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EGYPT AND SUDAN.

January 12, 1946.

CONFIDENTIAL.

SECTION 1.

ARCHIVES

Copy No. 61

Lord Killearn to Mr. Bevin.—(Received 12th January.)

(No. 55.)

(Telegraphic.)

Cairo, 12th January, 1946.

WEEKLY appreciation.

Period under review has been dominated by assassination of Amin Osman and general malaise which this political assassination has created. His funeral was made the occasion of a political demonstration by the Wafd and there were very hostile cries against Nokrashi, who was in the procession, and Makram. Some of the cries indicated international vengeance being taken for assassination of Amin Osman. The police arrested a youth suspected of murder, and after at first denying suspect, he finally confessed not only to being the murderer of Amin Osman but also of participation in bomb throwing at Nahas Pasha and in murders and attempted murders of British soldiers in Maadi, Heliopolis, and Gezira during last two years. Some arrests have been made and police are endeavouring to run to ground the gang of assassins which is supposed to exist. It is generally believed (and personally I believe rightly) that Amin Osman was assassinated mainly owing to his pro-British attitude and partly owing to his outstanding association with Nahas Pasha and the Wafd. The violent press campaigns against him, particularly in the Palace and Makramite newspapers, are also held to have been responsible for creating atmosphere which provoked assassination. Representations have been made by His Majesty's Ambassador to Prime Minister regarding letter particularly violent in the press against British by leader of *Young Egypt* in that party's newspaper.

2. There is a general feeling that Nokrashi is not of the calibre to handle uneasy situation now prevailing in Egypt. He seems to be incapable of handling and directing public opinion or of dealing with subversive elements. It is feared that the youth of the country, having lost their faith in present political leaders and being without any guide, are drifting into attitudes of irrational violence.

3. The Wafdist newspapers before death of Amin Osman had begun to indulge in attacks on Great Britain which were reported to be the beginning of a regular anti-British campaign decided upon by the Wafd.

4. The public and press continues to be agitated by apparent exclusion of Egypt from peace discussions by national agreement regarding Middle East, by delay in answer to Egyptian note requesting negotiations for treaty revision, and by Russian action in Azerbaijan. The atmosphere in Egypt generally has become more unfavourable to Great Britain than for some time past.

5. Ibn Saud, accompanied by no less than twelve of his sons, arrived in Cairo on the 10th January and was received with considerable ceremony and enthusiasm. At last night's banquet at Abdin Palace His Majesty went out of his way to show himself particularly affable to His Majesty's Ambassador—a fact which was undoubtedly noticed in local Palace circles.

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[CYPHER]

J
J 318
28 JAN 1946

GENERAL DISTRIBUTION
FROM CAIRO TO FOREIGN OFFICE

Lord Killearn
No. 94

22nd January, 1946.

D. 5.10 p.m. 22nd January, 1946.
R. 6.55 p.m. 22nd January, 1946.

SSSSS

Weekly appreciation.

Further arrests have been made as a result of enquiry into assassination of Amin Osman and it is hoped that a number of criminals implicated, not only in this assassination but in those of British soldiers, might be brought to book.

2. Wafdist press continues to show a definite hardening against Great Britain and has just begun to play Russian card, i.e. suggesting that Russian policy in the Middle East was favourable to the Levant States and Egypt as against policy of Great Britain; accordingly Egypt should take into account this powerful Russian factor for realisation of their national aspirations. But it has been surpassed in violence by Rose El Youssef an anti-Wafd organ which has indulged in such criminal actions against us that representations have had to be made to the Prime Minister on the subject..

3. King Ibn Saud continues to be entertained on an extensive scale. The public are said to be murmuring against continual restrictions on traffic owing to passage of His Majesty. A luncheon party was given by Arab League, at its new quarters, for Ibn Saud. King Farouk and the Cabinet were present and diplomatic

corps

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corps was also invited. A declaration of the two Kings was read by the Prime Minister which stressed Arab solidarity in defence of the independence of the Arab countries, amongst which particular reference was made to Palestine which was an Arab country and must remain so. It is difficult to avoid the impression that this demonstration was made in order to impress the Anglo-American Commission, particularly in view of the feeling that the Commission has, in effect, been giving a hearing to Jews more than to Arabs.

4. Considerable satisfaction has been expressed in the press and by the public at Egypt's election to the Security Council and to the election of other Arab countries to different commissions of United Nations Organisation.

5. Persian plight and her efforts to get a fair hearing are being watched with considerable interest and the attitude of Egypt and the Arab League towards the United Nations is likely to be much influenced by whether or not Persia is able to secure the protection to which she would seem entitled in accordance with the statutes of United Nations Organisation.

6. It is announced in the press that the Arab League will at the end of this month consider British proposals regarding Palestine and the Anglo-French agreement regarding the Middle East.

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[This telegram is of particular secrecy and should be retained by the authorised recipient and not passed on.]

[CYPHER]

CABINET DISTRIBUTION

J 371

FROM CAIRO TO FOREIGN OFFICE

28 JAN 1946

Lord Killearn.
No. 108.

D: 2.20 p.m. 26th January, 1946.

26th January, 1946.

R: 3.18 p.m. 26th January, 1946.

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Weekly appreciation.

Further arrests have [? grp.omtd. ? been made] in connexion with the assassination of Amin Osman Pasha including that of Aziz El Masri.

2. Wafdist press continues its campaign against Great Britain. The last number of anti-Wafd organ "Rose El Youssef" has been seized by the police for publishing a incendiary article suggesting amongst other things that the youth of the country would continue to have recourse to murderous methods to achieve their aims if leaders did not "guide them from the dark into the light" as regards attainment of national aspirations.

5. King Ibn Saud before his departure made declarations to a Palestine delegation of the Egyptian press emphasising his interest in Palestine and stressing the importance of the Arab League.

4. Considerable commotion has been created by a telegram of Arab news agency from London attributing to Bedawi a statement to the effect that the Security Council would not have to concern itself with the Egyptian question and Arab affairs. Makram's organ "Al Kutla" made a particularly violent attack on Bedawi

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for this statement which, it argued, amounted to making the Egyptian problem a private matter between Egypt and Great Britain thus denying to Egypt the support of international protection. Wafdist press naturally adopt a similar opinion but even non-partisan "Ahram" criticise Bedawi's statement. Makram subsequently himself made a statement to the press practically dissociating himself and the Government from the statement attributed to Bedawi. Bedawi subsequently explained that he had only meant that he thought that the Egyptian Arab problems would not have to come up before the Security Council but that if agreement of the great powers proved impossible then, of course, it would be necessary to have recourse to the Security Council. The Cabinet met on January 24th to consider communiqué to be put out on the subject but apparently failed to reach agreement. According to a well informed agent Nokrashy wished to put out a communiqué in the sense of Bedawi's explanation, but in a tactful form so as not to appear to be threatening us with reference to the Security Council while Makram insisted on something quite definite in that sense. The Cabinet is to meet again January 26th to continue consideration of this question.

5. This dispute coincided with the end of the truce which had been tacitly observed during the visit of Ibn Saud. Bedawi's statement has momentarily overshadowed the original cause of dispute within the Cabinet, namely Cabinet reconstruction (see paragraph 4 of my telegram No. 9 Saving January 5th). The Minister of Public Works, who has long been ill has now tendered his

/resignation.

resignation. The necessity of Cabinet reconstruction thus becomes more pressing. However, to the Bedawi development has now been added a Reuter telegram from London dated January 24th to the effect that several efforts had been made by the Egyptians to obtain a declaration in reply to the Egyptian note regarding treaty revision but without any result. According to a well informed agency this is likely to strengthen the hands of those who like Makram are insisting on a policy more energetic than that of Nokrashy with a view to insisting on an immediate response from His Majesty's Government. Meanwhile the Prime Minister has been severely heckled in both the Chamber and Senate about Bedawi's statement but refused to make any declaration until he was in possession of fuller information. The Government was also severely attacked by Sidky in the Chamber on the ground that its policy of inaction was detrimental to the attainment of Egypt's national aspirations.

6. However, according to a report received from an agent in touch with the Palace, the latter still wishes to maintain present political combination. Makram nevertheless still denies unwillingness to cease embarrassing the Government and appears to be avoiding extremist game in co-operation with Watanists. No doubt both are [grp.undec.] effects of Wafd monopoly of nationalist extremism while Makram himself is probably actuated by desire either to assert his position in the Cabinet or to organise a patriotic exit therefrom.

7. Russia's political offensive in Persia Greece and Indonesia is being closely watched by Egyptian political

EGYPT AND SUDAN.

February 17, 1946.

CONFIDENTIAL.

SECTION 1.

ARCHIVES

Copy No. 61

Mr. Bowker to Mr. Bevin.—(Received 17th February.)

(No. 264.)
(Telegraphic.)

Cairo, 16th February, 1946.

WEEKLY appreciation.

Week under review has been characterised by an accentuation of anti-British agitation over our reply to Egyptian note asking for treaty revision negotiations. There have been serious student demonstrations in Cairo and the police had to take strong repressive action, particularly on the 9th February, when they had to charge a crowd of students estimated at 6,000 endeavouring to cross Abbas Bridge from Giza to Cairo. A small number of students suffered severely from injuries. The student rioting on the following day was also serious in Cairo. There have been similar demonstrations in Alexandria, Mansura, Zagazig and Shebin el Kom.

2. Demonstrations were organised mainly by Moslem Brethren and Wafd. It will be remembered that at the opening of University last October Wafd were unable to bring students out owing to non-co-operation of Moslem Brethren who were then playing for the Government. The fact that Moslem Brethren this time have come out on to the streets with Wafd would seem to indicate that they thought the present Government was on its last legs. They were also annoyed with the Government which after being pleasant with them at the beginning has lately been repressing their activities. It is also significant of growing influence of Moslem Brethren that when they decide to throw in their weight on the side of disorder their action is pretty effective.

3. Palace elements seem to have been playing a game, i.e., supporting Government and at the same time insinuating that police were too violent. Mustafa Amin, a deputy and editor of *Akhbar el Yom*, who is generally considered to be under Palace influence is even asserted by press to have stated in the Chamber that riots had benefited Egypt by making it clear to the world that Egyptians cannot accept British reply. He suggested that students be pardoned and added that the Government's insistence on dispensing with the service of British police officers had induced the latter to give orders to beat up students.

4. It seems obvious anyhow that the Palace has been playing with fire and did not appreciate how much ground King Farouk had lost in student circles by not discouraging student ebullitions which eventually as could only be expected ended in disorder which had to be repressed forcibly by a Government regarded as a Palace instrument. This change of attitude amongst the students was particularly noticeable at ceremony of laying of foundation stone of new University City, to which King Farouk and the Royal Family generously subscribed. Only a very few students attended this function. Moreover, students pulled down decorative structures which had been put up for the Royal birthday and above-mentioned ceremony. It is said by Palace apologists that they only pulled these structures down to use the material as ammunition against the police. But it is extremely unlikely that they would have done so had they been well disposed towards His Majesty. There seems little doubt that, anyhow in the University, anti-Palace elements are now once more in a strong majority. In other words, the Palace has lost the position which it had gained there up to the fall of Nahas Cabinet in October 1944. However, a good deal now depends on attitude of the Moslem Brethren who might quite well come in with the Palace again, if it suited their game for the time being.

5. Two Wafdist newspapers were confiscated on the 10th and 11th February owing to their tendentious versions of disorders. However, Makram Ebeid newspapers also attacked the Government strongly on account of repressive action of police against the students. Finally, Makram Ebeid tendered his resignation on the 13th February definitely on this issue. He is obviously playing game of competing with Wafd for rôle of popular hero.

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6. Nokrashi was received by King Farouk on the evening of the 14th February, and is reported to have wished to propose to His Majesty a Cabinet conducted on Saadist-Liberal lines. It is reported, however, that His Majesty asked him to resign. Anyhow, his resignation has been announced. King Farouk has sent for Hafez Afifi, Sherif Sabri and Ismael Sidky Pasha successively. Reports locally query whether these personalities were sent for to form a Cabinet or merely for consultations. King Farouk is said to have been impressed by reports of growing danger of disorders even of a revolutionary nature, latest report from agent in touch with Palace is that Sidky has been requested to form a Cabinet.

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EGYPT AND SUDAN.

March 9, 1946.

CONFIDENTIAL.

SECTION 1.

Copy No. 61

Mr. Bowker to Mr. Bevin.—(Received 9th March.)

(No. 440.)

(Telegraphic.)

Cairo, 9th March, 1946.

WEEKLY appreciation.

The 4th March, "Day of Mourning" (see paragraph 3 of my telegram No. 374), was characterised by a general strike in all the principal towns of Egypt, but there were no disorders except in Zagazig, where they were of limited extent, and in Alexandria, where they were very serious. Attacks were made by mobs on British naval and military establishments, and two British military policemen were killed at a police post which was attacked by mob. The Egyptian army and police displayed lamentable ineffectiveness: they had ample time to rescue the soldiers in this post.

2. His Majesty's Ambassador made strong representations to Sidky Pasha, and suggested that the Egyptian Government would pay compensation for the British lives and property lost, make a formal expression of regret, prevent repetition of any such deplorable incidents, and generally take measures to put an end to anti-British agitation which was causing such incidents. The Egyptian Prime Minister, while reserving a final expression of opinion until results of the enquiry were known, expressed his personal regrets and that of his Government at the killing of two British soldiers. He undertook to take necessary measures to ensure order and to deal with anti-British agitation.

3. Meanwhile students seem to be master of the situation, and the Government appears to be unable or unwilling to deal with them at all drastically. There are numerous reports of arming of students and of plans for further disorders on a more serious scale, perhaps on the occasion of the anniversary of Independence Day (the 15th March).

4. It is also reported that students are endeavouring to stir up the Fellaheen. The situation is generally admitted as very serious. Sidky Pasha still seems reluctant to take measures which would make him unpopular with the students, and if the Government cannot or will not control the situation further disorders on an increased scale seem inevitable.

5. Students have been endeavouring in Cairo and elsewhere to make European shops take down or cover up their European signs. Sidky Pasha, when representations were made [?] to him by His Majesty's Ambassador, stated that this action was illegal and he would put a stop to it. Nevertheless students appear to be continuing on these lines, and present indications are that shopkeepers having no confidence in Government protection are beginning to yield to this student blackmail.

6. Sidky Pasha has been in negotiation with the Wafd for inclusion of the Wafdists in treaty delegation, but Nahas Pasha imposed conditions unacceptable to Sidky Pasha, among which that Nahas Pasha should head the delegation and that there should be a Wafdist majority in it, that there should be free elections under a neutral Government immediately after negotiations whether successful or unsuccessful. Sidky Pasha has now decided to go ahead without the Wafd, and a treaty delegation composed as follows has been appointed:—

Ismail Sidky Pasha.
Mohammed Sherif.
Ali Maher.
Mohammed Hussein Heykal.
Abdel Fattah Yehia.
Hussein Sirry.

Mahmoud Fahmy El Nokrashi.
Ahmed Loutfi El Sayed.
Aly Shamsi.
Makram Ebeid.
Hafez Afifi and
Ibrahim Abdel Hadi.

7. Delegation consists of two Liberals, two Saadists, all ex-Prime Ministers (one of whom is Saadist representative) except Nahas Pasha, one Makramite and two Independents. It is adequately representative of non-Wafdist elements.

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8. It may be expected that the Wafd will take its exclusion from the delegation as an incentive to stronger agitation on its part against the Government and against the British.

9. Pro-Government students has been visiting leaders, including Nahas Pasha, and urging them to unite in the national cause. From non-Wafdist leaders they received assurances demanded, but Nahas Pasha referred them to conditions on which the Wafd was prepared to participate in the delegation (see paragraph 6 above).

10. According to Amr, Sidky Pasha is apprehensive lest His Majesty's Government may refuse to negotiate with a delegation not including the Wafd.

WEEKLY POLITICAL AND ECONOMIC
REPORT. FROM 30th JANUARY to
5th FEBRUARY.

P O L I T I C A L

The Cabinet

With reference to paragraph 1 of Weekly Report No. 165 an article by Kerim Tabet in the "Mokattam" of February 2nd, which has attracted considerable attention, states that there is every indication that the factors which provoked the recent cabinet crisis still subsist and might provoke another crisis at any moment. The article goes on to say that now that the British reply regarding treaty revision has been received, the whole country looks to King Farouk to remedy the situation by removing the danger that such dissensions represent at a moment when all efforts should be directed towards the defence of Egypt's rights. Kerim Tabet is in close and continual touch with the Palace and it is generally inferred that this article must have Palace inspiration.

Egypt and Great Britain.

2. The reactions to the publication of the contents of the notes exchanged between the Egyptian Government and His Majesty's Government regarding treaty revision have to a large extent been coloured by considerations of party politics. Press comments show a sharp cleavage between the Wafdist newspapers whose violent opposition is largely a party manoeuvre and the pro-Government newspapers which while urging caution and vigilance, regard the reply as a success for the Government. Of the independent newspapers the "Mokattam" took up an attitude of critical reserve. The "Ahram", however, without any suggestion of bias in favour of the Wafd, declared categorically that Egypt should demand the modification of the basis for negotiations (i.e. the British reply) and that if Great Britain declined it would be wiser for the Egyptian Government to refuse to negotiate at the present moment. (See paragraphs 22 - 28 below).

3. The detailed comments of the Wafd party were set forth in a manifesto published in the "Balagh" of February 2nd. This document described the Egyptian and British notes as a great national calamity and as constituting a negligence and transgression of Egypt's rights. It contrasted the allegedly begging tone of the Egyptian note with that of Nahas Pasha's letter to His Majesty's Ambassador of 23rd July, 1945, which, it claims, embodied Egypt's national demands, especially evacuation and the Sudan, in unequivocal terms. The Wafd considers that the Egyptian note acknowledges that the new Treaty should impose permanent military fetters on Egypt despite the guarantee of security provided by her participation in the United Nations Organisation. The reference in the British reply to the Sudan, the manifesto continues, indicated that the present Egyptian Government had made a considerable concession to British imperialism in the Sudan. The manifesto

/alleged

alleged that there was a conspiracy between His Majesty's Government and the present Egyptian Government to keep the Egyptian question out of the international councils and to reserve it exclusively for Great Britain and Egypt. It then criticised His Majesty's Government's coupling of Egypt with the British Commonwealth and Empire, the appeal for Anglo-Egyptian co-operation on a partnership basis, and alleged differentiation between the questions of Egypt and the Sudan. The manifesto ended with an injunction to struggle for Egypt's cause and to refuse to accept humiliation and subjugation.

4. The Moslem Brethren Society have also issued a statement of their views, which in many respects coincide with those of the Wafd. This statement demands full evacuation, the unity of the Nile Valley and the settlement of economic problems. It invites its leaders to struggle against imperialism. The "Ahram" publishes a statement by the President of the Young Egypt Party containing unfavourable criticisms of His Majesty's Government's reply and suggesting that, like Persia, Egypt should refer her case to the Security Council. It concludes by appealing for unity among Egyptians in the cause of liberty and independence. Incidentally, the need for national unity at this moment is the theme of editorials in the Saadist organ "Dustour", which asks the nation to rally round Nokrashy Pasha, and in the independent "Ahram", which recalls King Farouk's recent injunction in this sense to the consultative committee of elder statesmen.

5. According to the Cairo City police, students in the Azhar attempted a demonstration in protest against the terms of His Majesty's Government's reply on February 6th, but were successfully subdued by the police. This movement apparently developed from a demonstration on the previous day in one of the Faculties whose students wished to ventilate grievances relating to the internal routine of their Faculty.

