

	V	(Security Grading—to be Up-graded where Appropriate)
	NORTH AND EAST AFRICAN DEPT.	CONFIDENTIAL
		V G 1015/31 ✓
FROM Sir H. Bealey Cairo	SUBJECT: Sir H. Bealey's Valedictory Despatch.	
No. Despatch No 32 1014/64 Dated 19-8-64	1015	
Received 21-8-64	Encloses Copy of:	References and Relevant Papers:
(Outward Action)		
	MINUTES	
	<p>I attach a copy of this despatch prepared for printing F.O.W.H. with Q. distribution.</p> <p>2. It offers a thoughtful and hard-headed analysis of Nasser's position. His strength lies in his continued virility; his experience (there is scarcely another who at 46 has already had over ten years as head of government); his renown, part thanks to Nehru's death, in the non-aligned world; his relations with Moscow; his propaganda power; and his comparative invulnerability to either domestic overthrow or external attack. It is a cautionary tale. And his major weakness, that of financial precariousness, is not necessarily of comfort to the U.K. in her efforts to preserve her interests in the area. Financial crisis could lead to a more, not less, aggressive stance. The threat to Libya (para. 8) has to be taken seriously: Cyrenaica has a half or more of her oil reserves. Nor may the Persian Gulf long retain its relative immunity. Things may be bad but they could be worse.</p> <p>3. It is for the West at large - and for us especially - a frustrating picture. Nasser has so many of the cards. Patience and restraint will be at a premium - except where our specific interests are directly threatened. And the West's biggest weapon, economic pressure (perforce by the U.S.), could rebound if it slid into overt threats. For the rest there seems little alternative but to further Nasser's international education in the, to him, still unknown ways of the occident; quietly to profit from the incipient restlessness of his would-be Arab satellites; and to exploit in the less controversial spheres the particular advantages that, despite everything, the U.K. still retains amongst Egyptian officials and businessmen. Sir H. Bealey appears to imply at the close of para. 11 that we should the more energetically cultivate our cultural, professional, technical and commercial contacts with the U.A.R. when our political ones are most strained. Subject only to the exigencies of the domestic British</p>	
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(Action completed) 12 2/2	(Main Indexed) ME 19/7/65	
	/political	

political scene, I am sure this recommendation is wise.

4. F.O.R.D. (N.E.) might show this despatch to Sir J. Richmond, who is undertaking a special study of Masser's policies in the F.S.

Number of copies.....

Arabian Dept }
 Eastern Dept } first
 FORJ (NE) - a/a

R. Higgins
 (R. T. Higgins)

agree with Mr. Higgins comments, and have sent a copy of the despatch for printing priority first.

R. Higgins
 16/7

So do I.

There are three specific points in this admirable despatch which call I think for further consideration: (i) the importance of getting Nasser to visit the West; (ii) the possibility of a Ben Bella/Nasser partition of Libya; and (iii) the existence of the "other Egypt" of the managerial class with its strong will - in links with the UK. The rest of this despatch covers ground which we are always reviewing, but these three points merit separate study, and if you agree I will leave it that the Dept will put this

yes
 16/7
 28/7

NOTHING TO BE WRITTEN IN THIS MARGIN.

Minutes.

in hand.

N. Scrimmer
26/8

by 1579 [signature] on 1/8. Harrison

I agree that this is an excellent despatch and presents a valuable basis for considering our problems vis-à-vis Egypt. It has I think one lacuna. . . It does not account for Nasser's situation in the Yemen, which after all gives us our main problem with him. ~~The fact is that~~ The Yemen does not really fit in to the analysis contained in paragraphs 6 and 7, just as it appears to be an exception to Nasser's post-Summit Arab policy, and an unsolved problem for him. The fact is that the Yemen is a hangover from the earlier period of Arab socialism. It is a monument to the Egyptian inability to avoid intrigue in other Arab countries and supporting anti-monarchical movements, whether or not this fits in to a general policy. If the situation arose again, Nasser would probably behave in the same way, and hope for some expedient to get him out of his difficulties later. He is still looking for such an expedient in the Yemen. The problem presented for us in the South Arabian Federation by his presence in the Yemen, unfortunately means that we

/ cannot

Minutes.

cannot, ^{entirely} accept the statement in the last sentence of Sir Harold Beeley's paragraph 10, namely that our bilateral problems are no longer as significant as they were.

2. I agree with Mr. Scrivener's suggestion for further study, although I think there is not much more we can do at the moment about point (1), Nasser's contacts with the West. We have been into this recently in connexion with the German Government's desire to invite Nasser on a visit and I think that we must probably leave things as they are for the next month or two.

R. S. Crawford

(R. S. Crawford)
August 27, 1964.

I too wonder whether the analysis in paras 6 & 7 is the whole truth. Not only does the Zeman note fit, but Mr. Amis in Iraq for one is concerned whether Egypt will be able or indeed want to avoid irreversible commitments to Iraq. Perhaps the Arab Summit will show.

S.A. may care to see these minutes

Handwritten signature
28/8/64

*J. J. J.
28/8/64*

I am impressed by these minutes starting with that by Mr Higgins

REB 28/8

NOTHING TO BE WRITTEN IN THIS MARGIN.

NW

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U.A.R.
Sir H. Beeley's Valedictory Despatch

This paper should have been brought up earlier for submission to you, but has only just returned from circulation to other departments in the Office. You have probably already seen the despatch in print, but you may wish to read the minutes.

2. The Department is preparing short studies on the three specific points mentioned in Mr. Scrivener's minute of August 26, and are consulting Research Department about the third. The first is also included in our thinking of what steps might be taken to improve relations with the U.A.R. Government after the elections, should it be the policy then to do so. The studies are in the nature of contingency planning. There seems no great hurry to complete them at present.

P.H. Laurence
(P.H. Laurence)
October 7, 1964.

W.A.B/x

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For

For the record, drafts on the three points I referred to have now been prepared. The one on improving Namur's contacts with the West is being kept on ice pending a submission (which I shall be putting up in a few days) on the next steps to be taken towards an improvement in Anglo-UAR relations. The one on Libya is being sent to the intelligence dept's prior to its being sent out to Tripoli for comment. The one on Bitok in connection with the managerial class is being shown to the dept and the M.D. division, again with a view to subsequent reference to Cairo.

by 1/12

See later papers.
 R. J. [unclear]
 X

N.S.
 1/11

X

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VG 105¹⁵/31

Foreign Office and Whitehall Distribution

UNITED ARAB REPUBLIC
August 19, 1964
Section 1

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SIR HAROLD BEELEY'S VALEDICTORY DESPATCH

Sir Harold Beeley to Mr. R. A. Butler. (Received August 19)

SUMMARY

President Nasser's authority and character. (Paragraphs 2-3.) His attempt to develop Egypt quickly. (Paragraph 4.) His non-alignment, and the necessity of continuing effort by the West if his equilibrium is to be maintained. (Paragraph 5.) His vision of a United Arab Republic surrounded by Satellites, and his actual influence in other Arab countries. (Paragraphs 6-7.) The temptation of Libyan oil. (Paragraph 8.) President Nasser's wider international ambitions. (Paragraph 9.)

Conclusions for British policy. (Paragraph 10.) Contrast between the attitude to Britain of the President and his entourage, and that of officials and of the managerial and professional leaders. (Paragraphs 11-12.)

(No. 32. Confidential)
Sir,

Cairo,
August 19, 1964.

I have the honour to submit some general reflections on the United Arab Republic at the conclusion of nearly three and a half years in that country.

2. It would seem unnatural to begin elsewhere than with the personality of the President of the Republic, so absolute is his authority. Through all the constitutional re-arrangements of recent years, President Gamal Abdel Nasser has remained the unique source of decision on all matters which he chooses to regard as important. He has advisers of course, and the continuity in office of the group that made the revolution 12 years ago is a remarkable phenomenon. But their prestige has not grown commensurately with his, as was shown by the ease with which he discarded the strongest personality among them, former Vice-President Abdel Latif Baghdadi, in March 1964. Apart from the President, the most influential individual in Egypt now is the Prime Minister, Sayed Ali Sabri, but despite his title he remains essentially what he has been for many years, the President's Chef de Cabinet, and he has no other source of power. The other Ministers are superior civil servants, and

the newly constituted National Assembly is designed for a passive role.

3. The impression made by President Nasser on most of those who meet him for the first time is one of quiet sincerity. This is undoubtedly misleading. In the years before 1952, when he and his fellow-conspirators were preparing for the overthrow of the monarchy, he learned to conceal his motives and intentions; and this skill has not left him. It is one facet of the patience and self-control which must have played a great part in establishing his leadership at that time and which continue to strengthen his judgment. He is essentially rational, neither reckless nor impulsive, but calculating, self-confident and obstinate. The vitriolic abuse which is an intermittent feature of his oratory seems to be largely a controlled instrument of political warfare, though I think it also betrays a tendency to lash out when frustrated and an abnormal sensitivity to criticism. He constantly repeats that he never initiates verbal warfare with another Government but that he is obliged to counter-attack when attacked—thus perhaps rationalising a fear of letting others have the last word. Allied to this characteristic is a retentive and detailed memory for past slights and

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setbacks, and a vindictive refusal to let bygones be bygones. The whole course of the tripartite conference on Arab unity in the spring of 1963, as the published minutes reveal, was determined by his obsession with the past conduct of the Syrian leaders. It is to be feared that the progress of Anglo-Egyptian relations will continue to be made more difficult by similar obsessions. The minutes of the tripartite meetings also showed how formidably equipped President Nasser has become for the conduct of public affairs. He works hard, so hard and with so little relaxation that observers have wondered whether he was not burning himself out. He is certainly conscious of the onset of middle age (he is 46), and one object of the constitutional re-shuffles of the past two years has been to give him greater freedom from executive responsibilities. It is said that among his intimates he has even talked of retiring. If so, the resulting discussion must have shown how widely he is regarded as indispensable. I do not myself believe that he is capable of deliberately loosening his grip. His health appears to be good and there is no visible threat to his position. I would not describe him as a megalomaniac, though the seeds are there and he appears to be growing less approachable and more contemptuous of views other than his own.

4. Although Arab affairs and his role on the international scene are probably more exciting to President Nasser than the economic and social development of Egypt, he recognises that this must be his basic concern and has set his personal stamp on the internal policies of the régime. It was he who determined in 1961 that the remaining financial power of the former governing class and its foreign associates must be totally destroyed. It is he who has laid down that financial difficulties must not be permitted either to reduce the momentum of the development programme or to compel the present generation of Egyptians to pay for it by forgoing the improvement of their standard of living. Thus far his confidence has on the whole been justified, but external debt is accumulating dangerously and the control of the State over the economy is outrunning its capacity. Already there are signs that development is slowing down for lack of foreign exchange to sustain it, and the authorities are worried by the problems of rising consumption. If a period of retrenchment and consolidation should prove to be unavoidable, President Nasser might be

obliged to sacrifice some of his present colleagues and to recall Sayed Abdul Latif Baghdadi. But if any way can be found of evading these compulsions, the President's instinct will be to take it.

5. In foreign affairs President Nasser's overriding concern has consistently been to assert and maintain his country's independence from external control or influence. Against the historical background this has given an anti-British and to a lesser extent an anti-American slant to his policy and propaganda; even to-day he feels the presence of British bases in Aden, Cyprus and Libya as a constriction of his freedom. Although his relations with the Soviet Union are by contrast easier and more intimate, I believe his sensitivity to any Russian attempt to curtail his freedom of action would be as acute as it is to "imperialist pressure". Non-alignment is necessary to his conception of his own historical role in Egypt and the Arab world. Nevertheless I do not think the West can afford to take this posture for granted. The dependence of his armed forces on Soviet sources of supply, the construction of the High Dam at Assuan and the evident readiness of the Russians to make further substantial investments in Egypt constitute a pressure which could be decisive if relations with the Western world as a whole were to deteriorate. At present there are various counterbalancing factors of which the most important is the virtually free supply of foodstuffs from the United States at the rate of more than £50 million a year. But it is important in my view that President Nasser's personal contacts with the West should be extended. In this field the Communists have a long lead; apart from a visit to Greece and a brief attendance at one United Nations Assembly in New York, the President knows nothing of the West. This has led him both to an exaggerated opinion of the technical achievements of the Soviet Union and to the feeling that in the Western world he is not regarded as an equal. It is to be hoped that President Nasser will be invited to visit Western countries before it is too late to dispel these impressions.

6. The importance of his orientation in world politics extends beyond Egypt. It is his aim to dominate the Arab world, and despite setbacks to this ambition he has already achieved a large measure of success. Not however by territorial aggrandisement—his one attempt at this,

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the union of 1958-61 with Syria into which he entered against his better judgment, ended in fiasco. Since then he has refused the assumption that in the Arab world union means strength and has declared, frequently and probably sincerely, that he does not again want to carry the responsibility for what happens in another Arab country. It is true that he signed the declaration of April 1963 providing for union with Iraq and Syria, but the minutes of the preceding negotiations show how sceptically he viewed it; and one conclusion which emerges from those records with perfect clarity is that the idea that anything in Egypt itself would be changed by federal union never once crossed his mind. What he wants outside Egypt is not provinces but Satellites. The present Governments of Iraq and Yemen suit him perfectly. It is true that the persistent demands of Presidents Aref and Sallal for union with the United Arab Republic are an embarrassment, since he is obliged to respond in a way which will undermine neither their position nor his own reputation as the foremost champion of Arab nationalism, of the Arab determination to crush Israel in the long run, and consequently of Arab unity. But he has so far succeeded in creating the appearance of progress towards constitutional union without entering into irrevocable commitments.

7. His ambition, in fact, is to control the Governments of the other Arab States indirectly through his influence over their peoples. It is a rational aim for the leader of a country which does not provide the material basis for empire-building but which is more advanced than its neighbours and possesses an immensely powerful apparatus of propaganda. In recent years the range of its influence has been greatly extended by the spread of the transistor radio. With the exception perhaps of Morocco, there is no independent Arab State to-day whose freedom of action is not limited in some degree by the power of Egyptian propaganda. President Nasser's confidence in this weapon was illustrated by his remark to me that during the Evian negotiations the Algerians had consulted him as to whether they should concede the French requirements in Mers el-Kebir, and that it would have been "impossible" for them to make this concession if he had opposed it. This method of exerting his influence makes certain demands on Nasser: first, that he keep his

hands as free as possible from limiting commitments to individuals and parties in other Arab countries; and secondly, that he must never lose touch with the vanguard of nationalist feeling. Thus on the one hand he boasts that he makes no alliances with Opposition parties and plants no agents in the Arab countries, while on the other hand Cairo is the refuge of extremists, malcontents and hitherto unsuccessful, but still aspiring, thugs from all parts of the Arab world. The quality of this political riff-raff, however justified President Nasser may be in claiming that they are not chosen by him, is a standing criticism of his leadership.

8. To back President Nasser's appeal to the Arab peoples it is also necessary for Egypt to present to the world at large an appearance of economic stability and relative prosperity. In this connection the President and his advisers must give a good deal of thought to the influence he can exert in the Arab world in relation to its oil wealth and to his own grave financial problems. I do not know what arguments were used in securing the recent loans, totalling £35 million, from the Government of Kuwait, nor whether that Government will feel constrained to make further subventions to the United Arab Republic. But I have long suspected that President Nasser covets at least a share in the growing oil revenues of Libya, and that if he cannot obtain it by other means he might, as an exception to what I believe to be his general Arab policy, be led to contemplate the annexation of Cyrenaica. The artificiality of the union between Cyrenaica and Tripolitania, the interest of President Ben Bella in the latter, and the nature of the relationship between the two Presidents, all suggest that this possibility cannot be excluded.

