT RPT NOT BE STRICTLY ENFORCED. VARIOUS OFFICIAL COMMENTARIES HAVE RECENTLY BEEN

PAGE THREE 20

PUBLISHED, WHICH HAVE INDEED SOFTENED THE BLOW. THE UPSHOT OF THE WHOLE QUESTION IS THAT WHILE THE PANIC HAS SUBSIDED, MORALE AMONG THE FOREIGN COMMUNITIES WHICH HAVE BEEN PROMINENT FEATURES OF EGYPTIAN LIFE FOR THE PAST 2000 YEARS AND MORE, HAS REVERTED TO A SENSE OF PESSIMISM ABOUT THE FUTURE. MOST FOREIGN RESIDENTS EMPLOYED IN CAIRO FEEL THAT THEIR DAYS HERE ARE NUMBERED, AND THAT THE SWORD OF DAMOCLES, ALTHOUGH IT HAS NOT YET DROPPED, IS QUIVERING PRECARIOUSLY OVER THEIR HEADS.

5. THE POSITION OF THE NATIVE EGYPTIAN COPTIC MINORITY HAS LIKEWISE DETERIORATED, AND THEIR MORALE WITH IT. UNTIL RECENT YEARS COPTS WERE ON THE AVERAGE FAR MORE HIGHLY EDUCATED THAN THEIR MOSLEM COMPATRIOTS, AND HAD BEEN ACCUSTOMED TO A HIGH PROPORTION OF WHITE COLLAR JOBS IN GOVT AND PRIVATE ORGANIZATIONS AND PROFESSIONS. THIS HAS OF COURSE BEEN CHANGING GRADUALLY FOR MANY YEARS WITH THE EXTENSION OF HIGHER EDUCATION IN EGYPT. FOR SOME TIME NOW AN UNOFFICIAL 10 PERCENT RULE HAS APPLIED TO THE CIVIL SERVICE AND LARGE CORPORATIONS DESIGNED TO LIMIT THIS MINORITY TO A PROPORTION OF JOBS IN VARIOUS UNITS EQUIVALENT TO THEIR RELATIVE POSITION IN THE POPULATION AS A WHOLE. BUT THE PRACTICAL APPLICATION OF THIS REGULATION HAS LATELY BEEN TIGHTENED SIGNIFICANTLY SO THAT IN ALMOST ALL FIELDS, PERSONNEL POLICIES NOW MAKE IT INCREASINGLY DIFFICULT FOR COPTS TO OBTAIN ANY OF THE MORE RESPONSIBLE POSITIONS IN NON-GOVERNMENTAL AS WELL AS IN OFFICIAL ORGANIZATIONS. THE NATIONALISATION OF PHARMACEUTICAL IMPORTS, AND PRICE CONTROL AT RETAIL, HAS DISTURBED DRUGGISTS, A FIELD LARGELY MONOPOLIZED BY COPTS. ETCETERA, ETCETERA.

6. THIS AUTUMN AS WELL, THE TREND TOWARDS NATIONALIZATION OF BUSINESS ORGANIZATIONS HAS TAKEN ON A NEW ELAN. THE MOST PUBLICIZED EXAMPLE IS THE NATIONALIZATION OF BELGIAN BUSINESS INTERESTS, COINCIDING

...4

PAGE FOUR 20

WITH THE EXPULSION OF THE UAR MISSION IN THE CONGO AND ATTRIBUTED IN THE PRESS TO RETALIATION FOR THIS. IN FACT, HOWEVER, THE CONGO SITUATION WAS MERELY A PRETEXT. CONTROL OF THE BANQUE BELGE, FOR EXAMPLE, HAD ALREADY BEEN SOLD IN LARGE PART TO KUWAITI INTERESTS; IN ANY CASE THE BANK WAS SCHEDULED UNDER EXISTING LAW FOR EGYPTIANIZATION BY FEB 62. EARLY IN DEC A LEBANESE CABINET MINISTER, ANXIOUS FOR THE FUTURE OF THE RATHER SUBSTANTIAL LEBANESE PRIVATE CAPITAL HERE. LEBANESE AMBASSADOR ABOUKATER HAS GIVEN ME IN CONFIDENCE AN ACCOUNT OF THE INTERVIEW WHICH HIS MINISTER AND HE HAD WITH NASSER. THE PRESIDENT TOLD THEM FRANKLY THAT HE HAD MERELY USED THE CONGO AS A PRETEXT FOR BELGIAN EXPROPRIATION. AS HE HAD MADE CLEAR IN HIS SPEECHES, NASSER SAID THAT HE REALLY INTENDED TO MAKE EGYPT INTO A QUOTE SOCIALIST CO-OPERATIVE DEMOCRACY UNQUOTE AND THAT HE WAS NOT RPT NO FUNDAMENTALLY INTERESTED IN FOREIGN CAPITAL. INDEED, IN DUE COURSE HE INTENDED TO ELIMINATE IT. SINCE THIS INTERVIEW, SOME OTHER COMPANIES WITH BELGIAN CAPITAL HAVE BEEN NATIONALIZED. THE NATIONAL ASSEMBLY HAS RECOMMENDED NATIONALIZATION OF FRENCH INTERESTS. NASSER'S DEC 23RD SPEECH CONTAINED A DIRECT WARNING TO ALL CAPITALISTS (I.E. INCLUDING EGYPTIANS).

7. NATURALLY THESE DEVELOPMENTS SPREAD GLOOM, AND I THINK EVEN DESPONDENCY ABOUT THEIR PERSONAL LONG-TERM PROSPECTS, AMONG MANY RANKS OF BUSINESS MEN, EGYPTIAN MUSLEMS NO RPT NO LESS THAN OTHERS. RECENT ANNOUNCEMENTS OF INTENTIONS TO CREATE CONSUMERS AND OTHER CO-OPERATIVES HAVE INDUCED A SENSE OF ANXIETY OR PESSIMISM AMONG EVEN LOW-LEVEL SHOPKEEPERS. IN ADDITION, NEW IMPETUS HAS BEEN GIVEN TO THE MOVEMENT, NOT RPT NOT IN ITSELF NEW, TO PLACE ARMY OFFICERS IN RESPONSIBLE POSITIONS IN VARIOUS ENTERPRISES, ABOVE MEN WITH LONG BUSINESS EXPERIENCE.

8. AT FIRST THE PLACING OF NEWSPAPERS UNDER NATIONAL UNION DIRECTION THIS SUMMER MADE NO RPT NO REAL DIFFERENCE TO EDITORIAL

PAGE FIVE 20

AND MANAGEMENT CONTROL, BUT RECENTLY KEY PUBLISHERS AND EDITORS WHO HAVE BEEN PROMINENT AND RELATIVELY CLOSE TO NASSER, INCLUDING EVEN THE AMIN BROTHERS (OWNERS AND EDITORS OF QUOTE AL AKHBAR UNQUOTE) HAVE IN EFFECT BEEN OUSTED. SIMILAR DEVELOPMENTS HAVE RECENTLY BEEN TAKING PLACE IN OTHER FIELDS.

9. THE MOVE TOWARD NATIONALIZATION WOULD NOT RPT NOT, I THINK BE A SERIOUS CAUSE FOR CONCERN IN ITSELF, WERE COMPETENT MANAGERS EITHER RETAINED OR PROVIDED. BUT IN THE EGYPTIAN CONEXT MANY AND PROBABLY MOST OF THE NEW MANAGERS ARE AS YET FAR FROM COMPETENT.

WHILE I DO NOT RPT NOT THEREFORE SHARE THE FEELING OF SOME OF MY WESTERN COLLEAGUES THAT ECONOMICALLY THE SOUTHERN REGION IS ON THE WAY TO BECOMING A QUOTE PEOPLES REPUBLIC UNQUOTE, I DO THINK THAT IT IS IN DANGER OF DESTROYING MUCH OF THE MANAGERIAL SKILL WHICH IT NOW HAS. NEPOTISM AND POLITICAL PATRONAGE ARE PLAYING A KEY ROLE IN APPOINTMENTS; MANY CYNICAL EGYPTIAN RESIDENTS, ON THE BASIS OF CENTURIES OF EXPERIENCE, ARE EXPECTING-PERHAPS TOO GLOOMILY-THE WORST TYPE OF MIDDLE AND INEFFICIENCY.

10. ANOTHER FACTOR OF THE ECONOMIC SITUATION IS THE DRASTICALLY WORSENING FOREIGN EXCHANGE POSITION OF THE UAR. SYRIA HAS BEEN SHORT OF HARD CURRENCY AS A RESULT PARTLY OF BAD LUCK (THREE YEARS OF DROUGHT BEGINNING AT THE TIME OF THE UNION) AND PARTLY OF SYRIAN BUSINESSMENS MISGIVINGS ABOUT NASSERS POLICY, WHICH CAUSED A FLIGHT OF CAPITAL. THUS EGYPT HAS LATELY HAD TO ASSIST SYRIA IN FOREIGN EXCHANGE. MORE IMPORTANT, PRESIDENT NASSER HAS BEEN SPENDING SIGNIFICANT SUMS ON VARIOUS ASPECTS OF HIS FOREIGN POLICY, INCLUDING SUBVERSION, AND MUCH MORE ON A FRANTIC PURSUIT OF ARMS INCLUDING THE ATTEMPTED DEVELOPMENT WITH GERMAN ASSISTANCE OF A FACTORY TO PRODUCE MACH TWO FIGHTER PLANES, AS WELL AS FURTHER PURCHASES FROM THE USSR TO COUNTER RECENT FRENCH ARMING OF ISRAEL.

...6

PAGE SIX 20

ALL THIS HAS CONTRIBUTED TO A FOREIGN EXCHANGE CRISIS, A CONSEQUENT TIGHTENING OF EXCHANGE CONTROLS, AND AN INCREASING STRINGENCY IN THE GRANTING OF IMPORT PERMITS. THIS SITUATION HAS NATURALLY TENDED TO INCREASE THE DISQUIET AMONG BUSINESS AND SHOPKEEPING CIRCLES AND TO SOME EXTENT AMONG THE GENERAL SHOPPING PUBLIC AS WELL.

11. I GATHER THAT THERE HAS ALSO BEEN AN INCREASE, EXPLICABLE BY THE FOREGOING TRENDS, BOTH IN CORRUPTION AND IN POLITICAL FAVORITISM IN THE GRANTING OF IMPORT PERMITS AND OTHER PRIVILEGES. I UNDERSTAND FOR EXAMPLE THAT THERE IS BY NOW A RATHER HIGHLY DEVELOPED AND CENTRALLY CONTROLLED PATRONAGE SYSTEM WHEREBY POLITICALLY DESERVING INDIVIDUALS, INCLUDING PARTICULARLY CERTAIN ARMY OFFICERS, ARE GRANTED IMPORT PERMITS FOR COMMERCIALY INTERESTING QUANTITIES OF SCARCE COMMODITIES. OFTEN THESE FAVOURED MOSLEMS OPERATE FOR THE TIME BEING IN PARTERSHIP WITH COPTIC BUSINESSMEN WHO PROVIDE THE COMMERCIAL EXPERIENCE TO MAKE TIDY PROFITS IN DISPOSING OF THE IMPORTS IN QUESTION.

12. SOME OF MY DIPLOMATIC COLLEAGUES BELIEVE THAT CORRUPTION WITHIN THE GOVT HAS NEVER BEEN ON A GREATER SCALE THAN NOW. TO SOME EXTENT A MATTER OF DEFINITION, THIS GENERALIZATION SHOULD I THINK BE TAKEN WITH GREAT CAUTION. CERTAINLY CORRUPTION IS WIDESPREAD IN THE MIDDLE LEVELS OF BOTH BUREAUCRACY AND BUSINESS, BUT THIS HAS BEEN SO FOR CENTURIES. BUT PRESIDENT NASSER AND HIS MINISTERS ARE, AS ALL CONCEDE, PERSONALLY FREE FROM CORRUPTION. THIS INTEGRITY AT THE TOP IS A TREMENDOUS CHANGE FROM THE EGYPT I KNEW 20 YEARS AGO, AND IS PROBABLY A PHENOMENON THAT HAS EXISTED ONLY FOR THE PAST EIGHT YEARS OUT OF A GOOD MANY PREVIOUS CENTURIES. I THINK THAT IN THE LONG TERM IT MAY PROVE A DECISIVE CHANGE. THE HARD FACT REMAINS, HOWEVER, THAT AMONG WIDE SECTIONS OF THE ARTICULATE

...7

PAGE SEVEN 20

PUBLIC CYNICISM IS FOR THE TIME BEING RAMPANT AND MORALE AT A RELATIVELY LOW EBB.

13. IT IS DIFFICULT FOR A FOREIGNER TO ASSESS OPINION AND MORALE AMONG EITHER THE FELLAHIN OR THE WORKERS IN THIS COUNTRY. AS MY FORMER YUGOSLAV COLLEAGUE ONCE POINTED OUT, THESE TWO BASIC ELEMENTS IN THE POPULATION, WHICH HAVE NOT YET MADE THEIR THOUGHTS KNOWN FOR CENTURIES, WILL SOME DAY BE HEARD FROM. LAST YEAR, COMMUNIST REPS HERE WERE THINKING ABOUT EGYPT IN CLASSIC SOCIAL REVOLUTIONARY TERMS AND SUGGESTING ALMOST OPENLY (AS THE PREVIOUS SOVIET AMBASSADOR DID EXPLICITLY TO ME ON MORE THAN ONE OCCASION) THAT, ALTHOUGH A NEW BOURGEOISIE HAS BEEN EMERGING IN NASSERS EGYPT, THE BULK OF THE PEOPLE, WHO WERE STILL AS BADLY OFF AS EVER, WOULD IN DUE COURSE MAKE THEIR POWER FELT BY OVERTHROWING THE REGIME. I THINK A GOOD BIT OF THIS SOVIET ANALYSIS AT THE TIME WAS WISHFUL THINKING, BASED ON THE STATE OF THEIR RELATIONS WITH THE UAR, THEN BAD, NOW AGAIN COSY.

HOWEVER THIS MAY BE IT IS A FACT THAT THE STANDARD OF CONSUMPTION OF THE MASSES IS RISING ONLY SLOWLY IF AT ALL, BECAUSE THE POPULATION INCREASE ALMOST BALANCES THE INCREMENTS IN NATIONAL PRODUCTION. IN THE CITIES HOWEVER THERE IS REAL AND OBSERVABLE PROGRESS, AND A GROWING MANAGERIAL CLASS IS GRADUALLY BECOMING MUCH BETTER OFF. AND EVEN THOUGH THE MASSES OF FELLAHIN AND CITY WORKERS ARE STILL VIRTUALLY AS POOR AS EVER, SOCIAL SERVICES AND THEIR OPPORTUNITIES FOR EDUCATION HAVE IMPROVED SUBSTANTIALLY DURING THE FIFTEEN-YEAR INTERLUDE BETWEEN MY TWO POSTINGS HERE. VERY BRIGHT YOUNG VILLAGE BOYS, AND SOME OF THE BRIGHTER GIRLS, NOW HAVE AN OPPORTUNITY FOR EDUCATION UP TO AND INCLUDING THE UNIVERSITY LEVEL, AND FOR A CAREER THAT WITH LUCK IS OPEN TO THEIR TALENTS. THE OPPORTUNITY FOR THE ABLEST ELEMENTS FROM VILLAGE AND WORKING CLASS BACKGROUNDS

...8

PAGE EIGHT 20

TO PUSH AHEAD SHOULD DRAIN OFF A GOOD BIT OF THE DRIVE WHICH OTHERWISE COULD BECOME REVOLUTIONARY. I DO NOT RPT NOT FEEL ABLE THEREFORE TO JUDGE THE VALIDITY OF THE VIEW, EXPRESSED TO ME LAST YEAR BY MANY COMMUNIST BLOC REPS HERE, THAT SOONER OR LATER A COMMUNIST-TYPE REVOLUTION IS INEVITABLE IN THIS COUNTRY. PERSONALLY I AM SCEPTICAL THOUGH I WOULD NOT RPT NOT BY ANY MEANS RULE IT OUT.

14. MORE IMPORTANT FOR THE PRESENT I THINK IS THE INCREASING DISSATISFACTION AMONG THE ARTICULATE ELEMENTS WHICH I HAVE DESCRIBED ABOVE, AND THE POSSIBLY INCREASING MISGIVINGS AMONG SOME OF THE MINISTERS AND SENIOR OFFICIALS NEAR THE TOP OF THIS REGIME. PART OF THESE MISGIVINGS ARE RELATED TO DOUBTS ABOUT THE ECONOMIC WISDOM OF THE DOMESTIC DEVELOPMENTS DESCRIBED ABOVE. BUT MANY OF THEM, AMONG ALL ELEMENTS OF THE EDUCATED AND ARTICULATE POPULATION (EGYPTIAN MOSLEM AS WELL AS COPTIC AND FOREIGN MINORITY) ARE A FUNCTION OF POLITICAL ANXIETY AND THE INCREASING WEARINESS AT FOREIGN POLICY ADVENTURES.