6. On the resumption of the foreign affairs debate in the Senate on February 4th, Sabry Abu Alam Pasha raised the question of conversations or negotiations with Great Britain, which, he contended, should be debated simultaneously with the Address in Reply to the Speech from the Throne. An animated discussion followed and ended in the retirement of the Wafdist senators in protest against the President's ruling that these two items should be discussed separately. After a suspension of the sitting, a motion was adopted to permit simultaneous discussion and the Wafdist senators resumed their places. Nokrashy Pasha, according to the press, then stated that the Egyptian Government would take advantage of all rights conferred by the United Nations Charter and that it had the right to submit any conflict to the Security Council or to any international organism competent to pronounce on a conflict. The debate was continued on February 5th, when the opposition leader sharply criticised Bedawi Pasha's statement referred to in paragraph 5 of Weekly Report No. 165 and then maintained that Nokrashy Pasha's statement on the previous day had not dissipated the misunderstanding created by Bedawi Pasha. Sabry Abu Alam Pasha then declared his opposition to the acceptance in the Egyptian note to His Majesty's Government of the principle of an alliance with Great Britain on the ground that an alliance was unnecessary in view of the United Nations Charter. He demanded that the Government should firmly insist on fulfilment of the various promises made to Egypt regarding the participation in the Peace Conference. Replying to Sabry Abu Alam Pasha, the Minister of Finance stated, according to the press, that although the British reply to the Egyptian note contained certain restrictions, the Council of Ministers had decided to embark on negotiations free of all restrictions. Makram Pasha

added that the Government had unanimously agreed to claim Egypt's full independence without any conditions or reserves and on the basis of evacuation and the unity of the Nile Valley. After a Nationalist senator had protested against negotiations and demanded evacuation and respect of Egypt's rights, the President of the Senate announced that the motions submitted on the subject of the exchange of notes between Egypt and Great Britain would be brought before the Senate at the next sitting on February 12th.

7. The Chamber of Deputies has fixed February 19th as the date on which it will discuss the national claims in the light of the exchange of notes between Egypt and Great Britain.

8. The possible composition of the Egyptian delegation to discuss the question of treaty revision is the subject of considerable conjecture in press and political circles. According to one pro-Government newspaper, the King will be invited to nominate two representatives to the Egyptian delegation.

Amin Osman Pasha's murder.

9. The Defence Security Officer reports that between twenty and thirty individuals are now in custody in connection with this case. The Parquet has not yet divulged any detailed information about the progress of its investigations.

Public Security.

10. With reference to paragraph 12 of Weekly Report No. 165, a further report from another reliable source states that Copts are complaining bitterly that the Moslem Brethren are stirring up anti-Christian and anti-foreign feeling. Several prominent Moslems are stated to have confirmed the existence of this feeling and to have deprecated the use of religion by this society as a cloak for political activity.

11. Demonstrations against the British note about treaty revision occurred among students of the Religious Institute and a Coptic Secondary School at Tanta and there were clashes between the demonstrators and the police. The Director-General of Public Security confirms a report that Cairo University students propose, on their reassembly after the holidays on February 9th, to demonstrate against this British note. The Director-General states that measures have been taken to stop such demonstrations.

12. On the night of February 4th armed bandits, for whom the police are actively searching, gained access to the mail van of the express train from Upper Egypt and after assaulting the train officials robbed the van of bags containing a substantial quantity of currency notes belonging to the National Bank of Egypt.

Social Reform.

13. During Lord Killearn's audience with King Farouk on 29th January, His Majesty referred gratefully to the work of the Health and Labour Counsellors of His Majesty's Embassy and mentioned that he had exerted his influence to ensure that their efforts should fall on fruitful ground. King Farouk observed that Mokrosky Pasha was well-intentioned but too slow-moving in applying the Government's social programme.

14. The Under Secretary of State in the Ministry of Commerce and Industry, replying to an article by Mohamed Khattab Bey in the weekly "Musawwar" regarding the latter's scheme for the future

/limitation

limitation of agricultural states, criticised that project as uneconomic and as not calculated to improve living conditions in the villages.

Al Azhar

15. Sheikh Abdel Rahman Hassan, hitherto Director-General of Religious Institutes in the Azhar, is reported to have been appointed Vice-Rector of the Azhar.

Coptic Church

16. With reference to paragraph 16 of Weekly Report No. 165, the Ethiopian Minister of Public Works has been notified by the Holy Synod that it accepts a number of the demands put forward by the Ethiopian Church, including participation of Ethiopian delegates in the patriarchal elections and the admission of the Ethiopian Primate and bishops to deliberations of the Holy Synod in Cairo. It is reported that the latter has also agreed to the establishment of a Holy Synod at Addis Ababa for the Ethiopian Church. It is understood however, that the Ethiopian delegates' mission has not been entirely successful in that agreement has not yet been reached on two of the principal demands made by the Ethiopian Church, namely, that its Primate should be an Ethiopian and should be empowered to consecrate Ethiopian bishops. According to the press, these outstanding questions are to be discussed by an Egyptian Copt layman direct with the Emperor. This step is apparently being taken at the instance of Nokrashy Pasha in the interest of Egyptian-Ethiopian relations generally.

Arab Affairs.

17. His Majesty's Government's decision regarding temporary facilities for further Jewish immigration into Palestine was duly communicated to the Egyptian Prime Minister by the Oriental Minister on behalf of His Majesty's Ambassador. Nokrashy Pasha was rather disturbed and expressed concern at the extent of illegal immigration. Sir Walter Smart expressed the hope that His Excellency would use his influence to calm the Arab States who, Nokrashy Pasha thought, would be upset by this decision.

18. According to the "Alhram", representatives of Arab and Moslem organisations in Egypt held a meeting on February 3rd and decided to protest against His Majesty's Government's decision and to call upon Egyptians to go on strike as a sign of protest. The Director-General of Public Security thinks that this strike is not likely to materialise. The "Bourse Egyptienne" reports, however, that the Arab League has issued a circular condemning His Majesty's Government's decision as a departure from the 1939 White Paper policy and appealing to Egyptians to show their indignation by co-operating with their brethren in Palestine and other countries for a strict application of the measures taken to boycott Zionist products. The circular concludes, according to this report, by stating that a date for a strike will be fixed by the League as soon as the Egyptian political situation is clarified.

19. His Majesty's Embassy has received from the President of the Moslem Brethren Society a telegram protesting against the continuation of Jewish immigration into Palestine and expressing support for the Palestine Arabs.

20. According to the Iraq Minister, Azzam Pasha has suggested that the next meeting of the Arab League Council might be

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held in Bagdad. This proposal is presumably made with the desire to conciliate Iraq and thus to check any inclination on her part to break away from the League.

21. The "Ahram" reports that discussions are now going on between the Governments of the Arab States with a view to asserting Libya's right to freedom and independence and to eventual membership of the Arab League. Azzam Pasha is reported by the "Misri" to have commented on a suggestion attributed to the United States of America that former Italian colonies should be placed under international trusteeship for ten years and then granted full independence by saying that the Arab League maintained the view that Libya should be granted complete independence forthwith. The "Siassa" publishes the text of a note stated to have been submitted by certain Tripolitanian leaders to the Secretary-General of the Arab League in which they appeal for their country's complete independence and its admission to the Arab League.

P R E S S

The British Reply

22. The week has been devoted almost entirely to discussions of the British reply to the Egyptian Note requesting negotiations with a view to revision of the 1936 Treaty.

23. The Wafd organs attacked the reply violently - even with hostility; the independent papers, as well as Al-Kotla (Makram Pasha) and Al-Siyassa (Constitutional-Liberal), were critical; only Al-Dustur (the Saadist organ) was enthusiastic and hailed the reply as "a memorable day in Egypt's modern history".

24. In addition to the inflammatory "patriotic" outbursts of the Wafd, with its exhortations to the people to wake up and struggle, the main objections to the British reply were the following:-

- (i) The British reference to the soundness of the fundamental principles of the 1936 Treaty, which was criticised by newspapers of all parties, except the Saadist. The independent papers argued that if this were so there would be no need for revision. Al-Siyassa said that the Constitutional-Liberals had always held that the treaty of 1936 did not fulfil Egypt's aspirations, but was merely a step to be followed by further progress.
- (ii) The coupling of Egypt's name with that of the British Commonwealth, which was alleged to be an intentional violation of Egypt's international status as an independent sovereign state; Egypt's participation in United Nations Organisation and her leadership of the Arab League were quoted in support of this thesis.
- (iii) The use of the word "partnership" in connection with the Anglo-Egyptian co-operation, which was criticised mainly in the Wafd papers, where it was interpreted as a new device to cloak imperialist domination.
- (iv) The assumed treatment of the Sudan as a separate issue was criticised by all papers. The Wafd organs did their utmost to convince their readers that this was due to the weakness of the Egyptian Note and even accused the present Government of

/plotting

plotting with Britain. Nokrashy Pasha was accused of having bought His Majesty's Government's agreement to negotiate at the price of neglecting Egypt's rights in the Sudan.

25. The independent Ahram gave a comparative analysis of the Egyptian Note and the British reply, coming to the conclusion that the important point was that the door for negotiation had been opened and that the results now depended more on the Egyptians themselves than on anything or anyone else.

26. Mogattam, an independent paper known for its Palace tendencies, objected to the neglect of the part played by Egypt in the war, and the introduction of United Nations Organisation into Anglo-Egyptian relations, "which has no justification".

27. Akhbar al Yom hinted that Britain's willingness to open negotiations with Egypt was no reason for rejoicing and that Egypt could celebrate only after the departure of the last British soldier. This paper further explained that the country needed both extremists, who would like to get everything, and moderates, who would be satisfied with the best they could get; both, it said, could serve the interests of the country.

28. The Wafd was attacked by the Coalition organs for raising its storm of hostility to the British and Egyptian Governments "for the sole reason that neither side has paid any attention to it". Ithnein plainly said that the Wafd was expecting Britain to make its participation an essential condition of negotiations.

Internal Politics.

29. The Wafd organs' insistence that the recent announcement that all was well inside the Cabinet was not true was supported in Korim Tabet's conspicuously displayed article in Mogattam (2nd), which is summarised in paragraph 1 above.

30. On the following day, Al-Misri reproduced Korim Tabet's appeal to King Farouk frankly announcing that the crisis still held and emphatically endorsing the appeal to His Majesty. Ahram appeared the same morning with a similar appeal under the title "The word now rests with Egypt". This amounted to a veiled confirmation of Al-Misri's outspoken announcement that the ministerial crisis was not yet over, as well as an appeal to the King.

United Nations Organisation.

31. Much prominence was given throughout the week to United Nations Organisation news, and some sensational headlines appeared in connection with Anglo-Russian differences.

32. Ahram began a series of articles by its correspondent (Emil Khouri) in Germany, describing the prevailing conditions. This correspondent won considerable local fame before the war by his painstaking efforts to explain Germany's manoeuvres in Central and South Eastern Europe, many of his conclusions being justified by events.

WEEKLY POLITICAL AND ECONOMIC REPORT FOR
THE WEEK 6th to 12th FEBRUARY, 1946.

P O L I T I C A L

Students' Demonstrations.

1. With reference to paragraph 11 of Weekly Report No. 166, serious demonstrations by students have occurred in Cairo and in certain provincial towns in spite of precautionary measures taken by the competent authorities. On February 9th students of the University attempted to cross the Abbas bridge to enter Cairo and had a severe clash with the police forces posted at the bridge to prevent their passage. In view of the refusal of the students to obey the police orders to disperse, the police took repressive action and it is reported that some 170 students suffered injuries. There was further trouble on the following day, when the police paraded before the University and the students assumed that the police intended to enter its precincts. The students accordingly attempted to seize passing motor transport and a passing Egyptian lorry which refused to stop ran over and killed a student, reported to be a Sudanese. The students took the body to the Medical Faculty on the Cairo side and began a turbulent demonstration; after throwing missiles at the police, they barricaded themselves inside the Medical Faculty and refused to surrender the corpse of the dead student for burial. The police eventually succeeded in ensuring that the body was buried quietly without the participation of students in the funeral. Inflammatory pamphlets containing incitements to revolt against imperialists and capitalists are stated to have been handed out to students.

2. Other student demonstrations are reported to have taken place at Alexandria, Mansoura, Shebin el-Kom and Zagazig. At Mansoura the police, after vainly firing blank ammunition, were obliged to fire ball ammunition and some students were wounded. Renewed disorders at Alexandria on 12th February are reported to have resulted in two deaths. A considerable number of arrests have been made in connection with these various disturbances. According to the Director-General of Public Security, the demonstrations generally were organised mainly by the Moslem Brethren and the Wafd. Two Wafdist newspapers were confiscated on February 10th and 11th owing to their tendentious accounts of these disorders. The Ministry of Interior has issued an official communiqué drawing attention to Decree-Law No. 22 of 1929, which forbids the publication of reports of students' strikes, and to the obligation of the press to refrain henceforth from publishing any news in this connection.

3. The Defence Security Officer reports that Azharite students formed a demonstration after prayers on February 8th and shouted anti-British and revolutionary slogans but that the police dispersed the demonstration after arresting the ringleaders.

4. The demonstrations generally had an anti-British complexion in that shouts for the evacuation of British troops and in condemnation of the British reply regarding Treaty revision were frequently raised by the students. It is noteworthy that many branches of the Moslem Brethren Society have sent telegrams to His Majesty's Embassy supporting the demand for these two objectives and that many provincial members of the British-sponsored organisation "Brethren of Freedom" have intimated to the headquarters of this organisation that they, too, support these particular demands.

5. The demonstrations were the subject of an interpellation in the Senate by Sabri Abu Alam Pasha on February 12th. According to the press, the Opposition leader asked for information as regards the responsibility for the repressive measures taken against the University students during the previous two days and demanded an enquiry by a parliamentary committee. The Prime Minister apparently insisted that there should be immediate discussion in view of the gravity of the question, but the Senate decided to hold the discussion a week later. A motion to discuss the demonstrations was also put forward in the Chamber of Deputies on the same day. In reply to an allegation that the Government had created an atmosphere of anxiety by its reticence, the Prime Minister stated that the students' demonstrations were due to the incitements of the press which had exploited recent events for political purposes. Nokrashy Pasha went on to say that, having ordered that manifestations should be prohibited, there was no question of his allowing the students to organise them. The students, however, defied these orders and the police only took repressive action after vain attempts to use peaceful methods of persuasion. Nokrashy Pasha concluded by pointing out that those students who sought to safeguard the dignity of their country within the limits of the law had his full sympathy. (See also paragraph 16 below).

6. Makram Pasha's newspaper "Kotla", in its issue of 12th February, printed an article criticising the action taken against the students by the police and asking the Minister of Interior to institute an enquiry into the matter. This article is regarded as possibly foreshadowing a further cabinet crisis.

Palace.

7. King Farouk's birthday was celebrated on February 11th with elaborate public ceremonies. A marathon of torchbearers was organised by the Egyptian army from Luxor to Cairo and a similar relay of Lebanese torchbearers conveyed (by car) a torch from Beirut to Cairo as a gesture symbolic of Lebanese friendship for Egypt. There were large gatherings of the public in Abdin Square in the evening to witness the arrival of the organised processions in front of the Palace. The Egyptian Prime Minister, despite the events of the previous two days, and although he had given instructions to the police to prevent all demonstrations, authorised a procession of students to Abdin Palace in connection with these celebrations. His Majesty's Ambassador had warned Nokrashy Pasha of his responsibility for the preservation of public order and expressed the hope that he would take adequate precautionary measures. Nokrashy Pasha assured Lord Killen that he would do so. The press published an

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appeal by Nokrashy Pasha warning the public against those elements who might seek to raise cries prejudicial to the national cause and urging that the acclamations on King Farouk's birthday should be strictly confined to the essential object. The proceedings passed off without disorders.

8. A notable feature of this anniversary is the exceptionally large list of honours awarded to leading Egyptians. The rank of Pasha was conferred on the five members of the cabinet who did not already hold it and high orders were conferred on other members of the cabinet, including Nokrashy Pasha, who received the Grand Cordon of the order of Mohammed Ali. In a message broadcast to the Egyptian people on this anniversary, Nokrashy Pasha said that Egypt would enter into free and unconditional negotiations for the achievement of the national demands.

9. A special service was held in the Anglican Cathedral for the dedication of two grilles presented by King Farouk. The unveiling ceremony was performed by the Grand Chamberlain and other representatives of the Palace were present. This gift had been promised by His Majesty when he visited the Cathedral informally in 1944 and is thought to be a token of his appreciation of British assistance in connection with the foundation of the London Mosque. Last minute obstruction by the students working on the grilles in the State workshops resulted in only one being delivered in time for the ceremony.

10. His Majesty was represented by the First Chamberlain at a dinner and soiree organised by the Anglo-Egyptian Union in Cairo in celebration of his birthday anniversary. Hassanein Pasha was also present at the soiree.

11. Nokrashy Pasha received the diplomatic corps and leading Egyptian and foreign notables at a tea party at Zaafarane Palace on February 11th.

Great Britain and Egypt.

12. With reference to paragraphs 2 to 8 of Weekly Report No.166, there have been further expressions of opinion in favour of the evacuation of British forces, the unity of the Nile Valley and Egypt's entry into negotiations with Great Britain for treaty revision without any restrictive conditions, a thesis which implies that the British reply to the Egyptian demand for such negotiations is not considered a suitable basis for discussions. At a dinner on February 9th given in his honour by members of his party, Makram Pasha stated, according to the press, that he was opposed to the idea of "partnership" with Great Britain, though if Egypt were given real independence Great Britain could be assured of her genuine friendship. The 1936 Treaty, he continued, provided loopholes for British exploitation and closed the door to Egypt's real independence. Makram Pasha particularly criticised the clauses relating to the occupation of the Canal zone, the right of British troops to occupy Egypt in the event of a threat of war and the diplomatic precedence given to His Majesty's Ambassador. He condemned the Anglo-Egyptian "partnership" in the Sudan as a tragedy which shattered the unity of the Nile Valley. Egypt, he concluded, should accept nothing but true independence, complete evacuation of British land, sea and air forces, and the unity of the Nile Valley.

13. Sidki Pasha has expressed his views on the exchange of notes between Egypt and Great Britain through the medium of the "Ahram". He expresses disapproval of the suggestion for preliminary conversations in Cairo and considers that negotiations should take place in London, where Egyptian negotiators would meet British negotiators of the same standing.

14. According to the "Wafd al Misri" the youth elements of Ali Maher Pasha's "Egyptian Front" Movement have issued a manifesto criticising the recent exchange of notes between Egypt and Great Britain and urging all Egyptians to unite for the sake of the national demands.

15. Two motions were submitted in the Senate on February 12th, one by Sabri Abu Alam Pasha to the effect that His Majesty's Government's reply could not be taken as a basis for negotiations, and the other by Mahmoud Fouad Bey proposing that the Senate should support the Government with a view to undertaking negotiations free of all restriction on the basis of evacuation and the unity of the Nile Valley. The President of the Senate, according to the press, read out a note referring to article 46 of the Constitution and concluding that Parliament, which had the power to ratify treaties, had no right to fix in advance the basis on which the government should undertake negotiations. All action tending to restrict the Government's authority in negotiations was therefore unconstitutional. The President accordingly ruled that the above-mentioned motions should not be submitted to the Senate. The leader of the opposition is stated to have declared that the Egyptian Government was bound by its own note and to have insisted that his motion should be put to the vote, failing which it should be referred to the constitutional committee. On the refusal of the President to yield to these arguments, Wafdist senators are stated to have walked out of the House.