9. Finally, President Nasser undoubtedly aspires to play an increasingly important part on the international scene. With the death of Mr. Nehru, the acknowledged doyen of non-aligned and Afro-Asian statesmen, this aspiration may have become more precise. Certainly President Nasser has the advantage, in self-restraint and coolness of judgment, over such rivals as President Sukarno and President Nkrumah. Egypt provides an almost ridiculously inadequate basis for posturings of this kind, but the President's demeanour at recent international conferences suggests both that he is seeking the role and that

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he is thereby being drawn into assuming a more mature and statesmanlike personality.

10. This summary of President Nasser's character and objectives leads me to draw certain conclusions concerning the policy of Her Majesty's Government. I think we shall have him with us for some time, and that his influence in the Arab world as a whole is not likely to decline, whatever may happen in particular Arab countries. He will therefore retain a capacity to harm British interests in the Middle East which, if the use of military force is excluded, greatly outweighs our capacity to retaliate. It is for many reasons unlikely that his attitude to the United Kingdom will become positively friendly; but it does not follow that hostility to British interests is now, or will necessarily become, the mainspring of his policy. These considerations seem to me to point to the desirability of reaching such limited understandings with him as may be practicable, and above all to the necessity of avoiding so far as possible a direct confrontation with him on any issue involving the emotions associated with Arab nationalism. In any event the bilateral relationship between the United Kingdom and Egypt no longer has the significance that it had before 1956, and we are probably more concerned now as a member of the Western alliance with the course steered by Egypt in the main currents of world politics.

11. To this I would add a further important consideration. This despatch has so far dealt almost exclusively with political matters, and hence with President Nasser as the unique source of political decision in the United Arab Republic. Nevertheless he is not Egypt, and it would be misleading to write of Anglo-Egyptian relations exclusively in these terms. One of the earliest experiences of an observant British visitor to Egypt is the discovery that the attitude towards Britain of the President and his immediate entourage, which appears to be shared by the very influential leadership of the intelligence organisations and probably by the officer corps as a whole, and which is presented in exaggerated form by the Press and radio, does not correspond at all to the attitude of senior civil servants, heads of economic organisations, professional men or even

Ministers. In our contacts with them entirely different considerations come into play. The past history of Anglo-Egyptian relations, which is a handicap in the purely political field, is an asset in our cultural, professional, technical and commercial contacts. A high proportion of the managerial class in Egypt to-day (for the most part men in their forties and fifties) have some previous experience of the United Kingdom. Many have studied there, others have become accustomed to British equipment and techniques, nearly all have confidence in British professional standards. In these respects we still have a unique standing here. In some measure it is bound to decline with increasing competition from other technically advanced nations, and as new generations come forward. But much can and in my view should be done to maintain it. The intrinsic value of these aspects of Anglo-Egyptian relations is a further argument in favour of seeking a political *modus vivendi* with President Nasser. And their successful cultivation in times of political strain should enable us to take fuller advantage of any favourable change of wind in the future.

12. For the present, one consequence of the dichotomy I have just described is that the work of an Ambassador in Cairo tends to be less fruitful than that of his staff. As the first Ambassador here since the resumption of diplomatic relations, I would like to pay tribute not only to the present staff of the Embassy but to all those members of the Service who have worked here since our return and contributed to the re-establishment of a British presence in Egypt. The measure of success with which this has been done is their collective accomplishment.

13. I am sending copies of this despatch to Her Majesty's Representatives at Algiers, Amman, Baghdad, Bahrain, Beirut, Benghazi, Damascus, Jedda, Khartoum, Kuwait, Rabat, Tripoli, Tunis and Washington, the Permanent Representatives to the United Nations at New York and the North Atlantic Treaty Organisation at Paris, and the Political Officer at the Middle East Command (Aden).

I have, &c.

H. BEELEY.

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(1014/64)

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*Will arrange copy
with Mr. Hill. A.S.*
BRITISH EMBASSY,

CAIRO.

September 1, 1964.

Dear Ronald, VG1015/32.

VG1015/14.

The Ministry formed by President Nasser and announced on March 25 (enclosure to Cairo Despatch No. 15 or April 1) has since been augmented by two appointments, that of Engineer Amin Hilmi Kamel as Minister of Light Industries on June 28, and latterly that of Mohammed Labib Shuqair, hitherto Minister of State for Planning, to be Minister of Economy and Foreign Trade.

2. The promotion of Shuqair (No. 59 of the 1963 Personalities) represents the final stage of the replacement of Ahmed Zendo (No. 36) as Minister of Economy. It was apparently considered by the U.A.R. Ruling Few that the direct replacement of the one by the other would have been so abrupt as to represent an unnecessarily severe blow to Zendo's prestige. Shuqair, however, who has been known for some time as a Kaissouni man, appears to be a logical choice for the job.

3. There are still a number of lesser fields to be filled in the Government. In particular, Hatem has not yet acquired Ministerial assistants; his selections having been reportedly rejected by President Nasser. Stino is likewise still a host in himself, while Abdul Muhsen Abul Nur is to date short of one Ministerial adjutant. We suppose also that Ahmed al Sharabassi should in due course have a Ministerial subordinate.

4. I enclose some biographical notes on Amin Hilmi Kamel.

Yours ever,
Calvin
(C.T. Brant)

R.T. Higgins, Esq.,
North and East African Department,
Foreign Office,
LONDON, S.W.1.

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ENGINEER AMIN HILMI KAMEL

(Sometimes referred to as Amin Hilmi)

Minister of Light Industries.

Born 1918.

He graduated from the Engineering Faculty of Cairo University in 1940. After working for some time as an engineer with the Armed Forces, he became an instructor on the Army general staff. He later supervised the construction of Military Factory No. 54, of which he was subsequently appointed Director.

He was a Director of the Board of the Five-Year Plan Organisation, until appointed Minister of Light Industries in June 1964.

According to the press, he has participated in all the major industrial deals in which the U.A.R. has been involved in recent years, and has led industrial delegations to the Soviet Union (1959), the Leipzig Fair (March 1964) and France (Summer, 1964).

He is reported to be an able engineer and administrator by some of the many foreign businessmen with whom he has come into contact.

September 1, 1964.

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VO 1015/32

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FOREIGN OFFICE, S.W.1.

September 9, 1964.

You may be interested in the attached
--- copy of Brant's letter (1014/64) of September 1
to me about the new U.A.R. Government appoint-
ments. For ease of reference I enclose also
--- the extracts from the 1963 Personalities Report
about Shouqir and Tando.

I am sending copies of this letter and
the enclosures to Mr. Littler (Treasury),
Mr. Schofield (Bank of England), Mr. Rosegood
(Ministry of Transport, and Mr. Pittlyon (D.I.S.).

(Spd)
(R.F. Higgins)

H. L. Hibbs, Esq.,
Commercial Relations and Exports Dept.,
Horse Guards Avenue,
LONDON, S.W.1.

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Ahmed Zende

Minister of Economy.

Born 1918, he graduated from the Faculty of Commerce in 1938 and taught at the Commercial Institute at Alexandria until he joined the State Audit Department, in which he served from 1942 to 1958, rising to become Controller-General. He took part in the Franco-Egyptian talks at Geneva in 1957.

In 1958 he was appointed Director-General of Exchange Control. He was later promoted Director-General of the Budget Department and finally Assistant Under-Secretary of State at the Treasury. In October 1961 he was appointed Chef de Cabinet (Treasury) to Vice-President Baghdadi, and in March 1962 Deputy Minister of the Treasury. Promoted Minister of Economy in September 1962.

He is unmarried and speaks fairly good English. Small and unimpressive, he appears to antagonise his subordinate officials by his slow working methods. He has however very good manners and is pleasant to deal with.

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Dr. Mohammed Labib Shuqair

Deputy Minister of Planning.

Born at Menuf in 1926.

Educated at Cairo University, he chose an academic career. He obtained his Ph.D. in Paris in 1950 and was appointed lecturer in Political Economy at Cairo. He became Assistant Professor in 1959. At the same time he served on various official committees set up by the Ministries of Planning and Industry.

A member of the Preparatory Committee of the National Congress of Popular Forces, November 1961, and of the Congress itself in the following summer.

He represented the U.A.R. at the Economic and University Conferences in Morocco, Tunisia and Conakry in April 1962.

He has written a number of books on economics. He is married, with one son and one daughter.

He was appointed Deputy Minister of Planning in September 1962.

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(Security Grading—to be Up-graded where Appropriate)

NORTH AND EAST AFRICAN DEPT.

V ✓
 VC 1015/33

FROM
 Sir George Middleton
 Cairo to Sir Geoffrey
 Harrison.

No. -

Dated September 24

Received September 29

SUBJECT:
 Sir George Middleton's impressions of President Nasser formed when presenting his credentials on September 22.

1015.

Encloses Copy of:

References and Relevant Papers:
 VC 1051/41 - ✓ 2/9/64

(Outward Action)

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1. I wonder if the Ambassador is not building a little too much on a 40 minute meeting. In other words, in other situations, the personal magnetism does show. Nasser's charisma certainly succeeds with Arab audiences. He has also charmed Western visitors. There is also a lighter, freer side to his nature - exemplified for example in his glib, passion for neck tie.
2. Nonetheless all agree about the sense of historical inevitability, the personal touchiness and the self-righteousness. Sir G. Middleton's comparison of him and the General bears thinking about.
3. Sir F. Richardson might be shown the letter by Ford.

Sum. Thankyou.
 JMB 22/10

RET
 20/9

Eaton Dept (M. Gordon) It is hardly surprising that Nasser
 Bahri Dept (A. G. 1/10) is tired having had an OAU and then Arab
 FORD (M. E. 2/10) Summit meeting in rapid succession and
 a non-aligned conference coming up. His thin skin and
 sustainability are typical Egyptian characteristics. So in
 his taking for awman: I did not know about the

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Many of the characteristics described strike me as general Arab and not specifically Egyptian characteristics: notably the mixture of prejudice with reason; the self-righteousness; and the Bin-shimmed sentimentality. It is often the deceitful who protest that they are sincere.

H. Cudde

Wooden
2/10

I agree with the first sentence of Mr Higgins' comment.

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BRITISH EMBASSY,
CAIRO.

CONFIDENTIAL

September 24, 1964.

As dear Geoffrey,

You may be interested to hear of the impression I formed of President Nasser on presenting my Credentials to him on Tuesday, September 22. Details of the ceremony and of my conversation with the President have been reported separately by despatch.

VG1051/2. President Nasser is dignified and massive in a Pharaonic style as I had expected to find him. But I also detected in him a certain leaden heaviness which may be the result of accumulated fatigue. His voice in private conversation is soft and, at least on this occasion, curiously uninflected. His English is fluent. He uses it with care, choosing his words as he goes. He marshalls his thoughts and advances his arguments solidly, even ponderously. It does not alter the nature of his attack that his ideas are clearly an amalgam of prejudices, misconceptions and preconceptions as well as of reason. He comes on like a heavy tank in the thick armour of self-righteousness. There is a certain megalomania. He alone is sincere, a word he used frequently, he alone is on the side of God and history. His enemies wilfully misrepresent him, revile him, try to humiliate him. But he is invulnerable, right is his strong shield, for every blow he will give back ten. But he protests that he wants peace and understanding and his hand is out if we will take it - on his terms.

3. I found no sign of the personal magnetism, the almost hypnotic charm that I had been led to expect. Rather, he is heavy, brooding, fateful, prophetic. There was no electricity in him, only a sort of heavy doom. I judge him to be exceptionally thin-skinned, imagining all kinds of slights and insults, even more than his background and Arab nature would justify. The only times he responded with a flicker of spontaneous interest was when I mentioned that my wife and I had come full circle in the sense that nearly 30 years ago she had left Cairo for Buenos Aires to get married and now we returned from Buenos Aires to this Embassy; and when I offered my condolences on the tragic accident in which the Egyptian swimmers had been killed. Otherwise he seemed like a man carrying an almost intolerable burden and perhaps weary of the rôle in which history had cast him, though always conscious of his mission of leadership, an Arab de Gaulle, touchy, complex and fateful. He professes that he wants to be reasonable, but he will not be deflected from his aims.

Yours ever,

George Middleton
(G. H. Middleton)

Sir Geoffrey Harrison, K.C.M.G., K.C.V.O.,
Foreign Office,
London, S.W.1.

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A/ 1.
Communist Attitude to Arab Unity and the UAR

V41015/34

The views of correspondent M. Kremnyov of World Marxist Review, who visited the United Arab Republic some time ago, were given in the journal's July edition. Commenting on the UAR's progress and problems he saw the social and economic reconstruction becoming more radical in complexion and as spreading to vital areas of the country's life. Although the UAR government had earlier thought the national bourgeoisie willing, in the main, to go along with the government's reforms it had become necessary to restrict the bourgeoisie and to reinforce the State sector by reforms known as the Socialist Laws, which the working people gave enthusiastic support. But class contradictions became more acute with further nationalisation measures and economic reforms and there were fewer references to "Arab Socialism" and "Egyptian Socialism", instead there was talk of "scientific Socialism" and the "Egyptian road to Socialism", culminating in the passing of the Charter of National Action in the summer of 1962. This document, however, did not elaborate on the concept of "scientific Socialism" and did not say that it meant Marxist scientific Socialism; indeed the Egyptian Press had accentuated the differences between the "Egyptian road to Socialism" and scientific Socialism as conceived and defined in Marxist-Leninist theory.

Kremnyov touched on some of the difficulties of social and economic reconstruction in the UAR, and said these difficulties were not always tackled with "due determination". Nevertheless, "The United Arab Republic is a striking illustration of the new trend in world development - the striving of the newly-free countries to embark on the non-capitalist road". It "may not be the shortest road to Socialism, but it paves the way for the subsequent transition to Socialism".

The problems of the National-Liberation Movement of the Arab peoples was the subject of a recent exchange of views in Prague between Marxist theoreticians from Syria (Khaled Bikdash, Zahid Abdel Samad, Omar Sibai and Mourad Kuwatly), Iraq (Anwar Mustapha and Aziz al Haj), Lebanon (Sawaya Sawaya, Jamil Haddad and Said Traboulsi) and Jordan (Fuad Nasser and Farid Said). All speakers stressed that the fight for the unity of the Arab people was part of their fight against imperialism, against old and new colonialism, and for the social advance of their countries. Fuad Nasser of Jordan said that his party had begun to make a deeper study of the socio-economic changes taking place in Egypt, since Arab unity could not be separated from the changes taking place in the Arab countries. Referring to Egyptian reforms he said: "Although we have never considered these reforms to be really Socialist ones, we have not denied their importance" since they serve the interests of the Egyptian workers, peasants and small bourgeoisie and are directed against the big bourgeoisie, who, with the feudal lords and big land-owners "were eager to establish an alliance with imperialism against the Egyptian people, against Nasser and against the Arab liberation movement generally". The Syrian Zahir Abdel Samad pointed out that the level of economic development differs in most Arab countries although in all of them a bourgeoisie has emerged which seeks to protect its own interests. He viewed the Arab League not as the embodiment of the idea of Arab unity but nevertheless a step in the direction of the unity "which is dictated by objective conditions in the Arab world today, and it may yet serve as a means of bringing the Arab countries together in many spheres". He said two distinct trends should be recognised in the question of Arab unity: the bourgeois-nationalist trend, represented by Nasser, the Ba'ath party and Arab nationalists; and the revolutionary-democratic trend, which proposed the best way to an enduring Arab unity, represented by Ben Bella and the National Liberation Front, Syrian Independent Socialists, such as Ahmed Abdel Karim and Amin an Nafouri, and the Communists.