15. MANY PEOPLE HERE, BOTH AMONG THE EGYPTIANS AND AMONG SOME OF MY DISPLO COLLEAGUES BELIEVE THAT THE TRENDS OF THE LAST TWO YEARS CAN BE SUMMED UP BY SAYING THAT NASSER HAS LARGELY FAILED IN HIS REVOLUTIONARY DRIVE AMONG THE ARABS (THE LEBANESE AMBASSADOR FOUND THIS VERY COMFORTING). THE PRESIDENT THEREFORE HAS TURNED TO AFRICA AS A MORE PROMISING FIELD FOR REVOLUTIONARY AND SUBVERSIVE ACTIVITIES AND ONE OFFERING PROSPECTS OF DRAMATIC SUCCESS. PERSONALLY I THINK THIS INTERPRETATION, WHILE IT CERTAINLY CONTAINS AN ELEMENT OF TRUTH, IS TOO FACILE. I AM INCLINED TO THINK THAT PRESIDENT NASSER, AFTER A PERIOD OF RELATIVE QUIESCENCE IN HIS REVOLUTIONARY DRIVE AND THE MENDING OF FENCES IN 1956 BOTH WITH ARAB NEIGHBOURS AND WITH THE WEST, HAS REVERTED WITH COVERT BUT STRONG SOVIET ENCOURAGEMENT TO A NEW PERIOD OF REVOLUTIONARY THRUST WHICH I SUSPECT MAY INCLUDE JORDAN AND OTHER ARAB COUNTRIES AS WELL AS AFRICA. IT IS I THINK SIGNIFICANT THAT PRESIDENT NASSER

...9

PAGE NINE 20

IN HIS PORTSAID SPEECH OF DEC 23 CATEGORICALLY REASSERTED HIS AIM TO LEAD THE DRIVE TOWARD ARAB NATIONALISM AND UNITY, AND STATED THAT HE WOULD NEVER ABANDON THIS GOAL.

16. AS I HAVE REPORTED IN OTHER MSGS, I BELIEVE THAT NASSER MAY HAVE RECENTLY COME TO THE CONCLUSION THAT HIS INTERESTS LIE IN ACHIEVING A POSITION OF LEADERSHIP IN WHAT HE ENVISAGES TO BE A PERIOD, DURING THE NEXT FEW YEARS, OF REVOLUTIONARY DEVELOPMENTS IN BOTH AFRICA AND THE MIDEAST. I THINK THE ISRAELI PROBLEM AND WHAT NASSER BELIEVES TO BE FAR-REACHING WESTERN SUPPORT FOR ISRAELI ARMAMENT, CONVENTIONAL AS WELL AS ATOMIC, GO FAR TO EXPLAIN THE EVOLUTION OF UAR FOREIGN POLICIES. I WILL BE COMMENTING ON THIS POINT IN A SEPARATE MSG.

17. MOREOVER, PRESIDENT NASSER IS OBVIOUSLY BY NO RPT NO MEANS ALONE IN THINKING THAT THE WAVE OF THE FUTURE LIES IN A FORWARD MOVEMENT OF ANTI-WESTERN NATIONALIST EXTREMISM IN VARIOUS PARTS OF THE WORLD INCLUDING LATINAMERICA AND THE ARAB COUNTRIES AS WELL

AS AFRICA). I WOULD NOT RPT NOT BY ANY MEANS ABANDON HOPE THAT NASSER MIGHT YET BE PERSUADED AWAY FROM THESE VIEWS, BUT I DO THINK THAT THIS IS HIS PRESENT VIEW AND THAT COMPLACENCY ABOUT IT WOULD BE UNWISE.

18. IN ANY CASE, THE POINT OF THIS MSG IS THAT CONCERN ABOUT THE SERIOUS DANGERS IN PRESENT TRENDS OF UAR POLICY IS CREATING PESSIMISM AMONG MOST OF THE PRO-WESTERN SECTIONS OF THE EGYPTIAN POPULATION. THIS IS MATCHED IN THINK BY MISGIVINGS AMONG A GOOD MANY ELEMENTS WHICH, WHILE NOT RPT NOT PARTICULARLY PRO-WESTERN ARE AT LEAST NOT RPT NOT VIRULENTLY ANTI-WESTERN, AND WHICH ARE WORRIED ABOUT THE PROSPECT OF THIS COUNTRY THROWING ITS LOT TOO FULLY INTO FOREIGN POLICY ADVENTURES ON THE PROMISE OF SUPPORT FROM THE USSR.

19. ONE SIGNIFICANT INTERNAL POLITICAL DEVELOPMENT DURING RECENT

...10

PAGE TEN 20

MONTHS HAS BEEN THE VERY MARKED ENHANCEMENT OF THE POSITION OF KAMEL EDDIN HUSSEIN, A FORMER ARMY OFFICER WHO FOR SOME YEARS HAS BEEN CENTRAL MINISTER OF EDUCATION. HE HAS LONG BEEN A LEADER OF THOSE AMONG EGYPTIAN NATIONALISTS WHO TEND TO INTERPRET NATIONALISM IN RATHER TOTALITARIAN TERMS, WITH EMPHASIS ON ONE FAITH, ON STATE CONTROL, AND ON A SOMEWHAT EXTREME CONCEPTION OF DOMESTIC QUOTE UNITY UNQUOTE. DURING THE PAST TWO YEARS I HAVE HAD A NUMBER OF TALKS WITH THIS MAN. I HAVE FOUND HIM BY NO MEANS UNPLEASANT AND WHEN I PAID A FAREWELL CALL ON HIM A FEW DAYS BEFORE CHRISTMAS HE WAS ALMOST EFFUSIVELY FRIENDLY, EMPHASIZING (I THINK SINCERELY) APPRECIATION FOR CDAS OBJECTIVE SINCERITY AND GOODWILL. HE HAS GREAT ANIMAL ENERGY AND DRIVE. HE HAS I THINK SOMETHING OF THE POLITICIANS INTUITIVE QUALITIES, BUT HE IS IN NO MEANS AN INTELLECTUAL, NOR COULD HE BE CALLED VERY SENSITIVE IN THE MORE NORMAL MEANING OF THE WORD. HE SOMETIMES STRIKES ME AS A BULL IN A CHINA SHOP. BECAUSE OF HIS MEMBERSHIP IN THE ORIGINAL REVOLUTIONARY JUNTA, NASSER HAS ALWAYS FELT A SENSE OF LOYALTY TO HIM. DURING 1959 HUSSAIN WAS ON SEVERAL OCCASIONS IN THE PRESIDENTS BAD BOOKS FOR PUSHING TOO HARD AND TOO INEPTLY IN EDUCATION CONTROLS. DURING THE PAST SEVERAL MONTHS, HOWEVER, HE HAS ENORMOUSLY ENHANCED HIS POSITION. WHILE RETAINING HIS CENTRAL EDUCATION PORTFOLIO, HE HAS BECOME DIRECTOR GENERAL AND ORGANIZING BOSS FOR EGYPT OF THE NATIONAL UNION AND IS THUS IN CHARGE OF APPOINTMENTS IN A WIDE RANGE OF LOCAL GOVT POSITIONS. HE CHAIRS MEETINGS OF THE DISTRICT GOVERNORS. DURING THE LAST SIX MONTHS HE HAS BECOME CHAIRMAN OF THE COUNCIL OF EXECUTIVE MINISTERS OF THE EGYPTIAN REGION, IN EFFECT A POSITION SOMEWHAT EQUIVALENT TO A PROVINCIAL PREMIER IN ^{Canada} CDA, WITH ALL EGYPT AS THE PROVINCE IN QUESTION. HIS INFLUENCE HAS CLEARLY MADE ITSELF FELT IN PUSHING FOR NATIONALIZATION, FOR REDUCING AND MOVING TOWARD EVENTUAL ELIMINATION OF THE INFLUENCE OF THE

...11

PAGE ELEVEN 11

MINORITIES, INCLUDING THE COPTS, AND FOR WHAT ONE MIGHT TERM
SOCIALIST THRUST.

20. SO FAR AS I CAN TELL KAMAL EDDIN HUSSEIN DOES NOT RPT NOT HAVE PARTICULAR INFLUENCE IN, AND CERTAINLY LITTLE UNDERSTANDING OF, DETAILED FOREIGN POLICY PROBLEMS. BUT HIS INFLUENCE DOMESTICALLY, WHICH IS VERY CONSIDERABLE, IS PARTICULARLY COMPATIBLE WITH A TREND IN FOREIGN POLICY TOWARDS COOPERATION WITH THE USSR. JUST HOW GREAT IS HIS OVERALL INFLUENCE I CANNOT SAY. BUT MANY PEOPLE BELIEVE, NOT RPT NOT IMPLAUSIBLY, THAT SHOULD NASSER DISAPPEAR HUSSEIN MIGHT EMERGE IN DUE COURSE AS THE EFFECTIVE SUCCESSOR. HE PROBABLY HAS A GOOD MANY SUPPORTERS AMONG THE LESS CULTIVATED, PERHAPS LESS BROADLY EXPERIENCED, BUT NEVERTHELESS ENERGETIC OFFICERS OF THE ARMY. I DO NOT RPT NOT WANT TO BE UNFAIR TO KAMEL EDDIN HUSSEIN, WHO IS I THINK ESSENTIALLY A WELL-MEANING MAN WHOSE ANIMAL ENERGY EXCEEDS BOTH HIS INTELLECTUAL CAPACITY AND THE DEPTH OF HIS VALUES. NEVERTHELESS HIS INCREASING INFLUENCE DURING THE PAST SIX OR SEVEN MONTHS IS AN IMPORTANT ELEMENT IN THE DECLINING MORALE OF THOSE ELEMENTS IN THIS COUNTRY WHO ARE ARTICULATE IN WESTERN TERMS.

21. I DO NOT RPT NOT WANT THIS MSG TO SOUND TOO GLOOMY. ONE OF THE MANY LESSONS ONE LEARNS IN EGYPT IS THAT TRENDS ARE FAR FROM IRREVERSIBLE. A RENEWED COMMUNIST ADVANCE IN IRAQ OR SYRIA OR SOME OTHER SERIOUS CLASH OF UAR AND COMMUNIST INTERESTS COULD CAUSE A REVERSAL OF UAR FOREIGN POLICY AND POSSIBLY EVEN DOMESTIC POLICY. AT THAT MOMENT THE MORALE OF ALL OR MOST OF THE GROUPS DISCUSSED IN THIS MSG WOULD PROBABLY SURGE UPWARD AGAIN FOR THE TIME BEING. OR A SUSTAINED AND EFFECTIVE DEMONSTRATION THAT THE MODERATE AND PRO-WESTERN ELEMENTS ARE NOT RPT NOT IN FACT LIKELY TO LOSE OUT IN THE EVOLUTION OF AFRO-ASEA COULD ENCOURAGE NASSER TO REVISE HIS

...12

PAGE TWELVE 20

PRESENT ASSESSMENT OF HIS OWN AND HIS COUNTRY'S INTERESTS. IN PARTICULAR IF RPT IF THE WEST COULD BRING ISRAEL TO ABANDON ITS APPARENT ATTEMPT TO GET NUCLEAR WEAPONS THIS SHOULD GREATLY EASE THE PRESSURE ON NASSER TO ALIGN HIMSELF WITH THE USSR AND CHINA.

22. IN THE CONTRARY CASE, I.E. ASSUMING THAT NOTHING OCCURS TO REVERSE THE PRESENT TREND OF UAR POLICY AND THUS TO REASSURE THESE ELEMENTS OF THE POPULATION, ONE SHOULD NOT RPT NOT CONCLUDE THAT ANY REAL CHALLENGE TO THE REGIME OR ANY DRASTIC DECLINE IN THE REGIME'S EFFECTIVENESS IS NECESSARILY IN PROSPECT.

23. DESPITE THE UNEASE REPORTED IN THE ABOVE PARAS ON THE PART OF INTELLECTUAL AND UPPER-CLASS CIRCLES HERE, WHICH INEVITABLY LOOM LARGE, PERHAPS DISPROPORTIONATELY LARGE, IN ANY EMBS LIST OF LOCAL CONTACTS, IT MUST BE REMEMBERED THAT THE REGIME'S PROGRAMME OF ECONOMIC, SOCIAL AND POLITICAL RECONSTRUCTION HAS CERTAINLY BENEFITED MANY CLASSES IN EGYPT. UNDOUBTEDLY THE CHIEF BENEFICIARIES HAVE BEEN THE LOWER MIDDLE CLASSES FROM WHOM THE PRESENT MILITARY RULING GROUP INDEED SPRANG, AND FOR WHOM THE VARIOUS DEVELOPMENT PROGRAMMES ARE PROVIDING CONSIDERABLY INCREASED EMPLOYMENT OPPORTUNITIES. IN ADDITION, THE BOTTOM STRATA OF EGYPTIAN SOCIETY WITH WHOM THE REGIME IS IMMENSELY POPULAR HAS FOR THE FIRST TIME BEGUN TO RECEIVE A SAMPLE OF THE SOCIAL BENEFITS THAT THE WORLD QUOTE REVOLUTION OF EXPECTATIONS UNQUOTE HAS LED THEM TO FEEL IS THEIR DUE.

24. THAT THE NASSER REGIME DERIVES ITS SUPPORT FROM LOWER MIDDLE CLASSES, WITH THE CONSENT OF THE PROLETARIAN AND PEASANT LEVELS OF SOCIETY, IS OBVIOUS. INDEED IT IS A SOURCE OF PRIDE FOR THE GOVT. INTERPRETED IN THIS LIGHT THE DECLINING MORALE DESCRIBED ABOVE MAY PERHAPS BE CONSIDERED ONE OF THE COSTS OF THE EFFORT TO CREATE

...13

PAGE THIRTEEN 20

A NEW EGYPTIAN SOCIETY DIRECTED NOT RPT NOT BY MINORITIES OR BY WESTERNIZED MOSLIM INTELLECTUALS BUT BY AN EMERGING NEW SOCIAL GROUP, DRAWN FROM THE MOSLEM LOWER MIDDLE CLASS, AND WITH AN ESSENTIALLY NATIONALIST IDEOLOGY

ARNOLD SMITH

S U M M A R Y

The prestige of President Nasser's regime has declined sharply in Egypt during the past year, at any rate among the politically conscious middle class of Cairo. (Paragraphs 1 - 3).

2. The decline seems to date from certain nationalisation measures; but the real cause of the trouble is that President Nasser and the Egyptian revolution are failing to live up to the Egyptian idea of their role in the Arab world as a whole. With the revolutionary impetus lost, disappointment at the trend of foreign affairs has turned attention to domestic affairs, in which President Nasser has recently shown an unsure touch. (Paragraphs 4 - 6).

3. Although many measures have recently been introduced to change the structure of the state, everybody knows that the real power remains with President Nasser and the people of his choice. Although most Egyptians still have faith in Nasser, there is much criticism of the growing power and privilege of the Army. The Army officers in the Government are not thought to be the most suitable men for the job. Kamaluddin Hussein is one of the main targets of criticism (Paragraphs 7 - 9).

4. Though the Egyptian Revolution was comparatively mild, pressure on minorities and foreign residents is now growing (Paragraph 10).

5. Though some freedom of speech remains, Egypt has many of the features of a police state. The police bear most heavily on communists. Nevertheless Soviet influence is bound to grow; and this too worries the middle class, whose ties with the West are strong. (Paragraphs 11 and 12).

6. President Nasser's middle class supporters still have confidence in him but are confused and disillusioned by some of his policies. But there is no opposition; and the regime displays great confidence.

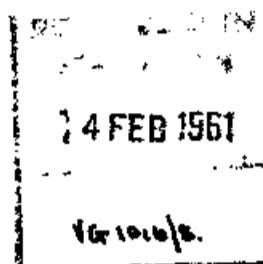
BRITISH DIPLOMATIC MISSION,

CAIRO.

No. 14 ✓

(1014/61)

February 9, 1961

CONFIDENTIAL

My Lord,

Every informed resident and regular visitor to Cairo is persuaded that the prestige of President Nasser's régime has declined sharply inside Egypt during the past year.

2. Foreigners are apt to comment on this decline in terms so general that one might be tempted to conclude that the Government of the United Arab Republic, if not in danger of collapse, would at any rate be under the strongest pressure to modify its policies. This is manifestly not so; and when we examine the nature and causes of the loss of prestige we must remember that the evidence for it is drawn from certain classes only. We do not know what the Egyptian peasant thinks, nor would it be significant if we did. The urban proletariat is no less inscrutable; but there is no sign that its members are concerned with politics or unusually dissatisfied with the economic situation. We have no reason to suppose that the Army, the true foundation and chief beneficiary of the revolution, is disillusioned or /discontented.

The Right Honourable

The Earl of Home,

etc., etc., etc.,

FOREIGN OFFICE.

CONFIDENTIAL

CONFIDENTIAL

discontented. The wealthy remnants of the old régime, the minorities, the foreign residents and the businessmen and shopkeepers have from the first disliked a revolution from which they could only expect to suffer: their discontent is chronic, and the only significant fact is that their confidence has recently begun to ebb much more quickly.

3. The people who have lost some of their enthusiasm for the régime during the past year are the professional classes - civil servants, lawyers, doctors, engineers, and all intellectuals who are interested in politics. That these people have recently grown more cynical or apathetic, if not positively discontented, is a fact attested by many experienced observers. Visitors who have returned to Egypt lately after an absence of a year or so have all expressed surprise at the change in the atmosphere and the difference in the attitudes of their Egyptian friends; whilst those of us who reside in Cairo are continually receiving fresh evidence, often in the form of specific complaints, of the fall in the esteem for the régime among thinking members of the middle class. They are a small minority, but an important one; for it is they upon whom, outside the Army, President Nasser must rely for active support in carrying through his revolution, and it is they who create or destroy a general climate of confidence. They are not likely to oppose Nasser - they could easily be suppressed if they did - but unless he can fire their enthusiasm again

CONFIDENTIAL

/he

CONFIDENTIAL

he will find it difficult to fulfil his ambitious economic and social aims.