Public Security.

16. In addition to the confiscation of Wafdist newspapers referred to in paragraph 2 above, the Egyptian Government also ordered the confiscation of the Young Egypt Party's magazine "Misr al Fatat" published on February 6th, owing to an article containing incitement to revolution. The article in question announced that there would be riots on February 9th and was not only anti-Government but anti-British in tone. It is reported in the press that a congress which the Young Egypt Party proposed to hold on February 9th and 10th was banned by the police and that several members of this organisation were arrested.

17. The Defence Security Officer reports that four young Egyptians who have not yet been identified, stole a taxi and used it to raid a British military wireless installation at Giza, from which they stole two rifles. The taxi was later found abandoned but the culprits have not yet been traced. It is suspected that they are connected with the murder gang responsible for the assassination of Amin Osman Pasha.

18. With reference to paragraph 5 of Weekly Report No. 164, Aziz al Masri Pasha has now been released without bail in view of the fact that the Parquet have been unable to find any evidence implicating him in Amin Osman Pasha's murder.

Arab Affairs.

19. Three delegates from Spanish Morocco have arrived in Cairo to take part in the deliberations of the cultural committee of the Arab League and have been received by King Farouk to whom they presented gifts from the Khalifa. According to the press they may take part in the proceedings of other technical committees of the Arab League.

20. The press reports that the Ministry of Education is studying a memorandum regarding the granting of scholarships to Tripolitanian students in Egyptian secondary schools and universities.

21. With reference to paragraph 20 of Weekly Report No. 166, Hassanein Pasha has informed the Oriental Minister that King Farouk had in view suitable action to reconcile the Regent of Iraq not only with himself but also with King Ibn Saud. Hassanein Pasha remarked in this connection that Iraq wanted to dominate the Arab League and was upset that Egypt should be taking the lead. Hassanein Pasha regarded the latter development as inevitable as it would have been impossible to bring King Ibn Saud into the League if Iraq had played the predominant role. It was solely due to King Farouk's efforts, he said, that King Ibn Saud had finally been persuaded to join the League. In a statement to press representatives on February 10th, Azzam Pasha criticised certain news agency reports to the effect that Iraq and not Egypt was directing Arab Union. He regarded these reports as signs of a conspiracy in which a Zionist correspondent was active in spreading incorrect news. This remark presumably refers to Jon Kimcho of Reuters.

Indonesia.

22. The "Journal d'Egypte" publishes the text of a telegram from Azzam Pasha to Sir Archibald Clark-Kerr congratulating him as a personal friend on his special mission to Indonesia, and urging him to favour the liberty and independence of the Indonesians.

23. In the Senate on February 12th the opposition leader asked the Prime Minister for explanations regarding declarations made by Mamdouh Riad Bey at the United Nations Organisation Meeting in connection with the role of British troops in Indonesia. The Prime Minister is stated to have replied that at present only press agency reports of Riad Bey's declarations were available and he saw nothing to criticise in such versions. The Senate is reported to have adjourned discussion of this for two weeks pending receipt of the official text of Riad Bey's declaration.

Egypt and the Sudan.

24. The "Ahram" reports that a committee which has been set up by the Ministry of Education to study cultural relations between Egypt and the Sudan will concern itself with the award of scholarships to Sudanese students, arrangement of cultural and sporting tours, and exchange of lecturers and teachers. The Chairman of the committee is the Minister of Education.

25. A Sudan press office has been opened in Cairo on February 10th by Ahmed Yusuf Hasham, chief editor of the Khartoum newspaper "El Nil", who invited Egyptian press representatives to a tea party in celebration of the occasion. Ali Maher Pasha and Hamdi Beif el Nasr Pasha were among the guests.

Social Reform.

26. With reference to paragraph 9 of Weekly Report No. 162, King Farouk laid the foundation stone of the University City on February 12th. His Majesty's Ambassador attended the ceremony. The ceremony was marred to some extent by the atmosphere of unrest resulting from the demonstrations referred to above. Khamy Hussein Pasha has appealed to all classes of the public, Egyptian and foreign, to further the scheme by contributing generously to the fund launched by His Majesty. The response of students to this ceremony was very cold, owing to the repression of student demonstrations (reported in paragraphs 1 and 2 above) by a Palace Government.

P R E S S

Palace

27. The birthday of His Majesty King Farouk on 11th, was the occasion for big displays in the Arabic press, except the Wafd organs, which were reserved. Rather remarkably, however, Balagh came out with a long list of the 'beneficent events' during the reign, the list being identical with that which Nahas Pasha used to claim as his own achievements, such as the 1936 Treaty, the abolition of the capitulations and the founding of the Arab League.

28. The torch marathon was likewise widely publicised, except that the Wafd papers were again lukewarm.

Treaty negotiations.

29. The reaction to the British reply has now crystallised. During the week the independent papers began to express their approval of the principle of negotiations, although not altering their former opinion that the British reply was not satisfactory.

30. In the Ahram Tawfik Diab, a former editor and writer of some influence (Saadist) supported Sidki Pasha's views referred to in paragraph 13 above. "We are not invited to a banquet, but to negotiate", he said, "and we must do our utmost to present our claims as best we can".

31. In an interview with Rose el Youssef, Hussein Sirri Pasha said that Egypt must enter the negotiations free from any reserve or obligation. He had, he said, never been a pessimist; optimism or pessimism should be the outcome of events and not of speculation.

28.

32. Sirri Pasha went a good deal further in an interview which he gave to Akher Sa'a. Here he commented outspokenly that the British Government's reply was "undoubtedly a catastrophe; each phrase of it was a drop of poison". He further explained that the fault was that of the Egyptian Government, whose attitude did not correspond with that approved by the consultative committee of elder statesmen.

33. The Wafd organs still maintain their hostile attitude.

34. Balagh commenting on His Excellency's part in the negotiations, said: "What concerns us is not that the talks should be with this Ambassador or another; these are mere formalities of no weight. Real efforts should be made to revise the basis of the forthcoming talks".

35. The resignation of Sir Norman Nixon, Governor of the National Bank of Egypt, was played up only in Misri and Wafd, which gave the news much importance and emphasised Shamsi Pasha's endeavours to Egyptianise the administration of the National Bank.

36. Mokattam, almost the only daily which shows reasonable interest in economic matters, commented on the question of the Suez Canal shares in its issue of February 11th. Discussing "the rumours that efforts are being made to relieve the Company of some of its obligations to its shareholders", the paper doubted the authenticity of such stories; "it is hard for us to believe that diplomatic quarters should intervene in a case in which the Courts have already passed judgment".

37. Judging from its press, the Wafd seems not to have made up its mind definitely on its attitude towards the British. The party's organs are still oscillating between open hostility and cautious moderation. The tone is generally uncompromising on the treaty issue.

38. When hostility is called for, the chosen Wafdist writer is Maître Abdel Magid Nafi. Under the title: "Fighting Imperialism", (Balagh of February 6th) he called for a policy of non-cooperation and for a trade boycott of Britain; Egypt was advised to bring her influence to bear on all Arab countries to follow her lead in this respect so that all might "hoist the flag of the struggle against imperialism".

Political Affairs.

39. The Wafd papers took the student demonstrations of February 9th as an occasion to attack the Government with all the violence they could muster and Wafd Al Misri (10th) was confiscated in the streets by the police. Its front page was reminiscent of the old sensational war features. Great headlines included such phrases as: "Bloody battles between youth groups and army and policemen" - "the Lost - the Drowned - the Wounded" - "Hundreds arrested throughout the country" - "Youth demands evacuation, the Sudan, and that there should be no negotiations on the basis of the Egyptian Note and the British Reply".

40. Dr. Mandour, the editor, lamented the dead in an

/article

article entitled "Savagery", in which he grieved over the "painful, sad and tragic events", and concluded with the assertion that "Egypt has hoisted the flag of war which will never be hauled down till victory is achieved. The sign of this victory is the departure of the last British soldier from the Fatherland; this Fatherland is the Nile Valley". In an ironical vein he called on the Government to seek military reinforcements from Britain. Another Wafd writer, Aziz Fahmi, under the heading "Into Battle", venomously attacked the Government.

41. Next day both this paper and the Misri were seized by the police on the presses before the Cairo edition could be run off; it is said, however, that some copies found their way to the provinces.

42. The Government papers tended to regret the infiltration of evil elements into the student body. The independent papers, Ahram and Mokattam, did not give undue prominence to the news; Ahram, which called for calm and wisdom, said that Egypt should show the world that her people were aware of the importance of the days through which the country was passing.

Internal Politics.

43. King Farouk's birthday and the student demonstrations eclipsed the story of the Cabinet crisis. Balagh (9th) under the heading "Hitting the Bull's Eye" commented on Karim Tabet's appeal to King Farouk in Mokattam, referred to in paragraph 1 of Weekly Report No. 166. This appeal, the paper said, was written by direction of the Premier, who wished to remind Makram Pasha that if he persisted in his intrigues, he might be dismissed. Balagh admitted that the alleged manoeuvre was a success, as Makram changed his conduct after its publication.

44. The story of a move towards unity among the political parties of Egypt was revived in Rose el Youssef. In an interview with this paper, Sirri Pasha was asked whether such unity was practicable. To this the ex-Premier answered: "It is the duty of both sides to forget the question of the 'trial' of Nahas Pasha, or at all events not to agitate about it". Sirri Pasha added that if there had been any delay in achieving this unity, it was the fault of leaders who concentrated on their own private affairs.

Arab Affairs.

45. Kotla started the serial publication of the Emir Abdulla's memoirs, which it boosted as a "scoop". This feature is said to have raised the paper's circulation, especially as the memoirs contain a frank and outspoken onslaught on the Saudis and their Wahhabi doctrines. The Saudis were stigmatised as highway robbers and their doctrines are said to be the production of a destitute Arab wanderer.

46. The prospective independence of Transjordan drew little comment but Mazni referred to it in an anti-Zionist article in Al-Risalah (11th). He said that the independence of Transjordan would be no better than that of other Arab countries which were still under foreign control.

47. In the course of its editorial comments on United

/Nations

Nations Organisation news, Mokattam emphasised the importance of the role which the Arab countries are beginning to play in world affairs. To secure such a position permanently these countries ought to achieve unity, with a well-founded internal order.

48. This paper continued to defend the Palestine Arab cause in its editorials.

Foreign.

49. Two further articles sent by Emil Khouri from Muremberg appeared in Ahram (7th and 10th). The first, drawing a comparison between Napoleon and Hitler, referred to the Nazi atrocities. "Many people" he wrote, "used to doubt the authenticity of the war-time reports. But I have seen with my own eyes that the reports are not Jewish lies or Anglo-Saxon propaganda as used to be said. On the contrary, the truth is that these crimes were the most abominable that man ever committed or could ever commit".

E C O N O M I C

Sterling Balances (Paragraphs 35 - 36 of Report No.162).

50. In an interview with the Arabic paper "Al Mussawar" last week, the Minister of Finance is reported to have stated that the British Government had been approached to fix a date for discussion of the settlement of Egypt's sterling balances, adding that the balances accumulated "from the sweat of the fellaheen" were concrete evidence of Egypt's great contribution to the war effort and the cause of democracy. It would be unfair, he argued, for anyone to assume that the fellaheen were well off simply because the Government had a fairly large reserve fund. In fact, the great majority of the people were poor and many of them were worse off than before the war. In the circumstances he believed it was the duty of the Government to claim full payment of this debt or sterling balances estimated at nearly £2,400,000,000. Makram Ebeid Pasha concluded by saying that, with the "hard currency" agreement expiring at the end of March, it was necessary to enter into discussion with the Ally to fix the first instalment of the sterling balances, which, he said, the British Government had agreed to pay soon.

Cotton. (Paragraphs 37 - 41 of Report No.166).

51. It is reported that Senator Zakaria Mahran Pasha has proposed a bill to forbid the growing of "Karnak" type cotton next season. Mahran Pasha considers the introduction of such a bill to be essential to protect the Egyptian cotton market and to encourage cultivators to grow "Ashmouni", "Zagora" and other short-staple cotton, which is now much in demand.

Textile Industry

Weekly Political and Economic Report
for the period 27th February to March 5th.

P O L I T I C A L .

Demonstrations.

With reference to paragraph 8 of Weekly Report No. 169, the statement made by Lord Addison in the House of Lords on February 26th was criticised by Sidky Pasha in the Chamber of Deputies on the following day. Sidky Pasha maintained that his own statement of the events of February 21st was correct, and he even spoke of "aggressions against the demonstrators". He declared that he could not accept unfair allegations that the Egyptian Government had neglected to take adequate measures for the maintenance of order, and pointed out that the decision to maintain order and security had been taken before he had received the British note protesting against the failure of the Egyptian Government to take action to maintain order. Sidky Pasha denied that he had accepted the three demands and claims contained in the British note. Nokrashy and Makram Pashas and nationalist and independent spokesmen then expressed full support for Sidky Pasha's attitude, after which Sidky Pasha reiterated the demand for full evacuation and the unity of the Nile Valley, stating that he wished negotiations with Great Britain to begin as soon as possible. He finally stated that as he was anxious for national union, he would invite representatives of all parties to take part in the negotiations with His Majesty's Government.

2. His Majesty's Embassy received Sidky Pasha's formal reply to Mr. Bowker's official protest on February 26th; this reply alleged that the lorry incident had given rise to the serious trouble on February 21st., and confirmed that the Egyptian Government was disposed to indemnify damages confirmed by the enquiries then proceeding. The note suggested that the British authorities should in equity give adequate compensation for the military attacks and injuries caused by inconsiderate acts. It concluded that, for the sake of Egyptian tranquillity and dignity, it would be agreeable to Egyptians if British troops were to leave Cairo and Alexandria. In an unofficial meeting with Mr. Bowker on February 27th., Sidky Pasha said that he was determined to maintain order and bring about an atmosphere favourable for treaty negotiations, and that he was a sincere friend of Great Britain and convinced of Egypt's need for the closest association with Great Britain; he pleaded for understanding of his internal political difficulties.

3. On February 28th the press published an appeal by the national committee of students and workers asking the nation to observe a general strike on March 4th., and to avoid noisy manifestations. Next day an official communiqué was issued by the Cabinet recalling the Government's earlier decision to ban demonstrations and warning the public that any further demonstrations would be harmful to the national interest. It was reported in the press on March 3rd that the workers and students had decided to conform with the Government's prohibition on demonstrations after they had discussed the matter with the Prime Minister. At the same time the press syndicate issued a communiqué stating that the Egyptian press as a whole had decided that no newspapers would appear on March 4th out of respect for the national sentiment. According to the press, the Egyptian State Broadcasting announced that representatives of the Moslem Brethren Society, the Young Egypt Party, the Young Mens' Moslem Association and

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various other organisations, said to have constituted themselves as a "national committee", had been received by the Prime Minister who had assured them of the Government's intention to honour to "martyrs" and had promised to refer to the nation if the Government found itself incapable of surmounting any obstacle in the way of the realization of the national demands. The "national committee" concluded its announcement by stating that they were recommending that prayers to be offered in mosques and churches on March 4th as the expression of the popular sentiment towards the "martyrs" in order to leave the Government free to demand immediate evacuation of the big towns and a declaration promising that the basis of negotiations would be the fixing of a date for the evacuation of the Nile Valley.

4. On the evening of March 3rd., an address was broadcast over the Egyptian State Broadcasting by Said Habib, an official of the Ministry of the Interior, who was notorious during the 1930 Sidky régime as the leader of the pro-Sidky elements among students and workers appealing to the nation to support King Farouk and Sidky Pasha in their efforts to serve the national cause. This address aroused criticism in Wafdist circles in view of the understanding (of which the Wafd had to be reminded at intervals when they were in office) that the Egyptian State Broadcasting should not be used for political broadcasting of a partisan nature.

5. In spite of these preliminary warnings and appeals the general atmosphere was extremely tense on March 4th. In Cairo the general strike was sufficiently complete to paralyse most forms of public activity. Strong forces of Egyptian troops and police were posted at suitable points in the city as a precaution, but no untoward incidents were reported during the day. In Alexandria, however, there were very serious disorders in the course of which attacks were made on British naval and military establishments, some of which were set on fire; in the course of a prolonged attack on a British military police post, two British soldiers were killed and one wounded. The demonstrators were for the most part hooligans, but were directed by students. The Egyptian police were obliged to open fire, and it was officially admitted that fifteen Egyptians had been killed and 299 injured during the day. Reports show that Egyptian police and military did not act with sufficient promptness in dealing with the attacks by the crowd. A communiqué issued by the Ministry of the Interior in the evening gave an objective account of the circumstances in which a small body of British troops was obliged to open fire on the mob when heavily beleaguered in their post. The Government has ordered an enquiry, and a considerable number of arrests have been made. There was disorder at Zagazig, where the police had to fire, and there were casualties; some fatal, among demonstrators. Minor demonstrations took place in various other provincial towns on the same day.

6. Sidky Pasha visited Alexandria on March 5th., and toured the streets among the crowds who were roaming about, partly owing to the continued stoppage of work. He is reported to have received a popular acclamation after he had addressed the crowd on the need for order and security. While in Alexandria Sidky Pasha is stated to have received strike leaders and have persuaded them to return to work. In a statement to press representatives, the Prime Minister claimed to have received assurances from workers and students whom he had met that they would endeavour to restore calm. He mentioned that he had also interviewed the authorities of Alexandria University and the leaders of the students, and was hopeful of convincing them that their patriotic duty was to remain calm. According to the press, the students promised to resume their studies on the following day.

7. There have been reports from various sources during

the past week that revolvers, said to be of British military types, have been sold to large numbers of University students in Cairo.

8. There have been further signs of a tendency by both King Farouk and Sidky Pasha to pose as national heroes and to associate themselves with the hooligans responsible for the disorders of February 21st. At the mosque on March 1st., King Farouk invited the congregation to say a prayer for the victims of February 21st., and on the same day a photograph was published in the press showing Sidky Pasha sitting among the representatives of students and workers whom he interviewed as reported in paragraph 3 above. King Farouk entertained the whole Cabinet to lunch after the Friday prayers, and according to press reports made the statement that "whoever is not with us in this movement is against us". Efforts made by University students to coerce party leaders into unity and to eliminate political partisanship are reported to be so far unsuccessful as the result of strong hostility of the Wafd to the Moslem Brethren and other elements at present being used by the Government and the Palace.

The Wafd.

9. With reference to paragraph 12 of weekly report No. 169, Sidky Pasha is reported to have told students at Alexandria on March 5th that, as a proof of his sincerity in appealing for the union of the country's leaders, Zaki el Orabi Pasha had been nominated a Senator (this nomination was announced on the previous day), although certain cabinet ministers who were not members of Parliament had a prior right to that vacant seat in the Senate. Sidky Pasha also declared that he had requested Aly Shamsi Pasha to get into touch with Nahas Pasha, and invite him to furnish the names of Wafdists who would take part in the negotiations for treaty revision. Apparently these negotiations with Nahas Pasha through Shamsi Pasha and others have not so far resulted in an understanding as regards the conditions on which the Wafd might consent to participate in the delegation. Meanwhile, the Wafdist newspaper "Balagh" has stated in its issue of March 5th that the Wafd will proclaim its attitude clearly in the near future.

Egypt and the Arab League.