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2.

Egypt, he said, could play an important rôle in uniting the Arab peoples by virtue of her comparatively high level of economic and social development "provided she takes account of the conditions and specific features of each country, provided she does not strive for expansion or seek to subordinate the other Arab countries". The Communists hold that the best unity would be a federal association which would preserve the specific features of each country, the local governments being given extensive powers. / 9

V

(Security Grading—to be Up-graded where Appropriate)

NORTH AND EAST AFRICAN DEPT.

VG1015/35

FROM Mr D.J.D. Maitland, Cairo to Mr Scrwener
No. 1031/64
Dated 8-10-64

SUBJECT: report on the indications in various fields of a shift to the left in the U.A.R.'s policies.
1015

Received 16-10-64

Encloses Copy of:

References and Relevant Papers:

-128
VG112/27
VG128/1
VG103138/19

(Outward Action)
D/H Mr Wright, Washington from Mr Morris (dispendy) 11
8c) Sec A) Mr Walker, Cairo 3/12

MINUTES

We must indeed watch this leftward drift with care but our conclusions about its implications for Western interests must be cautious too. An extension of state control in commerce and agriculture could be thought genuinely necessary to deal with Egypt's fundamental economic difficulties, whatever short term compromises are made with private business. It is not therefore self-evident that further socialisation will demonstrate a blind addiction to dogma at the expense of realism: it is not even clear that the Egyptians have lost more ^{in investment} private than they have gained in public, governmental assistance from the U.S.S.R. and hence the U.S.A.

2. But wherever the truth lies of this lie, it would also be mistaken automatically to infer that an intensification of domestic socialism necessarily involves a significant convergence of external U.A.R. policy with that of Moscow. The relative stance in her foreign policy, mentioned in para 5 fortifies this point.

3. The leftward swing in journalistic appointments and opinions and the talks on party matters between Ali Sabri and Khushfara (which are not mentioned in the letter) are more substantial strands in the web. Nevertheless that web has yet to blow more fiercely on us.

4. In making these points I do not wish to minimise any / threat

(Printing Instructions)
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(Action completed) 9/11/64
(Main Indexed) mrc 19/12/65

but to spell out cautious distinctions. A year ago, after all, many and particularly the Americans became anxious about the 'plunge to the left' in Burma. But although the Burmese have since created a system that is more socialist, indeed "communist", the U.S.A. domestic province, they have remained almost impeccably non-aligned. S.E.A.D confirm this impression.

Number of copies.....

Number of copies of enclosures.....

P. Higgins
19.10.

28/10
Easton Dept Mr. Lyndon
Arabia Dept
Middle East
ERD/WR. Mr. Higgins
Ford (N.E.)

See note - 1/36 below.

NS
27/10

Perhaps Mr. Khrushchev's denials may affect UAR thinking on this subject; the personal relationship with the Soviet leader having disappeared the Egyptian attitude to the Soviet Union is bound to be tentative for the time being.

W. Higgins
27/10

M. Higgins

Wm
28/10

While Mr. Higgins' connection is necessary, I wonder if there is not some risk of a swing to left alignment internationally too? Non-alignment seems to depend more & more on Nasser personally. Others who, for whatever different reasons, had been in support of it seem in varying degrees of discard or disfavour (Sadat as well as Boghdadi, while Amer, though close to Nasser, / does

NOTHING TO BE WRITTEN IN THIS MARGIN

Minutes

does not seem to influence his policies much). If the Sabri faction takes advantage of the present combination of economic crisis & foreign failure & put pressure on Nasser he might give way to them. The constellation from our point of view is that this will reduce Nasser's stature in the Arab world if not elsewhere - always assuming that Nasser himself is not removed, which begins to seem not inconceivable.

Jed
29/10

Mr Black You should see this.
Bellack
30/10

Two of the charges now being made against Khrushchev relate to the U.A.R: one concerns the \$100 million aid granted during Khrushchev's last

^{Minutes}
 visit to the UAR &
 the second to the
 award of "Hero of the Soviet
 Union" to Nasser & Sabri.
 Paper entirely with
 Mr Goodwin's comment.

ABM
 30/12

Yes. And the new Soviet leaders
 may also review their relations with
 the UAR.

R.L.
 6/11
 R/S.M.

You may wish to see again.
 J.L.B.
 24/11

Mr Goodwin @ 25/11

x R/S.M. x

A) Mr Walker, Cairo to N.E.A. Dept. 10/11/49 24/11

Please send. Also open.
 R/S.M.

NOTHING TO BE WRITTEN IN THIS MARGIN



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An interesting & disturbing letter, which supports our view that we must go into more effective speaking terms with the Egyp.

BRITISH EMBASSY,
CAIRO.

October 8, 1964.

(1031/64)

V41015/35

*17/10
15/7 X
The Morris - a
Communist report
in ME*

Dear Ronald,

For some months now we have been observing indications in various fields of a shift to the left in the direction of the United Arab Republic's policies.

2. At home the authorities have been facing mounting difficulties in the economic field, but they have shown no disposition to modify their attachment to socialist principles. Indeed, according to one of our reliable contacts the theoreticians of the Arab Socialist Union have recently decided that the socialist measures adopted so far have not been an end in themselves but only a means to an end. This has caused further fluttering in the bourgeois dovecotes. The current supply crisis, on which we reported in Cairo telegram No. 818 of October 1, has compelled the authorities to concede the patent truth that the private sector (i.e. the thousands of small general goods shops all over the country) has a role to play in overcoming the present difficulties in the distribution of supplies. But in our view this is no more than a tactical concession and there have been well-founded suggestions that more doses of state control are being contemplated.

3. In the agricultural sphere too, leftist ideological principles seem to be in favour. As you will recall from Cairo despatch No. 10E of February 28, the authorities introduced two parallel experiments last autumn. In the Governorates of Kafr el Sheikh and Beni Suef a system of "direction" was applied giving power to government officials to lay down what method of farming was to be used. This bore striking similarities to collectivisation. In Minya and Minufiya on the other hand, cooperative principles which, since their introduction in 1961, had achieved some success in increasing productivity (i.e. "vertical expansion"), particularly in cotton producing areas, were to be applied intensively. It was originally intended that these two experiments would be continued for two years after which the whole country would adopt the more successful system. However, the outcome would now appear to have been prejudged, since it was announced last month that "direction" would be introduced this autumn in four more provinces.

4. Leftist views are also in vogue in the press world. In

/my

R. S. Scrivener, Esq.,
Foreign Office,
London, S.W.1.

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- 2 -

my letter No. 1041/64 of July 16 I mentioned that Heikal seemed to have fallen under Khrushchev's spell on the "Armenia". Since then his writings have given further support to the view that his intellectual affinity is now with Moscow. The fact that he appears to have recovered some of the influence he lost earlier in the year is perhaps more significant in the present context. Meanwhile, those overgrown Vicars of Bray, the Amin Brothers, have been peddling the most disreputable anti-Western claptrap in "Al Akhbar" for several months now. But their cynicism has not gone undetected since Khalid Mohyeddin, the notorious "red Major" of the early days of the Revolution, was last month appointed Chairman of the Board of Directors of "Al Akhbar" by Presidential Decree. The Amins remain proprietors of "Dar al Akhbar". At the same time Ihsan Abdul Qaddous was edged out of his editorial chair at "Rose el Youssef" and replaced by Ahmed Abdul Meguid Fuad, who has a communist and possibly an intelligence background and was a member earlier this year of the U.A.R. Committee on the De-Nuclearisation of the Mediterranean. It is curious that no mention of Ahmed Fuad's appointment has appeared in the press.

5. There is less tangible evidence of a shift towards the left in the U.A.R.'s foreign policy. Admittedly the number of prominent Egyptians who have recently visited communist countries has increased as compared with those visiting the West, many of whom in any case have been seeking medical treatment. I should prefer to describe the trend in this sphere as one away from the West. The communiqués issued after Ali Sabri's visits last month to Moscow and Prague and President Nasser's speech inaugurating the Non-Aligned Conference illustrate this pronounced lack of sympathy with the Western point of view.

6. We cannot yet gauge the full significance of these developments but we are watching them closely and will keep you informed. Meanwhile, we are inclined to think that they originate in the struggle for power within the ruling caucus which ended with the dismissal of Abdul Latif Baghdadi in March. The more extreme doctrinaires led by Ali Sabri thus prevailed over the more moderate pragmatists and not even the deepening foreign exchange crisis nor the nation-wide muddle over supplies have apparently weakened their position. Where President Nasser himself stands is not yet clear. He is certainly very tired and must find life burdensome at present. There are widespread rumours of tension between him and Ali Sabri, but we see no reason yet to amend the conclusion in Cairo despatch No. 24 of June 4 that Nasser had not weakened in his resolve to maintain his country's independence from the great powers although his close contact with Mr. Khrushchev during the latter's visit to the U.A.R. had brought him to a state of sentimental

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- 3 -

alignment with Moscow. To this extent he could be expected to apply the non-alignment brake if the leftward trend seems to be going too far. But we cannot be sure that this will indeed happen. The present drift to the left could therefore be serious.

7. I am copying this letter to Killick in Washington, Sewell in Moscow, Whitwell in Aden and to the Secretary, J.I.G. Cyprus.

Yours sincerely,
Donald Maitland

(D. J. D. Maitland)

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(1031/64)

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BRITISH EMBASSY,

CAIRO.

November 24, 1964.

VG1015/35(A)

Dear Department,

We should be interested to have a copy of the Information Research Department minute about the Communist line on the United Arab Republic that was mentioned in paragraph 3 of Mr. Morris' letter VG 1015/35 of November 12 to Mr. Wright in Washington.

Yours ever,

(H.B. Walker)

North and East African Department,
Foreign Office,
LONDON, S.W.1.

CONFIDENTIAL

*deeper in dept.
Enter HEAD.*

*Mr. Crawford
I suggest a copy to
Cairo 18/11/64*

FOREIGN OFFICE
S.W.1.
November 12, 1964.

*Wong
13/11*

VQ 1015/35

SECRET

Will you please refer to Donald Maitland's letter 1031/64 of October 8 to Ronald Scrivener about the shift to the left in the direction of the UAR's policies. One cannot, of course, assume that the shift in agrarian policy (paragraph 3) is not to be attributed to internal non-political factors, in which ideology plays no part. With that reservation, this letter does supply evidence of a noticeable 'trend'.

2. There is equally striking evidence of a shift in the attitude of Arab communist parties towards the UAR during the last eighteen months. Since the days in 1959, when the UAR and its supporters in the Arab world were full of noisy alarm and despondency at the prospect that the Communists would take over Iraq, the cleavage between the Communists and Nasserites in the Arab Middle East was never so deep as immediately after the Baathist coup in Baghdad in March 1963, when the honeymoon between the Baath and Nasser was on, and Communists were being ruthlessly butchered in Iraq. (At this time, incidentally, the Egyptians appear to have advised the Iraqis that they would be wise to continue to get some of their arms from the West). Communist propaganda was then virulently anti-Baath, anti-tripartite union, and anti-Nasser.

3. Since the collapse of the tripartite union scheme, and the split between the Baath and Nasser, the Communist line has made a 180° turn. I enclose a minute supplied by IND which traces this evolution. You may also have seen a recent secret report quoting a Soviet Embassy official in Beirut as saying in September that "the rapprochement between the Communists and Nasserites in the Arab world seemed to be progressing fast", and commenting on various ways in which it was being implemented. Although Khaled Bikkdash, the Syrian Communist leader, is sticking to his anti-Nasser views, in doing so he appears to be going against the weight of Arab Communist opinion, and what is more important, defying Soviet direction.

W

P.R.H. Wright, Esq.,
British Embassy,
WASHINGTON.

SECRET

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-2-

4. All this, of course, has a bearing on one of the points which we discussed with the State Department in September: the extent to which Nasser's influence in the Middle East acts as a barrier against Communist infiltration or positively assists it. At official level here, we would say that the moral to be drawn from this evidence of recent trends is twofold:

- (a) whilst we do not believe that Nasser himself has any intention of voluntarily going over the brink, we do not wish to push him any further towards it. This is an argument for the West, and us in particular, trying to get on better terms with him;
- (b) at the same time, these trends argue in favour of the thesis that our interests are not served by the extension of Nasser's influence.

5. We should like to see this subject aired with the Americans, but we have no particular wish to do so as an extension of the exchanges with the Bureau of Near Eastern Affairs. Perhaps it might be done better on the intelligence network. We leave it to you to decide in the light of local conditions which would be the most profitable way of pursuing this. (I have mentioned to Alan Crick that this letter is on its way to you).

6. A footnote should be added about the elimination of Khrushchev. The Egyptians are evidently and understandably nervous of the effect of this on their relations with the Soviet Union, especially because one of the charges allegedly levelled against Khrushchev was that he pledged amounts of aid to the UAR without proper authority. We may therefore expect the UAR to draw back a little and wait to see evidence of the continuity of previous policies towards the UAR; but there seems to be no reason to expect that this will seriously affect the main lines of policy on either side. (Since this was drafted, Vice President Araf has appeared on the rostrum in Red Square during the November 6 parade. This may have reassured the Egyptians)

(W. Morris)

	V	(Security Grading—to be Up-graded where Appropriate)
	NORTH AND EAST AFRICAN DEPT.	
		V
		G 1015/38
<p>FROM Mr D.J.D. Maitland Cairo to Mr Scrivener</p> <p>No. 1014/64</p> <p>Dated 30-10-64</p> <p>Received 6-11-64</p> <p style="text-align: center;">(Outward Action)</p> <p>86) Mr Fitzlyon D.J.S. Mr Schofield BofE Mr Hillier, T.Sy Mr Hibbs, BofE Mr Rawlings ECGD</p>	<p>SUBJECT: Rumours circulating about the internal situation in UAR: including government changes open public criticism regarding supply position: Anglo/UAR relations, prospects improving.</p>	
	Encloses Copy of:	References and Relevant Papers:
		<p>VG 1115/2</p> <p>VG 1051/56</p> <p>VG 1051/57, 67</p> <p>VG 1051/53</p> <p>VG 1051/41</p>
	MINUTES	
	<p>This has already been seen by senior officials. We are in an even more difficult position than Cairo to exclude all these rumours of internal strife. But so, after all, we want of the Egyptians involved.</p> <p>2. Copy to Mr. K. Fitzlyon, D.J.S.</p> <p style="text-align: right;">Ref 9-11</p> <p>Eastern Dept on 2/11</p> <p>Archivist See also VG 1051/56 + 57</p> <p>Forward on 11/11</p> <p style="text-align: right;">D. K. 12-11</p> <p style="text-align: right;">D. P. 17/11</p> <p style="text-align: right;">A. S. 17/11</p> <p style="text-align: right;">Mr. Wainwright particularly 1/57.</p>	
(Printing Instructions)		
(Referred to Legal Adviser)	<p>A) Sir G.H. Middleton, Cairo to Mr Crawford of 31/10</p>	
(Action completed)	(Main Indexed)	<p>9/12/64</p> <p>19/1/65</p> <p>WAE</p>
		<p>86) I suggest that para 6 of Sir G. Hammon's letter of November 12 has covered this point sufficiently <u>in situ</u> the Ambassador and that we might await the outcome of the third round between the S. of S. and Hafer's Council on or about December 22 before considering what should be said to Name about our further thinking about a visit. This would sufficiently consent with Sir G. Middleton's talk with Mr. Reid on November 18 (Para B). Kil 11/11 2.12.</p> <p style="text-align: right;">I think</p>

I think that Sir G. Harrison's letter of Nov. 12 and Sir G. Middleton's reply of Nov. 18 (-/67 and -/74 respectively) have adequately covered the points made in the letter in his letter of Oct. 31 here.