4. Most observers would date the decline in the régime's prestige from the transfer of the press to the National Union in May 1960 or from the nationalisation of the National Bank of Egypt and the Misr Bank in February 1960. These things certainly shook the confidence of many Egyptians, evoked an unusual volume of protest, and confounded the defenders of the régime. But the cause of the trouble is deeper; we must seek it in the rôle which President Nasser found for himself and the Egyptian revolution in the Arab world as a whole. His first aim was to be rid of foreign domination at home; and then, with Egypt's hands freed, to lead the struggle of the Arabs against imperialism and feudalism towards "nationalism" and unity. For some time it must have seemed to his middle class supporters as though he and they could not fail. Having secured the evacuation of the British forces, and defeated Western efforts to bring the Arab world into a defence organisation, he nationalised the Suez Canal, and triumphantly survived a powerful Western coalition against him. Syria joined Egypt; two of his chief adversaries in the Arab world, Chamoun and Nuri Said, were removed by subversion and revolution; Jordan was severely shaken, and the other Arab states were cowed or impressed into following the Egyptian line. Sustained by so many genuine victories, and other imaginary ones,

/politically

CONFIDENTIAL

CONFIDENTIAL

politically minded Egyptians were probably so flushed by their country's new importance that they kept their eyes fixed on distant horizons and paid little attention to what was going on at home.

5. After the abortive Mosul revolt in the spring of 1959, however, the picture gradually changed. From the Egyptian point of view, the Iraqi revolution took the wrong path; and all the resources of Cairo's propaganda and subversion could not unseat Abdul Kerim Qasim. President Bourguiba and King Hussein proved to have surprising staying power, and even the Imam of Yemen ventured to turn awkward. For nearly two years there have been no revolutionary "victories" in the Arab world, and it has begun to look as though President Nasser is stuck. The impetus remained for some time, however, partly because the United Arab Republic had in other respects a good year in 1959. Israeli efforts to use the Suez Canal were frustrated, a loan for Canal development was secured, against determined Zionist opposition, from the International Bank, the Soviet Union co-operated over the High Dam yet was kept at arm's length, and aid was received from the United States and other countries.

6. 1960 was not so good: President Nasser did not have things his way, either in the Arab world or in Africa. The revolutionary impetus has been lost, at any rate for the time being, and many of the middle class Cairenes who

/formerly

CONFIDENTIAL

CONFIDENTIAL

formerly gave unthinking support to the régime have begun to reflect on its internal performance and to wonder where it is taking them. President Nasser has declared his aims: the doubling of the national income in ten years and the creation of a socialist co-operative democratic society. But few people believe that the first will be achieved, and fewer still have any comprehension of the second. The nationalisation of the Misr Bank concerns and of the distribution of pharmaceuticals and other commodities upset the business community, both native and foreign, not only for its own sake but as a general indication of the extension of state control over the economy. Rumours of further measures of nationalisation have sapped confidence. The transfer of the press to the National Union shook many of the President's stoutest supporters and was never convincingly explained. In several of his incursions into internal affairs during 1960 Nasser's touch seemed unusually unsure.

7. On paper a great deal has been done during the past twelve months. The structure of the National Union has been completed, a National Assembly has been set up and entrusted with the preparation of a constitution, local government has been reorganised and greater authority delegated to provincial governors and their councils. It is possible that these institutions will ultimately help to transform and vitalise Egyptian society; but their effect so far, at any rate on the Cairo middle class -

/I

CONFIDENTIAL

CONFIDENTIAL

I cannot speak of provincial life - has been small. For whatever official propaganda may claim for the National Union and the National Assembly, everybody knows where the real power lies. It is not with the people.

3. I do not think that the Egyptians object to dictatorship as such; and most of them, apart from those he has replaced or damaged, believe that Nasser is the best ruler they could get. But the last year has seen a surprising increase in criticism of the manner and instruments of his government. The focus of this criticism is the extensive and apparently growing power and privilege of Army officers. That the top positions in the country should be held by Nasser and his officer friends is inevitable, given the origin and character of the Egyptian revolution, and it is generally accepted. But Colonels and Majors are to found in key positions in almost every department of state, and there are few civilians who would venture to dispute their decisions. Above all are the powerful branches of the Intelligence, themselves mainly staffed, at any rate in the higher posts, by Army officers. It is difficult for a civilian to reach a post of responsibility and power. Members of the Foreign Ministry, which receives a constant influx of Army officers at a high level, are surprisingly frank in their criticism of their ex-military colleagues; and we have reason to believe that the same sense of frustration is to be found

/in...

CONFIDENTIAL

CONFIDENTIAL

in most departments. It is beginning to look as though it is the Army, and not the middle class as a whole, that has succeeded to the privileges which the wealthy enjoyed under the old régime.

9. There would be much less dissatisfaction if the Army officers who have the power were the fittest to exercise it. Their civilian critics contend that they are not. Some of them are honest and capable men; but the majority are at best ill-informed, at worst obstinate and incompetent. There is a growing feeling that the country's best talent is not being put to best use; and the criticism sometimes extends to the President's closest advisers. One of the most remarkable features of the past year has been the rise of Kemaluddin Hussein, an officer, as is generally thought, of no great merit who was Central Minister of Education until the autumn of 1959. He has since added to his original portfolio the jobs of Controller-General of the National Union in Egypt, President of the Egyptian Executive Council and Minister of Local Government in the Southern Region. In a sense he is Nasser's viceroy in Egypt as Abdul Hamid Sarraj is in Syria. It is largely in his name that the reins of government have been tightened in Egypt; and few, apart from President Nasser and his military colleagues, have any confidence in his capability or his intentions.

10. Kemaluddin Hussein is alleged to hold particularly

/severe_

CONFIDENTIAL

CONFIDENTIAL

severe views on minorities and foreign residents. It is certainly true, though it is not due to him alone, that these two classes are beginning to feel the pinch. I was somewhat surprised, when I arrived in Egypt, to find how mild the revolution had been and how comparatively well-off the cosmopolitan and "Levantine" society still are; but there is a growing malaise among them, a feeling that their days are numbered. All the currents of thought that go to make up "Arab nationalism", pan-Africanism, or the prevalent ideas on social and economic development - everything is working against the Copt, the Greek and the Italian. Many foreigners are getting out while they can, and most others are wondering how much longer they can hold on. The Copts are finding it progressively harder to get the good jobs in competition with their Moslem fellow-citizens, and many of them are subject to constant attention from the secret police.

11. The Copts are far from monopolising the interest of the police, however; one or two of our Moslem acquaintances have confessed that they are expected to explain and report on their contacts with us to the "mubahis" or "investigator". A foreign diplomat in Cairo (and not least a British diplomat!) tends to exaggerate the ubiquity of the secret police: I do not find it easy to say to what extent Nasser's Egypt can today be described as a police state. It is certainly not like an iron curtain country, partly perhaps because the Egyptian
/government

CONFIDENTIAL

CONFIDENTIAL

government machine is less efficient and less ruthless than the Soviet. Many people still speak with surprising frankness. But the shadow is always there; and we often hear of surprise searches, unexpected visits and unexplained imprisonment. One thing is fairly certain: the police are even more severe on the contacts of communist Missions than on ours, and more interested in local communists, fellow-travellers and persons with left-wing views than in "reactionaries" or persons with pro-Western sympathies. Communists, real or imagined, are rounded up with surprising regularity: another forty odd were apparently put in prison recently. One gets the impression that in spite of official propoganda, which constantly attacks the West and almost never the Soviet Union, the régime is far more afraid of the spread of Soviet than of a revival of Western influence inside Egypt.

12. Nevertheless, the drift towards the Soviet Union continues and is bound to have an effect on the internal situation. The Army is equipped with Soviet weapons and exposed to Soviet instruction. Soviet money is building the High Dam and Soviet experts are active in Cairo and Aswan. Soviet penetration is reinforced by trade, cultural exchanges and the education of students in iron curtain countries. Soviet and U.A.R. policies often coincide. All this too is worrying the middle class. After the

/first--

CONFIDENTIAL

CONFIDENTIAL

first delights of independence, and in spite of the economic advantages of positive neutralism, many Egyptian supporters of Nasser are worried about where he is taking them. Their ties with the West, though gradually disintegrating (the next generation will probably feel differently), are still very strong: they do not feel comfortable in other company. They can see why Nasser took Soviet arms, and for this they blame the West; but they would rather not have unnecessary quarrels, for example over the Congo. Once they understood Nasser's policies, now they are sometimes at sea. They will crack jokes about Lumumba or the Somali loan, but not about Israel or Algeria.

13. As the first flush of the revolution pales and the excitement of its victories in the cause of Arab nationalism wears thin, many of Nasser's supporters, whilst retaining their confidence in the President himself, are distressed at the poor quality of his subordinates, confused and disillusioned by his policies, and nauseated by the adulation he receives from the propaganda machine. Behind the façade of enthusiasm for the past achievements and future promise of the régime the easy-going cynicism of the Egyptians has so reasserted itself that most observers are surprised at the change in the atmosphere. Without the artificial stimulus of the struggle against imperialism and Zionism the local demagogues would be hard put to it to raise a cheer. Yet there is no real
/opposition;

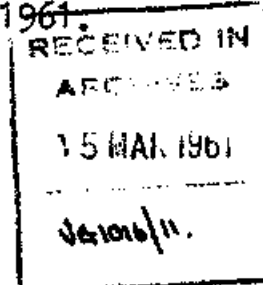
CONFIDENTIAL

No. 21
(1014/61)

BRITISH DIPLOMATIC MISSION,
CAIRO.

March 10, 1961.

CONFIDENTIAL



My Lord,

In his despatch No.92 of the 8th of December 1960 Mr. Crowe gave an account of the resumed first session of the National Assembly of the United Arab Republic.

2. The second session of the Assembly lasted from the 9th of January to the 8th of February. During that period it held thirteen sittings and devoted most of its time to internal affairs. After ratifying the decrees issued by the President of the Republic during the recess - notably those relating to the nationalisation and sequestration of the Banque Belge and certain Belgian companies - the Assembly passed or referred to committee a number of unimportant laws and held desultory debates on various subjects, including public works in Egypt and Syria, communications between Cairo and Damascus, the improvement of agricultural yields, the import of pharmaceuticals, tourism, the cinema, and the prohibition of the corpse trade in Government hospitals. It also authorised a

/further

The Right Honourable
The Earl of Home,
etc., etc., etc.,
FOREIGN OFFICE.

CONFIDENTIAL

CONFIDENTIAL

further internal loan of £E30 million at 3½ per cent interest. Once again there was no sign of opposition; and once again the only contentious measures - draft bills on housing and rent restriction (see paragraph 5 of Mr. Crowe's despatch under reference) - were held over till the next session. When the session closed only one third of the questions submitted had been answered, whilst fifty-five bills and over a hundred "suggestions" had not been dealt with. But nobody seemed to mind. It cannot be said that the Assembly has yet go into its stride.

3. On foreign affairs the Assembly again echoed the policy of the Government and repeated its applause for President Nasser. On the 9th of January it telegraphed to his ship its support for his performance at the Casablanca Conference, and on the 23rd of January it heard his report, which attacked imperialism in the Congo and Algeria and claimed that Israeli activity in Africa had been successfully unmasked. Finally, on the 30th of January, the Assembly adopted a report by its Foreign Affairs Committee praising President Nasser for his stand by the struggling people of Africa and for exposing Israeli designs, supporting the decision to withdraw the

/U. A. R.

CONFIDENTIAL

CONFIDENTIAL

U.A.R. battalion from the Congo, recommending the endorsement of the resolutions passed at Casablanca, and appealing to the parliaments of African states not represented at Casablanca to press their Governments to adhere to those resolutions. No Head of Government could ask for more.

4. Arab affairs were scarcely debated at all. The Assembly received with applause a few telegrams of support for the Arab cause in Algeria from some Soviet Bloc and Afro-Asian countries; and on the 16th of January it adopted a report of its Arab Affairs Committee on the "brutal acts of the British occupation forces" in the Upper Yafa area of the Aden Protectorate. The report recommended that the U.A.R. Government should bring the case of the "Arab South" to the attention of the Arab League and the United Nations. On the 11th of January Hussein Zulficar Sabri, the Deputy Foreign Minister, answering a question about the Government's attitude to Mr. Kennedy's alleged intention to press the Arabs into a Palestine settlement, reaffirmed that the Suez Canal would remain closed to Israeli shipping until the Arabs recovered their natural rights in Palestine. That was all. In contrast to the previous session, Jordan was scarcely mentioned in this Assembly.

/5.

CONFIDENTIAL

Please note that this copy is supplied subject to the Public Record Office's terms and conditions and that your use of it may be subject to copyright restrictions. Further information is given in the enclosed 'Terms and Conditions of supply of Public Records' leaflet

CONFIDENTIAL

5. The Assembly unanimously accepted an invitation from the Supreme Soviet to send a delegation to the Soviet Union. The delegation is expected to travel to Moscow about the end of April. A similar invitation from Rumania was also accepted.

6. In his address of the 23rd of January President Nasser commissioned the Assembly to draft a permanent constitution for the United Arab Republic. This was received with great enthusiasm by the Cairo press. In numerous interviews prominent persons gave their ideas of the broad principles on which a constitution should be based, and leading articles elaborated notions of the political and social freedoms in store. The Assembly's proceedings in this matter were reported prominently and in full. After an inconclusive discussion on the 30th of January, the Assembly decided on the 6th of February that a preparatory committee of ninety members should be elected by secret ballot and charged with drafting the constitution. The ballot took place the next day and the names were announced on the 8th of February. The committee contains three women and has representatives of most professions, the largest group being twenty-seven lawyers. Anwar Sadat, President

/of

CONFIDENTIAL

CONFIDENTIAL

of the Assembly, becomes Chairman ex-officio. The committee is not expected to hold its first meeting until the next session of the Assembly opens in April.

7. Apart from these proceedings on the constitution, the second session of the Assembly aroused even less public interest than the first. The next session is due to open on the 3rd of April, and its main task will be to examine the budget.

8. I am sending copies of this despatch to H.M. Representatives in Amman, Baghdad, Beirut, Khartoum, Tel Aviv, Tripoli and Washington, to H.M. Consul General in Damascus, and to the Political Officers with the Near East Command (Cyprus) and the Middle East Command (Aden).

I have the honour to be,
with the highest respect,

My Lord,

Your Lordship's obedient servant,

P.H.G. Wright

(P. H. G. Wright)

CONFIDENTIAL

Please note that this copy is supplied subject to the Public Record Office's terms and conditions and that your use of it may be subject to copyright restrictions. Further information is given in the enclosed Terms and Conditions of supply of Public Records' leaflet



H. Birch
W. G. H.
Enter

CONFIDENTIAL

BY AIR BAG
10220/13/61

RECEIVED IN
ARCHIVES
20 MAR 1961
Vardis/s.

British Embassy,
Washington, D.C.
March 14, 1961.

15/10/61
1
Jim Seagr.

I lent the State Department a copy of Cairo despatch No. 14 about the decline of Nasser's prestige within Egypt, and you may care to have their considered comments as given to me by Brewer.

2. The State Department agree with all the specific points made in the despatch. Their only reservation concerns the implication which they detected in it that the accumulated grievances against the regime might be expected to lead to trouble in the near future. (I said I did not think that any such implication need be read into the despatch). Anyway they consider this unlikely because of the comparatively little influence wielded by the sections of the community who are critical of the regime, and because in their view the appearance of a certain amount of grumbling in Egypt is more like a reversion to normal than something especially remarkable. Where they do see seeds of trouble for the future is in the Assembly of the National Union, the creation of which they feel may prove to have been Nasser's biggest blunder to date. If this should be followed by the failure of the five-year plan, then the State Department think that very serious trouble could well ensue towards the end of the five-year period. That is, of course, assuming that there are no diversionary developments in the meantime, of the kind that have hitherto so often intervened to save Nasser from the consequences of his own mistakes.

3. I am sending a copy of this letter to Arthur in Cairo.

Yours
M. S. Weir

(M.S. Weir)

G.F.Hiller, Esq., D.S.O.,
Levant Department,
Foreign Office, S.W.1.

CONFIDENTIAL

Please note that this copy is supplied subject to the Public Record Office's terms and conditions and that your use of it may be subject to copyright restrictions. Further information is given in the enclosed 'Terms and Conditions of supply of Public Records' leaflet

Minutes.

RECEIVED IN

ARCHIVES

5 APR 1961

16 APR 1961

DAILY WORKER

WORSE THAN BEING A SLAVE UNDER PHARAOH

From DENNIS OGDEN
MOSCOW, Tuesday.

NOTHING TO BE WRITTEN IN THIS MARGIN

TREATMENT worse than that meted out to slaves in the days of the Pharaohs is the lot of arrested Communists and democrats in the United Arab Republic, declares the Journal Problems of Peace and Socialism.

The international journal of the Communist and Workers' Parties publishes grim details of the brutal treatment of political prisoners in Nasser's concentration camps.

Political prisoners, including prominent writers, teachers, journalists, lawyers and trade unionists, are held under conditions immeasurably worse than those of criminals, whose treatment is regulated by prison rules, the magazine declares.

Some 25 miles outside Cairo, at Iman Abu Zabal, 370 political

prisoners are held in six huts each holding some 60 to 70.

On their arrival prisoners are ordered out of trucks some 200 yards from the gates of the concentration camp and ordered to run the gauntlet to the entrance.