10. A statement made by the Secretary-General of the Arab League on March 1st at a press conference refers to the recent incidents in Egypt as unavoidable, in view of His Majesty's Government's neglect to withdraw troops, but goes on to say that it is now useless to pursue enquiries to fix the responsibility for those incidents. Azzam Pasha said that the Arabs supported Egypt because they believed that Egypt was in the right, and that in spite of their determination to maintain the most friendly relations with Great Britain, they considered that the evacuation of Egypt constituted an aspiration common to all Arabs in every part of the world. Various representatives of other Arab states, notably the Emir Feisal, have expressed to the Oriental Minister their great apprehension about the present situation in Egypt; they wished to know whether Great Britain would accept the help of the Arab League with a view to smoothing over present difficulties between Egypt and Great Britain. In this connection they quoted Article 5 of the Arab League Covenant.

Moslem Brethren Society.

11. The weekly review "Musawwar" has published an interview with Hassan el Banna, in which he denies that the Moslem Brethren covet political power; he admits the possibility of
/power.....

power coming into their hands, though reserving his opinion as to whether they would accept it or not. The "Bourse Egyptienne" of March 2nd also published an account of an interview with Hassan el Banna in which he referred to the society's support of the Egyptian national aims, and those of Arab and Islamic countries, and declared that if the Moslem Brethren were carried into power, their point of view would always be respect for the nation's will. Hassan el Banna considered that the party system in Egypt lacked direction; there was no essential difference between the respective programmes of the different parties. Referring to the Arab League, he said that the Moslem Brethren gave it their full support. It was the duty of all Arab and Moslem Nations to concentrate on assuring their independence and union, he concluded.

12. Reports have been received indicating that the Moslem Brethren Society is sending agents to the provinces and villages, presumably in the hope of stirring up anti-British feeling, which is not at present intense in outlying parts of the country.

Public Security.

13. The Defence Security Officer has reported that on the night of 26th February a number of shots were fired at the Palestine train near Qassassin station, in consequence of which two British "other ranks" were wounded and a Sudanese ghaffir was hurt. No further details about the incident are available at present.

14. A reliable British observer, who has just completed a three weeks' tour in Upper Egypt, states that it is impossible to over-emphasise the deep and widespread resentment among all classes of Egyptians at the continued presence of the British General Headquarters in Cairo, and at the number of casualties caused by British military vehicles. Other impressions gathered by this source are that:-

(a). The fellahin, who want tranquillity above all, are very restive owing to the great difficulties of securing transport for their produce. The Wafd are putting it about that their inability to obtain railway wagons is due to the demands of the British Forces.

(b). The student elements are very communistic, and their outlook is coloured by Wafdist propaganda representing Sidky Pasha as the creature of British capitalism. Moderate Wafdist, especially landowners, are seriously perturbed by the possible consequences of propaganda on such lines.

(c). The Copts are in terror of the Moslem Brethren, and even many moderate Moslems disapprove of the political trends in the activities of that organisation.

(d). The majority of Egyptians in Upper Egypt seem pleased that Sidky Pasha is in power, since they feel that a strong hand is needed. The provincial administrative authorities and police also welcome the change of government, owing to the removal of the obstacles to enforcing law and order presented by Makram Pasha's demagogic interventions. There is widespread opposition to Makram Pasha in Upper Egypt, especially among the Copts of Assiut.

(e). Public security generally is in a shocking

state in the provinces of Upper Egypt, and the authorities concerned are powerless to deal effectively with gangs of bandits who are strongly armed with modern weapons.

Amin Osman Pasha's Murder.

15. Despite the continued reticence of the Parquet regarding its investigations, the "Journal d'Egypte" has published two items purporting to contain details of the confessions of certain of the accused. According to these reports, a patriotic society comprising numerous cells had been formed to assassinate Britishers and persons connected with the British, and to arm the greatest possible number of anarchist Egyptians with a view to an anti-British revolution. Their fire-arms are stated to have been obtained from the British Forces, through an intermediary. The band of would-be assassins had formed a cache of arms in the Mokattam hills, and used to foregather there for weekly target practice.

Egypt and the United Nations Organisation.

16. With reference to paragraph 23 of weekly report No. 167, there was a debate in the Chamber of Deputies on March 5th in which Mamdouh Riaz Bey vindicated himself of the allegation that he had damaged the Egyptian cause by his apparently favourable attitude at the recent United Nations Organisation meeting towards the presence of British troops in Indonesia. The Chamber is stated to have passed a motion approving Riaz Bey's attitude.

Palestine Enquiry Commission.

17. The Anglo-American Commission which has been sitting in Cairo during the week has heard evidence from the Secretary General of the Arab League, a number of Egyptians prominent in Arab and Moslem affairs, and Arab spokesmen from Iraq and Tunisia. These witnesses have vigorously denounced Zionism, while disclaiming hostility towards the Jews as a race. They have of course shown themselves solidly opposed to the creation of a Jewish State in Palestine, and to any partition of Palestine. The Governments of Egypt, Syria, Iraq, Saudi Arabia, the Lebanon, the Yemen and Transjordan have submitted to the Commission a joint note stating that they support the point of view expressed by the Secretary-General of the Arab League; that they consider Palestine as a fraction of the Arab world, that they refused to admit any further Zionist immigration, and that they reject the idea of the creation of a Jewish State in Palestine.

P R E S S.

The "Evacuation" Riots.

18. The events of February 21st., recognised by the Egyptian Premier as "Evacuation Day" and of March 4th., the "Day of General Mourning", were the main topic in the Arabic press throughout the week.

19. While all the papers blamed the British, the Wafd organs did not acquit Sidky Pasha of responsibility. Their argument was that the Premier's failure to forestall the British with his protest appeared to put the British in a stronger position than Sidky Pasha.

20. The statement which the Publicity Section of the Embassy issued in connection with the riots of February 21st was published in all the papers, but with little prominence. Kotla (27th) was the only paper to make a simultaneous comment. The paper said that it would like to emphasize two facts. Firstly, "the painful incidents of Midan Ismailia did not

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take place until after the appearance of the British lorries contrary to what the statement says. Secondly these British lorries entered the zone of Cairo, as the British statement admits, in spite of the agreement reached between the British and the Egyptian authorities that Cairo should be out of bounds on that day". These two points indeed became the two main arguments in the rest of the press.

21. The "Egyptian Gazette's" version of the riots and the news agencies' reports were unanimously criticised. Mokattam (27th) said that the claim, from British sources, that the national demands were coming from "irresponsible people" was wrong. This paper took up the subject again next day, saying that "anxiety to preserve good relations between the two countries leads us to point out to London that British policy is now facing a situation which brings 1919 back to memory."

22. Ahram also protested against alleged distortion by the foreign press and agencies. In its issue of March 1st., this paper welcomed the news that the Government had sent a true account of the facts to Egyptian diplomatic missions abroad.

23. The Wafd organs also took up the cudgels, characteristically calling the British papers "mouthpieces of imperialism".

24. Tewfik Diab Bey (Saadist) wrote in Ahram (27th) under "These Heads" to say: "Everything changes in this world except the heads of some British statesmen, who champion freedom and fraternity in time of war, while in peace they are elements of hatred and oppression."

25. Apart from such comments, the Arabic press devoted considerable space to the publication of manifestos, statements, protests and appeals issued by various bodies. No formal protest was made by any political party, except the Kotla party and the Watanist party (3rd).

26. Lord Addison's speech in the House of Lords, was given much prominence; all papers carried it as the day's front-page feature. Wafd al-Misri, which did not comment, had these headlines across the top of its front page: "Minister of the Free Dominions announces Sidky Pasha's acceptance of the demands of Britain - Britain refuses to change her attitude."

27. Under the title: "Britain continues the challenge", Balagh wrote that the speech was an "indecent attack". Lord Addison was said to be using "new methods" by trying to whip up the alleged religious prejudices of the Lords when he told them that the Egyptians had disgracefully desecrated the British cathedral. This paper again identified British policy with Nazism "in its worst forms". The Minister for the Dominions, it said, had no right to speak of Egypt, and the paper added that this speech disclosed Britain's intentions towards Egypt.

28. Ahram's brief comment dwelt on the point that Lord Addison's account was full of inaccuracies, "as the results of the enquiries showed". This paper further objected to his Lordship's accusation against the Egyptian press of inciting the people, "although the British press actually went much farther in their reports and comments."

29. Mr. Attlee's speech was given similar prominence, but was not signalled out for such detailed comment as Lord Addison's was.

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The Political Situation.

30. The Wafd party's anxiety and irritation at Sidky Pasha's efforts to enlist the support of public opinion were plainly reflected in Balagh and Wafd Al-Misri. Apart from attacking the Premier and playing up his former "atrocities", these papers repeatedly emphasized that the Wafd was the single and unique representative of the country. The Premier's announcement that he was ready to extend a hand to the Wafd led to sarcastic comments in these two papers, while all the other papers, whether party or independent, responded with enthusiasm and stressed the urgent need for unity in the country.

31. On the other hand, it is significant that the published list of the members of the national committee of workers and students - which directs the present movement - included a representative of the Wafdist Young Men.

The Palestine Enquiry Committee.

32. Full prominence was given to the first meeting of the Committee. No comments have so far appeared except in one paper and no sensational headlines were displayed except in Wafd Al-Misri (3rd) which had: "Boycott of Zionism is an Effective Weapon" - "Dubious Tendency of the Enquiry Committee".

33. Balagh's comment criticised Azzam Pasha's statement saying that it was not convincing. The remark which the British President made when the Saudi Arabian delegate rose to intervene, although it was not his turn, was also criticised.

Lord Killearn.

34. The arrival in Egypt of His Excellency produced no comment this week. No particular prominence was given to the news.

E C O N O M I C.

Fertilisers.

(Para. 24 of report No. 157).

35. Under the terms of a Ministerial Order No. 633 of 1945 published in the French "Journal Officiel" No. 22 of the 25th February, 1946, all fertilisers available in Egypt and all future arrivals remain subject to requisitioning by the Ministry of Supplies. The same Order constitutes a Committee to control the distribution of fertilisers under the presidency of the Under-Secretary of State for Finance, which includes the British and United States commercial attachés and three members of the British Supply Mission (Middle East).

Agricultural Machinery.

(Paragraph 60 of report No. 114).

36. The Ministry of Supplies have issued an Order (No. 609 of 1945) a translation of which was published in the French "Journal Officiel" No. 22 of the 25th February, 1946, under which all agricultural machinery, tractors, and spare parts at present in the Customs area in Egypt and all future arrivals of such machinery etc. are requisitioned by the Ministry. Under the same Order, the Ministry of Agriculture are authorised to distribute all such requisitioned machinery.

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EGYPT AND SUDAN.

February 23, 1946.

CONFIDENTIAL.

SECTION 1.

ARCHIVES

Copy No. 61

Mr. Bowker to Mr. Bevin.—(Received 23rd February.)

(No. 316.)

(Telegraphic.)

Cairo, 23rd February, 1946.

WEEKLY Appreciation.

Appointment of Sidki Pasha as Prime Minister was violently criticised by both the Wafd and more frequently by Saadists. He was represented by the Wafd as symbol of tyranny, savagery, unconstitutional methods and die-hard capitalism. The Saadists refrained from voting against him in the Chamber of Deputies and Sidki Pasha managed to secure a vote of confidence of 105 votes against 3, but there were 77 abstentions and 67 absentees. It is clear, therefore, that Sidki Pasha has not yet got an absolute majority in the Chamber although he secured the support of Makramites and majority of Liberals, some Independents and also some Saadists and some dissident Saadists. It is thought Sidki Pasha may be able to disintegrate Saadist party still further and eventually, with the Palace support, get a majority of the Chamber round to his side. His task will be difficult in the Senate, where solidarity of anti-Wafd parties is necessary against large Wafdist party there. However, renewal of one-third of Senate is due in March. The Government will then, no doubt, be able to arrange that both elected and nominated Senators are supporters of the Government. This would give the Government a secure position in the Senate.

2. Sidki Pasha's Cabinet includes no Makramites and not as many Liberals as Liberal party had demanded. It is said that late in the evening of the 16th February Sidki Pasha left both Makram Ebeid and Liberals under the impression that he was still considering how to distribute portfolios between them. To their surprise on the following morning they found that Sidki Pasha had already formed his Cabinet. He excused himself on the ground that he had been urged by the Palace and others to form the Government immediately in view of the question of public order. From this it would seem that Sidki Pasha has put fast ones across both Makram Ebeid and the Liberals. Makram Ebeid, no doubt under Palace pressure, agreed to support Sidki Pasha's Cabinet. Nokrashy and Saadists refused to do so, but said that they would suspend their opinion and judge the Government on its acts.

4. Sidki Pasha reversed the policy of his predecessor by authorising demonstrations, by releasing rioters, who had been arrested during recent disorders, by allowing Moslem Brethren and Young Egypt to resume their meetings, and generally by playing more openly to the Nationalist gallery. It is said that he has won over the Moslem Brethren, partly, perhaps, by money. Sidki Pasha presumably hoped that these two organisations would prevent serious disorders in the streets and he accordingly acquiesced in general strike and closure of shops on the 21st February, imposed by an irregular body calling itself "National Committee of Students and Workers." He also allowed anti-British manifestations on a large scale to take place all through the town on that day, and, as usual, demonstrators combined acclamations of the King with hostile cries against Britain, amongst which were heard cries of "Down with Mr. Bevin and M. Bedawi." As was inevitable these demonstrations led to disorders during which attacks were made on British military and civilian establishments, to defend which British troops had to open fire. The crowd also attacked English Cathedral and also pillaged the bishop's house. Other British and foreign establishments were also attacked and at least partly pillaged. The police and Egyptian military were very slow to intervene and Egyptian authorities clearly showed their inability to take adequate and prompt action to restrain the mobs which had been set in motion by weakness and demagoguery of the Government.

4. Sidki Pasha has been asked by His Majesty's Minister what action he proposes to take regarding punishment of the guilty parties, compensation for damage done, and future maintenance of order.

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5. On the 22nd February the "National Committee of Students and Workers" published a tendentious statement regarding the events of the 22nd February, accusing British troops of savage action and demanding that the Government should protest and demand immediate withdrawal of British troops from large towns, and refuse to negotiate except on the basis of a frank British consent to evacuate the country. The statement ended with a recommendation to the people not to have recourse to violence pending the British reply, which should be within a period not exceeding a fortnight. It is understood that this body is a Wafdist organisation.

6. The *Wafd Al-Misri* of the 22nd February was confiscated for containing incendiary matter.

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EGYPT AND SUDAN.

March 2, 1946.

CONFIDENTIAL.

SECTION 1.

Copy No. 61

Lord Killearn to Mr. Bevin.—(Received 2nd March.)

(No. 374.)

(Telegraphic.)

Cairo, 2nd March, 1946.

WEEKLY appreciation.

On instructions from His Majesty's Government His Majesty's Minister addressed a note on the 25th February to the Egyptian Prime Minister confirming his previous demands (see paragraph 4 of my telegram No. 316) and formally protested against the failure of the Egyptian Government to take action to maintain order. The note also stated that satisfaction on the point raised was essential in order to create conditions of tranquillity necessary for treaty revision discussions. His Majesty's Minister made similar representations to King Farouk.

2. During the week under review Sidki Pasha has continued to play up to the Nationalist gallery. He continues to maintain in his public statements in Parliament that the British were responsible for the disorders of the 21st February. He continues to play with Moslem Brethren and Young Egypt. He had not yet put a stop to the agitation within the university, where the students on strike continue to make anti-British demonstrations. However, there are signs that he is now endeavouring to calm the agitation, and the Egyptian Ambassador in London, who is now in Cairo, communicated assurances asking the revolutionary Sidki Pasha to yield. Sidki Pasha is prohibiting any demonstrations taking place outside the university or elsewhere in the streets. On good authority it is stated that he is fully aware of the danger constituted by the Moslem Brethren and Young Egypt.

3. There have been anti-British demonstrations at Mansura and Meshena Kubra. In Meshena Kubra and Tanta, British Institute continues molested by demonstrators. It is reported that in Alexandria University a bonfire was made of British books and portraits of Mr. Attlee. It is said that a similar bonfire is planned by the "Committee of Students and Workers" for the 4th March, which it is decreed shall be a general day of mourning with the same features as on the 21st February, i.e., a general strike and "peaceful" processions. Sidki Pasha, however, has announced his intention of allowing no such processions and it is reported the "Committee" may agree to abandon the idea of the processions. The Moslem Brethren are reported to be sending emissaries to the provinces and even into villages to stir up anti-British feeling there, which at present is not yet active.

4. All sorts of plans are being announced by the agitators for the boycotting of English teaching, English books, English newspapers and British goods.

5. Arab League has been showing concern at the present situation in Egypt and representatives of the Arab countries have informally approached the embassy as to whether we would accept the mediation of the Arab League with a view to finding an issue out of the present dangerous situation.

6. Perhaps one of the most hopeful features in the present situation is the tendency among the students to insist on the ending of party divisions in view of the national objectives. It will be remembered that in 1935 a similar movement among the students contributed powerfully to forcing party leaders to unite in a national front. Without some such union it is difficult to see how any negotiations will be possible, since the party not included will always make the task of any delegation impossible by Nationalist out-bidding. Sidki Pasha is already reported to have made approaches to the Wafd with a view to Wafd participation in the delegation and it is said that Nahas Pasha is feeling rather embarrassed in view of the above-mentioned students' insistence on the ending of party divisions.

EGYPT AND SUDAN.

February 10, 1946.

CONFIDENTIAL.

ARCHIVES

SECTION 1.

Copy No.

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Lord Killearn to Mr. Bevin.—(Received 10th February.)

(No. 203.)
(Telegraphic.)

Cairo, 10th February, 1946.

WEEKLY appreciation.

Week under review has been entirely dominated by Egyptian reactions to the publication of Egyptian and British notes regarding treaty revision negotiations.

2. Reception of British note has been almost universally unfavourable. Wafd have come out with great violence in a manifesto alleging that the Egyptian note amounts to acknowledgment that the new treaty should impose permanent military fetters on Egypt, despite guarantee of her security provided by her participation in U.N.O. Reference in the British reply to the Sudan is alleged to indicate that the present Egyptian Government have made a considerable concession to British imperialism in the Sudan. Government newspapers have endeavoured to present the British note in an optimistic light. Independent newspapers, though more reserved than Wafdist ones, are very critical and *Ahram* definitely states that Egypt should demand a modification of the basis of negotiations, failing which it would be wiser for the Egyptian Government to refuse to negotiate at the present moment. Makram Ebeid's organ has adopted its usual extremist line and criticised our reply. In Parliament, however, Makram Ebeid was more reserved and contented himself with saying that Egyptian negotiators would enter into negotiations without any restrictions. Moslem Brothers have likewise come out with an attack on the British note on line similar to that of the Wafd. Demonstrations have taken place in the religious institution and Coptic school at Tanta and in Azhar against our note. Police are expecting an attempt at demonstrations (mainly Wafd organised) by university students on their return on the 9th February after the holidays.

3. It is also reported that a strike is being organised in protest against the British decision to seal immigration temporarily into Palestine. Director-General of Public Security states that police have been given orders to stop forcibly any demonstrations.

4. In the Senate Sabri Abu Alam criticised the acceptance in Egypt's note to His Majesty's Government of the principle of alliance with Great Britain on the ground that an alliance was unnecessary in view of the United Nations Charter. He finally submitted a motion to the effect that the Senate should decide that Egypt's note and the British answer could not serve as basis for conversations or negotiations.