L. P. [unclear]
8/12

This went up with, ~~was covered~~
by (as Ray C), my submission of Nov 4
in vs 1051/67.

NS.
8/12
Oct 9, 12

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3/11*

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BRITISH EMBASSY
CAIRO.

*Sen' E. H. ...
M. ...
W.A. 4/11*

(1014/64)

VG 1015/38

October 30, 1964.

*M. Lamer ...
Suter 9/11*

Dear Ronald,

Many rumours are circulating here about the internal situation in the U.A.R. It is being said, for example, that Ali Sabri was planning to oust Nasser, that Ali Sabri is to be kicked upstairs and made a Vice-President, that Nasser has asked Abdel Latif el Baghdadi to come back and deal with the economic mess and that Baghdadi has refused, that Hatem's authority is being undermined and that he is likely to be made a scapegoat for the U.A.R.'s present difficulties.

2. At the same time the régime is being criticised by the public in a fashion which I am told is more outspoken than at any time since it came to power in 1952. None of the grievances which are being expressed is surprising. The inadequacies of various individual Ministers are retailed as are the effects of the supply crisis. Officers home on leave from the Yemen are talking about the ineffectiveness of the U.A.R. presence there and of military extravagances. Officials in the provinces are complaining of the hardships of life in a small town or village. (This last comes from a member of Chancery who has just returned from Upper Egypt.)

3. Meanwhile the newspapers are full of reports of the meetings Ministers are holding to deal with the critical foreign exchange and supply positions. Far-reaching decisions are being taken at these meetings (~~esp. Cairo~~ *VG 1115/2* telegrams Nos. 961 and 962 of October 29). Nasser himself, refreshed after ten days' holiday at Burg al Arab, has returned to take charge and is holding a meeting with the Vice-Presidents and Deputy Prime Ministers this evening.

/4.

R. S. Scrivener, Esq.,
Foreign Office,
London, S.W.1.

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- 2 -

4. It is as always difficult to assess precisely the importance of all this gossip. We are inclined to think that it is no more than an expression of irritation and frustration which must be widely felt since a breakdown in the supply system must inevitably affect most of the population. The foreign exchange crisis has probably brought to light a number of ministerial nonsenses, such as lack of co-ordination between departments and needless extravagances side by side with cheese-paring. Nonetheless, the ferment is unusual and probably unprecedented, as I have suggested, and will bear close watching.

5. The prospects for Anglo/U.A.R. relations seem to be brightening. The editorials on the occasion of the anniversary of the 1956 "aggression" have been notably mild and, as you will have noticed, both Nasser and Ali Sabri were in expansive mood when the Ambassador called on them. So far so good. In this connexion the Ambassador has asked me to mention a point to which he attaches special importance. In order to avoid a misunderstanding such as we had over the message in the summer, and to keep up the momentum we have gained since the change of Government at home, he hopes you will be able to pass some word to Nasser about the ministerial visit, either through Hafez Ismail or through us, within the next two weeks or so.

Mr. G. M. Ismail has also written to Mr. Crawford on this point, which I shall cover in my submission.

MS.

*VG1051/56
-157*

6. I am copying this letter to the Chanceries at Beirut, Amman, Damascus, Baghdad, Jedda, Tel Aviv, Washington, Khartoum, Benghazi and Tripoli to the P.O.M.E.C. (Aden) and the Secretary J.I.G. Cyprus.

Yours sincerely,

Donald Maitland

(D. J. D. Maitland)

CONFIDENTIAL

CONFIDENTIAL

*pw Mr Scrivener
TKC 3/x1*



BRITISH EMBASSY,
CAIRO.

October 31, 1964.

VG 1015/38(A)

Dear Stewart,

1465/3

Donald Maitland, in paragraph 5 of his letter (1014) of October 30 to Ronald Scrivener, mentioned the need to keep up the momentum in our dialogue with President Nasser. You will also have seen my telegrams Nos. 969 and 970 and Saving telegram No. 72.

VG 103/38

2. I think it is difficult to over-emphasise the importance of maintaining contact with the President. It is clear from paragraph 6 of my despatch No. 34 of September 24 that the President is looking forward to an early Ministerial visit. I very much hope, therefore, that it will be possible to keep to the time-table originally proposed and for a Minister to come out before the end of the year.

3. If, for any reason, it is not possible to arrange a Ministerial visit quite so soon, I hope that I may be informed in good time so that I can tell President Nasser and give him convincing reasons for this. It is important that he should have no further reason for feeling 'humiliated' by lack of responsiveness upon our part.

Yours ever,

George Middleton
(G. H. Middleton)

R. S. Crawford, Esq., C.M.G., C.V.O.,
Foreign Office,
London, S.W.1.

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FROM CAIRO TO FOREIGN OFFICE

Cypher/OTP

FOREIGN OFFICE AND
WHITEHALL DISTRIBUTION

Sir G. Middleton

No. 1039
November 13, 1964

D. 4.06 p.m. November 13, 1964
R. 4.45 p.m. November 13, 1964

IMMEDIATE

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VG 1015/39(A)

Addressed to Foreign Office telegram No. 1039 of November 13.

Repeated for information to : Washington

Beirut (for R.I.O.)

and Saving to :	Amman	Algiers	Bahrain
	Baghdad	Tunis	
	Damascus	Tripoli	
	Jedda	Benghazi	
	Khartoum	Tehran	
	Kuwait	Tel Aviv	
	Rabat	POMEK (Aden)	

My telegram No. 1037: Nasser's Speech to the National Assembly.

This was a masterly performance. The President was seated throughout and spoke in a confidential, paternal manner in colloquial Arabic. If he intended to reassure the masses who have been suffering from shortages and hearing criticisms of mismanagement of the country's affairs in high places he will have succeeded. But the educated classes will have noted that while President Nasser referred with disarming frankness to the numerous grievances which have been widely expressed in recent weeks, he answered very few of them.

2. Nasser's main theme was that in the transition from the "stage of transformation" to the "stage of upsurge", difficulties were bound to arise. Moreover, it was to be expected that amongst the many Government officials up and down the country there should be some overbearing, corrupt or dishonest individuals. But there was nothing wrong with Arab Socialism, the achievement of which remained the Government's aim. Such mistakes as had been made were simply in the manner of bringing it about. While he made no explicit compromise on the principles enunciated in the national charter on which the U.A.R. domestic policy was based, Nasser did not make clear what the Government proposed to do to overcome the present difficulties. The inference was that there would be changes of pace and emphasis

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Cairo telegram No. 1039 to Foreign Office

- 2 -

in the development programme, but he may have feared that to admit this would expose him to attack by the more doctrinaire of his colleagues.

3. Nasser made two notable admissions. First, that his failure to speak at Alexandria on July 26 was due to fatigue and, secondly that the extra wealth created by the Aswan Dam would not be sufficient in view of the steady increase in the U.A.R.'s population.

4. Nasser showed himself particularly sensitive to criticism about the cost of the U.A.R.'s foreign policy (e.g. the four expensive summit conferences this year), the cost in men and treasure of the Yemen campaign, and the U.A.R.'s financial aid to Mali and Northern Nigeria. This may presage a rather less forward policy in the foreign field.

5. On foreign affairs Nasser was more non-aligned than in any speech this year. This again may have been a response to criticism. His references to the Soviet Union suggested that relations were now correct but had lost the warmth which characterized them in Khrushchev's time. His attitude to the United States was similarly correct though he has not for several years criticized United States policy, e.g. towards Israel, the Congo and, by implication South Viet Nam, in detail.

6. What was remarkable about his references to Great Britain was what he did not say. The usual rigmarole about British intervention in Egyptian affairs in pre-revolutionary times was absent, and this speech will be widely interpreted in the U.A.R. as a public response to your message of good will. Indeed, as I left the National Assembly after the speech several of my diplomatic colleagues offered me their congratulations.

Foreign Office please pass Washington as my telegram No.175 and Saving to Amman, Baghdad, Damascus, Jedda, Khartoum, Kuwait, Rabat, Algiers, Tunis, Tripoli, Benghazi, Bahrain, Tehran, Tel Aviv and POMEC (Aden) as my telegrams Nos. 57, 53, 43, 66, 20, 21, 18, 23, 18, 25, 24, 23, 6, 26, 36 respectively.

[Repeated as requested]

ADVANCE COPIES:

Private Secretary

Sir H. Caccia

Sir G. Harrison

Mr. Crawford

Head of N.E.A.D.

Head of News Department

SSSS

CONFIDENTIAL

OUTWARD SAVING TELEGRAM
FROM CAIRO TO FOREIGN OFFICE

En Clair and
by bag

No. 74 Saving
November 14, 1964

V91015/39(B)

Addressed to Foreign Office telegram No. 74 Saving of
November 14

Repeated for information	Washington 153	Algiers 24
	Beirut (for R.I.O.) 83	Tunis 19
	Amman 58	Tripoli 26
	Baghdad 54	Benghazi 25
	Damascus 44	Bahrain 24
	Jodda 67	Sehran 7
	Khartoum 21	Tel Aviv 27
	Kuwait 22	P.O.M.E.C.(ADEN) 37
	Rabat 19	

Speech by President Nasser on November 12

President Nasser made a major policy speech lasting two and a half hours at the opening of the second session of the National Assembly on the evening of November 12. The following is a summary.

2. In a half-hour introduction, President Nasser said that he wanted to speak informally because he had a lot to say. Moreover, he had not addressed the Assembly for a long time. He had meant to speak on July 23, but he had still had guests at the time and afterwards he had felt exhausted. The year had seen many important conferences in the United Arab Republic. These had been attacked on Israel Radio, which had suggested that the money spent on them was a loss to the Egyptian people. But Israel would have been willing to pay a great deal more than the ££. 50,000 - ££.100,000 that such conferences cost in order to hold them on her territory. More generally, people had been saying that the United Arab Republic paid more attention to foreign policy than to home policy. But the U.A.R.'s foreign policy served its home policy. Without complete independence of action abroad, no country could develop internally. Without foreign contacts a country would have to depend only on its own resources for development. But through international co-operation it was possible to obtain loans for development. The U.A.R. also itself gave loans to other countries: it needed to chase Israel out of Africa. Moreover, the giving of loans opened markets for U.A.R. goods.

3. The U.A.R.'s foreign policy was of course based on non-alignment, and the U.A.R. expressed its opinion on world matters. There were no direct problems between the U.A.R. and the United States of America, although the U.A.R. might disagree over certain problems, such as United States support for Israel and the United States' attitude towards the Congo, as well as the policy based on force that the U.S.A. followed in certain places. As for the U.A.R.'s relations with Britain, the U.A.R. was against imperialism and against foreign military bases. This, however, did not prevent the U.A.R. from being ready to establish sound relations with Britain. It was

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Telegram No. 74 Saving from Cairo to Foreign Office

not the U.A.R.'s task to be hostile to Britain for the sake of being so. President Nasser then briefly reviewed the relations between the U.A.R. and the Soviet Union, which had been strengthened between 1955 and 1958. The fact that the Soviet Union was a communist country had had no effect on this: on the contrary, it had proved the soundness of the principle of co-existence. At the time of Abdul Karim Kassen there had been a difference between the U.A.R. and the Soviet Union, but since then relations had not only returned to normal but been very much strengthened. It had been suggested that the recent changes in the Soviet Union had been caused by the offer of a loan to Egypt, and by the decorations bestowed on him and on Field Marshal Amer. This was nonsense: the loan remained valid and co-operation between the U.A.R. and the U.S.S.R. would continue.

4. In general, those who said that the U.A.R. should lessen its interest in foreign questions either understood nothing or were trying to isolate the U.A.R. If the U.A.R. were isolated, it would be a country like Iran, which had no international value other than through its alliance with America and its membership of the Central Treaty Organisation.

5. After this introduction, the President turned to home policy, to which he said, the U.A.R. was in fact devoting ninety per cent of its time. He recalled that in his speech at the inauguration of the Assembly, he had said that the U.A.R. had completed a stage of transformation and stood on the threshold of the stage of upsurge. There was no doubt that the country had the right to face the stage of upsurge with great confidence. During the stage that had preceded it great results had been achieved in various fields. First, the U.A.R. had achieved complete independence. Secondly, much had been achieved in the field of Arab Unity. The Arab League had been developed into an active organisation. The U.A.R. had brought about the downfall of the pacts that had aimed at making its territory a sphere of influence. Since the first Arab Summit Conference had been convened on December 23, 1963, Arab action had been unified to confront Israel. The tremendous experiment of unity with Syria, irrespective of Syria's secession, had reaffirmed the possibility of Arab unity and its historic inevitability. Five million Yemenis had emerged from the middle ages to the twentieth century. The Unified Command agreement had been concluded with Iraq. Finally, Algeria had won its independence and become a progressive factor in Arab nationalism.

6. In the social field, a very great deal had been achieved since 1952. The latest developments had placed members of the working class in leading posts, in both people's organisations and production units. In spite of what was being said about the election of members of the working class to Boards of Directors, the experiment was a successful one. Wages had been increased; and social insurance, insurance against old age, health insurance and the co-operative system had been introduced. There had been a lot of criticism about the application of health insurance in Alexandria. But this did not mean that the theory of health insurance was wrong, only that mistakes had been made in its application. Whenever any new project was embarked on, problems would emerge. But this did not mean the system was wrong, only that its application

/was

- 3 -

was sometimes faulty. Here the National Assembly had a great responsibility, for its members were in touch with the people at working level.

7. Great achievements had been made in industry, despite criticisms and difficulties. Work in this field had to be rapid, because of the increase of the population of the U.A.R. This was why the construction of the High Dam was a matter of life and death. And the High Dam alone was not enough: it was necessary that the U.A.R. should industrialise swiftly. Therefore, despite the misgivings of planners, they had taken the decision in 1959 to double the national income within ten years. This meant that some mistakes were bound to occur. For instance, there had been delays in importing some industrial requirements, and it was true that work at some factories was partially suspended, for example steel factories. The National Assembly could be of great help by forming committees that would go all over the country to check that factories were being efficiently run.

8. One of the U.A.R.'s biggest problems was to balance the requirements of industrialisation with those of increasing consumption. More and more workers were requiring meat. But it would not be right to divert money from industry to importing meat. Local livestock breeding must be encouraged.