Those who fall are dragged in by the feet. In the camp they are ordered to strip, again to the accompaniment of blows.

No medical aid

The camp has "special procedures" for political prisoners under which they are locked in cramped cells and tortured with electricity.

One prisoner, the journalist Shukhdi Attiya, died as a result of torture when he replied "Yes" to the question was he a Communist.

His body, mutilated by electric

burns, was returned to his relatives.

Another concentration camp, Al Makharib, is situated in the desert with a similar lot during most of the year.

Four prisoners were seriously injured during the week of the camp when, packed together with others, they fell under a train in an attempt to avoid blows, but they received no medical aid.

Nor was a doctor allowed to attend to Papa D'Bobo, a Greek origin, when his health ruined by torture he gave birth to a child.

Help was given by a fellow prisoner, a medical student. Then, ailing and with her new-born baby, she was flung into a solitary confinement cell.

World protests

"The majority of the jailed democrats fought fearlessly against the imperialists during the 1956 aggression, defending the freedom and independence of their country and their people with their own hands," says the journal.

Letters and cables demanding freedom for the political prisoners are reaching President Nasser from all over the world.

The widespread campaign of solidarity with the Egyptian political prisoners will help to free them from the grip of their jailers, the journal declares.

CONFIDENTIAL



Record of a Conversation between the High Commissioner
and Mr. M.A. Husain (Indian Ambassador to Egypt)
on 17th April, 1961.

Mr. Husain first spoke of the complete control of opinion in Egypt. No expression of opinion is allowed in the different papers at all without previous approval, and a control extends to whether particular items of news (e.g. a visit by him to the Ministry of Foreign Affairs) is published or not. Authority goes through the Armed Forces officers to the President; Dr. Fawzi, having burnt his fingers by taking several initiatives which were then repudiated, is now a sort of chief clerk, though bearing the title of Minister of Foreign Affairs. He talks a great deal and says nothing.

2. In regard to internal affairs, Mr. Husain said that Syria is the great problem, since Egyptian-style land reforms have created great resistance in Syria, though, given the union, there has to be something of this kind to make the union real. None of the personalities who brought about the union in Syria are there any longer, and the position must be very unsatisfactory for President Nasser.

3. The latter has the situation in Egypt under complete control. He feels very strongly about the situation in the Congo, to the effect that as the U.N. had handled the situation there all wrong, the object of the U.A.R. should be to frustrate U.N. policy until eventually the U.N. cleared out. Desperate efforts were made to prevail upon the Sudanese to let U.A.R. supplies go through to Stanleyville; President Nasser visited Khartoum and when that failed, the Russians were put in to try to negotiate an agreement for some 17 transport lorries to go from Port Sudan to the Congo over Sudan territory carrying "medical supplies". The Sudan remained obdurate.

4. There seemed no prospect of immediate agreement between African leaders on many of these questions. Since the policy distance between India and the U.A.R. on the Congo seemed so great,

/Mr. Husain

CONFIDENTIAL

CONFIDENTIAL



- 2 -

Mr. Husain had suggested the halt by Mr. Nehru in Cairo on his return journey from London. He had seen the note of the discussion and thought that Mr. Nehru had been able at least to get President Nasser to understand, even if he did not agree with, Indian policy.

5. Mr. Husain confirmed that the Indians were not keen on a second Bandung Conference as proposed by Dr. Soekarno. He thought President Nasser would, on the whole, like such a Conference but probably on the basis requested by Tito; a Conference of the uncommitted.

CONFIDENTIAL

Please note that this copy is supplied subject to the Public Record Office's terms and conditions and that your use of it may be subject to copyright restrictions. Further information is given in the enclosed 'Terms and Conditions of supply of Public Records' leaflet

THE GUARDIAN

Cutting dated 5 MAY 1961, 19

"BRUTAL TREATMENT" OF POLITICAL PRISONERS

Soviet journal launches violent attack on UAR

From MICHAEL ADAMS

RECEIVED IN
8 MAY 1961
V6 1016/17

NOTHING TO BE WRITTEN IN THIS MARGIN.

Beirut May 4. A parliamentary delegation from the United Arab Republic, led by Sayed Anwar el-Sadat, the Speaker of the National Assembly, is now in the Soviet Union at the invitation of the Supreme Soviet of the Soviet Union—which makes it all the more remarkable that this particular moment should have been chosen for the publication, in the international Communist journal "Problems of Peace and Socialism," of a violent attack on the UAR for its "brutal" treatment of political prisoners.

These political prisoners, as the article makes clear, are mostly Communists, and the writer asserts that they are subjected to "brutal torture," detained under conditions "calculated to break their wills and ruin their health," and that in general they are treated "like slaves in the time of the Pharaohs."

Late echo

The article represents a late echo of the controversy which sprang up between President Nasser and Mr Khrushchev in the early months of 1959. At that time it looked as though the outcome of the Iraqi revolution was to be a Communist dictatorship in Baghdad, and President Nasser, who was anxious about the encouragement this might give to disaffected elements in the Syrian region of the UAR, launched a dramatic campaign against the Syrian Communist Party.

Nasser never made any secret of his antipathy to Communism, but until the end of 1958 this had not been allowed to

affect his cordial relations with the Soviet Union. The Soviet Government had supplied him with arms, had given his diplomatic support in his quarrels with the West, and finally, in October 1958, had promised to finance the building of the Aswan Dam, on which Nasser had staked his reputation.

Yet only three months later Nasser was involved, through his attack on communists in the UAR, in an angry debate with Mr Khrushchev over the subversive aims of international communism in general and its activities in the UAR in particular.

Mr Khrushchev was in a weak position, for as the Cairo newspaper "Al Ahrām" reminded him, he had said in 1957 (when the Cairo-Moscow honeymoon was at its height):

"We support Abdel Nasser knowing that he is not a communist; he even puts communists in prison in his country. But this is an internal matter, which concerns him and his people."

Obviously it had not been easy for the Soviet leader to maintain this position, but political expediency in the post-Suez period made the sacrifice of local communists worth while in the wider context of Soviet policy.

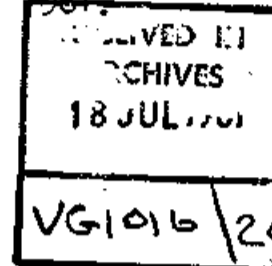
As though both protagonists in this quarrel had realised the dangers of perpetuating it, a truce was called at the end of February, 1959, when President Nasser, in a public speech, told of an exchange of letters between himself and Mr Khrushchev, in which the Soviet leader had repeated his earlier assurance that "where the attitude of the UAR towards communism was concerned, the Soviet Union did not wish to interfere in the domestic affairs of the UAR."

No. 66
(1014/61)

BRITISH EMBASSY,
CAIRO.

July 13, 1961.

CONFIDENTIAL



My Lord,

VG1016/11

I have the honour, with reference to Mr. Wright's despatch No. 21 of the 10th of March, to report that the third session of the National Assembly of the United Arab Republic, which opened on the 11th of April, was adjourned on the 23rd of June.

2. During this session the main task of the Assembly was to approve the draft budget for the financial year 1961/62. The Budget Committee held almost daily meetings and the budget was finally discussed and agreed in full session of the Assembly. In his closing address Dr. Kaissouni, the Central Minister of Economy, congratulated the deputies with unconscious irony on the speed and lack of argument with which they had discussed and agreed to the budget: there had been less amendment to this particular budget, he added, than ever before in the history of Egyptian National Assemblies.

/3.

The Right Honourable

The Earl of Home,

etc., etc., etc.,

FOREIGN OFFICE.

CONFIDENTIAL

CONFIDENTIAL

3. The special committee formed under the chairmanship of the Speaker Anwar Sadat, to draft the permanent constitution of the United Arab Republic also held a series of meetings. At one of these the committee divided itself into four sub-committees to which the following studies were allotted:-

- (1) Principles and basic elements of society.
- (2) System of government.
- (3) Proposals.
- (4) Phraseology and co-ordination.

Judging from press reports the constitution committee had made little progress by the time the Assembly went into recess. On that day Anwar Sadat published an appeal to all citizens of the United Arab Republic, to all members of the Arab nation, and to all "liberated" Africans, for suggestions for the draft constitution of the United Arab Republic. Sadat declared that the eventual constitution would form a model for all Arab peoples and for the peoples of Africa who had freed themselves from the bondage of imperialism. This appeal has caused some amusement in Cairo; a common joke is that Sadat and his committee have now openly admitted their inability to write a constitution and have therefore decided to let the general public have a try.

/4.

CONFIDENTIAL

CONFIDENTIAL

4. The Assembly has put its rubber stamp on a mass of relatively trivial domestic legislation and has debated a number of subjects ranging from the housing problem to the need for closer censorship of Zionist films. As regards foreign affairs there has been no shortage of resolutions: the United States was condemned for imperialist aggression against Cuba, Major Gagarin was congratulated for his journey into space and Sierra Leone for achieving independence, support was expressed for the Palestine entity and army, approval was given to the decision of the government to break relations with South Africa, and the Deputy Minister of Foreign Affairs, Hussein Sulficar Sabri, was presented by a questioner with an opportunity to attack Her Majesty's Government's attitude towards the United Arab Republic request for consular posts in British territories.

5. The Assembly had the privilege of being addressed by distinguished visitors to the United Arab Republic including President Sekou Touré of Guinea, President Modibo Keita of Mali, and President Makarios of Cyprus. Moreover delegations under the leadership of Anwar Sadat visited the Soviet Union and Yugoslavia; on the former occasion Sadat and Mr. Khrushchev had a sharp brush on certain aspects of the United Arab

/Republic

CONFIDENTIAL

CONFIDENTIAL

Republic attitude towards communism, which when eventually publicised, played its part in the propaganda flare-up between the two countries in early June.

6. It is now almost a year since the Assembly first met. In paragraph 10 of his despatch No.62 of the 17th of August, 1960, Mr. Crowe remarked, in the context ^{1/5/10/6/23} of the Egyptian Assembly of 1957, that deliberative bodies of Arabs are apt to get out of hand. So far the present National Assembly has shown no signs whatsoever of doing so. It has been confined to the dual role of rubber-stamping legislation prepared in the Presidency and of cooperating with the Cairo propaganda machine. As far as I can gather the deputies have not objected publicly to being cast for such undistinguished parts. It is difficult to talk of the Assembly in terms of low or high prestige; a number of reasonably well educated and informed Egyptians have confessed themselves ignorant of its existence and there is a tendency to confuse it in conversation with e.g. executive bodies of the National Union. Membership of the Assembly does not appear to connote any particular public or social status. Even the organs of purely internal propaganda such as Cairo Television and the Home Service programme of Cairo Radio scarcely bother to mention the deliberations

/of

CONFIDENTIAL

CONFIDENTIAL

of the Assembly except on special occasions such as addresses by State visitors. The newspapers reserve a few half columns on inside pages for brief summaries of debates but front page prominence is almost wholly denied to the Assembly and it is scarcely ever the subject of editorial comment.

7. In brief the National Assembly has so far failed to make any impact on public opinion or, so far as I can judge, on the political life of the country. It is difficult enough for the regime to stimulate any public interest in the National Union itself, in spite of the indefatigable activities of the peripatetic and vocal Supervisor-General, Kemaluddin Hussein, and although its various committees, councils and congresses have deeply infiltrated many aspects of the country's life such as municipal and village affairs, social welfare, etc. Meanwhile the docile and shadowy National Assembly continues to function almost unnoticed. If it is President Nasser's intention to create through these two bodies a political structure of the "basic democracy" type as opposed to single party rule on the communist or fascist pattern, or to the multi-party system of such evil memory to Egyptians and Syrians alike, he still has a very long way to go.

/9.

CONFIDENTIAL

CONFIDENTIAL

9. I am sending copies of this despatch to Her Majesty's Representatives at Amman, Baghdad, Beirut, Khartoum, Tel Aviv, Tripoli and Washington, to Her Majesty's Consul-General at Damascus and to the Political Officers with the Near East Command (Cyprus) and the Middle East Command (Aden).

I have the honour to be,
with the highest respect,
My Lord,
Your Lordship's obedient servant,

H. Beeley

(H. Beeley)

CONFIDENTIAL



BRITISH EMBASSY,
CAIRO.

(1014/61)

July 15, 1961

RECEIVED IN
ARCHIVES
13 JUL 1961

CONFIDENTIAL

VG1016/21

Dear Department,

During the past month or so the Cairo press has been mildly enlivened by a highly philosophical debate on certain aspects of internal affairs which was first instigated by Heikal in the Ahram weekly supplement of June 2.

2. Heikal announced that he was beginning a series of articles on what he described as "the crisis of the educated classes". He explained that by educated classes he did not mean "intellectuals", but all people who considered themselves to be educated or cultured. He also explained that his remarks were confined to Egypt and had no bearing on the situation in Syria. His basic contention was that the educated classes which had been closely linked to the ruling class before the revolution, had failed to participate in the revolution and had thereafter become isolated from the revolutionary dynamic. This was the crisis. The revolution had been carried out by a group of young officers who were in intuitive rapport with the masses. The educated classes failed to understand the fundamental nature of the changes brought about by the revolution and were thus either unable or unwilling to fulfil the role which should have been supplied by the intelligentsia. All they could think of doing to start with was to call on the army to return to its barracks.

3. In his second article of June 16 Heikal developed the theme that the intelligentsia had collaborated with the new regime but had not participated in their great work out of idealistic conviction. Whereas their duty should have been to formulate and explain the principles and aims of the revolution, they contented themselves with lukewarm day by day collaboration.

4. On June 23 Heikal addressed himself to the movement in 1954 for the restoration of the political parties. He said that the revolution was at that time in its infancy and ~~the revolution was at that time in its infancy and~~ the political parties were no more than the instruments of certain vested interests. Their existence was incompatible with the fundamental changes resulting from the revolution. They were for example all opposed to the land reform. Equally speed

/was

North & East African Department,
FOREIGN OFFICE.

CONFIDENTIAL



CONFIDENTIAL

was essential in developing the national economy, and the revolution still had no clear cut philosophy or programme. In these circumstances the political parties would have only hampered and vitiated progress. It was irrelevant to try to compare Egypt with other countries which had undergone revolutions, such as the United Kingdom and the Soviet Union. Egypt had to forge its own national revolution on its own national lines.

5. The following week Heikal came closer to the point with an article on "reliable men" (officers and ex-officers) as opposed to "experienced men" (talented civilians). After the revolution there was a period of confusion during which the revolutionary officers had to remain in the lead owing to the failure of civilian elements to come forward to participate in the new organs of Government. The officers were eventually obliged to assume a wide range of civil duties. During the intermediate period while the revolution was searching for the right road down which the nation should progress, the regime had to put "reliable men" in positions of trust. They had been forced to the conclusion that the majority of "experienced men" were attached to some class or other vested interest which precluded them from giving whole-hearted and disinterested service to the country. Even at the third stage of application of the revolutionary principles in which the country was now, it was difficult to find technicians, experts, administrators, etc. who were not self-interested. This explained the tendency for the higher reaches of industry, the press, the administration and so on, to be filled with ex-officers, i.e. "reliable men". Heikal did however quote the names of certain civilians, "experienced men", who were now in high positions and who exploded the widely held belief that the only "reliable men" in the country were ex-officers.

6. In his last article on July 7 Heikal changed to slightly different ground. He spoke of the necessity to combine all intellectual currents in the country and of the excellence of free speech and discussion as a means of producing constructive ideas to further the expansion of the economy, social planning etc. It was a mistake to regard discussion of e.g. Marxism, with a jaundiced eye. Although there was much in Marxism which the U.A.R. rejected there were also elements which could usefully be incorporated into its political theory. The same was true of the ideology of the Western World. The U.A.R. had a respect for private property and for individual liberty. The choice was not a rigid one between communism and capitalism but between progress and stagnation.

/In

CONFIDENTIAL



CONFIDENTIAL

In conclusion Heikal asked the question - to whom does the U.A.R. revolution belong? In his opinion it belonged to the peasants and the workers; democracy was for the majority. The vital necessity was to abolish artificial class barriers.

7. Heikal's articles were interspersed with comments from various quarters sometimes in the columns of Ahram or its supplement and sometimes in other daily or weekly papers. At one point a "symposium" was stage-managed in Ahram with a number of tame intellectuals taking part. With true Egyptian wariness the participants raised the discussion to so high a level of abstraction and ill-digested cliché as to be virtually incomprehensible. They also, perhaps wisely, concentrated on the position of the intelligentsia in Egypt during the 1920s and 1930s without once mentioning the post-revolutionary period. Other similarly cautious efforts appeared from time to time in other columns.

8. The only substantial and well-argued criticism of Heikal's ideas came from Salah Dessuqi, the governor of Cairo and himself an ex-police officer. In a series of articles Dessuqi challenged Heikal's fundamental concept. He said that Heikal was under the illusion that the educated classes or intelligentsia were a homogenous section of society like doctors, peasants, factory workers etc. This was nonsense. Every section of society contained intelligentsia and non-intelligentsia. Thus there were intelligentsia amongst the fellahin, the factory workers, doctors, lawyers, etc., and by the same token amongst the armed forces. Heikal was guilty of a misconception. The intelligentsia who had become isolated from the revolutionary dynamic were confined to the feudal classes and the old political parties. For the rest the intelligentsia had rallied to the revolution which had in fact been instigated and carried out by their counterparts in the armed forces. In these circumstances it was beside the point to talk about soldiers having to return to their barracks, "reliable men" as opposed to "experienced men", the gulf between various elements of the population etc. The only gulf was between the intelligentsia who pervaded all classes, and the uneducated masses. In two subsequent articles, one in Ahram and one in Akhbar, Dessuqi concluded that the real crisis was not one of the "educated classes" but of "class distinction" - a crisis of the middle class. He argued that the middle class was growing in numbers with the expansion of the national economy. As it grew, and as its members were able to raise their standard of living and to acquire property, they become obsessed by selfishness and trivia.