5. Anti-British extremism is mounting over this treaty issue without the Government making any effective attempt to control either in direct public opinion or the press. Prospects of the success of treaty revision negotiations in such an atmosphere seem slender.

6. Meanwhile, Hassanein is reported to be exploring the ground for a widening of the Cabinet and inspired press statements indicate that King Farouk is taking an interest therein. It is suggested that an independent Prime Minister may be appointed to form a coalition Government to which the Wafd would be invited to contribute members, to the exclusion, however, of Nahas Pasha. Little progress has so far been made in these explorations.

7. Between twenty and thirty individuals are now in custody in connexion with the murder of Amin Osman Pasha; Aziz Al Masri has, according to the press, been released without bail.

8. Last number of Young Egyptian's newspaper has been suppressed for violent anti-British matter and Ahmed Hussein was arrested but has been released on bail. It is reported that other members of the Young Egyptian have been arrested. Generally the Young Egyptian is playing an active part with the Wafd in endeavouring to promote demonstrations.

WEEKLY POLITICAL AND ECONOMIC REPORT
FROM 13th to 19th FEBRUARY, 1946.

POLITICAL

Palace

Ahmed Hassanein Pasha, Chief of the Royal Cabinet, was killed in an accident on February 19th. His private car was run into by a British military lorry on Kasr-el-Nil bridge as the result of the lorry's skidding on the wet surface. Hassanein Pasha is to be given a state funeral. King Farouk has posthumously conferred on him the Grand Cordon of the Order of Mohammed Ali.

Cabinet

2. With reference to paragraph 6 of weekly report No. 167, the expected Cabinet crisis developed rapidly as the result of Makram Pasha's open criticisms of the repressive action taken by the police against student demonstrators. Makram Pasha urged upon Hassanein Pasha his view that the whole government must be changed; the latter, however, felt that he must maintain Nokrashy Pasha's coalition government for the time being as he considered it dangerous to allow that government to fall as the result of student agitation. Makram Pasha insisted on submitting the resignations of himself and the two other Makramite Ministers. On February 14th, Nokrashy Pasha intended to secure King Farouk's consent to the reconstruction of his cabinet without the participation of the Makramites but His Majesty, despite Hassanein Pasha's contrary opinion, asked Nokrashy Pasha for his resignation and subsequently consulted Mafez Afifi and Sherif Sabri Pashas regarding the formation of a new cabinet. The latter was believed to favour a government of appeasement on an all-party basis, including some independents. According to the press the Makramite Ministers gave us the motives of their resignations not only their disapproval of the police action against the students, but also the delay in the Cabinet's dealing with the situation arising out of His Majesty's Government's reply to the Egyptian note demanding negotiations with a view to treaty revision.

3. On February 15th, King Farouk summoned Ismail Sidky Pasha and asked him to form a Cabinet. Sidky Pasha immediately began negotiations with the three parties represented in the Nokrashy Cabinet, but Nokrashy Pasha refused to agree to Saadist participation. The Constitutional-Liberals were divided on the question of their participation, though apparently disposed to adopt a friendly attitude. The Makramites promised the support of their party without participation in the Cabinet. Eventually Sidky Pasha secured the active co-operation of certain of the Liberals and a Royal Rescript was issued on 17th February announcing the composition of the Cabinet as follows:-

Prime Minister, Minister of Interior and of Finance,
Ismail Sidky Pasha (Independent).

Minister of State in charge of Foreign Affairs,
Ahmed Lutfi el Sayed Pasha (Independent).

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Minister of Commerce, Industry and Minister of Supplies,
Saba Habashy Bey (Independent)

Minister of Public Works, Abdel Kawi Ahmed Pasha (Independent)

Minister of Social Affairs, Mohamed Abdel Galil Samra Pasha
(Constitutional-Liberal)

Minister of War, Ibrahim Densouki Abiza Pasha (Constitutional-
Liberal)

Minister of Communications, Hefni Mahmoud Pasha (Constitutional-
Liberal)

Minister of Defence, Lowe Ahmed Attiya Pasha (Independent)

Minister of Justice, Mohamed Kamel Moursi Pasha (Independent)

Minister of Education, Mohamed Hassan el Ashmawi Pasha
(Independent)

Minister of Agriculture, Hussein Enan Pasha (Independent)

Minister of Public Health, Dr. Soliman Azmi Pasha (Independent)

4. In his speech to Sidky Pasha, King Farouk stated that Egypt's present difficulties were not only a reflection of prevailing conditions throughout the world but were also a healthy manifestation of the people's ambition to realise their just claims, both internal and external. This is clearly a sign of the Pasha's present demagogic tendency to play up to student and other agitators. Sidky Pasha's reply stated that the new government was resolved to prepare the way for the realisation of the national will to complete Egypt's independence and that it was hoped to submit shortly the names of delegates who would undertake free and unreserved negotiations with Great Britain. The point was also made that the Egyptian delegation should faithfully represent the whole country regardless of any divergencies of internal policy. Sidky Pasha also mentioned the government's determination to maintain order and security and to pursue an active programme of social reform.

5. In the Chamber of Deputies on February 18th Sidky Pasha appealed for calm and the avoidance of conflicts. He referred to the present regime as the outcome of a united attitude towards the events of 4th February 1942, which Egypt's leaders considered incompatible with the country's dignity. Sidky Pasha claimed that he had supported the present regime, although he had displayed exaggeration in the advocacy of the national aspirations. He had only assumed office in order to realise those aspirations. He then asked for a vote of confidence. According to the press, Mokreshy Pasha stated that the Saadist party would not now give the Government their confidence but would judge it by its work. A similar reservation was made by the nationalist deputy, Fikri Abaza, who objected that Sidky Pasha's promise to announce shortly the composition of the Egyptian delegation for treaty revision discussions implied that the government had thereby agreed to negotiate on the basis accepted by its predecessors. Fikri Abaza insisted that the 1936 Treaty should be cancelled. Sidky Pasha retorted that he demanded total evacuation and complete independence. He mentioned that he had given orders that demonstrations in support of the national aspirations

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should not be prevented. Makram Pasha announced that his party would give the government its confidence on the following basis:

- (a) total evacuation of land, sea, and air forces;
- (b) the unity of the Nile Valley, politically and economically;
- (c) the raising of the standard of life.

Makram Pasha demanded action against those responsible for recent incidents. The vote of confidence was passed by 105 vote to 3, but there were 77 abstentions and 67 other deputies were not present. A majority of Constitutional-Liberals voted for the Government; the remainder abstained from voting or were absent.

Student Demonstrations.

6. With reference to paragraphs 1 - 6 of Weekly Report No. 167, the universities were closed for a few days following the demonstrations previously reported and although the agitation is now less violent, the Students have continued to demonstrate in Cairo, mainly to express the demand for total evacuation and the unity of the Nile Valley. According to the press, the executive committee of students has submitted a note to the Palace expressing loyalty to the Throne and disclaiming relations with any particular party. The Rector of Cairo University has appealed to them to resume their studies quietly. Sidky Pasha's initial policy towards the students and other deputies appears to reflect the Palace attitude described in paragraph 2 above. Sidky Pasha has cancelled the previous government's ban on meetings of the Moslem Brethren Society and the Young Egypt Party, but it is suggested that his present leniency is purely an expedient designed to procure a respite from disturbances before reacting forcibly against disorder. He received a delegation of students on February 18th and addressed them in a conciliatory manner, emphasising his resolve to pursue the achievement of the national aspirations. According to information from an official source, Sidky Pasha has issued an order releasing all students arrested in connection with the recent disorders. This has apparently been done on the demand of the President of the Moslem Brethren Society. The veto on demonstrations has been withdrawn throughout the country and it is reported that a general demonstration is being organised for February 21st, which is to be called "Evacuation Day"; it is expected that shops in Cairo will be forced to close for the day and that workers may collaborate and bring public transport services to a standstill. It is also reported that considerable numbers of students are wearing metal badges bearing the word "Evacuation". In general there is no doubt that a formidable body of anti-British feeling is being worked up as a result of this agitation which, as the Palace and the government evidently hope, will distract popular resentment from the Palace to the British.

Public Security.

7. Reports continue to be received by His Majesty's Embassy regarding the dissemination of subversive pamphlets, mostly on communistic lines. One inflammatory pamphlet, decrying "British Imperialism" and calling for revolt, is

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stated to have been issued by Azharites in Alexandria but the origin of others is at present unknown.

8. Ghazali Bey, Director-General of Public Security, states that the Moslem Brethren Society are pressing for his removal from that post on the ground that he is responsible for the repressive action taken against them by the Nokrashy government. The growth of the Moslem Brethren Society's influence is well illustrated by the effectiveness of their encouragement of the recent demonstrations.

Amin Osman Pasha's Murder.

9. With reference to paragraph 9 of weekly report No. 166, a reliable source states that seventeen of the thirty-two individuals arrested in connection with this crime have confessed. According to a press communication made by the Parquet, these confessions have led to the discovery of a secret society having political assassination as its objective.

Education.

10. The press has announced that King Farouk has instituted three prizes of £1,000 each, to be awarded annually to the authors of the most meritorious work or discovery in science, letters and law. It is stated that the Minister of Education has decided to set up a committee to draft the rules which will govern the award of these prizes.

Egypt and Great Britain.

11. Amr Pasha, Egyptian Ambassador in London, has been awarded the Grand Cordon of the Order of the Nile.

Arab Affairs.

12. The "Bourse Egyptienne" reports that the Secretary-General of the Arab League was to have submitted to the Security Council of the United Nations Organisation a reply to the Soviet demand for Russian trusteeship over Libya, but that he has now decided to address the reply to the countries which are members of the Security Council, and not to the Council itself. According to another report, Azzam Pasha has again declared his view that the Arab League is the competent authority to assume this trusteeship.

Egypt and the Sudan.

13. King Farouk was represented by his Sudanese Aide-de-Camp at the inauguration of the Sudan House in Cairo, which has been opened as a hostel for Sudanese students.

Egypt and Ethiopia.

14. The press reports that a meeting was held on 15th February at the house of Tawfik Doss Pasha to discuss the creation of an Egypto-Ethiopian Union, with headquarters in Cairo and Addis Ababa. The report adds that among those present were Sherif Sabry Pasha, Zaki al Orabi Pasha, Murad Mohsen Pasha, Azzam Pasha and a number of prominent Copts.

PRESS

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P R E S S

Lord Killearn

15. Reports of Lord Killearn's departure from Egypt, and the coincident change of the Egyptian Cabinet, were the two major events of the week. The news of His Excellency's transfer first appeared in Moghattem as an unconfirmed report, but Akhbar al-Yom came out the next day featuring the news conspicuously on top of its front page that His Excellency had been put on pension. The rest of the papers followed suit, taking for granted His Excellency's final departure from the country; Ahram, however, gave the news with some reserve.

16. Rose el Youssef came out with a story to the effect that "Lord Killearn has been charged with a mission which will take him to Palestine, India and finally to Indonesia". This weekly, which did not attempt to conceal its hostility to the retiring Ambassador, added that he had actually resigned owing to a difference with the Foreign Office but had been persuaded to withdraw his resignation on the offer of another position.

17. This weekly expressed its satisfaction, even pleasure, at Lord Killearn's departure in an article under the title "Now that he has gone", in which the paper boasted gleefully of being "the first voice raised calling for the recall of Lord Killearn of Killearn, the former Ambassador", adding between parentheses, "what a sweet effect the word 'former' has on all ears". His Excellency's presence was said to be wounding to Egypt's honour and dignity, and the 4th February was quoted in support of the argument. Concluding this article, Rose El-Youssef said that Lord Killearn was not the only man responsible for his policy, and all the Egyptian leaders and politicians who approved it should carry their share of responsibility.

18. The Egyptian Ambassador in London, Amr Pasha, was here given credit for having persuaded the Foreign Office to make a change at His Majesty's Embassy.

Nokrashy Pasha's Cabinet

19. Apart from the independent papers Ahram and Misri, the departure of the Nokrashy cabinet was the object of varying comment in the coalition party organs. Al-Kotla represented Makram Ebeid Pasha as a patriotic hero, while the Saadists and Liberals were accusing him of intrigue in his own personal interests. This charge was emphasised in the Wafd organs, which, while attacking Nokrashy Pasha and his cabinet as a whole, concentrated more vigorously on Makram Pasha.

The new Cabinet.

20. Ismail Sidky Pasha's appointment as Prime Minister came as a surprise and comment varied according to party bias. Kotla and Siyassah paid high tribute to the new Premier's talents, praising his efficiency and suitability for the job.

21. Dustur (Saadist) conspicuously displayed Nokrashy Pasha's refusal to join the Sidky Cabinet and hinted that the cabinet as formed was not strictly constitutional as some of its members were without seats in Parliament.

/ Dustur's

...general attitude appeared to be one of official indifference.

22. The independent papers made little or no comment, but Ahram emphasised that what Egypt was expecting now of any Cabinet, whatever it may be, was the enforcement of the evacuation and the unity of the Nile.

23. Dr. Mohamed Mandour, said in Wafd al-Misri that Sidky Pasha's appointment implied "three relapses": the first, a human relapse, in that he was the symbol of savagery; the second, a constitutional relapse, the sound course after Nokrashy's resignation being to hold a general election; the third, a social relapse, Sidky Pasha being a die-hard capitalist. These three arguments of Mandour constitute the core of the Wafdist attacks on Sidky Pasha.

Political Affairs.

24. The Wafd papers continued to give extensive publicity to the students' demonstrations. Wafd al-Misri repeatedly bannered this headline as a permanent feature of its news: "The People are anxious about their destiny". Although the rest of the papers - including the independents - reported that Abdin Palace was the destination of the demonstrators, the Wafd organs did not make such a statement. Nokrashy Pasha's revival of the law of 1929 referred to in paragraph 2 of weekly report No.167, met with a hostile reaction in the Wafd papers.

Arab Affairs

25. The crowded events of the week left little space for the discussion of general Arab affairs, although much prominence was given to the Levant case before the Security Council. Moqattam editorially defended the Levant case, emphasising the awakening of the Arab peoples, who "could no longer be used as pawns in the game of the Big Powers". Dr. Azmi (who is still in London) sent to Balagh an article explaining the working of the trusteeship system. Arab countries in United Nations Organisation he said, were trying to interpret the identity of language, culture and neighbourhood as fundamental factors in constituting the 'direct interests' which the United Nations Organisation's Charter postulates in connection with the question of trusteeship. The Arabs, Azmi said, were trying by this move to pave the way for justification of their claim to trusteeship over Palestine, Libya and the former Italian colonies.

26. Kotla stopped the serial publication of Emir Abdullah's memories this week.

Foreign

27. The statement on the Indonesian question which Egypt's delegate made in the Security Council, was criticised in the Wafd papers and Makram's Kotla, though less fiercely than Bedawi Pasha's earlier declaration to the Arab News Agency, referred to in paragraph 5 of weekly report No.165.

28. A further article by Emil Khouri appeared in Ahram during the week. He spoke highly of the methods the Americans were using in the German zones under their

/occupation,

occupation. Contrary to either the British or the French, the Americans were said to bear no malice to the German people. If any of the United Nations fought Nazism as the embodiment of evil, and were not actuated by any other motive, it was the United States of America, Nail Khouri said.

E C O N O M I C

Sterling Assets.

(Paragraph 25 of Report No.161)

29. By a Ministerial Order No.7 of 1946 published in the "Journal Officiel" of 12th February, the latest date for the submission of details of sterling assets held by residents in Egypt has been extended to 28th February, 1946.

Cotton

(Paragraph 34 of Report No.164)

30. A notice was published in the "Journal Officiel" No.34 of 7th February laying down the conditions to be fulfilled in connection with applications for permits to export cotton in exchange for the import of other merchandise from countries which have no payment agreement with the sterling area.

Government Workmen's Cadre.

31. The Minister of Finance has announced the establishment of a "cadre" for Government workmen, which came into effect as from the 11th February 1946, the Birthday of His Majesty King Farouk. The draft budget for 1945-46 contained a credit of £2,200,000 for the improvement of the situation of Government workmen and technicians "hors cadre".

Food Rationing.

(Paragraphs 38 - 39 of Report No.156).

Tea.

32. It is reported that the Ministry of Supplies has decided with the approval of the Cabinet to authorise the sale of an additional 35 tons of tea per month at a price slightly higher than the tariff price to combat the black market, where tea is sold at twice or three times the controlled price. This additional supply will be retailed at 35 millimes per ounce against the tariff price of 26 millimes. Public establishments will be entitled to buy up to 10 per cent above their ration and house holds up to 33 per cent over their ration.

Sugar

33. Additional supplies of sugar are also to be made available to the public bringing the annual consumption figure up to 160,000 tons compared with the 151,000 tons consumed in 1945. This measure is also intended to combat black market operations in sugar, in which the price varies

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Report No. 169.

Weekly Political and Economic Report
for the period February 20th to February 26th.

P O L I T I C A L

Palace

The state funeral of Hassanein Pasha took place on February 20th and was attended by the Grand Chamberlain, King Farouk's Chief Aide-de-Camp (representing King Farouk), His Majesty's Minister and members of the Embassy staff, the Diplomatic Corps, and Princes and Nabils, the Cabinet, the Rector of Al Azhar, Commander-in-Chief, Middle East Forces, the General-Officer-Commanding, British Troops in Egypt, and other senior British officers, and a large concourse of Egyptian and foreign notables. Perfect order was maintained and the streets along the route of the funeral procession were lined by large crowds.

Demonstrations:

(Reference paragraph 6 of Weekly Report No.168)

2. Further demonstrations took place on a large scale on February 21st, which a joint national committee of students and workers had designated as "Evacuation Day". In Cairo there occurred a number of ugly incidents, including mob attacks on British services' institutions and on the Anglican Cathedral, where the Bishop's house was pillaged. A convoy of British military lorries was attacked in Midan Ismailia and British troops were obliged to open fire to protect the lives of British troops. A joint communique issued by British military and Royal Air Force authorities stated that a certain number of British troops were injured in the course of these disturbances. Some fifteen Egyptian demonstrators are stated to have been killed and approximately one hundred and twenty injured in Cairo in the course of the day.

3. At Alexandria the mob tore down British flags from a British naval hostel and from the Young Mens' Christian Association premises. Demonstrations in Port Said are reported to have been peaceful. Demonstrations have also been reported from other provincial centres but apparently with less serious consequences than was the case in Cairo. In all cases the mob showed evidence of violent hostility to Great Britain and shouted slogans demanding immediate evacuation and the unity of the Nile Valley.

4. On the following day Sidky Pasha issued an appeal in which he stated that the peaceful manifestations which the Government had permitted for the sake of the national cause had been transformed by the action of trouble-makers and owing to "mismanagement" into manifestations marked by the spirit of evil. Sidky Pasha declared that the Government had now decided to forbid further manifestations and would spare no effort to deal firmly with those who played with fire. The Government ordered the confiscation of the Wafdist newspapers "Balagh" and "Wafd-al-Misri" which had published lurid headlines and tendentious accounts of the preceding day's events. Egyptian newspapers have unanimously taken the line that the more serious developments in Cairo were attributable to provocation which, they maintain, was caused by the action of British lorries driving into the mob and British troops in firing on the mob. Various organisations,

/particularly

The Wafd.

12. According to Cairo City Police reports, Nahas Pasha has been planning political tours in the provinces and the Wafd has decided to contest the elections for the Senate, the partial renewal of which is due in March. It is expected that the Government will arrange that both elected and nominated Senators are supporters of the Government in order to strengthen the Government's position in the Senate against the Wafd.