9. Allied to this problem was that of the non-earning expenditure of the Army. But the Army was essential because of the ambitions of Israel, and it took only 12% of the budget compared with 50% in the United States and 28% in Israel. Among the duties the Army had had to face were those in the Yemen, where it was said \$1,000 million had been spent and 10,000 lives lost. Field Marshal Amer would talk to the Assembly about the Yemen in a closed session.

10. Turning to social problems, the President said that the country still suffered from the inherited remains of feudalism and bureaucracy. The solution was to group together all the socialist powers to defeat them. In the transitional stage from capitalism to socialism there were bound to be many problems and differences, even contradictions, in society.

11. Returning to the difficult equation between production and consumption, the President urged everybody to save - savings would not be nationalised - and to buy as little as possible. The meat shortage had been caused by people's buying more than they needed. Such problems were natural. But the system was not wrong, only its application. Alongside the many good people working for the Charter and the many good things being done, such problems as bureaucracy, bribery and extravagances in Government building existed. They must be dealt with by giving the people authority over the executive in line with the National Charter.

12. The most conspicuous of the internal political defects in the U.A.R. was that the Arab Socialist Union had not yet completed its rôle as a source of socialist democracy. Social democracy had been achieved by the abolition of class distinctions; political democracy had been achieved by the Arab Socialist Union; but the full exercise of democracy had not yet been attained. The sound application of democracy and the gradual transfer of the authority of the state to popular bodies was a major task for the near future.

/13.

- 4 -

Telegram No. 74 Saving from Cairo to Foreign Office

13. As to current problems the Government was doing its best to get prices back to the 1961 level. Of course this would mean sacrifices, but nothing needed for production would be dispensed with.

14. The President closed his speech by saying that it was not wrong to practise self-criticism. It was his task and the Assembly's to say that there were certain problems and to work for the solution of them.

MIDDLETON



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OUTWARD SAVING TELEGRAM
FROM CAIRO TO FOREIGN OFFICE

En Clair and
by bag

No. 77 Saving
November 18, 1964

VA 1015/40

Addressed to Foreign Office telegram No. 77 Saving of
November 18

Repeated for information Saving to	Washington 156	Rabat 20
	Beirut (for R.I.O.) 87	Algiers 25
	Amman 60	Tunis 20
	Baghdad 56	Tripoli 27
	Damascus 46	Benghazi 26
	Jedda 69	Bahrain 25
	Khartoum 23	Tehran 8
	Kuwait 23	Tel Aviv 28
		P.O.M.E.C. (ADEN) 31

Speech by Ali Sabri on November 17

Prime Minister Ali Sabri addressed the National Assembly for about 70 minutes on November 17.

2. Ali Sabri said that between the parliamentary year that had ended and the coming parliamentary year certain features had begun to appear that were the inevitable result of development from an imperialist exploiting society to a just socialist one. The nation's responsibilities had been increased by the fact that the United Arab Republic had decided neither to neglect the coming generations nor to exploit the present generation which had made the Revolution.

3. The only means of getting over the awful backwardness that had loomed over Egyptian society at the time of the Revolution was a system of sound planning. At the time, however, Egypt had not possessed the administrative skills needed for planning. They had had to decide whether to wait until personnel could be trained, or to make an immediate start and proceed by trial and error. The latter course had been decided on.

4. Preparation for national planning had continued throughout 1957 and 1958 and actual application of the planning had started in July 1960. The preparatory stage had been one of great difficulty, because the countries with which Egypt had traditional relations had imposed an economic blockade. The country had faced this problem in three ways. First, the people had tightened their belts. Secondly, work had started immediately on providing consumer goods and light industrial goods that had previously been imported. Thirdly, in deciding the desirable equilibrium between heavy and light industry, it had been decided, in order that the present generation should not suffer, to give great attention in the First Five-Year Plan to light and consumer goods industries.

5. Reviewing the progress of the First Five-Year Plan, Ali Sabri said it was only natural that production in the first year should have been less than expected. This happened in all countries practising planning for the first time. The second year had witnessed some important developments. First, the 1961

/cotton

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- 2 -

Telegram No. 77 Savings to Foreign Office from Cairo

cotton crop had been less than expected by one third because of pest damage. According to normal economic rules the U.A.R. should either have curtailed the development plan immediately or decreased its imports. However, once again humanitarian considerations had overruled economic rules. Further, President Nasser had decided that the peasants should be compensated. The State had thus had to pay a double tax in 1961 for which no return could be expected.

6. Secondly, 1961 had seen the introduction of the local administrative system and other public services projects that had not been included in the Five-Year Plan, and these had resulted in expenditure's exceeding what the plan had provided for. Thirdly, socialist laws had been introduced which were necessary for the redistribution of the national income, and these all boosted consumption. Fourthly, free education had been established.

7. The third and fourth years of the Five-Year Plan had thus really consisted of recovery from a time of danger. The work on the High Dam had been delayed by a full year, and this had had to be made good in 1963 and 1964 on top of all other projects. But despite all the difficulties the development plan had not been curtailed.

8. Ali Sabri then reviewed the achievements that had been made by the end of the fourth year of the Five-Year Plan. Production in the foundation year of the Plan had been estimated at £E.2547 million. By the end of the fourth year it had reached £E.3,300 million. As far as services were concerned £E.929 million had been earmarked in the Plan, and £E 993 million had actually been spent in the first four years. As for the employment, the Plan had provided for the employment of 7,015,000 workers; he took pleasure in announcing that by the end of the fourth year employment had risen to 7,085,000. Wages had been expected to total £E.725 million by the end of the Five-Year period; they had actually reached £E.770,300,000 by the end of the fourth year.

9. The principle of self-criticism, Ali Sabri went on, allowed him to say frankly that these achievements ought to have been accompanied by the growth of a sense of responsibility amongst the people. The people ought to realise the benefits to themselves and to the nation of savings. These constituted not more than 5% of income whereas in advanced countries they were usually not less than 20%.

10. The rises in consumption that had taken place since 1952 emphasised the need for a sense of national responsibility. In the foundation year of the Five-Year Plan, local production of meat had amounted to 157,000 tons and 15,100 tons had been imported; in 1964 local production was 189,000 tons and imports amounted to 52,500 tons. In 1959/60 442,000 tons of flour had been imported; in 1963/64 693,000 tons. In 1952 no wheat had been imported and consumption had been one million tons; this year's consumption would be 3,315,000 tons. Between 1952 and 1964 maize consumption had jumped from 1,350,000 tons to 2,060,000 tons. In the same period, millet consumption had risen from 374,000 to 687,000 tons. In 1952 no fish had been imported; in 1963/64 10,650 tons had already been imported.

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Telegram No. 77 Saving of November 28 to Foreign Office

11. The difficult equation between supply and consumption had been faced by the Government with short-term and long-term solutions. Short-term solutions were four: first, the setting aside of £E.40 million of hard currency for the import of consumer goods; secondly, tighter control of co-operative organisations; thirdly, the reduction of allocations set aside in the current fiscal year for services, buildings and general expenditure; and fourthly, the giving to consumer goods of priority in the import programme. The permanent solutions were seven. First, studies were being made in order to restore the prices of essential commodities to the 1961 level. Secondly, a Poultry Organisation had been established. It was now producing 5,000 chickens daily, and would produce five million chickens a year from July 1966. Thirdly, a Meat Organisation had been set up in October to breed livestock. Fourthly, the production of existing factories was being increased and the programme for establishing new factories expanded. Fifthly, arrangements were being made to cancel controlled prices for domestically produced meat in order to encourage farmers to breed livestock and increase milk production. Sixthly, certain import regulations were being introduced. Lastly, a consumption plan had been put into effect.

12. In order to avoid a further rise in prices while consumption grew, several measures were necessary. First, greater production and greater productivity were required. Secondly, savings should be promoted. Thirdly, lessons should be learnt from the experience of the First Five-Year Plan. Fourthly, every citizen must understand his responsibility to his country. Fifthly, extravagance must be combatted. Ali Sabri mentioned in particular the undue lavishness of some Government buildings, the extravagant use of Government cars and the duplication of different firms producing the same goods. Establishments with like activities should be grouped into larger units.

13. For its part, the Government had adopted several measures to curb the growth of expenditure: the proper organisation of Government buildings; the banning of the use of residential buildings by Government Departments; control of the use of public sector vehicles; abolition of the technical bureaux abroad; the curtailing of trips abroad; the saving of a part of the hard currency cost of diplomats' salaries.

14. The sixth measure was to get rid of inherited laws that did not conform with socialist thought. He suggested that a committee of the National Assembly, in co-operation with the executive authorities, should reconsider these laws.

15. Then again, bureaucracy must be defeated. Already a central accounting organ had been established to ensure effective control over all projects, whether wholly or partly owned by the State, and the Central Organisation and Administration Bureau had been set up to improve administrative efficiency.

16. Finally, there would be further decentralisation, following the success of the Local Administration Law already issued. The People's Councils, and the socialist representation of the working powers on boards and organisations, could be a great help here.

17. Ali Sabri said that all the evidence proved that the

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Telegram No. 77 Saving of November 18 to Foreign Office

projects included in the first Five-Year Plan had been necessary. In drawing up the second Five-Year Plan, three points should be borne in mind. First, all projects should be thoroughly co-ordinated. Secondly, projects bringing a quick return, such as sugar plants, cement factories, iron works and fertiliser plants, should be given priority. Thirdly, greater attention should be given to local domestic production projects with a view to the export of products earning hard currency.

18. Ali Sabri then referred briefly to what President Nasser had said on November 12 about the inter-relation of home and foreign policy. He closed with a peroration in which he said that the U.A.R. did not fear mistakes. It was only those who did not work that did not make mistakes.

MIDDLETON.



SDB



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M. Higgins
M. L. ...
N. L. ...
24/11
copy by (M. Litter) also. 24/11

BRITISH EMBASSY,
 CAIRO.

November 20, 1964.

(10114/64)

23 NOV 1964
 VC1015/42

Dear Ronald,

The recent speeches to the National Assembly by President Nasser and Ali Sabri (Cairo telegram No. 77 Saving of November 18) carry the story of the U.A.R.'s internal situation a stage further. Our last letter on the subject, as you will remember, was Donald Hawley's No. 11211/64 of November 4.

VC1121/31

VC1015/39

2. Most observers here agree with the assessment in Cairo telegram No. 1039 of November 13 of Nasser's purpose and performance. We have been reliably informed that up to the last moment Nasser was engaged in an argument with his advisers as to the line he should take. The latter thought that he should be brutally frank not only in acknowledging the régime's shortcomings but also in describing the country's economic plight. But, according to our information, Nasser was adamant and in the end, although he mentioned many of the criticisms which had been circulating, he pulled his punches about the seriousness of the present situation. This story would seem to be borne out by the fact that as he spoke Nasser had before him a prepared text to which he referred, and from which he quoted from time to time. Frequently, however, he turned over several pages of the text before resuming his improvisations.

3. Several of our Egyptian contacts have remarked on the absence of any support in Nasser's speech for the family planning campaign. We are assured that the final text did contain a passage on this subject and this would certainly have been a logical sequel to his references to the population pressure and his admission that the High Dam will not solve Egypt's problem. The family planning campaign has been meeting with resistance from the religious bigots and it is being conjectured that Nasser decided not to mention the subject after noticing how warmly the Assembly received his statement that the good

/relationship

R. S. Scrivener, Esq.,
 Foreign Office,
 London, S.W.1.

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relationship between the Soviet Union and the U.A.R. did not mean that the Egyptians had abandoned their religion and become Marxist and materialist.

4. Another notable feature of both speeches was that, apart from passing references to the "economic blockade" imposed in 1956, neither Nasser nor Ali Sabri attempted to put the blame for the current crises upon foreign influences. We consider this development not only welcome, particularly in the context of the U.A.R.'s relations with the West, but also mildly encouraging in that it suggests that the régime will be less inclined to react impetuously against foreign interests. At the same time we doubt whether Nasser will for the present think it necessary to make any of his ministers scapegoats. Numerous officials in the consumers' co-operatives are being thrown to the wolves, but the idea seems to be gaining ground that no one in particular is responsible for the present mess and that the top brass as a whole allowed their revolutionary or Arab socialist enthusiasm to run away with them until pressure from foreign creditors on the one hand and from the disgruntled populace on the other forced them to call a halt. This may sound nonsense in Whitehall, but it is a plausible Egyptian explanation for a characteristically Egyptian state of affairs.

5. As regards the future, it now seems fairly clear that while rumours are circulating about impending measures in this field and that, the Government have not yet decided exactly what to do. The chances are that, amongst other things, they will initiate a savings campaign, cut back on the industrialisation programme, decentralise the administrative machine and allow some prices, especially of non-essentials, to rise. Pending final decisions the two speeches are in the nature of a public warning that things have gone wrong and an assurance that steps are going to be taken to remedy the situation. Indeed it may be some weeks before it becomes known to what extent the policies of the past few years will be modified. If, as we believe, decisions are being delayed for good reasons, we think that the assessment in the last paragraph of Cairo despatch No. 282 of July 6 may well prove valid. As you may recall that paragraph read as follows:

"The time is overdue for a conscious effort to adjust development plans to the country's resources and to its real needs. I suggest that we should be wrong to assume necessarily that President Nasser will not make this effort; and carry it out. If he does, and given a continuance of aid and support from the Soviet Union and the United States, the future trading prospects with this country may improve to an extent that would call for a new appraisal of United Kingdom trade policy towards the United Arab Republic."

6. I am copying this letter to Wright in Washington,

/Hibbs

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Hibbs, Board of Trade, Cotterill in the Export
Credits Guarantee Department and Schofield in the
Bank of England.

Yours sincerely,

Donald Maitland

(D. J. D. Maitland)

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FROM CAIRO TO FOREIGN OFFICE

En Clair

Sir G. Middleton

No. 1098

November 27, 1964

FOREIGN OFFICE AND
WHITEHALL DISTRIBUTION

D. 1.58 p.m. November 27, 1964

R. 2.44 p.m. November 27, 1964

PRIORITY

My telegram No. 1094. — VG1015/43

The John F. Kennedy library was completely destroyed with some 23,000 books, and the bulk of the Marines Quarters was also burned down. The demonstrators also got into the main Embassy courtyard and badly damaged about 9 vehicles there. There were no American casualties, but the Press reports that one of the police guards was badly hurt.

2. Although the Press attributes the demonstrations to African students, eye-witnesses say that the demonstrators included Egyptians. 41 arrests are reported to have been made.
3. The Press reports that at 1700 small groups of students suddenly appeared from the streets surrounding the Embassy and gathered together to force their way in. The number of students is given as 200. The demonstrators used rags and kerosene, including the kerosene used for heating the Marines Quarters.
4. At 1830 the American Ambassador made the following statement, which is not printed in today's Press: I am deeply disturbed at the irresponsible and unjustified attack upon the Embassy, its compound and the USIS library. Very significant and unnecessary damage has been done. The library and the Marine house are still in flames but appear to be completely demolished. The library is one of the oldest institutions of its kind we have abroad. That this house of learning should end in flames after twenty years of service to the cause of education, is shocking. Until I have had an opportunity to assess completely the damage and all facts surrounding this distasteful deed, no further statement can be made.
5. Strict security precautions are in force today round the United States, Belgian and British Embassies.

bbbb

INWARD SAVING TELEGRAM

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CONFIDENTIAL
OUTWARD SAVING TELEGRAM
FROM CAIRO TO FOREIGN OFFICE

(90 mh)

En. clair
and By Bag

VA 1015/45(A) Rec'd Dec 3

No. 81 SAVING
December 2, 1964.