/At

CONFIDENTIAL



CONFIDENTIAL

At present only the fellahin and the workers were paying the cost of establishing socialism in the U.A.R. The middle class, whether government officials, businessmen, or others were clinging to materialist luxuries, and, by becoming small scale capitalists, were emerging as genuine obstacles to socialism.

9. Heikal's last article on July 7 was avowedly his final word on the subject and it now looks as though the controversy will soon peter out. It is interesting to speculate on the reasons which prompted Nasser either to agree to Heikal launching this debate or directly to instigate him to do so. There is no doubt in anybody's mind here that the whole affair was engineered by the régime although many are prepared to give Dessuqi the benefit of the doubt as regards prior collusion with Heikal.

10. Egyptian "intellectuals" with whom we have discussed the question take the view that the régime has become increasingly aware of the dissatisfaction felt amongst e.g. officials and other highly trained and able civilians at the proliferation of ex-army officers in all walks of civil life, and of the general feeling of malaise among the educated middle classes at their lack of freedom of speech and writing and at the general absence of political liberties and presence of a police state apparatus. It is generally believed that it was in an attempt to recover what he had lost of the support of these elements that Nasser encouraged the publication of the Ahram weekly supplement. The Heikal-Dessuqi controversy may be part of the same process. It has combined attempts to prove that the régime is not made up simply of bone-headed army and police officers but of intelligent idealists who could have much in common with their civilian counterparts if only the latter would realise this, with arguments intended to show that the widespread appointment of ex-officers to high civilian posts has been a matter of necessity and not of choice (thanks to the attitude of the civilians) and finally that the régime positively welcomes free, frank and constructive debates in the columns of the press on the lines of the present one. The whole affair has also provided a useful vehicle for another dose of ideological propaganda.

11. It is difficult to gauge the reactions of the mass of newspaper readers and of the young university students who make a practice of assiduously reading the Ahram supplement every week. They may well have been impressed although the tendency of the participants in the debate to charge their articles so heavily with obscure allusions, high sounding but irrelevant socio-political clichés and devious stylistic

/tricks

CONFIDENTIAL



CONFIDENTIAL

tricks, must have taxed their powers of comprehension to the full. The main body of "intellectuals" has however lain very low. With typical Egyptian cynicism they sensed a trap and refused to be drawn into it. Their attitude is perhaps best summed up in the following comment made to the Press Attaché by one of the leading Egyptian left-wing intellectuals. He said that it was all very well for Heikal and Dessuqi to write as they did; one was Nasser's favourite and the other an ex-officer. If he wrote a tenth as frankly and controversially as either Heikal or Dessuqi had written he knew perfectly well that the police would call for him the same night and that, if he was lucky, his friends would see him eighteen months later on his release from the Kharga Oasis concentration camp!

Yours ever,

CHANCERY

W.

CONFIDENTIAL

Ref: FO 371/158786

88073

Please note that this copy is supplied subject to the Public Record Office's terms and conditions and that your use of it may be subject to copyright restrictions. Further information is given in the enclosed 'Terms and Conditions of supply of Public Records' leaflet

1987

V

North and East African Department

VG 1016/22

UNITED ARAB REPUBLIC

FROM

Sir H. Beeley

Cairo
CONFIDENTIAL

No. 68 (1014/61)

Dated July 18

Received 19-7-61

SUBJECT:

Sir HAROLD BEELEY gives an account of the impressions of the United Arab Republic which he has gained after four months at Cairo.

References

VG.1051/115

MINUTES

This is an important despatch, with which I am in general agreement. I suggest printing F.O.W.H. and have marked a copy accordingly. Some words appear to be omitted at the end of paragraph 4, and I have asked Cairo to telegraph a correction. I have also supplied a summary, which will need to be completed when we receive Cairo's reply. *Reply received. Amdt made. 24/7.*

2. It is interesting that in listing the motives of the U.A.R.'s African policy (para. 6) Sir H. Beeley puts economic factors first. We have previously thought that President Nasser's objectives in Africa were primarily political.

3. In the last sentence of para. 11 Sir H. Beeley selects three subjects (the stability of the régime in Egypt, the union with Syria and the U.A.R.'s policy of non-alignment) on which we should try to remove U.A.R. suspicions of our attitude. These are the less controversial subjects in our relations with the U.A.R. (though I have no doubt that they are ones on which President Nasser still retains suspicions). Our attitude on them is already broadly in line with Sir H. Beeley's formulation. He is thus in effect suggesting that we should concentrate on the easier subjects for the time being, rather than those, such as Israel and the United Kingdom's position in the Arab world, on which U.K. and U.A.R. policies are in conflict. I think this

/is the

(Printing Instructions)

F O W H

(Outward Action)

(Action completed)

MMB
29-7-61

(Main Indexed)

JM 62
20-7-61

Please note that this copy is supplied subject to the Public Record Office's terms and conditions and that your use of it may be subject to copyright restrictions. Further information is given in the enclosed 'Terms and Conditions of supply of Public Records' leaflet

is the right emphasis, but we shall want to continue to put our case to the U.A.R. about the more difficult subjects when they arise.

P.A.R. Blaker.
(P.A.R. Blaker)
July 24, 1961.

- Eastern Dept.
- Arabian Dept. (esp. para. 10)
- I.P.D. (para. 11)
- C.R.D. (para. 11)
- British Property in Egypt Section (para. 5)
- W.O.P.D.

a.a.

In her Brief
July 25

- B) Chamery, Cairo to HEAD. July 22
- A) Cairo Tel. No. 7.7 July 24

ll.
27/7

Add. info.

Para 8: Though the fact that the preliminary meeting for the Belgrade Conference took place in Cairo may have enhanced President Nasser's prestige, the proceedings of the meeting were so extreme and chaotic that I doubt if he can have gained much from it. President Nasser himself has tried to play a central and "statesmanlike" part throughout and to keep the arrangements for the Belgrade Conference on as moderate a basis as possible.

Cedman
15/7/61

h.c.d. 28/9 X d. 28/9

Number of copies.....

Number of copies of enclosures.....

CONFIDENTIAL

Summary of Sir H. Beeley's Despatch No. 68

There is little awareness of Syria in the Egyptian Region. Both internally and externally the extent to which the union with Syria has presented Cairo with new problems is limited. But it has enhanced President Nasser's international position and he would go to the greatest possible lengths to prevent its dissolution (paragraphs 1 and 2).

2. The task of the foreign observer is difficult, but it seems that President Nasser's principal objectives at present are the economic development of his country; the assertion of its influence in Africa; and the establishment of his own position as a leading neutralist statesman.

(paragraphs 3 and 4).

3. Development plans since 1952 have improved the standard of living of some parts of the population, but have made little impression on the basic poverty of the Egyptian masses. Because of the population pressure the general standard of living can only be improved by industrialisation, which will involve finding overseas markets. The régime's policy is to eliminate large-scale private enterprise from industry and commerce, as it has already done from agriculture. These matters

/increasingly

CONFIDENTIAL

CONFIDENTIAL

increasingly engage President Nasser's attention (para. 5).

4. The motives behind the Government's African policy are to find markets for manufactured goods; to counter Israel's economic penetration and political influence; and to enhance President Nasser's prestige as a champion of revolutionary nationalism (para. 6).

5. The view ~~then~~ that President Nasser is acting in collusion with the Communists in foreign affairs, as the price of Soviet support, is rejected. The foundation of the U.A.R.'s foreign policy is determination to assert its independence and resist external pressures. For the U.A.R. this demands a balanced system of relationships with the great Powers. The U.A.R. is now adjusting the balance by strengthening its contacts with the West, but this movement will not get out of hand. President Nasser is trying to present himself as a statesmanlike figure. This could in time affect the methods by which his policies are pursued. His greatest community of outlook is with President Tito (paras. 7 and 8).

6. The régime is dedicated to the removal of British influence from the Arab world. But the most serious hazard to our relations with the U.A.R. lies in the possibilities of conflict over Israel. The U.A.R.'s suspicion will persist that in any Israel/Arab crisis the Western alliance would be on the side of Israel, the albatross of Western policy in the Region (paras. 9 and 10).

CONFIDENTIAL

7. But the effort to build a better U.K./U.A.R. relationship will not necessarily fail. There are opportunities for the expansion of trade and cultural relations. A suspension of mistrust is possible and desirable, and we should be able to establish a form of "positive coexistence". On our part this will demand a continuing effort to convince President Nasser that we accept the stability of his régime in Egypt, the union with Syria and the U.A.R.'s policy of non-alignment (para. 11).

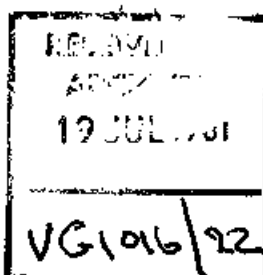
~~(P.A.R. Blaker)~~

~~July 24, 1964.~~

CONFIDENTIAL

101 51

Despatch No. 68

CONFIDENTIAL

BRITISH EMBASSY,
CAIRO.

July 18, 1961.

My Lord,

After four months at this post, I have the honour to send Your Lordship my first and in some cases tentative impressions of the United Arab Republic. It is sometimes difficult to remember, here in Cairo, that it is to the Republic as a whole and not to Egypt that I am accredited. In conversation with Ministers and officials the name of Syria is seldom mentioned, and the internal policies and plans with which they are concerned relate almost exclusively to Egypt. There is a theoretical distinction between Central Ministers and regional or Executive Ministers, but generally speaking a Central Minister deals in practice with Egyptian affairs if he resides in Cairo and with Syrian affairs if he resides in Damascus. This lack of fusion between the two regions, and the limited awareness of Syria in Cairo, are by no means surprising or unnatural; a visitor to the two capitals might see no fundamental differences between them, but as soon as he began to travel through the countryside he would immediately recognise the vast discrepancy between the ways and standards of life of the two rural populations. Nevertheless I assume that consciousness of the union is altogether more acute in the northern region, and that H.M. Consul-General in Damascus will record his impressions of this in due course.

2. Internationally, the union with Syria has in effect given
/Egypt..

The Right Honourable,

The Earl of Home,

etc., etc., etc.,

FOREIGN OFFICE, S.W.1.

CONFIDENTIAL

- 2 -

CONFIDENTIAL

Egypt common frontiers with Turkey, Iraq, Lebanon and Jordan. But her Government was already so preoccupied with the relations of Syria and these countries before 1958 that in this respect too the union cannot be said to have presented Cairo with new problems; here again the effect will have been felt primarily in Damascus. In two respects, however, the formation of the United Arab Republic has affected the position of Cairo, and of President Nasser, on the international scene. It is the only effective step so far taken towards the goal of Arab unity, and however much doubt there may be about its durability there can be no question that its existence, and the fact that it came about voluntarily and indeed on Syrian initiative, have strengthened President Nasser's claim to leadership of the Arab nationalist movement. If the dissolution of the union should be threatened, he would therefore go to the greatest possible lengths to prevent it. Secondly, the United Arab Republic is a better basis than Egypt was for the pursuit of his ambition to play a leading role in the politics of the Afro-Asian world. (The Republic is, incidentally, the only State which is itself Afro-Asian).

3. The Government of the United Arab Republic, while less impervious to enquiry than those of the iron curtain countries, nevertheless presents a foreign observer with somewhat similar problems. The makers of policy are few and inaccessible. I believe that in the early years after the revolution the President readily made himself available to a number of Ambassadors, journalists and other foreigners, with whom he liked to talk at length about his plans and problems. All

/this

CONFIDENTIAL

- 3 -

CONFIDENTIAL

this has changed. The President sees fewer people and sees them more briefly. He has moreover resumed this year the royal habit of withdrawing to Alexandria for long periods in the summer, with however the different purpose of secluding himself from the life of the capital and confining his contacts to a small entourage. It is possible to identify more or less accurately the people who have influence with him, but they too are not easy to meet. The departmental Ministers are more accessible, but in the absence of a cabinet system they confine themselves almost exclusively to their specific functions, and if they discuss general political questions at all it cannot be inferred that they are speaking with any authority. The Ministry of Foreign Affairs is little more than an expanded protocol department, ensuring that contacts with foreign Governments are conducted in the forms standardised by international usage but having a minimum of influence on the substance of these contacts. This seclusion of the sources of power is not modified to any important extent by the contacts which take place in the ordinary course of social life. The United Arab Republic is a police state, though on the whole an unobtrusive one, and in Egypt at any rate few people care to discuss political questions with any freedom. The press is kept under tight control, and whereas it is therefore a valuable guide to such policies as the Government has decided to make public it neither reflects the discussion which precedes a policy decision nor throws light on the motives for it.

4. I believe that with patience and in time these barriers can be penetrated to a limited extent. But it follows from

/their

CONFIDENTIAL

- 4 -

CONFIDENTIAL

their existence that conclusions drawn from only four months' residence in the country are based as much on inference and speculation as on direct evidence and past history. With this proviso, it may be said that President Nasser appears, in the present phase of his career, to have three principal objectives; *the economic development of his country;* the assertion of its influence in Africa; and the establishment of his own position as a leading neutralist statesman,

5. The Egyptian region of the United Arab Republic has just completed the first year of a development plan which has as its target an increase of 40 per cent in the national income over five and of 100 per cent over ten years. An appreciable amount of economic development has already taken place since the revolution of 1952, and has undoubtedly resulted in a higher standard of living for some sections of the population. But little impression has yet been made on the basic poverty of the great mass of the Egyptian people, and every year's increase in the national income is offset by a population growth of more than half a million. This remorseless pressure on the country's cultivable area, which will remain severely limited even after the extension resulting from the construction of the High Dam and from other irrigation schemes, means that only by a substantial shift in the ratio of agricultural to non-agricultural workers can the general standard of living be appreciably improved. And it seems questionable whether in the long run the necessary volume of industrialisation can be developed unless markets can be found abroad for substantial exports of Egyptian manufactured goods. Meanwhile, however, there is room for industrial

/expansion

CONFIDENTIAL

- 5 -

CONFIDENTIAL

expansion to meet more of the needs of the domestic market and so progressively to liberate the country's foreign exchange resources for the furtherance of the development plan. Foreign trade is being brought more and more completely under Government control, and in the industrial sector of the economy public ownership already plays a dominant part. By contrast the regime's agrarian policy is based on small holdings and has carefully avoided any suggestion of collectivisation; but here too the Government, through the cooperatives which it is encouraging and which are guided by official advisers, will have an increasingly pervasive influence. The general policy, which of course has social and political as well as economic objectives, is to eliminate large-scale private enterprise from industry and commerce as it has already been eliminated from agriculture, and to create a directed economy in which, however, private ownership is retained in so far as it does not challenge the State's monopoly of key positions. Whatever may be said on the technical merits of these plans for the formation of a "co-operative socialist" economy and for the rapid expansion of production, and whatever allowances may have to be made for the inefficiency of Egyptian bureaucracy, there can be no doubt of the seriousness of purpose with which the plans are being pursued, and little doubt that they increasingly engage the attention of President Nasser himself.

/6.

CONFIDENTIAL

- 6 -

CONFIDENTIAL

6. The economic problems of the United Arab Republic are one of the driving forces behind its African policy. The planners in Cairo see in those countries a potential market for manufactured goods and, considering that they have at least a few years' start over many of the newly independent States of Africa, consequently seek to reproduce there, admittedly on a greatly diminished scale, the part played by the highly industrialised countries in the United Arab Republic itself. Thus the United Arab Republic, at a time when it is borrowing heavily on its own economic prospects, has in turn granted credits totalling LE.16,000,000 to Guinea, Mali and Somalia. These loans have also a political purpose, being designed in part to forestall possible Israeli penetration into the economic life of these countries. Israel's success in extending technical aid to African countries and establishing commercial links with them has caused considerable alarm in Cairo. There is even talk of "encirclement", and President Nasser himself has said that Israeli penetration of Africa constitutes a threat to the national security of the United Arab Republic. In more realistic terms there is an evident danger, from his point of view, that Israel may find in Africa not only a material compensation for the Arab boycott but also a means of preventing Afro-Asian solidarity on the Palestine issue. Hence the great importance which was attached to obtaining President Nkrumah's concurrence in the anti-Israeli paragraph of the Casablanca resolutions.

/A

CONFIDENTIAL

- 7 -

CONFIDENTIAL

A third aim of President Nasser's African policy is undoubtedly to maintain and enhance his prestige as a champion of revolutionary nationalism. This motive, together perhaps with the desire to hold the Israelis at bay, seems to offer the most plausible explanation of his ill-considered policy in the former Belgian Congo. It also seems to require that Cairo should offer hospitality to groups of extremist exiles from several of the African territories still under colonial administration, and that the facilities of Cairo radio should be lent to these people for the furtherance of their usually subversive purposes. As in the Congo, so elsewhere in Africa the support of the United Arab Republic appears to be given, irrespective of any serious calculation of national interests, on the principle of "no enemies to the left".