13. There are indications that the National Committee of students and workers, which has taken upon them part in fermenting the agitation of the past week, is largely Wafdist.

Egypt and the Arab League.

14. Press reports state that Egypt's situation has been discussed in Arab League circles and the Syrian Minister is stated to have declared to press representatives on February 26th that Egypt would find every support from the Arab League States for the achievement of her national aspirations. Azzam Pasha is reported to have stated that news from Arab countries showed that they approved Egypt's claim for the completion of her independence and the evacuation of foreign troops.

Egypt and the United Nations Organisation.

15. With reference to paragraph 5 of weekly report No.165, Sidky Pasha declared in the Chamber of Deputies on February 26th, according to the press, that the Government considered that the Egyptian question was within the competence of the Security Council if the situation were aggravated. The Prime Minister is stated to have asked for an adjournment of further discussion on this question to enable him to seek explanations from Badawi Pasha (who is on his way back to Egypt). The Chamber agreed to adjourn this debate for two weeks.

Egypt and the United Nations Relief and Rehabilitation Administration.

16. The Chamber of Deputies discussed the report of its Foreign Affairs Committee on February 26th regarding the draft law ratifying the United Nations Relief and Rehabilitation Administration Convention. Certain deputies expressed opposition to the payment of Egypt's contribution to the United Nations Relief and Rehabilitation Administration and even to the ratification of the Convention. The Minister of Education, however, ably defended Egypt's proposed participation and was seconded by Nokrashi Pasha. The vote is to be taken on this draft law at a subsequent sitting.

Corrigendum.

17. In paragraph 3 of weekly report No.168 the description of Lewa Ahmed Attiya Pasha as "Independant" should be amended to read "Constitutional-Liberal".

/Press

Death of the Chief of the Royal Cabinet:

18. The tragic death of the late Ahmed Hassanein Pasha as a result of a car accident on February 19th was the first incident of the week to draw an immediate reaction in the Arabic press. All the papers carried the news as the day's main front page story. The two Wafd organs, Balagh and Wafd-al-Misri, appeared to show no trace of genuine grief at the death of Hassanein Pasha. With these exceptions the press as a whole lamented the death of this 'perfect gentleman' who was 'the right hand man of the King' and whose death was said to have removed an irreplaceable man.

Riots of February 21st.

19. The Arabic press generally applauded the demonstrations of February 21st by the big publicity it gave to them and to the patriotic slogans emphasizing the urgency of Egypt's two main demands, evacuation and the unity of the Nile Valley.

20. Dustur (Nokrashi Pasha's organ) however, took an individual line. The chief concern of this Saadist paper, apparently, is to vindicate Nokrashi's policy. Although it gave considerable prominence to the hot news, the two comments which appeared during the week did not touch on the national demands or 'Evacuation Day'. The first of these two articles (22nd) exhorted the people to maintain law and order; the second (24th) was a reminder that no such riots had taken place during the days of the late government.

21. Wafd Al-Misri was the most violent, surpassing even its sister organ, Al-Balagh. The Wafd Al-Misri was confiscated by the police, twice during the week, (22nd and 25th) for its exaggeration and incitement. Its headlines included such titles as "Resistance and Struggle Continue" - "No Negotiations Before Evacuation" - "British Disregard for Our Lives" - "British Troops Shoot Egyptians" - "Struggle, Strikes and Mourning All Over the Country".

22. This paper, like Balagh, omitted to publish the Cabinet's communiqué and did not fully report Sidki Pasha's interview with the students' representatives, omitting the concluding statement that the students agreed to respond to the Premier's advice not to recur to violence.

23. While the reports in the other papers-including Balagh failed to mention a single instance in which the crowds cheered either Mahas or the Wafd, Wafd Al-Misri said that some demonstrators shouted for them.

24. All the Arabic papers emphasized that the demonstrations were peaceful until two British army lorries drove into the demonstrators in Midan Ismailia, allegedly killing one and wounding others. This is said to have aroused the crowds' anger and they began to attack the drivers; shots were said to have been heard and disorder then broke loose. The papers agreed as to the first part of the story, but differed as to where the first clash started. Some said it was at the end of Sharia Lasr El-Aini, others in Sharia Inedive Ismail, near the Lasr al Nil bridge and opposite the barracks. But all agreed in blaming the British lorries, and the report that Cairo was out of bounds to troops that day was played up.

25. Commenting on these events, Ahram (24th) said that psychological factors had played a big part in the riots. The death of Hassanein Pasha, due to the excessive speed of a British lorry two days earlier had intensified the sensitiveness of the demonstrators. Some few days previously, the paper continued, the British Foreign Secretary had supported the Levant countries' right to independence "while he denied that right to Egypt". These two considerations should/

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should be taken into account before coming to any hasty conclusions, Ahram argued.

26. The Arabic papers further criticised "the premature verdict of the British", before the conclusion of the enquiries, that the demonstrators were responsible for the disorders. This referred to the communique issued by General Headquarters, Middle East Forces, on the evening of February 21st.

27. A further editorial in the "Ahram" on February 25th said that "the case of Egypt has come down to the streets and squares of Cairo and other cities, where the people called for evacuation in its fullest sense, not tied up with other questions such as the protection of communications or with world strategy". The unity of the Nile Valley was said to be accurately defined in the words: "One Country, one Nile, and one King".

28. The foreign correspondents and news agencies were generally criticised for having "distorted the facts" and given a wrong picture of events.

29. Maitre Maurice Argash (a naturalised Syrian) denounced in Ahram the Anglo-Egyptian immunities convention which exempts British army drivers (inter alios) from trial before Egyptian courts.

The British Protest:

30. All the Arabic papers criticised the British representations as being unjust. The main argument was that it was the British who were the aggressors and not the Egyptians, who were the victims. The Wafd papers alleged that Sadiq Pasha had encouraged the British to anticipate him: the Premier should have protested to the British Government immediately the riots started and should not have waited until the conclusion of the enquiries.

Lord Killearn.

31. Akhir Sa'a, Akhbar al Yom and Rose el Youssef this week gave much prominence to the story of His Excellency's departure from Egypt.

32. The first-named published a story said to have been written by "a big statesman" in which Lord Killearn was pictured as an arrogant diplomat trying to bring King Farouk under his sway. His Excellency was here said to have been discourteous to members of the Egyptian Royal Family, that he was 'dizzy' with the success he had achieved in Egypt; and thought that this success could justify any line of action.

33. All three magazines agreed that Lord Killearn should have left Egypt after the conclusion of the Anglo-Egyptian Treaty of 1936.

ECONOMIC.

Company Law.

(Paragraph 25 of Report No. 138.)

34. The newly appointed Minister of Commerce has confidentially informed the Commercial Secretary that the project for the new Company Law is shelved and that it is his policy to do nothing to frighten/

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Report No. 160

WEEKLY POLITICAL AND ECONOMIC REPORT
19th December to 25th December, 1945

P O L I T I C A L

Cabinet

Now that the Government's bill to amend certain articles of the Azhar Law has been approved by the Senate, the nomination of Sheikh Mustafa Abdel Razek Pasha, Minister of Wakfs, to the Rectorship of al-Azhar is generally held to be imminent (see paragraph 3 below). The extent and nature of the changes to be made in the composition of the Cabinet as a result of the existing vacancy in the Ministry of Justice and the expected vacancy in the Ministry of Wakfs are the subject of considerable conjecture in press and political circles. A usually reliable informant states that Nokrashy Pasha and Heikal Pasha are in agreement as regards plans for the reconstitution of the Cabinet and that there will be no Watanist participation in the reconstructed Cabinet.

2. It is reported in the press that the Administrative Committee of the Watanist Party gave a reception in honour of Hafez Ramadan Pasha on December 21st and elected him as Life President of the Party (see paragraph 1 of Weekly Report No. 156). In his speech acknowledging this honour, Hafez Ramadan Pasha is stated to have reaffirmed the principles of the Watanist Party and to have inveighed against British occupation adding that he had resigned from the Cabinet in order to join the nation in its struggle against military occupation.

Al-Azhar

3. With reference to paragraph 5 of Weekly Report No. 159, it is reported in the press that on December 24th the Senate passed the bill for the modification of the articles of the 1936 Decree Law relating to the appointment of the Rector and Vice-Rector of Al-Azhar. After the report of the Senate's Committee for Wakfs and Religious Establishments had been read, Sabri Abu Alam Pasha, for the Opposition, is stated to have insisted that the body of the Grand Ulama was a sacred organism whose authority would be undermined by the Government's proposal. Ibrahim Abdel Hadi Pasha, on behalf of the Government, is reported to have denied an allegation that the Egyptian Prime Minister had attempted to strike a bargain with the Grand Mufti in the hope of securing the latter's support at an earlier stage for the nomination of Sheikh Abdel Razek Pasha as Rector. The Minister of Health claimed that the whole series of successive laws which governed the organization of Al-Azhar had tended towards reform and he contended that no limit should be placed on the process of reform. After a motion to close the debate had been approved, the Senate approved the bill as a whole by 62 votes to 41, and referred it back to the Chamber for approval of minor terminological amendments.

Public Security

4. A number of individuals have been arrested as the

/result

result of police investigations into the activities of Egyptian communist sympathisers. According to press reports, the total number of arrests so far is 17; among those taken into custody are a journalist and eight non-commissioned officers of the Egyptian Army. The charge against them is said to be the dissemination of subversive propaganda.

5. Two cases of assault on members of the British forces have been reported during the week. A Royal Air Force corporal was wounded by two revolver shots in a street in Heliopolis and two officers were the victims in an incident on Lake Edku, near Alexandria. In this case one of the officers was killed and the other is stated to be missing. Further details are awaited in both cases.

Egypt and Great Britain

6. According to the "Bourse Egyptienne", the Egyptian Prime Minister, when questioned by press reporters, declared that the Egyptian Government's note requesting negotiations with His Majesty's Government with a view to the revision on the 1936 Treaty would not be published yet awhile as this would be contrary to diplomatic usage. This report adds that Nokrashi Pasha intends eventually to publish a White Paper which will contain the text of the above-mentioned note and also a detailed account of the successive steps which led to the Egyptian Government's decision in this connection. This newspaper also states that Bedawi Pasha and Amr Pasha were of the opinion that the note in question should not be submitted to the Foreign Office until Mr. Bevin's return from Moscow and that it was Nokrashi Pasha who insisted that the note should be delivered forthwith to the Foreign Office. In a letter to His Majesty's Ambassador, Nokrashi Pasha has explained that he had instructed the Egyptian Ambassador in London to hand the note to the Foreign Office without further delay in view of the regrettable leakage of news about its contents (see paragraph 1 of Weekly Report No. 159).

7. The newspaper "Al-Misri" publishes the text of a telegram stated to have been sent by the President of the Moslem Brethren's Association to Messrs. Bevin, Byrne and Molotov insisting on the fulfilment of Egypt's national demands, namely, evacuation of foreign forces and the unity of the Nile Valley. According to an Alexandria City Police report, a group of students in Alexandria University are urging their fellow students to wear badges bearing the word "Evacuation" as a sign of protest against the continued presence of foreign troops in Egypt.

8. The subject of Egypt's national demands has been further ventilated in the Chamber of Deputies during the debate on the Address in reply to the Speech from the Throne. Government supporters are stated to have expressed satisfaction at the official demand for negotiations with a view to Treaty revision. The nationalist Fikri Abaza is reported to have urged that a new Treaty based on the evacuation of the country should be signed. For this purpose, he declared, the Egyptian Army should be re-organised and the first step towards this objective should be the suppression of the British Military Mission. The Prime Minister is stated to have retorted that senior Egyptian officers acknowledged that the progress of the Egyptian Army was due to the British Military Mission.

Coptic Church

Coptic Church

9. With reference to paragraph 4 of Weekly Report No. 157, it is reported in the "Ahram" that committees have been set up by the Locum Tenens of the Coptic Patriarchate and the Vice-President of the Maglis Milli at the suggestion of King Farouk, in order to settle certain outstanding differences between the Holy Synod and the Maglis Milli.

Education

10. A Royal Decree has been issued appointing Bedawi Pasha, Wacyf Ghali Pasha, Hafez Afifi Pasha, Murad Wahba Pasha and Towfik al-Hifnawi Bey as members of the Higher Council of Education for a period of three years (see paragraph 9 of Weekly Report No. 159). The eminence of certain of these nominees seems to be an indication of the importance attached by the Government to educational reform.

Arab Affairs

11. On December 19th, King Farouk received 14 of the delegates to the Arab League Council, including the three Palestinians. According to the press, Jamil Mar'as Bey expressed the gratitude of the Council for the sympathy and encouragement which it had continually received from His Majesty, and mentioned that the cause of Palestine was the cause of all the Arabs. His Majesty is stated to have replied that he appreciated what Jamil Mar'as Bey had done towards the unification of the parties in Palestine and to have expressed the hope that the Palestinians would always remain united. He assured the delegates that Egypt would fulfil her duty towards Palestine and expressed the hope that there would be frequent contacts and exchanges of views between Palestinians and Egyptians.

12. The "Ahram" has published a statement from the Transjordan Consulate General in Cairo conveying an official communication stated to have been issued by the Royal Cabinet in Amman, referring to the reproduction in the "Ahram" of a report from the "Daily Mail" correspondent in Jerusalem that the Emir Abdullah would, during his visit to London, submit to His Majesty's Government a scheme for the union of Iraq, Transjordan and the Arab part of Palestine. The communication states that this report is tendentious and absolutely devoid of truth.

13. In an article published in the "Ahram", Emile el-Ghauri refers with satisfaction to the arrival in Cairo of Jamal al-Husseini and the three other Arabs who were interned in Southern Rhodesia, and expresses the hope that His Majesty's Government will take steps to enable the ex-Mufti of Palestine to return to his country.

14. Jamal al-Husseini, his brother Daoud, Kamal Haddad and Amin Ruweiba arrived in Cairo from Southern Rhodesia on 22nd December on release from internment. They were welcomed on arrival by Abdel Rahman Azzam Bey, the three Palestinian Arab delegates to the Arab League and other notabilities. The two Husseini brothers and Kamal Haddad have proceeded to Beirut. While in Cairo they paid courtesy calls at Abdin Palace and on Prince Mohamed Ali, Nekrashi Pasha, Nahas Pasha and Abdel Rahman Azzam Bey. They were entertained by the President of the Young Egypt Party and visited the Young Men's Moslem Association. In a statement to the "Bourse Egyptienne" Jamal al-Husseini expressed

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satisfaction with the unification of the Palestinian Arab parties and the constitution of the Higher Arab Committee. He stated that he would devote his efforts to the consolidation of that union, whose principal object was the participation of all Arab organisations in Palestine in the accomplishment of their common duty although, he claimed, the Arab Party of Palestine, which represented 90% of Palestinian Arabs, constituted an overwhelming majority. Jamal al-Husseini added that he intended to join the Higher Arab Committee and take a full part in its work. He expressed himself as categorically opposed to the idea of boycotting the Anglo-American Enquiry Commission; he considered it necessary to maintain constant contact with the Commission in order to shed light on the Palestine problem. As regards his wish to return to Palestine, Jamal al-Husseini stated that he would seek permission to do so and in case of refusal would take legal action against the Palestine Government who, he claimed, had no right to prevent his re-entry. Meanwhile he intended to reside in Beirut.

15. The press reports that King Farouk has presented the old Monasterli Palace on Roda Island (Cairo) to the Arab League.

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Sterling Balances.

16. The subject continued to be the main topic. Ahram, hitherto averse to lengthy discussions, began to devote considerable space to the subject. After publishing Sidki Pasha's article last week, this paper published another article, by Sani Lakkani Bey, which is summarised in paragraph 43 below.

17. All writers on the subject tried their utmost to emphasize that the sterling balances were not "debts" in any way, but were rather deposit accounts.

18. Al-Wadi, which appears in place of Balagh for the duration of the latter's one month's suspension, said the sterling balances were 'a gambling debt'. In a virulent article carrying this title, the paper explained that "the balances constituted the rent of houses whose tenants were driven out on the streets to make room for their use as barracks, clubs and entertainment places.....These balances were built up by the hard labour of hundreds of thousands of workers employed in the war factories and later discharged without any means of livelihood being offered to them".

Internal Affairs.

19. The Wafd organs continued their campaign against the Government, their main point being the alleged slowness of progress towards treaty revision. The main argument was that the British were deceiving Egypt and interfering with everything in the country. The Government's weakness and submission, they alleged, encouraged the British in this.

20. Commenting on the Egyptian note to London, Mogattam said that Britain was wrong to delay negotiations. "Their insistence on fixing the autumn of next year as the date indicates that they wish to stall as long as they can".

21. Al-Azhar continued to be a leading topic in the papers, apart from Ahram and Mogattam. The story of His Highness the Aghe Khan's alleged hint to the Prime Minister in favour of the appointment of Sheikh Abdel Razek as Rector, which the Wafd papers played up as "foreign" intervention, was exploited by Wafd Al-Misri to the extent of the reproduction of an article from a French magazine said to be called "Brave" (?). This article was a sarcastic description of the Ismaili sect, of which His Highness is the Head.

22. Dr. Maani wrote in Wadi to say that were it not for the rash way in which the Government had handled the question, this needless tumult could not have arisen. Musawwar also criticised the Government for the haste which had given too much importance to an affair which with tact and wisdom, could have been settled calmly.

The Sudan.

23. Reports of the \$2,000,000 British grant for the Sudan and of the recent Parliamentary statement made as regards ascertaining the wishes of the Sudanese people before taking any decision in connection with the future of that country, were both the subject of surprised comment in

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the Ward papers, who saw in them signs of a tendency in Great Britain to treat the Sudan as a British colony.

24. Al-Wadi wrote to say that Nokrashi Pasha should know that the Sudan was an integral part of Egypt and warned its readers at some length against any intention of the British Government to cut the Sudan off from Egypt.

25. Mogattam wrote that the British censured the Russians for their intervention in Iran where they decided the destiny of Azerbadjian and wondered whether a similar fait accompli was intended for the Sudan.

Arab Affairs.

26. The recent Anglo-French Levant Agreement was the subject of comment, all concerned with its "ambiguity". Mazni wrote in Al-Wadi that it was destructive to the two countries' independence and sovereignty besides being a contradiction to the cause for which they U.N.O. was brought into being.

27. The American Senate's recommendation to allow unrestricted Jewish immigration into Palestine was severely attacked in most of the papers, whether Government or Opposition, with the exception of Ahram.

28. Mogattam said that it was no business of the Americans to interfere in Palestine, and doubted whether the democratic countries were truly adopting democratic methods. Al-Kotla wrote that the United States Senate's attitude bore an aspect of imperialism.

29. Ahram gave much prominence to a review of the Middle East by Jan Kimche (Reuter's diplomatic correspondent) which was published as a front-page feature under the following bannered lines: "Middle East People dance on a volcano - Palestine Problem shakes the Arab world - Russia's attitude a menacing danger".

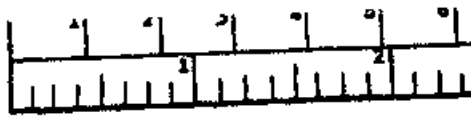
30. The papers gave minor prominence to the Arab League's decision to boycott Zionist goods, although some papers played up the subject once or twice during the week.

Foreign Affairs.

31. The Moscow Foreign Ministers' Conference was given much publicity throughout the week and Moscow reports appeared as the major front page features in all papers.