Addressed to Foreign Office telegram No. 81 Saving of December 2.

Repeated for information Saving to:	Washington	164
	U.K. Mis. New York	91
	Moscow	14
	Prague	1
	Peking	4
	Leopoldville	1

VA 1015/45

My telegram No. 1098 of November 27 (not to all):

Demonstration at United States Embassy, Cairo.

The United States Embassy are still collating reports on the sequence of events on the evening of November 26 (Thanksgiving Day), when the John F. Kennedy Library was completely destroyed with some 23,000 books, the bulk of the Marine guards' quarters was also burnt, a number of windows of the Chancery broken, and a number of vehicles were badly damaged in the main Embassy courtyard. The following is our interim report on the incident.

2. At about 5 p.m. on November 26 small groups of students suddenly appeared from the streets surrounding the U.S. Embassy and gathered together to force their way in. The press reports that one policeman was badly injured. There were probably about 200 demonstrators in all. They used rags and kerosene, including the kerosene used for heating the Marines' quarters. Although the press attributes the demonstration to African students, eye-witnesses say that the demonstrators included Egyptians. 41 arrests are reported to have been made.

3. At 6.30 p.m. my United States colleague issued a statement, saying that he was deeply disturbed at the irresponsible attack on the Embassy. That the Library, one of the oldest institutions of its kind the United States had abroad, should end in flames after twenty years of service to the cause of education, was shocking. This statement was not printed by the U.A.R. press.

4. On the night of the fire, the Captain of the Cairo

/Police

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From Cairo to Foreign Office Saving telegram No. 81

- 2 -

Police called at the United States Embassy to survey the damage. He did not express any regret. At noon on the following day Mr. Battle handed a strongly worded note, containing his "emphatic protest" at the events of the previous day, to the Under-Secretary of State at the Foreign Ministry. The latter expressed surprise that the United States Ambassador should protest. He contrasted the Ambassador's attitude with that of Washington which he claimed was calm. He pointed out that the Fire Brigade and Police had been quickly on the scene. This interview was unsatisfactory from the Americans point of view and became heated. In the evening of the same day the Foreign Ministry notified the Ambassador that the Deputy Prime Minister for Foreign Affairs would receive him on November 28. The atmosphere at this interview was quite different. Dr. Fawzi expressed the U.A.R. Government's regret at the incident and promised full compensation for damage done. He expressed the hope that the incident would not be allowed to spiral lest it damage U.S./U.A.R. relations. The United States Ambassador reciprocated this wish. Later Dr. Fawzi's Chef de Cabinet delivered the U.A.R. Government's reply to the United States note. This expressed regret and promised compensation. It went on to claim that events in the Congo had stimulated the African students. The note also repudiated a suggestion in the American note that the protection afforded by the U.A.R. authorities had been inadequate and claimed that the Fire Brigade and the Police had arrived without delay. Brief references to this reply have appeared in the U.A.R. press.

5. Mr. Battle was received by Prime Minister Ali Sabri on November 30. The interview followed the lines of that with Dr. Fawzi.

6. According to the U.S. Embassy the State Department have accepted Mr. Battle's proposal that the affair now be considered closed pending payment of compensation, which may amount to U.S. dollars 500,000. This will have to be in hard currency since new books cannot be bought with Egyptian currency.

7. The United States Embassy's preliminary view of the incident, which we share, is that there is no doubt that the U.A.R. authorities had foreknowledge of the demonstration. We believe that the demonstration went further than was intended and indeed that the U.A.R. authorities were outwitted by certain elements, not yet been identified, who exploited the demonstration for their own purposes. There is some evidence that the Afro-Asian Peoples Solidarity Organisation were behind the affair. Further, on the day

/before

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From Cairo to Foreign Office Saving telegram No. 81

- 3 -

before the fire Yusuf el Sebai, the Secretary-General of the Organisation held an emotional press conference about the Stanleyville events in which he urged that the imperialists be given a lesson they would not forget.

8. Since the evening of November 26 strict security precautions have been in force around Western Embassies, air line offices, etc., in Cairo and around Consulates in Alexandria. These measures have been in force longer than necessary to demonstrate the authorities' skill at locking the stable door after the horse has bolted and would seem to bear out the theory that they were taken aback by the way the demonstration developed. That they were caught off balance is the only reasonable explanation for the U.A.R. Government's extraordinary delay in expressing regret, which has caused my U.S. colleague to be justifiably indignant. The U.A.R. Government are fully aware that future U.S. aid to this country is now under discussion in Washington.

MIDDLETON



CONFIDENTIAL



SECRET

10227

BRITISH EMBASSY,
WASHINGTON, D.C.
November 28, 1964.

30/10/64
Mr. Gwynne
Mr. Simons
NETO

Dear Willie,

VG 1015/46/4

I suggest that a short brief on this be prepared for the Hammers
talk with
2.11.64
RK
20/11
Mr. Simons

I am sorry we have not yet had an opportunity to follow up in any detail with the Americans the question of the leftward shift in the U.A.R.'s policies, which you raised in your letter of November 12.

VG 1015/46/4

2. After consultation with Alan Crick, we have agreed that there would be no harm in raising this question with the State Department, using the first seven paragraphs of Kit Barclay's minute (enclosed with your letter) as a basis for discussion. I think there would be advantage in discussing the subject with the State Department, in spite of the valid points made in your letter, since they have already shown themselves to be particularly preoccupied with this question at the moment, in the context of U.A.R. attitudes towards the Sudan and the Congo.

3. When I saw Rodger Davies, Director of Near East Affairs, at the State Department on other business yesterday evening, he referred to the American Library bonfire in Cairo, and told me that the Egyptian Government had just taken the unusual step of asking the Americans to withdraw their protest, on the grounds that the demonstrators who had burnt the Library were not Egyptians, and were acting against the wishes of the U.A.R. Government. Davies remarked that it was nevertheless the case that the American Ambassador, who lived almost twice as far from the Embassy as either the police or the fire station, had had time to drive to the Embassy and start telephoning for official assistance before any Egyptian police appeared on the scene.

/ 4. Davies

W. Morris, Esq. C.M.G.,
Eastern Department,
Foreign Office,
London, S.W.1.

SECRET

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4. Davies went on to tell me briefly of a long conversation between himself and the U.A.R. Ambassador here on November 24, during which Davies had drawn to Kamel's attention recent articles in the U.A.R. press, which showed a strong anti-Western and pro-Communist bias. In particular, Davies had drawn Kamel's attention to the editorial in Ahram of that day calling on all freedom-loving peoples to extend moral and material aid to the Congolese people "to foil these Imperialist plots". Davies had pointed out to Kamel that the effect of articles of this type (several of which had been carried on the Cairo broadcasting network), created a deplorable impression in the United States and elsewhere, and made the task of those in the State Department, whose aim it was to continue United States policy towards the U.A.R. unchanged, extremely difficult.

5. Although Kamel emphasized that the line taken by the Egyptian press did not represent official Egyptian policy, Davies told me that the Ambassador was visibly shaken by this conversation, which he undertook to report direct to Sami Sharaf (Kamel had significantly commented that there was no point in raising questions of this sort with the Foreign Ministry). Davies told me that it was clear to him that Kamel was fully aware of the recent shift in Egyptian attitudes, both official and in the press.

6. I told Davies that I would welcome an opportunity to go over this whole subject with the Bureau of Near East Affairs in the near future, and suggested that, subject to his views, it might be useful to include the Bureau of Intelligence and Research of the State Department in the discussion. I told Davies at the same time that we had prepared a brief paper on the apparent change in the attitudes of the Arab Communist Parties towards the U.A.R., and that this might be used as a basis for our discussions. I hope therefore that I shall be able to pursue this further next week,

I hope therefore that we shall be able to let you have a report of our discussions by the end of next week.

7. I am not copying this elsewhere, but am enclosing two spare copies of this letter for your own use.

Lawson

Wright

(P.R.H. Wright).

SECRET

V		(Security Grading—to be Up-graded where Appropriate)
NORTH AND EAST AFRICAN DEPT.		V G1015/47
FROM Mr H.B. Walker Cairo to Mr Higgins	SUBJECT: report on the re-organization of the Arab Socialist Union: formation of a new Secretariat General Nov. 1964, gives list of members.	
No. 1019/64	Encloses Copy of:	References and Relevant Papers:
Dated 2-12-64		-139
Received 4-12-64		
(Outward Action)		
(Printing Instructions)	MINUTES A) BBC Monitoring Report BS of 25/11	
(Referred to Legal Adviser)	<p>I had seen previous reports of this. We had known for some time about Nasser's personal concern to inject more life and contact with reality into the A.S.U. This I think is the purpose of these moves, rather than the silencing of criticism.</p> <p>2. You will note that Khalid Mohiedin is being made responsible beyond that of Al Akbar which he took over a few months ago. He is of course a Communist to all intents and purposes and we had heard that he was under close surveillance by his own regime.</p> <p>3. If Nasser were to be displaced from real power (and I doubt that he is seriously threatened as yet) no doubt it would eventually be to energise the A.S.U.</p>	
(Action completed)	(Main Indexed)	<p>The plan is in brief to provide the ASU with a cadre of professional workers at all levels. But in Egypt things seldom go as planned.</p> <p><i>Ret. Higgins 2.12.</i></p> <p><i>W.H. 2/12</i></p>
5/1/65 JHE	WHE 19/7/65	

CONFIDENTIAL



(1019/64)

BRITISH EMBASSY,
CAIRO.

December 2, 1964.

V41015 | 47

Dear Ronald,

You will remember that in his speech to the National Assembly on November 12 President Nasser said that the Arab Socialist Union (A.S.U.) had not yet achieved its rôle as a source of socialist democracy (paragraph 12 of our telegram No. 74 Saving).

2. Steps have since been taken towards putting this right. The Higher Executive Committee of the A.S.U. has held a number of meetings under President Nasser in his capacity as President of the Union, and reports have appeared in the press about measures being taken towards the re-organisation of the Union and the creation of "a new political organisation". The chief measure announced so far is that a new Secretariat-General has been formed, most of the members of which are to work full-time at A.S.U. affairs. I attach a list of the members showing the subjects with which they are to concern themselves. You will see that in some cases, for example that of Talaat Khairi, the members are to concern themselves with the subjects they are already dealing with as Ministers. Whether any of the ministerial members of the Secretariat-General are going to have to resign their ministerial portfolios in order to devote themselves full-time to A.S.U. work is not yet clear.

3. It seems likely that the Secretaries of A.S.U. Committees at lower levels, or at least those at Governorate level, are also to become full-time political workers.

4. The new measures are supposed to follow on from the section of Chapter 5 of the 1962 National Charter that runs as follows: "There is a dire need to create a new political organisation, within the framework of the Arab Socialist Union, recruiting the elements fit for leadership, organising their efforts, clarifying the revolutionary motives of the masses, sounding their needs, and endeavouring to satisfy them." To put it another

/way

R.T. Higgins, Esq.,
North and East African Department,
Foreign Office,
LONDON, S.W.1.

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- 2 -

way, in the jargon used by "Al-Akram" on November 21, the new organisation "will comprise the vanguard of the working forces' alliance on which the political, economic and social structure of society and the State depends. This political organisation will not be separate from the Socialist Union in its activities, but will be an organising part of the whole, devoted full-time to political work and the implementation of the will of the members of the Arab Socialist Union as represented by the decisions of their General Congress. By taking the present step, the Socialist Union will acquire the backbone of its whole structure."

5. The main reasons for the current re-organisation seem to be two. First, the Arab Socialist Union here has never amounted to much more than a monumental bore. Egypt's revolution, unlike for example Algeria's, produced a state before a party, and despite all the efforts described in the excellent Research Department Memorandum "The United Arab Republic: The Search for a Constitution, 1952-62" of October 8, 1962 (LR 6/14), President Nasser has not been able to produce an enthusiastic popular counterpart to the executive machinery of his régime. Khalid Muhyiddin admitted as much in "Akhbar el Yom" on November 28 when he referred to the "stagnancy" of A.S.U. Committees and urged that this be overcome by the appointment of members devoted to full-time political work.

6. The second reason is that in so far as the A.S.U. has been successful at all it has been so at the level of the basic units in the villages. From the point of view of the régime this has meant a volume of complaints rising to the top of the A.S.U. pyramid insufficiently balanced by active support for the régime's policies. Now the full-time political workers at the top are "automatically to set the line for the Secretariats-General in the Governorates, cities, villages, basic units and public organisations" ("Al-Gumhuriya" of November 29). How this is to be done without insulating the entire Egyptian nation from all outside influences has not so far been vouchsafed. If this should mean no more than an attempt to check free speech in the basic units again it will not succeed: once you have given such bodies a free voice you can quieten it only by silencing it. And there is no possibility for the foreseeable future that President Nasser would go to this extreme, since he could not do so without destroying the whole edifice of "democracy" he has been striving to build up, and this would be a grave blow to the prestige of the régime.

7. I am sending copies of this letter to the Chanceries at Algiers and Baghdad.

Yours etc,
H.B.W.
(H.B. Walker)

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A.S.U. Secretariat-General, November, 1964

(Figures in brackets refer to the 1963 Personalities Report).

Hussein el Shafei (63) ✓	
Dr. Nuruddin Ali Tarraf (108) ✓	Trade Unions
Engineer Ahmed Abduh el Sharabassi (23) ✓	Farmers
Kemaluddin Rifaat (72) ✓	Socialist Thought
Abbas Radwan (1) ✓	Upper Egypt
Khalid Muhyiddin (73) ✓	The Press
Sayed Marei (119) ✓	National Capital
Shaarawy Gamaa ✓	Organisation
Kemaluddin El Hinnawi ✓	Lower Egypt
Fathy el Dib ✓	Arab Affairs
Talaat Khairi (124) ✓	Youth Affairs
Anwar Salama (44) ✓	Workers
Hussein Zulficar Sabri (64) ✓	Foreign Relations
Aly Sayed Aly ✓	Workers
Dr. Hussein Khallaf (62) ✓	Trade Unions
Ahmed Abdullah Toeima (24) ✓	Employees
Abdel Salam Badawy	Research
Abdel Meguid Shedid	Administrative and Financial Affairs
Dr. Ibrahim Saadeddin	Institute
Abd l Fattah Abul Fadl	The Union's Publication.

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BUSH : ATTENTION ALSO THREE A'S

B5. UAR : SOCIALIST UNION SECRETARIAT.

(CAIRO RADIO) THE SECRETARIAT GENERAL OF THE ARAB SOCIALIST UNION WILL MEET AGAIN NEXT TUESDAY AFTERNOON UNDER THE CHAIRMANSHIP OF PRESIDENT NASSER.