7. I am aware that there is an alternative interpretation of President Nasser's African policy and indeed of his general conduct of foreign affairs, namely that he is acting in more or less intimate collusion with the Communist powers, and that this is the price he must pay for continued Soviet support, particularly for the equipment of his forces. With a régime so secretive as his it is not possible to make categorical statements about suppositions of this kind. The evidence is circumstantial on both sides. On the one hand the general hostility of the Government of the United Arab Republic to Western policy in the United Nations, their attitude and actions in the Congo and elsewhere in Africa, and their constant identification with the anti-Western wing of the neutralists seems to lend substance to the thesis of

/collusion

CONFIDENTIAL

- 8 -

CONFIDENTIAL

collusion with the Communists. It appears to me, however, that the evidence on the other side is considerably more weighty. I do not attach undue importance to the public quarrel which has recently been conducted in the newspapers and over the radio between Cairo and Moscow, and which has died down without in all probability leaving any permanent traces on the relationship between the two governments. Nevertheless this dispute did, in my opinion, indicate the limits of possible cooperation between the Soviet Union and the United Arab Republic. Not only is President Nasser's government positively anti-Communist in its domestic politics, but also the very foundation of its foreign policy is a determination to assert and maintain its independence and its resolve to resist external pressures from any quarter. In a country with so little intrinsic power and yet occupying both geographically and politically so critical a position, such a policy cannot be carried out by withdrawal to the sidelines of world politics but demands a balanced system of relationships with the Great Powers. At the present time the United Arab Republic appears to be engaged in adjusting the balance in such a way as to avoid too close a dependence on the Eastern bloc and to strengthen its contacts with the West. Thus an agreement has just been concluded under which West Germany is granting substantial economic aid to the United Arab Republic, including a loan for the Euphrates barrage in Syria which in terms of its economic value to the country is an effective counter-weight to Soviet participation in the construction of the High Dam at Aswan. At the same

/time

CONFIDENTIAL

- 9 -

time the authorities of the United Arab Republic are showing a striking eagerness to obtain greater participation by the United Kingdom in their development plans. Still more significant is the recent revision of the arrangements for the export of cotton, the primary object of which appears to have been to reduce the proportion of the crop sold to the Communist countries and to stimulate sales to the markets of the free world; there are good economic grounds for this, in view of the shortage of convertible currency, but the move also falls into place in the context of the general re-orientation as between East and West. At the same time there is no ground for anticipating that the present trend away from dependence on the Communist bloc will carry the United Arab Republic very far towards the West; if for any reason the movement in that direction appeared to be getting out of hand, I am sure that steps would be taken to reverse it.

8. It was not without significance that the exchange of polemics between Cairo and Moscow to which I have already referred, and which was started by sporadic sniping from Moscow, was transformed into a sizeable skirmish on the initiative of the United Arab Republic, and that this coincided with the opening of the Preparatory Conference of non-aligned States in Cairo at the beginning of June. Whether this was deliberate or fortuitous, the episode was a useful addition to the credentials of the United Arab Republic as a genuinely neutralist power. I believe that President Nasser attaches increasing importance to his personal status as one of the leaders of the non-aligned world. To this end he and his associates are devoting their considerable political talents to establishing a new image of the President as a restrained and statesmanlike

/figure

CONFIDENTIAL

-10-

CONFIDENTIAL

figure. This presentation does not involve any sacrifices of revolutionary principle, but it does impose a measure of outward moderation which could in time affect the methods by which his policies are pursued. (There is some evidence that in the Arab world this is already happening). Whether the original initiative for the proposed Summit Conference, now to be held in Belgrade, was President Nasser's or President Tito's is of little consequence; among his fellow-aspirants to the leadership of the uncommitted countries the one with whom President Nasser has the greatest community of outlook is President Tito, and the Conference may be regarded as their joint enterprise. The description usually given in Egypt to the policy which this Conference is intended to promote is "positive neutralism and non-alignment". This is probably interpreted by the régime as being first a refusal to enter into political or military association with either of the major blocs and secondly, in the absence of such association, freedom for the positive neutralist to support whichever side he believes to be right on any specific issue. Thus the coincidence of policy between the United Arab Republic and the Soviet Union, recently so marked in a number of fields, may be explained in terms of an identity of view towards particular problems rather than a derogation from neutrality as it is ordinarily understood in the Western world.

9. While the bilateral relationship between the United Arab Republic and the United Kingdom is largely dependent on the general orientation of the former with reference to the major power blocs, it has also certain special features.

/Prominent

CONFIDENTIAL

- 11 -

CONFIDENTIAL

Prominent among these is the British presence in the Persian Gulf and elsewhere in the Arabian Peninsula and in the Mediterranean. The use of Cyprus in 1956 has not been forgotten, for example, as was shown by the questions put to President Makarios during his State visit to this country concerning the purposes for which British bases in the Island would be available. Of more immediate concern to the United Arab Republic is the chain of events leading from the exchange of Notes between H.M. Government and the Ruler of Kuwait on the 19th of June last and the statement of Iraq's claim to Kuwait on the 25th of June. The effort which the Government of the United Arab Republic has been deploying in the Gulf States, particularly through the provision of Egyptian teachers, is a measure of their concern for this part of the Arab world. There can be little doubt that the removal of British influence from the whole of the Arab world is an object to which he and his régime are dedicated; and the Gulf together with the south of the Arabian Peninsula is the area in which we remain most obviously vulnerable to attack.

10. I do not however believe that the issues which may arise in this area constitute as serious a hazard to our relations with the United Arab Republic as do the possibilities of conflict over Israel. The events of 1956 have left behind a remarkably small residue of directly anti-British feeling, but at the same time they have greatly intensified the suspicion that in the event of any crisis in the relations of Israel with her Arab neighbours the United Kingdom would be found on the Israeli side. It is this fear which gives an edge to the concern of the United Arab Republic

CONFIDENTIAL

over

- 12 -

CONFIDENTIAL

over the presence of British forces in Cyprus, Libya, Aden and Kenya, and in the present controversy over the situation in Kuwait the delegate of the United Arab Republic ^{to the Arab} League has asserted that there is a connexion between the British landings there and rumours of Israeli reinforcement on the Syrian frontier. Since this state of mind will certainly persist, and since the prospect of a settlement of Arab-Israeli differences is remote, this source of danger to our relations with the United Arab Republic is likely to continue for a long time. Moreover these suspicions in relation to Israel attach to the western alliance as a whole. Israel, the argument runs, was created by the United Kingdom and the United States. She is supplied with arms by France and the United Kingdom, and is subsidised by the United States, thereby enjoying an artificial strength and prosperity. And the object of this western policy is not the protection of a small and isolated state but its preservation as a bridgehead in the Arab world. Israel is currently referred to in the Cairo press as "the spearhead of imperialism". If Israel's own attitude to the Arabs was less intransigent there would be less for these apprehensions to feed on. But in any event Israel will remain the albatross of western policy in this region.

11. The comments I have made in the two preceding paragraphs indicate that there are elements in the Middle Eastern situation which will present a continuing obstacle to the growth and stability of mutual confidence between the United Kingdom and the United Arab Republic. I do not however conclude that the effort to build a better relationship will necessarily fail. It should be possible, in the economic and /cultural

CONFIDENTIAL

- 13 -

CONFIDENTIAL

cultural fields particularly, to foster a habit of co-operation which is not unduly hampered by the dead-weight of our political differences and which can survive the periodical shocks to which it is unfortunately likely to be subjected. There are manifest opportunities for the expansion of trade between the two countries, and there is a genuine desire in both regions of the United Arab Republic to do business with Britain. Opportunities similarly exist for the expansion of our cultural relations and the benefit here in terms of goodwill could be out of all proportion to the investment made. From this basis it should be possible to proceed to a form of "positive co-existence" in which the discussion of political questions of ^{mutual} ~~material~~ concern becomes possible over a widening area and with increasing frankness. There are severe limits to what we may hope for from this process, and it would be an exaggeration to speak of establishing mutual confidence, but I believe that some suspension of mistrust is nevertheless both possible and desirable. On the part of the United Kingdom it will demand a continuing effort to convince President Nasser that we recognise and accept the undoubted stability of his régime in Egypt, that we regard the union with Syria as the exclusive concern of the peoples

/of the

CONFIDENTIAL

- 14 -

CONFIDENTIAL

of the United Arab Republic, and that we do not dispute or resent in principle the Republic's choice of non-alignment as the basis of its foreign policy.

12. I am sending copies of this despatch to Her Majesty's Representatives at Amman, Beirut, Baghdad, Khartoum, Tripoli, Tel Aviv, Washington, Paris; and to the United Kingdom Permanent Representative to the United Nations in New York, the Political Resident in the Persian Gulf, and the Political Officers with the Near East Command (Cyprus) and the Middle East Command (Aden); and to Her Majesty's Consuls-General at Damascus and Kuwait.

I have the honour to be
with the highest respect,
My Lord,
Your Lordship's obedient servant.

H. Beeley

(H. Beeley)

CONFIDENTIAL

TELEGRAMS:
 400 BOWSWEN, PICCADILLY, LONDON W
 TELEPHONE: WHITEHALL 6942

13/July/61

19 JUL 1961
 OXFORD & CAMBRIDGE UNIVERSITY CLUB,
 PALL MALL, S.W. 1.
 VG 1016/22

My Lord Marquess

I have the honour to refer to conversation with Lord Billearn, & to the letter of mine which he was so good as to convey to yourself.

I refer also to the telephone communications between myself and your Secretary, in which your Secretary kindly mentioned the possibility of a visit by myself to the Foreign Office before I leave England again on July 22nd next, to return to Cairo.

I ventured also to mention to your Secretary certain other papers of mine, and received from him permission to forward these direct to yourself at the Foreign Office.

These other papers are now forwarded herewith. (memos I. & II.)

May I be allowed, Sir, to express

My very sincere thanks & appreciation for
the consideration extended to me in
these matters.

I have the honour to be,
My Lord Maguers,
Your obedient servant

H. Hindle James

CONFIDENTIAL
(COPY)

(1.)

June 1961.

' LEST WE FORGET '

One day last week, a friend of mine being in Cairo for a brief visit, I decided to take him to see Mahial Rodah Palace, the former royal residence of H.R.H. Prince Mohamed Ali, formerly the senior Prince of Egypt, and for many years (before the birth of the present little King Fouad II, now in exile with Prince Farouk, who abdicated in favour of his baby son, at the beginning of the Revolution), the Heir to the Egyptian throne. Prince Mohamed Ali died tragically in exile and I had not entered the Palace since I called there to bid him farewell at the moment of his forced departure from his homeland. He was then well over seventy, devoted to his country and to his home, and I found him almost broken with grief, but still dignified, self-restrained and gracious. His Royal Highness was a great gentleman, as well as a great prince, and all his life had been a sincere friend of England, and a devoted supporter of Anglo-Egyptian good accord, often, in troubled times, at disadvantage and danger to himself. Now he was alone and desolate. The moment was too grievous for us to speak much and one or two of his still-faithful retainers were unashamedly in tears and quite incoherent with grief. While I was there, suddenly an A.D.C. rushed into the room, saying that General Mohamed Noguif had arrived with his staff and demanded the prince's presence. Fearing that my own presence with the Prince might increase difficulties for him, I made a hasty exit from the room into the garden and left the Palace by a secluded gate. The last memory I have of the Prince was seeing him standing quiet and dignified while the rebel General and his young staff of traitors advanced arrogantly into his home.

In the old days, H.R.H. used frequently to welcome me to his home, my Mother, then a lady of nearly 80 years, he always received with special graciousness. Many friends of ours were also received there in audience - always in this same atmosphere of gracious hospitality. Everywhere there was evidence of the Prince's interest in literature and art - he wrote well himself in Arabic, English and French, and I still treasure a number of the writings he gave me. His water-colour painting was talented and charming and his delightful grounds around the palace, designed by him, and full ^{of} trees and ^{plants} ~~sculpture~~ collected during his wide travels, remain

- 2 -

ven till to-day a fine memorial to that versatile personality of his.

What a shattering change was around me during my visit to the Palace last week. The lovely gardens - still beautiful, though no longer orderly and calm, were filled by a proletarian rabble - playing football, scattering picnic debris everywhere, and of course the various and colourful birds which used to roam happy and undisturbed on the lawns had long since vanished. Inside the Palace there was the same noisy crowd, who were invading even the most intimate parts of the home - with guides making sleazy and offensive innuendos from time to time - so much so that at one moment I could not refrain from raising my voice in forceful protest - and receiving, strangely enough, evident sympathy from several of my hearers. In the long drawing room all the signed Royal portraits which had been presented to H.R.H. were still standing in their old places. These included all the British crowned heads from H.M. Queen Victoria (whose guest the Prince had been in early youth) up to the present time. H.M. Queen Mary's portrait was in a prominent position, as it always had been, these two gracious people having had a special respect and regard for one another. It seemed peculiar that all these portraits with their eloquent and personal inscriptions, including portraits of American Presidents and other notables, had been left in their positions by the present Regime, ^{-60T} rather as objects of derision than of respect, for the gaping crowds, and as warning against support for the Royalist or Capitalist West - a clever little twist of pro-Communist propaganda.

This visit to the Palace, though a heart-rending experience, was yet a salutary one, and set some dormant ways of thought active again. I thought actively again of some of the Prince's entourage, who had been my good friends. Especially I thought of Yousef Taha Bey, H.R.H.'s personal Private Secretary, and himself a member of the Royal Family, being descended from the sister of Mohamed Ali, the Great, Founder of Egypt's Royal Dynasty. This Secretary had been a member of H.R.H.'s Household almost all his life. During the past seven years I had completely lost touch with him, partly through my long illness and partly because the Suez Crisis had made any contact between us, even of the most ordinary sort, increasingly dangerous for us both. Now,

- 3 -

however, I determined to try to find him again. He used to reside in Heliopolis so there I sought for him again. I located his residence with difficulty, as new buildings had so changed the district both in status and appearance. When I reached his doorway, I was surprised to note that the electric bell had been roughly torn out; so I knocked upon the panels of the front door. After a while a small glass-covered grill was opened cautiously and the terrified and almost unrecognisable face of my old friend peered out. When he recognised me, he gave a sort of gasp, and hastily unlocked the door. Always I had known Yusef Tah* as a dapper, self-possessed man, friendly and cheerful, but always most correct in manner and appearance. The apparition which now grasped my arm was wearing a torn suit of pyjamas, was unshaven and his jaw shaking. The room into which he led me was dim and shadowy, for all shutters were closed, but I noted that what had once been a pleasant well-furnished room was now almost empty. Adjacent apartments seemed to be in a similar condition. The telephone on a table had been torn out. At first he was too overcome to talk. His statement then was roughly as follows. The persecution to which he had been subjected at the time of the Revolution had steadily increased and his former known friendliness towards British people was constantly brought up against him. Now he is unable to leave his home, because always he is followed by small officially inspired groups who persistently insult him in public. He cannot keep servants, because they are either terrorised, or used as agents against him. He is frequently visited by political police who cross-question him. Several times, the last occasion being about 10 days ago, his home had been searched. I was taken into Yusef's study. This room was in complete disorder - desk ransacked, drawers torn out, cupboard doors broken open - and all over the floor were scattered books, papers and letters. This chaos, he said, was caused during the most recent search. The bedroom was in a similar condition, my friend said in an exhausted voice "I am too tired now even to try to tidy up - and anyhow I know that even if I do they will come soon and scatter everything again". Hidden (so far!) in a corner, under a table, was a small pathetic bundle of letters - all dating back many years and including one from myself when I was in Kenya on holiday, years ago. These Yusef is trying to conserve so as to try

- 4 -

to prove his identity to old friends or English officials, if ever he can get out of Egypt. Some of the letters are signed by notable personalities and if discovered in his home will, I fear, cause him further trouble. He still has reasonable means in Egypt, but states that by one method or another political pressure prevents his due payments from reaching him and that is why he has to sell his furniture and valuable piece by piece to buy food. Finally, Yusef asked me whether, if he can manage to get to Bayroth, will the British Authorities, or any approachable official person who used to know H.R.H. the Prince, or himself, help him to get a visa to enter England. One feels that from every standard of decency, human gratitude, and official duty towards our former friends in Anglo Egyptian good accord, cases of this sort should have all possible personal and official sympathy and merciful aid. I should be most grateful of any advice that may be extended in this matter. By a very special arrangement I hope to be able to meet Yusef Tahâ anyhow once more, in the not far future.

Yusef Tahâ has told me also of other cases similar to his own, and of communist tinged sympathies which political agents are trying to force upon them, as upon him. He has more than once been pressed to reopen his contacts with British diplomats and other similar people here, to give them confidence, and note the appearance of their offices and homes, and the places in which documents and papers seem to be kept.

This seems a possibly sinister confirmation of matters which I have already discussed in official British quarters.

Yusef declares that so far he has been able to avoid any such political undertakings. His terrible condition, however, and the implications of his narrative seem to be an indication of dangerous and subversive tendencies underlying the superficial calm of the present situation revealingly broken through as it has been by the recent burning of a foreign Embassy, and the potentialities of the officially instigated mob which carried this out.

- 5 -

Yesterday, because of a quite chance happening, which had moved me deeply, I wrote and ventured to send to you a record of my experience.

Now, by a curious hazard, several further experiences, quite by chance linked with the first, impel me to write this further note at once.

This morning I was rung up on the telephone by a young Egyptian officer, still serving in the Egyptian forces. He asked me to meet him at Shepherds Hotel.