32. Commenting on the Conference, Mogattam said that Russia was now looking for what the imperialist countries were looking for during the 18th and 19th centuries and that Soviet Russia seemed to be reviving the policy of the Czars. The paper stressed the importance of the Conference, urging the necessity of eliminating Russia's doubts and apprehensions.

33. Dr. Mahmoud Azmi also discussed the Conference in Al-Misri, supporting Russia's attitude. This writer again mentioned Britain's "traditional diplomatic skill" and said that she was shielding her ambitions behind the pretence of international co-operation. The Levant agreement and the



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Anglo-American-Palestine Enquiry Commission were cited as examples of Great Britain's dexterous methods used to cloak her real intentions.

E C O N O M I C .

United Kingdom Goodwill Trade Mission. (Paragraph 28 of Report No.159).

34. At a dinner party given by the Mission, Mr. Hanbury Williams made a speech expressing the thanks of the Mission for hospitality received and containing the following points:-

- (a) Egypt was suffering after six years of war from a shortage of goods, but not in the opinion of the Mission to the same extent as the United Kingdom and liberated countries in Europe.
- (b) The Mission were impressed with Egyptian work on irrigation and land reclamation and by the advances made in the industrial sphere. They trusted that the developments would raise the standard of life and thus promote an increase in trade.
- (c) As regards exports from the United Kingdom, the volume was increasing. The United Kingdom had to look after demobilised service men and to consider the needs of liberated areas, but the United Kingdom was prepared to continue to deny itself in order to promote exports. Mr. Hanbury Williams could therefore say that while he had to ask Egypt to exercise a little patience, he could assure Egypt that the United Kingdom would deliver the goods.
- (d) The Mission believed that in order to expand existing and develop new industries Egypt desired to take advantage of the services of British technicians and other specialists. They trusted however that Egyptian legislation would be framed in such a way as to attract these men to Egypt and not frighten them away.
- (e) As regards cotton Mr. Hanbury Williams pointed out that while acreage had been substantially reduced during the war, the price of Egyptian cotton was today high and stocks were large. He thought it possible that prices might have to bear some reduction if Egyptian cotton was to compete with that of other cotton growing countries. It was true that the whole world was short of textiles but it would be a considerable time before full production was reached in England on account of shortage of labour. In the rest of the world it would also be some considerable time before normal conditions prevailed. Mr. Hanbury Williams also said

"During our stay here members of our Mission have been told on more than one occasion that our Government are in some undefined way restricting your exports of cotton to your overseas customers, and we have directed our energies to try and solve this complaint.

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We are fully conscious of the shipping difficulties which may still persist, and of certain navicert regulations - these latter now as you are aware are no more than a very simple formality - and it will be the duty of our Mission to inform our Government of these difficulties on our return.

Meanwhile, I am authorised to state to-night that the allegation that we are not allowing others to buy has no foundation whatever: and that there is no reason why Egypt should not enter into arrangements to exchange her cotton for imports of goods from other countries, which Egypt needs, provided that these transactions take place through normal banking channels and conform with the arrangements in regard to Foreign Exchange that have been agreed between our respective Governments."

35. On the following day the Minister of Finance at a luncheon party which he gave to the Goodwill Mission made a speech including the following remarks. After paying a compliment to British business methods, Makram Ebeid Pasha pointed to the rise in the cost of living in Egypt and claimed that during the war the bulk of the population, always on a very low level of living, had been subjected to crushing difficulties due to the absence of the necessities of life. He claimed that Egypt's war contribution had been not only considerable "but almost crushing to a population already crushed" and that the apparent wealth of the privileged few would make matters worse if not turned into capital goods and industrial undertakings. Egypt was therefore very interested in getting as many British capital and consumer goods as Britain can afford to send. "We prefer British goods", added the Minister, "because they are, as it were, Allied goods and because they will also tend to reduce our sterling assets, for the benefit of both countries".

36. Makram Pasha then remarked that any reduction of the sterling assets would mean a further impoverishment of the masses of the population, who were already much impoverished by the war. He said that a large part of the sterling balances accumulated do not represent additional real wealth - they had been in part accumulated as a result of privations borne by the poorer classes of the country: another part had been accumulated as a result of the depreciation of capital equipment and in the productivity of land due to shortage of fertilisers and unsuitable crop rotation.

37. Makram Pasha also claimed that Egypt had far exceeded her obligations under the Treaty, instancing exemption from duty of goods imported by the Military, and the allocation of land rent free to the Military authorities.

38. Makram Pasha ended by saying that goodwill is not lacking on either side. All that the Egyptians urged was a further effort of goodwill leading to substantial exports to Egypt from the United Kingdom and to the development of Egypt's trade in cotton, which was her staple export. The present feeling of uneasiness in Egypt with regard to

/cotton

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Report No.1

WEEKLY POLITICAL AND ECONOMIC REPORT
DECEMBER 26TH TO 1ST JANUARY.

P O L I T I C A L

Cabinet

Hakel
9

The press reports that Hussein Hakel Pasha, after an interview with the Egyptian Prime Minister on 30th December, stated to journalists that there was no reason for haste with regard to Cabinet reconstruction. It is reported in the "Journal d'Egypte" that pending a Cabinet reshuffle the Minister of Agriculture will take charge of the Ministry of Wakfs, which has now been vacated by Sheikh Mustapha Abdel Razek Pasha as the result of his appointment to the rectorship of Al Azhar.

Internal Politics.

2. Aly Maher Pasha has made a further appeal for political unity in an article in the "Misawwar". He suggested that the holding of office should be a means and not an end.

3. It is reported in the press that the Minister of Commerce and Industry gave an address to the Constitutional-Liberal Party on 30th December on the subject of electoral reform. Hefai Mahmud Bey is stated to have condemned the existing electoral procedure based on universal suffrage and to have urged that the vote should be confined to people of mature judgment, for which an adequate standard of education was an essential.

4. The press reports of the continuation of the debate of the Chamber of Deputies on the Address in reply to the Speech from the Throne, states that the Prime Minister declared that the Government was drafting a law which would disqualify a lawyer who had become Minister of Justice from pleading in the Higher Court of Justice. This legislation would also forbid cabinet ministers to accept company directorships within a period of two years following their relinquishment of ministerial office.

5. The weekly review "Rose el Youssef" reports a statement by Abdel Fattah Yehia Pasha to the effect that the question of Wafdist collaboration for the sake of national unity cannot be resolved until the accusations against certain members of the former Wafdist cabinet have been cleared up one way or the other. As regards the possibility that the Wafd would insist on new general elections as a pre-condition of national unity, Abdel Fattah Yehia Pasha stated, according to the above report, that elections would follow automatically if the needed unity were achieved.

Al Azhar

6. With reference to paragraph 3 of weekly report No.160, Sheikh Mustapha Abdel Razek was appointed Rector of Al Azhar by Royal Rescript on 27th December and was subsequently received by King Farouk. The new Rector is stated to have announced his resignation from the Constitutional-Liberal Party and to have secured the consent of His Majesty to relinquish his title of

/Pasha

Egypt and Great Britain.

Moscow Conference.

Arab Affairs.

11. The "Ahram" has published a communiqué from the Trans-jordan Consulate in Cairo denying the truth of a recent Reuter report referring to a proposal for the amalgamation of Trans-jordan with Iraq and to disharmony between the Hashimite and Saudi Arabian Royal Families in connection with the disposal of Rashid Ali.

12. Two decrees have been issued in connection with the projected establishment of a "Farouk I University City" for the students of Cairo University, for which scheme King Farouk and other members of the Royal Family made substantial contributions of money some months ago. The first decree signifies Royal

/approval

approval of the statutes of the University City and the second decree nominates various notables as members of the Higher Council appointed to supervise the administration of the scheme. The President of this Higher Council is Khamy Hussein Pasha, husband of Princess Chevikar. The object of the scheme is stated to be to provide adequate lodging, food and other amenities for the students of Cairo University and to improve their cultural, hygienic and social standards. Article 3 of the statutes stipulates that this institution may not concern itself with political or religious questions nor lend direct or indirect assistance or support to political parties.

Alexandria Municipality.

13. According to the "Journal d'Egypte", it has been decided to modify the organic law of Alexandria Municipality in a way to ensure nationalisation of the Municipality. The report states, however, that foreigners may be nominated to the Municipal Commission having regard to their capacity and experience.

Foreign Relations.

14. The Egyptian Government is reported to have recognised the new Yugoslav Government and the new Minister for Yugoslavia is expected to present his letters of credence to King Farouk shortly.

Egypt and the Sudan.

15. The Egyptian Minister of Education left for Khartoum on January 1st to attend the opening of new buildings for the Egyptian secondary school which was founded some two years ago in Khartoum. Sanhoury Bey is accompanied by a few officials of his Ministry and by three journalists. It is expected that he will visit Gordon College.

P R E S S

16. A report in Akher Sa'a that the Wafd had decided on an anti-British policy was coupled with an intimation that the Wafd papers were to open "an intensive campaign against Great Britain". It appears however that the Misri (the most important) decided to hold aloof from this; an announcement was made that the Wafd Al Misri would ultimately become a morning paper in order to provide a morning counter-blast to the moderate attitude of Misri. Wafd Al Misri will now appear in the morning on two days a week only, pending an improvement in the newsprint position.

17. Articles by Dr. Mandour, Dr. Aziz Fahmi and Mtre Abdel Magid Nafi may be quoted as showing the new trends. The last named, in the Wafd of the 28th, followed up his attacks on the British Goodwill Mission and said he would never lay down his pen so long as he had breath to convince his countrymen that the British were the opponents of Egyptian freedom and that their political and economic pressure was the cause of the low social standard of our people. His main theme was that Britain continued to follow the "Cromer policy" of imperialism.

18. It has been noticed that Al-Kotla (Makram Pasha's organ)

/is

is also somewhat intolerant in its attitude towards Great Britain. Its irritation is perhaps due mostly to the delay in reaching a decision to bring Nahas Pasha to judgement which it attributes to British intervention.

19. The case of Tarrab whose extradition from Palestine was said to have been requested by the Egyptian Government in connection with the charges against Nahas Pasha drew bitter criticism of the British Embassy, which was said to be protecting Tarrab and many others against "one of the most elementary rights of an independent state". The British were alleged to be protecting criminals and infringing an international extradition agreement.

Internal Affairs.

20. The Wafd campaign against the present Government kept up its momentum. It was argued that the story of the Egyptian Government's Note to His Majesty's Government (regarding treaty negotiations with Britain) was no more than a bluff. A lively discussion was opened by Seifullah Yusry Pasha (a veteran of the Egyptian diplomatic service) who urged in Ahram that the Government should hold new elections, the result of which should lead to the choice of a truly representative delegation to discuss treaty revision. Next day a reply by a Makramite appeared in the same paper denouncing the suggestion and saying that both the present Government and Parliament were in fact representative of the people.

Moscow Conference.

21. The Moscow decisions were criticised in all the papers; they deplored the omission of the name of Egypt from the list of countries to attend the Peace Conference. Ahram said that, as always, the Big Powers gained while the small countries lost. In spite of the fact that the Conference barely touched on Middle East problems, it said, the countries of the Near and Middle East will continue to be the cardinal factor in tipping the balance in favour of either Soviet Russia or the Anglo-Saxon bloc. Like the rest, this paper stressed the importance of Egypt's war efforts, and expressed the hope that United Nations Organisation might be more just to Egypt than the Moscow Conference was.

The Sudan.

22. There was a lively discussion in Ahram following the publication of an article by Deputy Abdel Rahman El-Biyali who expressed his belief that the British would strive to maintain their position in the Sudan and would openly try to establish and confirm British claims during treaty negotiations. He forecast the arguments which the British might put forward to justify their claims and at the same time he deplored the lack of maturity of Egyptian politicians. Fikri Abaza Bey, much irritated at the publication of these arguments, wrote next day. It appeared, he said, that Biyali was defending the British claims. An explanation from Biyali followed and then Ali Al Bireir intervened to the effect that it was high time for the Sudan to put forward its own arguments. Al-Bireir said that the Sudanese had expressed their view in the resolution of the Graduates' Congress which, he said, called for the establishment of a free democratic Sudanese government united with Egypt and allied to Britain. It is worthy of note that though el Biyali quoted the resolution, he omitted the phrase referring to the unity of the Sudan with Egypt, "under the Egyptian Crown".

Arab Affairs.

23. Reports of terrorist outrages in Palestine were featured throughout the week in most of the papers which, however, did not give much prominence to the proposed boycott of Zionist goods due to start on the 1st January 1946. The articles that did appear contained no fresh arguments, but nevertheless the general problem of Palestine continued to be a front page topic.

E C O N O M I C

Sterling Balances.

(Paragraph 43 of Report No.160).

24. In the course of an editorial published on December 26th, the "Egyptian Gazette" after commenting on the terms of the Anglo-American Financial Agreement and the recent debate in the Egyptian Parliament on the sterling assets problem, said that it would appear to be as much in the interests of Egypt, as of Britain, to show an accommodating spirit. Officially Britain had always shunned any suggestion of defaulting on the sterling balances or any attempt to intimidate creditors; on the contrary His Majesty's Government had undertaken to make agreements on the basis of dividing the accumulated balances into three categories. The third of these categories provided for adjustment "as a contribution to the settlement of war and post-war indebtedness and in recognition of the benefits which the countries concerned might be expected to gain from such a settlement". In the light of the words of this undertaking, one might say of those who argue that Egypt must be paid to the last millieme "of a strange nature is the suit you follow". As Lord Keynes explained in defence of the Anglo-American financial agreement, he discovered that the Americans regarded a post-mortem on relative services and sacrifices amongst the leading Allies as extremely distasteful and dissatisfying. Their point of view is that it is more practical and realistic to think in terms of the future and to work out what credits, of what amount and upon what terms, will do more service in reconstructing the post-war world and guiding post-war economy along those lines which will best conduce to the general prosperity of all and to the friendship of nations. The article concluded by saying that the prosperity of Egypt, Britain and the world should be made the touchstone for a settlement of the problem of sterling balances and not the benefit of some sectional interest.

25. To form an accurate estimate of Egypt's sterling balances, an official census is to be taken of all public and private holdings as at the 31st December, 1945. An order issued by the Minister of Finance (No.120 of 1945 published in the "Journal Officiel" No.176 of the 31st December, 1945) provides that all residents in Egypt shall make a return to the Statistical Department of their credits, shares and other sterling holdings, under the following main headings (a) British Government Securities, (b) Semi-Government Securities, (c) Shares and debentures of British companies operating outside Egypt, (d) British Government, semi-Government and British companies' coupons (due and unpaid), (e) Credit accounts in banks or other establishments, including current and deposit accounts, bills of exchange and promissory notes, (f) Bank of England notes and currency notes, (g) Insurance policies, showing nominal and surrender values.

/Bretton

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WEEKLY POLITICAL AND ECONOMIC REPORT
FROM 2nd JANUARY to 8th JANUARY,
1946.

P O L I T I C A L

Murder of Amin Osman Pasha.

On the evening of January 5th Amin Osman Pasha was shot as he was entering the premises of the Old Victorian Club in Cairo, and received three bullet wounds. He died six hours later despite efforts to save him by blood transfusion. His assailant escaped but in the early hours of January 6th a youth was arrested in Heliopolis and is under interrogation by the competent legal authorities. The Government offered a reward of £E.5,000 for information leading to the arrest of the culprit and any accomplices. The funeral, which took place on January 6th, was attended by the Egyptian Prime Minister, His Majesty's Ambassador and members of the Embassy staff, the President of the Senate, Nahas Pasha, and other notabilities. King Farouk was represented by the Master of Ceremonies in the Palace. The funeral procession was made the occasion for a political demonstration by Wafdist youths, who preceded the cortege and shouted all along the route against the present Government. So far the motives for the crime have not been established.

2. The late Amin Osman Pasha's services to his country and the cause of Anglo-Egyptian friendship were eulogised by Nahas Pasha in an obituary announcement in the newspaper Al Misri. Appropriate tributes, which included strong reprobation of the crime, were paid in the Senate by Nokrashy Pasha and the leader of the Opposition. The Public Prosecutor has requested the press to refrain from publishing any information relative to the legal enquiry except his official communiqués.

Internal Politics

3. It is now reported that Cabinet reconstruction is to be postponed until after the departure of King Ibn Saud so as to avoid unseemly quarrels during the Royal visit. Makram Pasha is apparently claiming that the late Ragheb Hanna Pasha should be replaced by a Makramite Minister who would no longer be without portfolio. Makram Pasha is apparently endeavouring to strengthen his position in the country against the present Government by adopting an anti-British attitude, based primarily on resentment at our attitude in opposing the prosecution of Nahas Pasha. His presence at a recent party given by the Watanists in honour of Hafez Ramadan Pasha, at which anti-British sentiments were expressed, was regarded as significant in this connection in view of Hafez Ramadan's anti-Government and anti-British stand.

4. It is reported that Bedawi Pasha is likely to resign in about a month and devote himself to the International Court of Justice, in which event Nokrashy Pasha is expected to take over the Ministry of Foreign Affairs.

5. Reports from various sources tend to indicate that the Wafd have now decided to launch an anti-British campaign, which, in fact, began in the Wafd Press just before the death of Amin Osman Pasha.

Labour

6. Some 7,000 textile workers employed in a group of factories on the outskirts of Cairo have been on strike for some days as the result apparently of incitement by communist elements to demand higher wages and a share in the profits of the different companies concerned. A significant point is that the workers in question are not represented by any recognised trade union. At the request of the Minister of Social Affairs, Egyptian troops were posted at the factories as a precaution against violence. After a delegation of the workers had appealed to the Prime Minister and Minister of Social Affairs for permission to resume work the workers decided to return to the factories on January 9th. A number of arrests are reported to have been made among communist elements suspected of provoking the strike and the editor of a communist publication, which is apparently distributed free of charge, is also under arrest.

7. In a statement to the "Journal d'Egypte" on January 3rd, the Minister of Social Affairs outlined various projects which his Department had under consideration in the interests of social reform, particularly for the improvement of labour conditions. Details are given in paragraph 42 below.

8. A suggestion was made in the Chamber of Deputies on January 2nd that the Government should give attention to the diet of the masses by setting up an organisation to study the nutritive qualities of common articles of food.

Education

9. With reference to paragraph 12 of Weekly Report No. 161, the "Journal d'Egypte" reports an interview with Ilhamy Hussein Pasha on the subject of the proposed University City. The Pasha recalled King Farouk's personal interest in raising the physical and intellectual standards of Egyptian students and referred to a proposal to provide suitable lodging for 600 needy students in the first place, with appropriate recreational amenities. He said that it was proposed to lay the foundation of the University City next month and to have it ready for habitation at the beginning of 1948.

Egypt and the Peace Conference

10. With reference to paragraph 8 of Weekly Report No. 161, Nokrashy Pasha stated in the Chamber of Deputies on January 7th that the Minister for Foreign Affairs had been instructed to present a note to London, Washington and Moscow, demanding Egypt's representation in peace negotiations with Italy, since this was Egypt's right. The nationalist deputy Pikri Abaza protested that Egypt's declaration of war should automatically entitle Egypt to be represented in the Peace Conference, just as it had given her the right to attend the San Francisco Conference. According to the "Bourse Egyptienne" the Wafd party proposed to publish a note protesting against the apparent exclusion of Egypt from the Peace Conference as the result of the recent Conference in Moscow.

Egypt and Great Britain.