THE NEW COMPOSITION OF THE SECRETARIAT GENERAL IS AS FOLLOWS :

- HUSSEIN AL-SHAFTI.
- DR. NUR AL-DIN TARRAF : TRADE UNIONS.
- ENGINEER AHMAD ABDO AL-SHARABASI : PEASANTS' SECTOR.
- X KAMAL RIFAT : SOCIALIST THOUGHT.
- ABBAS RADWAN : UPPER EGYPT.
- X KHALID MUHYI-AL DIN : PRESS.
- MORE BBC MON 25/11 GR

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B5. SECRETARIAT 2.

- ENGINEER SAYYID MARI : NATIONAL CAPITAL.
- SHARAWI JUMAH : ORGANISATION.
- KAMAL AL-HINNAWI : LOWER EGYPT.
- FATH AL-DIB : ARAB AFFAIRS.
- TALAT KHAYRI : YOUTH
- ANWAR SALAMAH : WORKERS AFFAIRS.
- HUSSEIN DHU-AL-FIQAR SARRI : FOREIGN AFFAIRS.
- MORE BBC MON 25/11 GR

B5. SECRETARIAT 3

- ALI AL-SAYYID ALI : WORKERS AFFAIRS.
- DR. HUSSEIN KHALLAF : TRADE UNIONS.
- AHMAD ABDALLAH TUAYMAH : CIVIL SERVICE.
- DR. ABD-AL-SALAM BADAWI : RESEARCH.
- (INDISTINCT) : FINANCIAL AND ADMINISTRATIVE AFFAIRS.
- DR. IBRAHIM SAD-AL-DIN : SOCIALIST HIGH INSTITUTE.
- ABD-AL-FATTAH ABU AL-FADL : (TRANSPORT ?).
- END BBC MON 0753 25/11 GR

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(1021/64)



BRITISH EMBASSY,
CAIRO.

December 9, 1964.

1964
VG1015/48/5

The case for take for the [unclear] [unclear]
Anglo/US talk on the UAR.
It x might still be mentioned
and Y. Ref. M. Sec. 10/12

See Ronald

VG1015/45

Please refer to our telegram No. 81 Saving of December 2, in paragraph 7 of which we said that there was some evidence that the Afro-Asian Peoples Solidarity Organisation were behind the attack on the United States Embassy here on November 26.

X ||

2. A usually reliable Egyptian source told Donald Maitland on December 4 that it was Mohammed Faiq, President Nasser's Adviser on African Affairs, who had given permission for the demonstration. (It was he, you will remember, who played the leading rôle in the detention of Tshombe at the time of the Non-Aligned Conference.) The Minister of the Interior, Abdoul Azim Fahmi, had not been informed and had been highly indignant after the event. The source also said that the demonstration had got out of hand through the actions of some members of the African Association and notably some persons from South Africa and Bechuanaland. A number of Africans other than the forty-one demonstrators detained on the spot were under investigation and were believed to include at least one in the service of the Chinese. Hassan Sabri el Kheli, one of the Presidential Advisers, told a member of the United States Embassy recently that the Security authorities had been taken unawares and claimed that Mohamed Seif el Yazal Khalifa, Head of General Investigations, had been removed as a result. His appointment as Governor of Suez was announced on November 30 along with two other changes of Governor.

Y ||

3. It now seems likely that the evidence that we thought pointed to the Afro-Asian Peoples Solidarity Organisation in fact referred to the African Association. We will of course continue to try to find out what really happened.

4. I am sending a copy of this letter to Patrick Wright in Washington.

Yours etc.
H.B.W.
(H.B. Walker)

R.T. Higgins, Esq.,
North and East African Department,
Foreign Office,
LONDON, S.W.2.

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(1014/64)

BRITISH EMBASSY,
 CAIRO.

December 12, 1964 *Ref 1011*

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Dear Ronald,

*R. Higgins
 This should be used
 as necessary for briefing the
 S 25 for his talk on 23/12 [Enter]
 M. Scriver
 M. Scriver
 NS 6/12*

VC1015/35

In Donald Maitland's letter to Ronald Scrivener 1031/64 of October 8 he undertook that we should keep you informed about the shift to the left that had been noticed in the direction of the United Arab Republic's policies.

VC1015/47

2. This letter is to confirm that the trend continues. In the current reorganisation of the Arab Socialist Union (my letter 1019/64 of December 2) persons with leftist views have been given key positions: Kemaluddin Rifaat is to deal with Socialist Thought, Khalid Muhyiddin with the Press, and Hussein Zulficar Sabri with Foreign Relations. Meanwhile, the reorganisation continues to the tune of editorial comment that is reminiscent of Communist views of the Party as "the main guiding force" of the proletariat:-

"The Secretariat-General will be able to organise the masses on political foundations that will enable them to move correctly along the path of revolutionary action. For work among and with the masses will aim at creating and organising enlightened leaderships, and giving them the opportunity to spur the masses into action" ("Al-Akhbar" of December 10); "The Socialist Union is the home of the masses ... the Secretariat-General is the guardian of that home, and the function of a guardian is to get to know the wishes of the owner of the house and then to tell him what must be done for its protection" ("Al-Gumhuriya" of December 11). In the first of a series of lectures organised by the Arab Socialist Union Orientation and Socialist Thought Committee to ease entry into the stage of "socialist transformation", Kemaluddin Rifaat said on December 3 that one of the A.S.U.'s main tasks was "to create an organisation to guide socialist thought and to form technical and administrative cadres capable of achieving the transformation of society."

3. As you know, this trend has produced approving noises in Moscow (see for example paragraph 5 of Alexander's letter 10342/19/11 of November 19 about

NT.V.N. /an

R.T. Higgins, Esq.,
 North and East African Department,
 Foreign Office,
 LONDON, S.W.1.

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an article by the Cairo correspondent of Izvestiya). One of our contacts has told us that the Russians he knew, including Vishnevotsky, changed from gloom to contentment before Mr. Khrushchev's downfall about U.A.R./U.S.S.R. relations, and he attributed this to President Nasser's having agreed to "deliver the goods" - perhaps by appointing Khalid Muhyiddin to the board of "Al-Akhbar", etc. Certainly the Arabic language press here has continued to take an anti-western line on every issue of importance, except that of Malaysia.

4. The spate of visitors between the U.A.R. and communist countries continues. Apart from such lesser lights as the Mayor of Odessa, we have seen here in the last two months the Prime Minister of Roumania, the Deputy Prime Minister and Foreign Minister of People's China (Chen-Yi), the Soviet Deputy Foreign Minister, Jacob Malek (on a private visit), and the President of North Korea. We can set against this only a short visit by the Australian Foreign Minister, and that of Dr. Gerstenmaier. In the other direction, Vice-President Abdul Hakim Amer and Abdul Moneim el Kaissouni have been to Moscow, Hussein Zulficar Sabri to Yugoslavia (twice), Dr. Fawzi to Poland, and Mohammed Sidqi Sulciman to Peking (where Aziz Sidqi is also going shortly). These visits are hardly balanced by Dr. Fawzi's visit to Austria and his spur-of-the-moment trip to Paris.

5. President Nasser's position in all this is still not clear.

6. I am sending copies of this letter to Information Research Department, to the Chanceries at Moscow and Washington, to P.O.M.E.C. (ADEN) and to the J.I.G., Cyprus.

Yours etc.

H.B. Walker

(H.B. Walker)

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RECORDED IN
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 21 DEC 1964
 VG 1015/50/G.

W. Morris
4/10/64
Mr. Surman
 NERO

10227

BRITISH EMBASSY,
 WASHINGTON, D.C.,
 December 1, 1964.

See line.

VG 1015/46/G

Would you please refer to my letter 10227 of November 28, in which I told you that I hoped to be able to pursue further the question of the apparent leftward shift in the U.A.R.'s policies, about which you wrote on November 12?

VG 1015/35

2. I raised this with Rodger Davies, the Director of Near East Affairs, when I saw him at the State Department this afternoon. Curtis Jones, the U.A.R. desk officer, was also present. I opened the conversation by running through the various aspects in which a leftward shift had become apparent to our Embassy in Cairo (as given in Donald Maitland's letter of October 8) and went on to outline the points made in the first three paragraphs of your letter. I also handed Rodger Davies a piece of paper, incorporating the first seven paragraphs of Kit Barclay's minute.

3. Davies said that the State Department were also aware of an apparent leftward shift in the U.A.R., and agreed that this was a matter of joint concern to our two Governments, and indeed to the West as a whole. On the specific points which I had raised, he had not himself seen anything personally on the greater emphasis on "direction" in agriculture, although it was the view of the State Department's economists that the agricultural sector in the U.A.R. had not received the attention which it should have had in the Egyptian development programme. Nevertheless, he still believed that the division of land in privately-held lots seemed to be basic to Nasser's philosophy. Jones also appeared to be unaware of the systems adopted in Kafr el Sheikh and Beni Suef last autumn, or of the September announcement, to which Donald Maitland referred in his letter.

4. On the press, Davies was not himself sure that the State Department shared our impression that Heikal had noticeably swung to the left. On the contrary, their impression from Heikal's articles and his conversations with the Embassy was that he took a very sober view of the dangers facing the U.A.R., and was still gently critical of Soviet policies. Indeed, Jones went so far as to refer to Heikal as "a ray of light" in an otherwise darkening scene.

/ 5. Nevertheless

W. Morris, Esq. C.M.G.,
 Eastern Department,
 Foreign Office,
 London, S.W.1.

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SECRET

5. Nevertheless, the Americans were concerned about the line being taken by the Egyptian press, and this subject had been raised with the Egyptians, both with the Ambassador in Washington and with the Foreign Ministry in Cairo, within the past month.

6. Davies himself had talked to Kamel, the Egyptian Ambassador, on November 24, and had drawn his attention to recent articles in the Egyptian press; in particular, Davies had drawn Kamel's attention to articles in Gumhouriya and other papers on Article XIX, the American position in Vietnam, American aid shipments to India (on which the Egyptian press had taken the line that the Americans were doing nothing significant to help the starving Indians), alleged U.S./U.K. incitement of the Sudanese attack on the U.A.R. Embassy in Khartoum, (and in particular a cartoon in Akhbar depicting Uncle Sam and John Bull as Africans attacking the Embassy) and the apparent acceptance by the Egyptian press of the Tanzanian faked U.S. document. Davies had also drawn Kamel's attention to the publication by the Lebanese newspaper Anwar (which Davies described, without eliciting any comment from Kamel, as the Egyptian mouthpiece in the Lebanon) and the faked Talbot/Meyer letter, which had been followed by a pernicious campaign against Meyer himself, on the grounds that he had intervened in the Lebanese elections. Davies had told Kamel that if there had been any intervention in the elections, he thought that the U.A.R. was in the best position to know from what direction intervention had come. Finally, Davies had told Kamel that Time Magazine had written a story alleging that the Soviet 28-million ruble loan to the U.A.R. was conditioned on the placing of Communist journalists in the Egyptian press. Time Magazine had checked this story with the State Department, who had told them that this story did not accord with their own reports from the Embassy in Cairo, and that their experience led them to believe that Nasser would personally react sharply to any such attempt to condition aid to the U.A.R. Time Magazine had not therefore published the story, but Davies told Kamel that the recent trend of press articles might lead Time Magazine to conclude that they had been mistaken in suppressing the story.

7. Kamel told Davies that he had not previously taken too seriously the State Department's remarks about Egyptian press comment, and added that he himself only read Ahram (Davies had pointed out that in fact several of the offending articles had appeared in Ahram). Kamel also remarked that

/ "he

SECRET



- 3 -

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"he would not touch Akhbar with a 10-foot pole". He nevertheless was visibly shaken by Davies' conversation and admitted that the developments reflected in the articles were "even more serious than the State Department's reaction to them" and undertook, as I reported in my previous letter, to write to Sami Sharaf about them. Kamel also suggested that any representations made in Cairo should more effectively be made to the Presidency rather than to the Foreign Ministry. After the burning of the American Embassy Library last week, the State Department had told the Egyptian Embassy that, in their view, the Egyptian press had set the scene for the type of incident which had taken place.

8. On the question of U.A.R. foreign policy, I told Davies that the reports from Cairo indicated that there were less tangible signs of a leftward shift, although I pointed out that the report from Cairo, on which I was relying, had been written some time before the recent events in the Sudan and in the Congo. Since I have not yet seen any reaction from the Office to the Germans' request for views on a possible visit by Nasser, I thought it best not to refer specifically to the question of Egyptian visits to the Soviet bloc; nor did Davies himself make the point which the State Department made to us earlier this year, in this context, that we should do all we can to encourage Nasser personally to visit, and become acquainted with, the West. I did however draw Davies' attention to the communique issued in Cairo on November 23, after the visit of the North Korean President, which you will no doubt have seen.

9. Davies said that the State Department had always held the view that there were some around Nasser who had been pressing for closer links with the Soviet Union for some time. The fact that these people (whom Davies did not specify) had been able to point to American and Western failure, for various reasons, to fulfil the U.A.R.'s economic needs, had no doubt strengthened their hand. The departure of Hussein and Baghdadi from the Government meant that the faction which favoured closer ties with the West was at present "in the shadows". It was also probably true that increased tension with Israel (because of the formation of United Arab Command) and with the United Kingdom and the United States (over the Aden Federation and aid matters) had further helped this swing to the East. Davies thought

/ that,

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that, with the P.L. 480 agreement due for renewal in June next year (I have written separately to Ronald Scrivener on this point) it was possible that the current press attacks against the United States were designed to act as pressure for a renewal of American aid; they might also, of course, be a sign that the Egyptians had given up hope of renewing the agreement (although Davies himself did not share this pessimism).

10. Nevertheless, Davies thought that the present situation had, as he has mentioned before, both dangers and opportunities for the West. I said that you would agree with this entirely, insofar as we agreed that we should not do anything to push Nasser further towards the brink. You would also agree that there were dangers, and that, without going into the ground covered by our talks in October, these trends showed that our interests would not be served by the further extension of Nasser's influence. Davies had no comment on this last point.

11. Phillips Talbot will, as you know, hope to pursue this further with the Department during his visit next week, and it is, I suppose possible, that the Nasser visit to Germany will be among the aspects he will wish to discuss. You may however like to have this somewhat lengthy account of my conversation with Rodger Davies without delay.

— 12. I am again enclosing two spare copies of this letter for your use, but am not copying it elsewhere.

John G.
P.R.H. Wright
(P.R.H. Wright)

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NORTH AND EAST AFRICAN DEPT.

VG 1015/51

FROM
 Sir G. Middleton,
 Cairo.

 No. 49 C1014/64
 Dated 18 December
 Received 22 December

SUBJECT:
 Analysis of the present internal disorders in the United Arab Republic.

Encloses Copy of:

References and Relevant Papers:

VG 1015/39
 VG 1103/10

(Outward Action)

MINUTES

I attach a copy of this despatch prepared for printing. FOWH/Q distribution. The word "diplomacy" ought, I think, to be added at the end of line 14 on page 4.

J.A. Campbell
 25
 12

(Printing Instructions)

(Referred to Legal Adviser)

PRINTED FOWH P.L. 23/12

(Action completed)

(Main Indexed)

14
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MRE
 19/12/65

E Dept Mr. Lyndon H. Morris
 Action Dept SAC 14/12
 N Dept Mr. [unclear] Mr. [unclear] - see copy paragraph 6 of A

This despatch is intermediate between Cairo despatch No. 48.E. of December 8 (VG.1103/10), which has already been submitted, and the one promised in paragraph 6 on the implications of the U.A.R.'s present economic difficulties for Western policy.