A rather close mutual friendship had sprung up between this young man and myself some years ago, when as a volunteer under the auspices of the World Council of Churches, and the United Nations I used rather frequently to visit the Gaza area travelling to and fro by a U.N. aircraft. I was at that time organising and distributing for a branch of a scheme, based upon our Cathedral here, for bringing aid in food and clothing to Arab Refugees of the Gaza area. This young officer was engaged upon similar work in Gaza itself. He was an unusual sort of fellow, and was much beloved by the refugees, partly for his efficient work, but even more for his human sympathy. He is an earnest thinker and in the course of our work together we used to discuss many aspects of life in general. Then suddenly came the Revolution. My visits to Gaza were then at once brought to an end, and a number of people working with us were even arrested, and our work as far as possible maligned and derided as mere "Imperialistic propaganda". I lost touch with my friend, then I realised from a talk with him on an occasion when he visited Cairo, that he was very unhappy, his sense of loyalty torn, and his future decisions uncertain. I did not have contact with him again until a few weeks ago, when he came across to me in Solaman Pasha Street one morning and greeted me. We were delighted to meet again. He then recounted his story as follows. Soon after the Revolution, his long and friendly contacts with the Mayor of Gaza and his family, resulted in a sincere "love affair" between himself and one of the Mayor's daughters. Then the Mayor was arrested, and because of his friendliness in the old days with the British authorities, and the British decorations which the British Government had bestowed upon him, was taken to Cairo and thrown into prison. My young friend was ordered at once to sever all his

- 6 -

connections with the family. His answer to this was to proceed to Cairo, somehow to obtain an order to see the Mayor in prison, and to obtain from him his consent to an immediate marriage. He then returned to Gaza and the marriage took place at once. Of course he was ordered to resign his Commission. However, because of his good Egyptian record, he was allowed to proceed soon after to America, which was the wisest course for him and his wife, for fear of further retaliation later on. There was no retaliation, however, and in fact he was suddenly "invited" (i.e. officially ordered) to take up his Commission again, at a higher rank. This he has done, and now seems to be able to lead a normal military life. Meanwhile his wife has given him a son and a further addition to the family is expected next month. I have been to their flat and they seem very happy. While I was at Shepherds Hotel this morning awaiting my young friend, I heard my name being called - and found myself being greeted by Colonel Cherine, the husband of H.R.H. Princess Fawzia, and at one time H.M. King Farouk's representative for the affairs of the Gaza Refugees. At that period we worked in close and very friendly co-operation, and his wife, Princess Fawzia allowed us the privilege of her personal patronage. Ismail Cherine told that though since I last saw him just before the Revolution, he and his wife have passed through very anxious times, they now live quietly and are not much molested. The Princess still has her house at Maadi but owing to the drastic reduction of their means, it is too large for them to live in and they live mainly at a small pied-a-terre in Alexandria and their two children go to a small school. His wife is still well loved by the populace in Egypt - for her almost embarrassingly so - but she does all possible to avoid any publicity. Last year they obtained permission to visit Europe in order that the Princess might visit her eldest daughter who is, of course, a Persian Princess, being born in Persia at the time when Princess Fawzia of Egypt was also Her Imperial Majesty the Empress of Iran. Their daughter now has a villa in the South of France and there Ismail Cherine and his wife stayed. Cherine also had permission to visit H.R.H. Prince Farouk, the Government here raising no objection. He found Farouk fairly well, though he had a heart attack not long ago, and is very worried about the immediate future of his beautiful young

- 7 -

laughters, now of marriageable age, but with no suitable consort yet decided upon. Prince Farouk's son - though this is very seldom mentioned (or even realised) is now legally King Farouk II of Egypt and though in exile, his rights have not been abdicated. Though not mentioned, the present Regime are very conscious of this fact, and this prevents a too open pro-Soviet attitude, as they fear that if the Western Powers become too alarmed about Communist tendencies in the Middle East and Africa, they may give at least tacit support to the return of the Monarchy to Egypt. Other princes and princesses of Egypt, now in Europe, Cherine tells me, are mostly desperately in need. In particular he mentioned Princess Faiza, sister of his wife, who having gradually been forced to sell such valuable jewels etc. as she was able to retain, is now in serious financial difficulty. I suppose there are few British people left in Egypt now who personally know Colonel Ismail Cherine. He has the appearance and manner of an English officer of the best sort (and that, I think, it will be agreed, is a favourable comment!) He is well balanced, widely experienced and always has had the reputation of being a wise and efficient administrator. His eclipse is a great loss to Egypt - and to all those who value civilised progress in the Middle East. His wife, Princess Fawzia, though she has had tragedy in her life, has always lived as a lady of quiet dignity and wise disposition. Ismail Cherine has invited me to lunch in the near future.

When I met my young officer friend at Shepherds, we had a long talk. He is still leading a quiet military life - but he made this notable remark "Now that I have children, I am worried about the future here. I do not want to risk my children coming under Communist influence - so I must emphasise that even I have met with some pressure to move my opinions into a pro-Soviet direction". He also commented "It is clear to us all that Tito has now become the guiding influence here - a sort of "Father Figure" - and he is always consulted before major decisions are made in Egypt, and we all know that though not perhaps a Stalinist, he is still very definitely a Communist, and has a far more ruthless and experienced mind than has any leader of ours in Egypt at the present time." My friend also brought me greetings from Colonel Rashad and his wife, formerly people of much importance. The last time I saw Colonel Rashad was at

- 8 -

the Automobile Club, not long before the Revolution, where we met for urgent discussion of a plan we and one or two other well-wishers of the King were trying to persuade H.M. to accept. Unfortunately, a destructive influence at Court intervened and we could not achieve our objective. Much disaster might have been avoided in the King's later fortunes had this intervention not taken place. From my friend's comments and those of others I have heard lately from my various sources, I get the impression that there is a strong undercurrent of discontent here at the moment, in particular about the increased Government tendency towards Nationalisation not only of Banks but of private enterprise, engineering firms etc., sometimes under rather unscrupulous pretexts. Small government employees are disappointed that they are still so badly paid and the numerous once prosperous middle classes and their ex-employees are ruined and desperate.

All these small commentaries are merely examples, easily authenticated, of wide general conditions. The apparent calm, the admirable town planning (though at vast cost), the flags, exhibitions etc., are superficial, though of course impressive to the casual observer, and the visiting tourist. There is an under-current of fear and uncertainty under all the trimmings, and this is being counteracted more and more by totalitarian methods and new laws - one of the most sinister of which, under the guise of an acceptable title, "Administrative Control", now has authority to arrest any person without a charge, and to keep them under arrest indefinitely. Any person from the rank of Minister downwards is subject to this control.

Visiting foreigners, and even Western resident officers^{ials}, are very unlikely personally to come up against these facts at present.

I give them on this particular occasion for what they are worth and the special reasons already stated.

H. H. G.
12/July/61

CONFIDENTIAL
(COPY)

(II)
June 1961

I refer to my two previous memos. I have now seen my friend again. It is likely that he will obtain official permission to leave this country in the near future. He will not be allowed to take any financial asset with him, but has friends in Europe who may help him. On arrival in Beyrouth, he will approach the British Authorities asking for a visa to any part of the British Commonwealth to which he may be allowed to go. He states that after many years here of continual persecution, now being intensified, any place where he may have personal liberty will seem a paradise! Others of the old Regime, in particular members of the Royal Family or of the Royal Entourage, are now being ^{ed} subject to similar pressures.

I refer to my comments about the increasing undercurrent of unrest and disappointment amongst all classes here. As well as comments by Egyptians, I have twice heard the tendency verbally confirmed from responsible American sources. Until about two months ago, the armed forces seemed to be rather solidly behind the Regime. Now there is evidence that officers and men are becoming weary of personal surveillance under secret police methods; above all, of communist (and therefore anti-religious) tendencies penetrating into army instruction and routine.

One is provoked these days to dispute the use, often in grotesquely inappropriate contexts, of such phrases as "inevitable winds of change," or "moving with the times". Does "moving with the times" mean constructive progress or does it mean that the directors of great concerns must feebly hand over their authority to ambitious, ignorant, ruthless and reckless underlings? Do the "winds of change" mean the bleak surrender to destructive whirlwinds of everything that is honourable and courageous in the accumulated wisdom of civilisation? Or do they imply the briskening up of all the finer qualities of human endeavour to counteract a temporary hurricane of destructiveness? What exactly do persons, especially persons of responsible status, mean by such phrases which are becoming a sort of defeatist parrot cry in an already almost incoherently insane world? Do such phrases loosely used do any good or clear up morbid tendencies? No, here, at least, they do not, where already malignant people are

- 2 -

interpreting them as an indication that complete Western appeasements are already a foregone conclusion here.

Nevertheless, Islam is still a potent force in the Middle East, despite clever Soviet subversive tactics. It is a creed of strength, however, not of weakness. "Allah loves the strong men - but hates the weakling" is a well respected precept in these Arab lands. That is why in spite of differences and misunderstandings, the British race was for long liked and admired here. Our staunchest supporters, to whom we taught our traditions of honour and courage, have maintained these standards still; it is we, their instructors, who have of latter years defected and left them to the mercy of our mutual enemies! Is this "moving with the times"?!!! "Istaghfaa - Allah"! May Allah forbid!

Recent joint declarations by a visiting communist leader here (Tito) and the President of this country on the subject of openly Communist Fidel Castro's Cuba, are, for the first time in Egypt, a completely open indication of the joint political Creed of these two leaders, their mutual support of a communist basis of policy, and their joint intention of impeding the Western Powers whenever possible. Nothing could more be clear, than the political atmosphere into which the Middle East, as far as these leaders can do so, is being drawn, and the grave danger it could produce for the West at any time of world crisis, such as Cuba (or Algeria, or Laos, or East Germany) now threatens to become. For the West, the U.A.R. is, in the Middle East, what Cuba is in America, a gathering point for communist action.

Yesterday I dined at the residence of an Egyptian Colonel and his wife - both formerly most influential personalities in the Cairo political and social world and still very well informed. All that I have mentioned in previous notes was confirmed by them, including the mounting desperation of intelligent, cultured people here, of Western sympathies, who are aghast ^{un}at/impeded communist infiltrations and dominations. The unrest in the Sudan and the evident dissatisfaction in Syria, are increasingly incentives for action here soon. The Royalists in Europe have been

- 3 -

informed that "an impressive number of strong and determined army officers and others are ready to back this action as soon as the King and his advisers wish it."

My host of that evening is himself a robust and experienced person who has already suffered much for his cause, including several months solitary confinement in prison, because he refused to write defamatory statements about King Farouk, as some other courtiers (by drastic pressure) were persuaded to do. My host also remarked bitterly, "When shall we see England resuming her integrity of leadership, instead of submitting to the policies of inept Americans and obsessed United Nations visionaries?" We spoke with distress also of the suicide yesterday of Prince Ismail Hassan. He had no funds left sufficient to obtain the necessary treatment for a long illness - and so shot himself in desperation. Not the only such case.

The following facts occur to me:-

The personality of H.M. King Farouk was very incorrectly estimated by the British Authorities in Cairo when he first came to the throne. He was at that time, to quote from a letter to me by that well known "elder Statesman", the late Sir Louis Gregg, "a fine young fellow who could be of great usefulness to Egypt and to us." From the outset, Farouk was misinterpreted and shunned, rather than offered the sympathetic guidance which as a very young lonely inexperienced lad, sensitively aware of the proper dignity of the sovereign of Egypt - he so much needed and hoped for. He would have accepted sympathetic advice but would not tolerate condescension or brusque discourtesy. Later the crude criticism of his private and public life by some of our officials became grotesque and senselessly destructive. Any British person wishing to reunite Place or Embassy found co-operation from H.M. (as, for instance, in his reconciliation with our then Bishop and his handsome gift to our Cathedral), but small response from the British side. At the time of the burning of Cairo, he showed courage and initiative for others (details are all available) which were singularly lacking in some other quarters

- 4 -

where they might more readily have been expected. Treated often discourteously by us, yet flattered and complimented always by our enemies, his restraint was perhaps much more notable than his licence. He was not anti-British, but not unnaturally he disliked those Britishers who disliked him. Especially at the outset of Farouk's kingship, our officials lost a wonderful opportunity for the foundation of permanent good accord with Egypt through their young King, then universally adored by all classes of his people. Just before the Revolution (in which American instigation was suspected), I know personally and definitely that H.M. would willingly have accepted British forces in Cairo, not as invaders but to assist temporarily in restoring order and parliamentary rule. He was deserted by us and it was left to the American Ambassador to be interested in a Royal Abdication and to avert the embarrassment of the King's actual murder before he had quitted Egypt.

Now that we, largely at American insistence, have allowed the friendly Royal Regime to be exiled, we find that we have opened up that centre for communist penetration which Russia has so long sought for in Africa, with a local leader whose fanatic hatred openly proclaimed for England and the West makes any obstinacies and personal peculiarities of King Farouk seem as difficulties scarcely worth remembering as such.

Here to-day, as elsewhere in the "underdeveloped countries", the Communists seek to provoke misunderstanding and then chaos.

Of latter times in the Middle East our ^{State} ~~Spokesmanship~~ and Diplomacy ^{have} here made deplorable miscalculations. It is not those who have made these mistakes who have so far on their own persons felt the main impact of their appalling results. It is those who have themselves endured the fearfulness of this impact to themselves and to those local people who were their friends who are perhaps most of all sensitive to symptoms of any recurrence of disaster. I myself have known the Middle East for some 45 years. I have seen many changes but I do not relish the idea that a final change may include my own ~~engagement~~ in a bleak Communist limbo. The local ~~tolerant~~ attitude towards the enormities

- 5 -

perpetrated by Adolf Eichmann against millions of helpless human beings, shows the fate to be expected by all minorities or opponents here in the event of any ~~Eastern~~ Communist domination in these parts of the world.

In the earlier days of the Revolution and again at the outset of the "Suez Crisis" when his influence undoubtedly prevented a massive massacre of all Europeans, which, except for Nasser, might have assumed terrible proportions in extent and ruthlessness, one had a considerable respect for Colonel Nasser. Undeniably, he was then an unselfish patriot, a fanatic perhaps against Colonialism, but not entirely without cause, and drawn towards Soviet pressure mainly by force of circumstances. With the passing of years, as with so many other totalitarian dictators, he has become egotistic (partly through fear), more recklessly ambitious and more deeply involved with communism, especially of the semi-camouflaged Tito brand, and in most ways a menace to Western interests. It must be remembered even yet, however, that in Egypt anyhow there is ^{still} apparently no other "leader" for the nation except ^{such} as might use more ruthless and more unscrupulous tactics in the Middle East.

A.H.P.
12/July/61

July 14, 1961.

Many thanks for sending me copies of your two Memoranda, "Lest we forget", and its sequel.

I have read these papers with interest. I hope that you will also be letting Lord Killearn see them.

LANSDOWNE

Squadron-Leader H. Hindle James,
Oxford and Cambridge University Club,
Pall Mall,
S.W. 1.

Please note that this copy is supplied subject to the Public Record Office's terms and conditions and that your use of it may be subject to copyright restrictions. Further information is given in the enclosed 'Terms and Conditions of supply of Public Records' leaflet

Minister

THE TIMES

Cutting dated 17 AUG 1961

RECEIVED IN ARCHIVES

U.A.R. SYSTEM OF GOVERNMENT CHANGED

18 AUG 1961

VC 1016 (26A)

CONTROL BY SINGLE CABINET

CONSOLIDATING UNITY

From Our Correspondent

CAIRO, AUG. 16

Under a reorganization of the system of government announced today, the United Arab Republic is to have one Cabinet instead of three, with the aim of "consolidating the unity of the two regions".

At present there is a central Cabinet (14 Ministers and four Ministers of State), with regional executive Cabinets for Egypt (12 Ministers) and Syria (12 Ministers).

An announcement said that the reorganization would "define responsibilities for State affairs in a clear and definite manner", and that a number of vice-presidents—there are three at the moment—would be appointed with responsibility for different departments.

A later announcement said, however, that the regional executive councils would not be abolished—as had seemed apparent from the original statement—but would be recreated after the new Cabinet had been formed.

"ARAB SOCIALISM"

In future both regional councils will have their seat in Cairo, whereas the Syrian council has hitherto had its headquarters in Damascus. President Nasser has completed the formation of a new Cabinet which "will be officially announced as early as possible".

This development is clearly for the purpose of replacing the cumbersome system of three cabinets by an administration which can handle more effectively the "Arab socialism" movement to raise the different living standards.

NOTHING TO BE WRITTEN IN THIS MARGIN.

FROM CAIRO TO FOREIGN OFFICE

En Clair

FOREIGN OFFICE AND WHITEHALL
DISTRIBUTION

Sir H. Beeley

No. 838
August 17, 1961

D. 3.30 p.m. August 17, 1961

R. 4.53 p.m. August 17, 1961 VC1016/27

Addressed to Foreign Office telegram No. 838 of August 17.

Repeated for information Saving to Damascus	PCNEC (Cyprus)
Amman	PCNEC (Aden)
Baghdad	Beirut

U.A.R. Government Changes.

Abdul Qadir Hatim, Minister of State, announced on August 15 that after three months of study President Nasser had decided to re-organize the U.A.R. system of Government. In future there would be one Cabinet instead of three (one central and two executive), and there would be a number of Vice-Presidents, each of whom would be responsible for a specific field of activity. The re-organization was designed to strengthen the Union, to define ministerial responsibility more clearly and to enable the public corporations to play their full part in the national life.

2. Today's papers publish presidential decrees appointing seven Vice-Presidents, thirty-six Ministers and three Deputy Ministers.

3. The duties of the Vice-Presidents are defined as follows

- (a) Abdul Latif Boghdadi-Planning.
- (b) Field Marshal Abdul Hakim Amer-War.
- (c) Muruddin Kahhala-Production.
- (d) Zakariya Muhyiddin-Public Corporations (Production).
- (e) Hussein el Shafei-Public Organizations (Services).
- (f) Kemal Uddin Hussein-Local Government.
- (g) Abdul Hamid Sarraj-Internal Affairs.

4. The list of Ministers contains only five new names. None of the more important members of the previous Government has been dropped from the new one.

/5. The

Cairo telegram No. 838 to Foreign Office

- 2 -

5. The Cairo Press welcomes the re-organization as marking a new stage in the revolution and a step towards the achievement of the socialist, cooperative, democratic society. In particular, it is expected to fuse the two regions of the Republic and to give impetus to the nationalized industries.

Foreign Office please pass Saving to Amman, POMEC (Cyprus), POMEC (Aden) as my telegrams Nos. 30, 34 and 24 respectively.

[Repeated as requested].

ZZZZZ

Please note that this copy is supplied subject to the Public Record Office's terms and conditions and that your use of it may be subject to copyright restrictions. Further information is given in the enclosed 'Terms and Conditions of supply of Public Records' leaflet

V

North and East African Department

Vc. 1016/28

1961

UNITED ARAB REPUBLIC

FROM Sir H. Bealey.
Cairo.
CONFIDENTIAL

No. 839.

Dated August 17.

Received August 18.

SUBJECT:

Situation in the U.A.R.

Reorganisation of the Government: expected changes if Ministers did not occur: The main object of the reorganisation seems to be to pull Syria and Egypt closer together.

References

-/27.

MINUTES

Pl. see also /26 (for a full list of Ministers) & /27.

2. FAWZI, KASSOUNI & BOGHAJI have not, in the event, been dropped; but it is interesting to learn that, evidently according to current rumour in the U.A.R., they were expected to lose their jobs.

3. It remains to be seen how the new system will work out. Its details are far from clear at present.

(Printing Instructions)

(Outward Action)

(Action completed)

MD.
12.9.61

(Main Indexed)

25 1 62

FO 371/158786 (ME)

18/8/61
Ruskin
J136-50267-13

Shley
2/8
(J.A. HAMLEY)

PARB.
2/8.

PR

CONFIDENTIALFROM CAIRO TO FOREIGN OFFICE

Cypher/OTP

FOREIGN OFFICE AND
WHITEHALL DISTRIBUTION

VG 1016/28

Sir H. Beeley

No. 839
August 17, 1961D. 6.00 p.m. August 17, 1961
R. 6.55 p.m. August 17, 1961CONFIDENTIALAddressed to Foreign Office telegram No. 839 of August 17.Repeated for information Saving to:- Damascus Amman
Beirut Baghdad P.O.N.E.C. (Cyprus)
P.O.M.E.C. (Aden)

VG 1016/24

My immediately preceding telegram.

Government changes had been expected for some time, and it was generally assumed that Nasser would take the opportunity to get rid of Fawzi and Kaissouni and perhaps also Baghdadi. But in the reorganised Government the names are much the same though the titles may differ.

2. At first sight it seems a small result from three months' study and everybody seems baffled. There are still three Ministers of Economy and Treasury (Kaissouni, Zaki and Dirri) and two each of Agriculture, Local Government, Agrarian Reform, Canning, Supply, Wakfs and Health; but their responsibilities are no longer defined regionally. Hatem has added to the confusion by announcing that the Executive Councils for each region will continue to function, but that henceforth both Councils will meet in Cairo. It is not clear how Syria is to be governed, particularly if Sarraj is brought to Cairo.

3. The main object of the reorganisation seems to be to pull the two regions closer together, at any rate on paper. Under the previous system the central Ministers were often superfluous, and the few who were personally influential functioned only in the region from which they originated. They have been replaced by the Vice-Presidents, who will act as "Overlords" in specific fields.

Foreign Office please pass Saving to Amman, P.O.N.E.C. (Cyprus), P.O.M.E.C. (Aden) as my telegrams Nos. 31, 35 and 25 respectively.

[Repeated as requested]

EEEEEE

CONFIDENTIAL

CONFIDENTIAL

FOREIGN OFFICE, S.W.1.

August 22, 1961.

(VO 1016/29)

Dear Chancery,

The Counsellor of the French Embassy called on Blaker of this Department on August 18 to ask for our views about the significance of President Nasser's re-organisation of the United Arab Republic Government.

2. Blaker said it was a bit early to speak with confidence, since the exact nature of the re-organisation was not yet clear. However, it was necessary to look at the latest developments in the general context of the broader domestic policies which the United Arab Republic Government had been pursuing in recent months. On the one hand President Nasser had been pushing forward with the development of his "socialist democratic co-operative" society. Thus in addition to his recent nationalisation measures there had also been others giving the workers a larger share in the profits and the management of industry. It would not be surprising if all this was felt by the U.A.R. régime to necessitate an alteration and streamlining of the machinery of government. On the other hand Nasser seemed determined to push forward with the integration of Syria with Egypt (e.g. exchange control had recently been applied to Syria and the nationalisation measures seemed to apply equally to both Regions). First indications were that re-organisation of the Government involved a continuation of this process. It was not certain that the Syrian Executive Council, which had in effect been the Cabinet of the Syrian Region and had sat in Damascus, was to be abolished. But it seemed to be the intention that some of the Governmental functions which had previously been exercised in Syria were to be moved to Cairo.

3. In response to a question, Blaker said that he thought that the measures referred to had virtually no significance in relation to foreign policy. When Monsieur Dupuy suggested that they might have been taken because Nasser was "at the end of his tether", Blaker tried to disillusion him of this view. He said that our information was that economically Egypt was still "credit worthy". The U.A.R. Government had set itself very ambitious economic targets and there was no doubt that its economy was stretched. On the other hand the régime was pursuing a policy of austerity and was setting about its objectives with a remarkable degree of determination. On the political front it seemed that there was a good deal of discontent in Syria at the degree of control from Cairo, but there seemed to be no strong focus of disaffection inside the Syrian Region. We could see no reason to anticipate an explosion

/ inside

The Chancery,
British Embassy,
Paris.

CONFIDENTIAL

CONFIDENTIAL

inside Syria or Egypt. In response to a question Blaker said it seemed possible that the appointment of Sarraj as Vice President in charge of the Interior was designed to compensate the Syrians for the increasing degree of control from Cairo.

4. We are sending a copy of this letter to Chancery, Cairo, the Consulate General at Damascus and United Kingdom Delegation, NATC.

Yours ever,

NORTH AND EAST AFRICAN DEPARTMENT

CONFIDENTIAL

Please note that this copy is supplied subject to the Public Record Office's terms and conditions and that your use of it may be subject to copyright restrictions. Further information is given in the enclosed 'Terms and Conditions of supply of Public Records' leaflet

Minutes

THE TIMES

15 AUG 1961

Cutting dated

N/A Enter

RECEIVED IN ARCHIVES

15 AUG 1961

VC 1016/30

Arab Socialism

Recently the United Arab Republic nationalized a large number of firms and cut in half the maximum amount of land that one individual is allowed to own. These measures appear to have been sneered at by the communist press in Lebanon as not going far enough, and the editor of *Al Ahrar* in Cairo, DR. HASSANAIN HAIKAL, has taken up the cudgels to defend them as good socialism. In an interesting article he lists what he considers the differences to be between socialism in the U.A.R. and communism. Communism, he says, wants one class—the proletariat—to abolish all other classes, while "Arab socialism", as he calls it, wants "to eliminate class paradoxes in the framework of national unity". Arab socialism believes in individual ownership as long as it is not exploitation; it believes in compensation rather than confiscation. It treats the individual as the foundation of society, not as "a small cog in a vast machine". The difference between the two systems is between "blind fanaticism and free, unrestricted thinking".

Such a debate over the meaning of socialism and communism is useful because of the hurry of politicians and parties in Asia and Africa to call themselves socialist. Last month the debate was given a new twist when PRESIDENT NASSER claimed that Islam "was the first socialist state". This may have been designed to set at rest the fears of the conservative religious elements in the U.A.R. who see

had been found in layers of earth used as Bronze Age and pottery from this period line. Habitation continued through the of that age had been found on the Esqu- the second millennium B.C. and weapons colitic period, which was the first half of ancient Rome seem to date from the Chal- habitation within the city boundaries of viously thought to be the case. The earliest about 1,000 years earlier than was pre- evidence that habitation began in Rome He spoke of how there was now clear Gerstard's talk. Etruscans by the end of Professor today who did not know more about the have been few scholars in the audience behind the history of Rome and there can to appraise. Nevertheless they form lame said their literary tradition was difficult Etruscans and, as Professor Richmond Late is known historically about the over. greeted by classical scholars the world Oxford, the news of his activities was chairman, Professor J. A. Richmond, of trification with which, according to us

NOTHING TO BE WRITTEN IN THIS MARGIN

Please note that this copy is supplied subject to the Public Record Office's terms and conditions and that your use of it may be subject to copyright restrictions. Further information is given in the enclosed 'Terms and Conditions of supply of Public Records' leaflet

Minutes.

ECONOMIST

N/A

Capitalist Heresy

Out an Arab road to socialism has more than the capitalists

22 AUG 1961
No. 1016/30(6)



INDUSTRIES TO BE WRITTEN IN THIS MARGIN

up as the exponent of an alternative way to socialism, one that needs no political guidance from Russia.

The United Arab Republic is now unmistakably on this path. The move towards state ownership, which started with British and French concerns in 1956, has been accelerated over the past year; the new decrees carry it a significant stage further. The nationalisation of banks and insurance companies has been extended to Syria and completed in Egypt; several large textile and mining companies have been taken over completely; some 300 industrial concerns have been compelled to sell a half-share of their capital to the government. Compensation is in the form of 15-year bonds, paying 4 per cent interest. No man may hold more than two directorships at once, and his shareholding is limited to £10,000. A steeply graded surtax system allows a top net income from all sources of £5,000 a year. The maximum permitted landholding, formerly 200 acres, has been halved; about 3,000 farmers will lose a chunk of their land. Working hours have been reduced so that jobs can be found for more people. A quarter of all company profits is to be distributed to employees, either directly or by way of social services.

This is what has been decided. The administrative problems now facing the government are self-evident. Wednesday's move to strengthen the central cabinet and demote the regional cabinets to executive councils makes a *de facto* situation *de jure*; the decision to move the headquarters of the Syrian council from Damascus to Cairo is in the interests of centralisation but not necessarily of efficiency. The country's economy, already in a bad way, could collapse about the ears of an inefficient bureaucracy. Cairo's hope is that as many as possible of the private business men will agree to stay on in their old firms under new conditions. The efficacy of the tax laws is open to sceptical doubt; the share of profits handed out to the workers will depend on whether or not any such

Cold War in the Middle East—2

It is in Nasser's Egypt that Communist policy is most ruthless and most clearly seen.

President Nasser is not a Communist. On the contrary, he is a militant national-socialist, a deliberate imitator of the Nazi-Fascists of the thirties.

How far the Egyptians themselves respond to this treatment it is more difficult to tell. The fellah, if he listens to the radio at all, is probably impervious.

To the Anglo-Saxon this attempt to create a false morale is irritating and a little pathetic. But it is also dangerous, for Nasser is teaching the young to hate.

Warm Welcome

HOWEVER, despite the intensity of Nasser's attacks, Western visitors receive a warm welcome in Egypt. As an Englishman I met friendliness wherever I went.

It would be wrong to deduce from Egyptian friendliness to British and American visitors that Nasser has no real hold over his people.



"Many Egyptians regard Nasser as a magician." Egypt's leader with Khrushchev.

By Aidan Crawley

This is the second article in Communist aims in the Middle East written by Mr. Crawley in collaboration with his wife, VIRGINIA COWLES.

himself is incorruptible, although bribery is as rife as ever among his subordinates.

Egypt is a long way ahead of any other Arab State, and, as a city, Cairo has been immensely improved. The boulevards along the Nile bank have made the river the focal point of the city.

Nasser's promise to drive the Israelis into the sea, to expel the last vestige of Western imperialism, and to revive the glory and strength of the Arab world has made an impression on the Egyptians, but they are the Egyptians whom the foreigner seldom meets.

Many Egyptians regard Nasser as a sort of magician. His greatest triumph, they tell you, was to persuade Russia to finance the Aswan Dam after the Americans had turned it down.

and costly project will give Egypt three million more acres of fertile land, and in Cairo people refer to his "wizardry" in setting the wheels in motion; however, we also heard rumours that Nasser was having trouble with the Russians over money.

Our curiosity was aroused and my wife and I decided to visit Aswan. The journey took sixteen hours. The train pulled out of the station on the dot (a fetish with dictators that democrats can appreciate) and we found the coaches crowded with West Germans on a packaged tour to Luxor.

At Aswan we drove to the Cataract Hotel, a huge orange building with dark brown shutters overlooking the Nile. This was once a favourite spot for millionaires who came from all over the world to enjoy the climate and the deep brooding calm of the most beautiful river in the world.

We were soon reminded that we had not come to Aswan wholly for pleasure. An Egyptian business man named Abdul, an ardent supporter of the regime, arrived in his car to take us to the site of the dam.

Russian Failings

NEVERTHELESS, on the drive home Abdul told us he was sorry the Russians were building the dam and not the Americans. We asked him why, and he replied that Russian equipment was not so good; Egyptian engineers were complaining that the earth-moving machinery was much heavier and not nearly so efficient.

The Russian engineers and their families never mixed with the Aswan townspeople, nor frequented bars or restaurants or even cinemas. This isolation follows the same pattern as the Russians are adopting all over the Middle East.

However, during our two-day stay in Aswan we learned that the Russians were not the only ones having trouble—difficulties of a far more serious nature were confronting the Egyptians. At Aswan there are two large industrial plants—a hydro-electric power station and an enormous chemical works, which have

EGYPT ON THE RAZOR'S EDGE

For Nasser's prestige, even in his own country, depends mainly upon his fulfilling his role as the scourge of Israel, and so long as he needs arms to fight Israel he cannot resume full friendship with the West.

But Nasser cannot keep his promise over Israel. He knows that if the Arabs attack they will be beaten without Russian help; a Russian ship would bring in the United States on Israel's side.

Stepping-Stone

IF Nasser is leading for failure in his foreign policy, why do the Russians support him? The answer is simple. Russia does not want the Arab countries to unite; she has learned from what has happened in Egypt and Iraq that such a union would be strongly anti-Communist.

Her goal is quite different. Egypt is a stepping-stone to Africa. What matters to Russia is not the Egyptian Army or the Aswan Dam, but the "front" organisations whose headquarters are in Cairo.

Despite this pretence, both plants are facing difficulties largely due to Egypt's woeful shortage of first-class engineers and technicians. At the power station two of the great turbines were out of action for some time because of faulty handling.

At Aswan we drove to the Cataract Hotel, a huge orange building with dark brown shutters overlooking the Nile. This was once a favourite spot for millionaires who came from all over the world to enjoy the climate and the deep brooding calm of the most beautiful river in the world.

Food Problem

APPARENTLY the chemical factory, which we passed coming back from the dam, is also in trouble. That evening in the hotel lobby, I met a German chief executive of the chemical factory. He was waiting for a call to Mannheim to tell his wife that he was coming home.

President Nasser, despite his prestige, is walking on a razor's edge. His problem is how to feed the people. Egypt is a desperately poor country without enough fertile land to support a population that is increasing by leaps and bounds; even the Aswan dam will do no more than feed the extra mouths when it is finished.

Nasser's need for money is so desperate that he is like an adventurer living week by week upon his wits. He must take it wherever he can get it and so far he has managed remarkably well. He has had many millions of dollars from America, and large credits from Western Germany, Italy and Japan.

Waning Prestige

JUST before Christmas Field-Marshal Amer returned from Moscow and announced that the Soviet had agreed not only to finish the Aswan dam but to provide further credit "without limits."

Although his people regard these negotiations as a triumph, this dependence upon Russia is Nasser's greatest weakness. He is alive to Russian motives and has recently removed a large number of students from Moscow because of the attempts made to indoctrinate them; yet he cannot avoid falling more and more heavily into Russia's debt.



Russian engineers engaged on the Aswan dam project wait to leave their office on the site.

and particularly for the Americans, to try to bribe President Nasser away from the Soviet Union. They know that he has been ruthless with the Communists in Egypt and find it hard to believe that if sufficient inducements are offered he will not turn back to the West.

The only practical policy, therefore, is one of complete political disengagement. We can trade with Egypt, as with any other country, but it would be foolish to reduce our prices below an economic level, or knowingly to incur bad debts in the hope of winning Nasser to our side.

It would be equally foolish to invest private capital in a country where any industry may be nationalised at any moment. Government aid is another mat-

ter. As one of the poorest countries in the world, Egypt has just claims; but they should be judged in relation to the claims of all the other countries in Africa. At the moment she gets more than her share.

Calculated Risk

THE West must take a calculated risk in Egypt. She cannot back Nasser without endangering Israel and antagonising her other friends in the Arab world; she has to acquiesce in Russian economic penetration. But it does not follow that Egypt will become Communist or that the West has lost the cold war.

When they do, Nasser will turn against them as violently as he turned against the West. Settlement with Israel may then become possible. For in the long run Nasser has more to fear from the Russians than from the Jews.

The next article in this series will deal with Arabia.