/I have

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2. I have comments on two particular points:-

i) In the middle of his paragraph three, Sir G. Middleton refers to the U.A.R.'s Government article of faith that the present generation should not suffer for the future and comments that this has led both to feather-bedding of the working class and to inflation. There is no doubt that the working class have to some extent been feather-bedded, although the feathers are not in fact very ample. But there has been virtually no inflation in Egypt between 1952 and the present day. The regime has succeeded by price fixing and other devices in keeping the cost of living down, although the heavy investment programme and the shortage of foreign exchange have created the conditions in which inflationary pressures would be expected to arise. It is only during the last months that prices in Egypt have tended to rise, but even so, the rise does not seem enormous.

ii) In the last sentence of his paragraph five, Sir G. Middleton refers to evidence of the existence of a strong left wing group amongst the officers. This is the first time that I have seen such a categorical statement, and the development is undoubtedly significant. Such a group could form the nucleus of a new left wing revolution, which must be the ultimate aim of Soviet policy. On the other hand it must be borne in mind that the present regime is the result of a clandestine officer movement, is well versed in conspiratorial techniques and must be well aware of the danger of being replaced in the same way as that in which it itself took power.

3. Sir G. Middleton suggests that Nasser is unlikely to take the plunge and decide that the U.A.R. must henceforth live within its means. This seems to some extent born out by Nasser's December 23 speech which he devoted to a violent attack on the U.S. Government. One of the intentions of this attack could be to divert attention away from the economic situation and to justify the tightening belts that may in any event be forced upon him. It is of course taking a risk to attack the country from which he buys £60 million worth of essential food supplies per annum without expenditure of foreign exchange.

4. A copy of the despatch has been sent for printing F.O.W.H.

P. H. Laurence

(P.H. Laurence)
December 29, 1964.

In addition to the subsequent despatch on the implications of this state of affairs for our Middle Eastern policy, we are also to get from Sir George Middleton a report (after discussion with his U.S. colleague) on the implications of Nasser's Port Said speech, and also his comments on the handling of the Anglo/U.A.R. dialogue.

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Number of copies of enclosures.....

Minutes

2. We are also due to get an Egyptian reaction to the Secretary of State's remarks to the U.A.R. Ambassador on December 22 which, as regards a visit to Cairo, left the ball in the Egyptian court.

3. I think that we shall ~~perhaps~~ then want to have an exchange with the Americans so as to ensure that we concert our policies. This had ~~perhaps~~ best be done in Washington. I think it is also possible that we may wish to discuss the implications of the situation for Western interests as a whole with certain of our other NATO partners and certainly with the Germans. But this can and should be discussed with the Americans in the first place.

R.S. Scrivener
 (R.S. Scrivener)
 December 30, 1964.

Nasser is in a mess. We have neither the ability nor the need to mount a rescue operation. But we should certainly exchange views with the Americans, as suggested by Lord Harlech, as soon as they have assimilated Nasser's invitation to them to go jump in the Nile. For the moment no action is required.

W. Harrison
 30/xii.

P.V.S.

Yes.

Handwritten initials and date
 31/xii x 1964

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UNITED ARAB REPUBLIC

NOT FOR CIRCULATION

December 22, 1964

Section 1

INTERNAL DISCONTENT IN THE UNITED ARAB REPUBLIC

Sir George Middleton to Mr. Gordon Walker. (Received December 22)

SUMMARY

More general discontent is being expressed in the U.A.R. than at any time since the revolution. Although the Government has admitted the existence of a crisis it has not yet indicated what action if any it will take. (Paragraphs 1-2.)

Increased home demand has combined with pressure from foreign creditors to produce the crisis. But its origins lie in the fact that, though faced with an intractable over-population problem, the régime has for years pursued extravagant policies at home and abroad. (Paragraph 3.)

President Nasser is unlikely to take the radical steps the situation requires. He should be deterred from foreign adventures, e.g. in Libya and Kuwait, by the risks involved and will probably prefer a policy of inaction. But this will create conditions which could benefit the extremists of the Left. Soviet policies may have been intended to contribute to the present crisis. The key to the internal situation still rests with the armed forces, but there is said to be an influential Left-wing grouping among the officers. (Paragraphs 4-5.)

Failing the large-scale acquisition of foreign exchange, the U.A.R. is likely to become increasingly unstable. Possible courses of action for the West will be considered in a later despatch. (Paragraph 6.)

(No. 49. Confidential) Cairo, December 18, 1964.
Sir,

On all sides discontent is now being expressed with one aspect or another of the present situation in the United Arab Republic. It will be my purpose in this despatch to analyse this widespread malaise, which is without precedent since the revolution of 1952, to study its causes and to assess the significance of the crisis to the United Arab Republic and, in particular, its relations with the West.

2. The subjects on which criticism of the régime is being voiced with quite unusual lack of inhibition are for the most part those enumerated by President Nasser himself when he opened the second session of the National Assembly on the 12th of November. As I reported in my telegram No. 74 Saving, the President referred then to allegations of shortcomings in numerous

fields. The régime was being criticised, he said, for concentrating on foreign affairs at the expense of the domestic field. Difficulties were said to have arisen over the application of health insurance in Alexandria and over the import of various industrial requirements which had led to the suspension of work in some factories. Meat was scarce and there was talk of the failings of the bureaucracy and of bribery and extravagance in Government concerns. There were complaints that too much was being spent on the armed forces; the Arab Socialist Union had not yet learned to perform its democratic functions. And so on. President Nasser sought to explain these deficiencies as no more than the growing pains of Egypt's new society in its transition from the stage of transformation to the stage of upsurge. He offered no solutions to these problems; indeed he reiterated his attachment to the principles on which the United

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Arab Republic's foreign and internal policies had been based. Since the existence of a crisis was first publicly admitted at the end of September the President has held no fewer than 14 meetings with the Vice-Presidents, the Prime Minister and Deputy Prime Ministers to discuss the present crisis. The only visible results of this high-level activity have been an announcement that the United Arab Republic is to have three meatless days per week and a decision to reorganise that part of the Government machinery which is concerned with production and the public service. The Government's failure so far to announce any comprehensive plan to deal with the crisis cannot have failed to contribute to the swelling of the occasional whispers heard during the summer months into the present general murmur of popular discontent.

3. The real causes of the crisis, which I described in more detail in my despatch No. 48 E of the 8th of December, are not of course to be found in the confessions of President Nasser before the National Assembly. The truth is that whether through ignorance, miscalculation or overweening ambition, the régime long ago bit off more than it could chew. The problem which faced the Free Officers when they seized power in July 1952 was an intractable one. How could a predominantly agricultural country, its economy tied largely to cotton—a commodity of declining world importance—its cultivable area limited to 6 million feddans (or acres), its population of just over 20 million living for the most part just above starvation level—how could such a country feed an extra million mouths every three years? This was a task to tax all their enthusiasm and skill. Their answer was to increase agricultural production both by improving methods of husbandry and by reclaiming land, and to industrialise. But in the plans they drew up their high ideals and their enthusiasm clouded their judgment. It became an article of faith with the régime that the present generation should not make sacrifices for future generations and this led to feather-bedding of the working class and in turn to inflation. On top of this the régime embarked within a few years of the revolution on an activist foreign policy which was so often to take the form of subversion and propaganda (both of which are costly practices) and which called for the creation at enormous expense of the most powerful military

machine in the Middle East. The country's resources were barely enough to finance the régime's efforts to solve the demographic problem without the additional burden imposed by President Nasser's aspiration to play a leading role in the three circles he mentioned in his book "The Philosophy of the Revolution"—the Arab world, Africa and Islam. The Khedive Ismail's extravagances were the Opera House, palaces and banquets for the crowned heads of Europe; President Nasser's are Tu-16 bombers, the "Voice of the Arabs", cloak and dagger and summit conferences. Extraneous funds had therefore to be found. These were acquired by the nationalisation of Egyptian and foreign enterprises and the sequestration of Egyptian and foreign property and, when these particular coffers had been emptied, by extensive foreign borrowing beyond the limits of what could be repaid by the country's foreign exchange earnings without dislocation of the economy. This summer the pressure of home demand arising from the increase in the population (which now stands at just under 29 million, the rate of increase having risen to over 600,000 a year) and the permitted rise in the standard of living coincided with pressure from the country's foreign creditors to produce the present crisis.

4. In face of this situation President Nasser can follow one of two courses. He can either refashion his policies as the circumstances require, or he can go through the motions of dealing with the crisis while actually making no more than minor and expedient changes of policy. For a week or two after his speech to the National Assembly there were high hopes that President Nasser would follow the former course. It is still not to be excluded that he will take the plunge and, if the decision to reorganise part of the Government machinery to which I have referred above means what it says and those Ministers and others whose incompetence or doctrinaire obstinacy has contributed to the present crisis go to the wall, future prospects will brighten. But, as I suggested in my despatch under reference, it now seems more likely that President Nasser will shrink from the political consequences of a radical revision of his policies. For various reasons inaction will seem the more attractive alternative. For one thing he and his colleagues may have no clear idea what to do; it has taken him long enough to

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realise what a pass his country has come to. He must in any case be reluctant to suffer the political disadvantages of abandoning the numerous articles of faith, such as his support for all liberation movements and his refusal to call on the present generation to tighten their belts, which are enshrined in the National Charter, the Bible of Arab Socialism. In any case he must be under pressure from the doctrinaire elements in the régime to whom abandonment or even curtailment of the development plans, or a withdrawal from the Yemen as a result of some compromise with the Saudis, would be a betrayal of the revolution. There is one other possibility. Should President Nasser feel his situation to be desperate he might try to get rich quick through some foreign adventure, for example, in Libya or Kuwait. But the immense risks he would run should deter him from such a course of action.

5. If, as now seems probable, President Nasser decides on a policy of inaction, the outlook for the United Arab Republic will be gloomy. Already the monolithic structure has begun to crack and I should expect the régime's hitherto absolute control of the country to be further loosened. The exploitation by extremists of the demonstration at the American Library on the 26th of November is one indication that the authorities are no longer either omniscient or omnipotent. I should not be surprised if there were a rise in tension if there are serious shortages of the special foodstuffs customarily consumed during Ramadan. In the longer term extremists of the Left stand to gain from an increase in internal instability. There are indeed some observers of the Egyptian scene who, having discerned a skilful long-term strategy behind Soviet policy towards the Middle East, are inclined to believe that the Russians may have deliberately encouraged President Nasser's ambitions with a view to straining the country's economy and thus creating the very situation which exists to-day. These same observers see the insinuation under Soviet pressure of such *communisants* as Khalid Mohyeddin and Ahmed Fuad into positions of power in the Cairo Press as a complementary process. Under Mr. Khrushchev's leadership the Soviet Government showed clearly that they regarded the United Arab Republic as one of the key countries of the world and there was every reason to suppose that it was Mr. Khrushchev's ambition to see

conditions arise in the United Arab Republic in which what he would have called a real revolution could take place. If this reading of the situation is right and Mr. Khrushchev's successors share his views, it would be logical to expect the Soviet *bloc*, which in any case cannot afford all the economic aid required, to furnish the United Arab Republic with just enough aid as will enable the régime to persist in its ambitious policies and incidentally perpetuate and intensify existing discontents. The armed forces are of course the key to the internal situation. No Khalid Mohyeddin or Ahmed Fuad could denounce President Nasser from a broadcasting station without the support of a significant section of the armed services. My own Service Attachés are permitted no opportunity to assess loyalties in the armed forces, but there is convincing evidence of the existence amongst the officer corps of a strong Left-wing grouping to which Field-Marshal Abdul Hakim Amer, the Hero of the Soviet Union, is unwilling or unable to say nay.

6. It would seem clear from the foregoing that the present situation in the United Arab Republic deserves the closest attention of the West. As I have indicated earlier in this despatch it is still just possible that President Nasser will decide that the U.A.R. must henceforth live within its means and act accordingly. This is however unlikely. Unless, therefore, the present exploration of the Delta and the Western Desert leads to the discovery of oil in spectacular quantities, and failing the injection of foreign exchange on a large scale, a prolonged period of increasing instability must lie ahead. This would have repercussions throughout the area and would not necessarily be to our advantage. The Western Powers therefore are faced with three possible courses of action. First, they might decide to leave President Nasser to suffer the full consequences of his own misjudgments. Secondly, they might, while preparing to offer aid should the need arise, decide to wait and see how the situation in the United Arab Republic develops in the hope that even at the last moment President Nasser will save his country from disaster. Or, finally, they might decide now to mount a rescue operation. I will discuss the advantages and disadvantages of these three possible courses of action, which of course have implications for our Middle East policy as a whole, in a subsequent despatch.

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7. I am copying this despatch to Her Majesty's Representatives at Amman, Beirut, Damascus, Baghdad, Bahrain, Khartoum, Tripoli, Benghazi, Tunis, Rabat, Kuwait, Algiers, Tel Aviv, Washington, Moscow, the United Kingdom Delegation to NATO, the United Kingdom Mission to the United Nations, New York, the POMEAC (Aden), and to the Secretary, J.I.G., Cyprus.

I have, &c.

G. H. MIDDLETON.

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Telegram No. 87 Saving of December 30 to Foreign Office

Israel had not been. Israel was still receiving aid from imperialist countries. In the last couple of years she had received arms from West Germany, which the latter had not paid for but had received as aid from the United States. Therefore the U.A.R. must exert continuous efforts in industry, rocket and nuclear research, and agriculture.

7. The U.A.R. was constantly being attacked by the Shah of Iran, Radio Tel Aviv and the B.B.C. The more these stations attacked the U.A.R. the more convinced it would be that it was following the right path.

8. In order that the country should be built up, every individual must do his duty in full. Employment must be provided and factories and farms built. The people should not expect luxuries. Everybody could do without these: the important thing was to provide essentials for all.

9. Democracy could on no account co-exist with imperialism. British imperialism, occupation and so-called democracy had been got rid of, and the country now enjoyed sound democratic rule. At the same time, the people were re-organising themselves through the Arab Socialist Union, which was the political organisation in which all the working elements strove to realise the principles of the National Charter. Some individuals hostile to the revolution had managed to join the A.S.U. It was the duty of everybody to detect these people. By safeguarding their rights, the people would build sound democracy as well as socialism, which was sufficiency and justice. Justice had largely been achieved. What remained was to achieve sufficiency. The population was increasing by about 700,000 persons a year, and to create employment for these newcomers industry and cultivated land had to be expanded.

10. While the people were building their country they should not lose sight of their other aims connected with Arab nationalism, Arab unity and the liberation of all parts of the Arab homeland from imperialism. Nor should they lose sight of the need to support the cause of liberty in the world and the cause of world peace. Just as other countries had supported Egypt in the past, so it now had to support the cause of liberty and peace everywhere. The U.A.R. must not keep silent merely to be polite to other countries: it must say what it believed to be right, which was that every country should exercise self-determination and enjoy liberty.

11. In this manner the U.A.R. could build up its armed forces and liberate Palestine. The liberation of Palestine could only be realised by deeds. The U.A.R. confronted not only Israel but those who stood behind it. The U.A.R. would build up its strength, its socialism, and its democracy; would support Arab nationalism with strength; and would work for the realisation of Arab unity because that was the U.A.R.'s shield against Zionism and imperialism.



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