11. The article in "The Times" of December 21st on Egyptian aspirations has been badly received by the Egyptian public and press and has evoked critical comments from the President of the

/Senate

Senate and from the former Wafdist President of the Chamber of Deputies which have been published in the press. Egyptian opinion is particularly pained by the reference in "The Times" article to the evacuation of troops and to the unsuitability of Egyptian officials for service in the Sudan owing to inefficiency and corruption.

12. Hoikal Pasha's condemnation of the article, which was published by the "Ahram" alleged that "The Times" article seemed to be part of an inspired campaign and was not encouraging to the establishment of a stable peace.

13. In a statement in the Chamber of Deputies on foreign affairs on January 7th, Nekrashy Pasha declared, according to the press, that he firmly hoped that the negotiations for treaty revision which he had requested would strengthen the mutual confidence between the two allies and that the excellent relations between Great Britain and Egypt would become closer and more solid.

Arab Affairs

14. There are strong indications that efforts are being made by Egypt through Libyan refugees, mostly Tripolitarians resident in Egypt for some years, to promote a movement to bring the whole of Libya under the wing of Egypt or at least of the Arab League. Abdullah Lamloum Pasha is believed to be very active in this connection at the present time.

15. According to the "Bourse Egyptienne", certain representatives of the various Arab States met under the chairmanship of Azzam Pasha on January 2nd and discussed measures to boycott the recent Anglo-French-Levant agreement. This newspaper also states that the meeting decided to concert efforts to protest against the decision of the Moscow Conference with regard to the non-invitation of Middle Eastern countries to the Peace Conference and to submit statements regarding Palestine to the members of the Anglo-American Commission of Enquiry if and when they passed through Cairo on their way to Palestine.

16. Azzam Pasha gave a lecture on the Arab League on January 4th at the American University in Cairo. He stated, according to the press, that no foreign nation could be allowed to stay in any part of the Arab world by means of military force; the League was unanimous in demanding the evacuation of foreign troops from Egypt, North Africa and Libya. Azzam Pasha denied that the League had been actuated by animosity towards France in supporting Syria and the Lebanon. The "Ahram" subsequently reported that in a statement to the French periodical "Monde", Azzam Pasha denied any intention of adopting a hostile attitude towards France with regard to French North Africa and added that there was no question of the Arab League's undertaking immediate action in that connection.

17. In reply to a question in the Chamber of Deputies on January 7th suggesting the publication of official correspondence between the former Wafd Government and the Governments of Great Britain and the United States on the Palestine question, Nekrashy Pasha stated, according to the press, that such correspondence would be deposited at the bureau of the President of the Chamber and that he would not hesitate to publish it if there were any advantage in doing so. The question was raised by an independent deputy who is known for his sympathy towards the Wafd.

18. Sheikh Fawzan al Sabek, who has been Chargé d'Affaires of Saudi Arabia in Egypt since 1936 has presented his credentials to King Farouk as Minister. This promotion is no doubt conferred in view of the impending visit of King Ibn Saud, who is due to arrive in Cairo on January 10th.

Egypt and the United States of America

Egypt and the United States of America

19. The American Minister has opened a library for the use of the general public in the premises occupied until recently by the American Office of War Information. Books are available in the library for borrowing by the general public. In his speech at the opening ceremony Mr. Tuck stated that the books had been carefully chosen to provide information on the various aspects of American life.

20. The American military award of the Legion of Merit has been conferred on Atallah Pasha, Chief of the Egyptian General Staff, in recognition of the co-operation of the Egyptian army with the American forces between September 1942 and September 1945.

P R E S S

The New Year

21. The Arabic Press did not greet 1946 with the displays which were customary even during the war. Two papers published only a calendar of prominent events of 1945 and no noteworthy comments on the New Year's prospects appeared anywhere, apart from Ahram and Al-Misri. The former said that 1945 had witnessed the breaking of the promises given by the Big Powers to the small nations and quarrels over the spoils of war. The Misri reviewed 1945 from a local angle, deploring the weakness of the present Government, lamenting over the memories of 1919, and the memorable year of the national revolution.

22. Writing on the new year in Al-Misri, Dr. Mahmoud Azmi regretted Egypt's "expulsion" from the peace conference agreed on in Moscow, especially in connection with the settlement with Italy. He also criticised the new vogue of individual treaties, "which is quite contradictory to the principles of United Nations Organisation". Dr. Azmi said that Egypt would have to face big international difficulties during 1946 and must prepare to adapt herself to new evolutions. He finally quoted a Turkish journalist: "A day may come when we shall have to choose between slavery and the struggle for freedom".

Great Britain and Egypt

23. "Egyptian Aspirations", as discussed in the Times of December 31st, was the week's main topic in all papers, several of which returned to the subject more than once. Most of these comments agreed that it was tactless of the Times to publish allusions to the corruption and inefficiency of the Egyptian officials in the Sudan. The Wafd organs in a vehement attack said that the Times article was "impudent" and "audacious". The "new note" was "not a good omen for the friendly settlement which the two countries will sooner or later try to reach."

24. Ahram surmised that this article might be a manoeuvre, to inform Egypt in an indirect way that Britain did not intend to pay the debts she owed.

25. The Times' allusion to "the corruption and inefficiency" of Egyptian officials seems to have roused the anger of all parties; strangely enough, Al-Misri did not join in the campaign wholeheartedly. The paper emphasised that what the British journals were aiming at was to supplement their Government's attempts to separate the Sudan from Egypt. Dr. Mandour in his weekly paper Al-Ba'ath said that the British nation was not free from moral weaknesses, any more than the Egyptian or any other nation. To support his argument

he referred to "the British Army property that flooded the Egyptian market This could not be anything but a sign of moral dissolution among some of the British Army."

26. Akhbar al-Yom took the Times' article as a justification to revive the affair of 4th February and attack both the British and the Wafd. The paper said that The Times' argument was rather surprising in a journal which was - a short time ago - supporting a régime of corruption. "Egyptians will remember what Mr. Churchill said, that moral standards need not be adhered to during wars. Mr. Churchill made this remark when the Sovereign of the country thought of dismissing Nahas Pasha's cabinet in order to enquire into those charges of corruption attributed to them. At that time the British forgot honesty and probity, counselling the neglect of moral standards". The main argument was to emphasise that Egyptian administration was corrupted by the British support to the Wafd after 4th February, 1942.

27. The week ended with this subject still being featured in most of the papers.

28. Mussawar published an interview with "a big Britisher interested in Egyptian politics" who said that Nahas Pasha raised the question of Treaty Revision in order to annoy the Cabinet. The manoeuvre succeeded; had he been in power, Nahas would have waited till the date stipulated for revision. Were it not for the presence of the British Forces in Egypt and the Middle East, the 'big Britisher' explained, Russia would have done what she did in the Balkans and was doing now in Iran. The present British Cabinet was said to have no intention of cancelling the sterling debts. Asked about the Arab countries' boycott of Zionist goods, he doubted its success, saying that it was not a practical scheme. Fikri Abaza, replying to this, emphasised that Egyptian national aims were never the subject of any manoeuvre by any party, the whole country being agreed on their urgency. The Russian danger, he wrote, was a strange argument, the implication of which was that the British would remain in Egypt for ever.

Internal Affairs

29. All papers expressed regret at the assassination of Amin Osman Pasha, but apart from the prominence given to the news no special obituaries or appreciations appeared except in the Wafd organs, which devoted much space to justifying the late Pasha's policy, especially his contacts with the British. Egypt owed the Treaty to his efforts and the other parties were challenged to match such courage and realism as that of Amin Osman Pasha. The Wafd papers also stressed his efforts for the improvement of conditions in the lower grades in the civil service. The Wafdist press used the occasion to make vehement attacks on the Government for its alleged failure to maintain public security and accused certain pro-Government newspapers of creating an atmosphere conducive to the commission of crimes of this nature.

30. Dustur and Kotla have strongly deprecated the political demonstration which the Wafd made during the funeral.

Arab Affairs

31. General prominence was given to the official measures taken by the Arab countries to organise the boycott of Zionist goods. Very few actual articles appeared but the main problem of Palestine drew more attention. No new theme or argument appeared.

32. The Palace's choice of Abbas Mahmoud Al-Aqqad and Karim Bey Tabet as the two journalists to accompany the Royal Mission to Jeddah in order to escort His Majesty Ibn Saud to Egypt was resented by other Egyptian journalists. Al-Misri was said to have approached the Saudi Legation in Cairo and to have obtained special permission to send a special correspondent. The Misri's man flew to Jeddah, where he arrived before the Egyptian royal yacht "Al-Mahroussah".

Russia.

33. While most editorial writers criticize Russia's allegedly imperialist and aggressive policy as a revival of the Czarist policy in the Middle East, contrary views are occasionally finding expression in spite of the suppression of more outspoken communist periodicals such as Al-Fagr al Gidid for instance.

34. Zohair Sabri, a self-styled socialist, wrote in Ra'i Alam (Makramite weekly review) defending the Russian policy all along the line. He tried to convince his readers that Persian Azerbaijan was a separate country having no affinity with Iran in any sense of the word. This writer alleged that unlike Britain and the United States of America, Russia was honest in her adherence to the doctrines of the Atlantic Charter.

E C O N O M I C

Sterling Balances

(Paragraphs 24 - 25 of Report No. 161)

35. Speaking in the Senate on 23rd December in the course of discussion of the Bretton Woods agreement, the Egyptian Minister of Finance stated that the Egyptian Government were asking His Majesty's Government to fix a date for negotiations to begin between the two Governments with a view to finding a solution to the problem of Egypt's sterling balances. Egypt, he said, wished to come to an agreement with Britain on this question before the Bretton Woods Agreement comes into force in March 1946. The Minister appears to have repeated on several occasions that Egypt would never agree to the decrease of its balances in London. According to one press report, answering Sabri Abu Alam Pasha, who said that certain financial circles were alleging that Britain would have recourse to the devaluation of the sterling pound to reduce her debt, Makram Pasha remarked that he did not believe that the sterling pound would be devalued but if it were, the Egyptian Government would insist on being paid all which was owed. Several Senators urged the Minister to see that the Egyptian pound retained its stability and present worth.

36. In the course of the debate Makram Pasha stated that execution of the Bretton Woods Agreement would be entrusted to the National Bank of Egypt under direction from the Ministry of Finance and that the intention was to "Egyptianise" the National Bank as a central bank.

37. The "Egyptian Gazette" reports that the Minister of Finance, speaking from Luxor on 3rd January to a representative of the paper, strongly denied that the census of sterling holdings called for under the Ministerial Order No. 120 of 1945 would be used for taxation purposes or that the Egyptian Government had any

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No.163

WEEKLY POLITICAL AND ECONOMIC REPORT
FROM 9th JANUARY to 15th JANUARY,
1946.

P O L I T I C A L

Visit of King Ibn Saud

King Ibn Saud duly arrived in Egypt on 10th January and was ceremoniously received at Suez by King Farouk and other high dignitaries. His Majesty's Ambassador and the heads of diplomatic missions paid their respects to King Ibn Saud at Zaafarani Palace the same evening and afterwards attended a banquet given by King Farouk. Egyptian decorations were conferred on King Ibn Saud, the Emir Abdel Rahman (brother of King Ibn Saud), and on the twelve other princes who have accompanied His Majesty on this visit.

2. King Ibn Saud has a very full programme. His principal activities during the week under review were a visit to the Azhar for Friday prayers, a reception at Cairo University, a large scale Egyptian military review, a reception in the Egyptian Parliament, and a luncheon at His Majesty's Embassy. Very strict precautions are being taken by the police to ensure His Majesty's safety at all times. At the reception in Parliament on 15th January, the President of the Senate, in his speech of welcome, emphasised that as the result of this Royal visit Arab union had been cemented in a solid framework and that this union guaranteed independence to each Arab State. Hoikal Pasha stated that the cohesion and solidarity of the Arabs, which were manifested in the San Francisco Conference and also in the present meeting of the United Nations Organisation, enabled every Arab to look forward to a future in which all nations could live in freedom and dignity.

Murder of Amin Osman Pasha

3. With reference to paragraph 3 of Weekly Report No.162, the competent authorities have continued their interrogation of Hussein Tewfik Ahmed, son of the Under-Secretary of State in the Ministry of Communications, and it is now reported that this person has confessed to the murder of Amin Osman Pasha, to having been the culprit in the bomb-throwing incident against Nahas referred to in paragraph 5 of Weekly Report No.158, to having been an accomplice of the criminals responsible for the recent murder of a British soldier at Heliopolis and to participation in the attempted murder of Corporal Miller in Gezira in December. According to a secret report, the accused has further admitted that he had been trained in the use of firearms and other explosive weapons by certain officers of the Egyptian army. A number of other individuals have also been arrested on suspicion of complicity in these criminal activities.

4. The press of 9th January published a message of thanks from Nahas Pasha to the Egyptian nation for its general participation in the mourning for the late Amin Osman Pasha. This message, after eulogising the late Pasha's qualities as a friend and a patriot, thanked various notables for attending the funeral, but omitted mention of the Prime Minister, members of Cabinet and the president of the Senate who had attended. This omission has

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naturally been taken amiss in Government circles who regard it as a deliberate slight.

Death of Madame Zaghoul.

5. Safia Hanem, widow of Saad Zaghoul Pasha, died suddenly after a heart attack on 12th January. Her funeral took place with official ceremony on the following day and was attended by the Grand Chamberlain (representing King Farouk), the Egyptian Prime Minister and members of the Cabinet, Lord Killearn and members of the diplomatic corps, and a large gathering of persons representing official and other organisations. Nahas Pasha and leading members of the Wafd were not present, doubtless owing to the rift between the late Safia Hanem and Nahas Pasha which developed as the result of the quarrel between Nahas and Makram Pashas in 1942. Nahas Pasha was, however, represented by Ahmed Hamza Bey. The funeral took place amid an impressive gathering of the general public and good order was maintained throughout. There was a noteworthy contrast between the orderliness and solemnity of this funeral and the organised political demonstration and rowdiness which were such deplorable features of Amin Osman Pasha's funeral.

Internal Politics

6. A Cairo City Police report states that the Wafd recently discussed whether or not they should take part in elections for a number of seats in the Senate which are due to fall vacant shortly and that it was decided to allow Wafdists to present their candidatures with a view to maintaining Wafdist representation in the Senate. According to the same source the Wafd is proposing to send certain of its members to Great Britain and the United States of America on propaganda missions.

7. According to the press the following have been admitted to the Executive Committee of the Wafd. Fuad Sorag-el-Din Pasha, Maître Mahmoud Soliman Ghannam, Maître Ahmed Hamza and Maître Mustapha Nosrat.

8. Prior to the arrival of King Ibn Saud the Wafd considered whether Wafdist ex-Ministers should accept invitations to the official functions connected with the Royal visit, if Nahas Pasha were not invited. Nahas Pasha apparently agreed that such invitations might be accepted even if he were not invited himself, in order to avoid offence to King Ibn Saud. No ex Prime Ministers attended the Soirée at Abdin Palace because they thought they ought to have been invited to the dinner before. However, ex Prime Ministers have attended the festivities, including the luncheon given by the Arab League to Ibn Saud but Nahas Pasha was consistently not invited. No Wafdist Ministers appear to have been invited to any ceremony except Zehi-Al-Orabi Pasha, perhaps as ex-President of the Senate.

Social Affairs.

9. On 14th January the Chamber of Deputies discussed social conditions in the provinces with special reference to relations between landowners and their tenants in agricultural districts. After an animated debate the Ministry of Social Affairs replied, according to the press, that the Government had already contemplated measures to improve relations between proprietors and tenants and would shortly put forward two draft laws, one to fix a minimum wage for agricultural labourers and the other to fix a maximum rental for agricultural holdings. The general question of social reform in the province has also been discussed in the Senate during the debate on the Address in reply to the Speech from the Throne, in the course of which the Minister of Finance defended the necessity for the progressive income tax which, he contended, would benefit the agricultural classes as their fiscal burdens could thus be lightened.

/Arab Affairs

Arab Affairs

10. The "Ahram" publishes the text of a communiqué issued by the Secretary-General of the Arab League denying a United Press report that the Arab League would abandon its resolution to boycott Zionist goods.

11. The press reports that King Ibn Saud received a Palestine Arab delegation headed by Jamal el Hussaini on 13th January and that His Majesty was requested to assist in obtaining permission for the ex-Mufti and other Arab exiles to return to Palestine.

12. There are reports that, at the request of Saudi-Arabia, Syria and Iraq, an extraordinary meeting of the Arab League Council is likely to be held in February to discuss the British proposal for the admission of 1500 Jewish immigrants a month as a temporary measure.

13. The "Journal d'Egypte" states that the Egyptian Feminist Union has set up a committee to collect subscriptions for the benefit of Palestine and that Madame Hoda Shaarawi has contributed the sum of £2,1,000. According to this report, one of the members of this Committee is Salah Harb Pasha.

14. The "Mogattam" has published an account of Kerim Tabet's interview with King Ibn Saud regarding the disposal of Rashid Ali. Kerim Tabet states that King Ibn Saud deplored Rashid Ali's insurrection and considered it a calamity that Rashid Ali should have sought refuge under his protection. King Ibn Saud is stated to have expressed a readiness to refer the matter to arbitration and to have emphasised that his Arab traditions of sanctuary counted for more than treaties.

Egypt and the Sudan.

15. With reference to paragraph 15 of Weekly Report No. 161, the "Bourse Egyptienne" reports that the Egyptian Minister of Education proposed to take the opportunity of his visit to the Sudan to discuss a plan for the establishment of an Intermediate School of Commerce, which would be attached to the existing Egyptian Secondary School in Khartoum.

Egypt and the United Nations Organisation.

16. The Egyptian press and public have welcomed with much satisfaction the election of Egypt to a seat on the Security Council of the United Nations Organisation and consider that this will enhance Egypt's prestige among the Arab nations, whose interests, it is said, Egypt must watch over for the sake of regional solidarity in the Middle East. There is also general satisfaction in Egyptian circles at the inclusion of representatives of various Arab States in certain committees of the United Nations Organisation.

P R E S S

King Ibn Saud in Egypt

17. The Arabic papers have naturally made the most of the reception accorded to King Ibn Saud on his state visit to Egypt, whole pages being devoted to features of all kinds - pictorial, biographical and political - emphasising the importance of the visit. Far-reaching results were predicted, the general line of comment being that the visit constituted visible evidence that the Arab League was not a mere façade.

18. Ahram said that the visit was a harbinger of a new era drawing in all the Arab countries, and that it could be taken as a prelude to other meetings between the various rulers of the Arab peoples.

19. Katla was the only paper to refer to King Ibn Saud's contacts with the British Government. "By gaining an outlet on the Persian Gulf" this paper said, "he was able to establish a political contact with the British which was strengthened as time went on"

20. The eminence of the royal guest as a heroic figure was also played up and the story of his adventurous conquest of Nejd from Ibn Al-Rashid was the theme of many writers.

21. On the first day of the visit, Siyassa and Dustur came out with an appeal for a political truce as a mark of honour to the country's guest. This appeal seems to have had a partial response, as the usual political outbursts disappeared for a day or two, but were then resumed in a tone which was, at first, somewhat subdued.

22. The royal guests' movements are being given the fullest publicity, but the enthusiasm of the Wafd papers slackened after the first two days. Sabri Abu Alam Pasha and Fuad Serraj-el-Din Pasha greeted King Ibn Saud in the Wafdist newspapers.

Internal Affairs

23. The death of Madame Saad Zaghloul, popularly known as "mother of the Egyptians" was impressively announced in all papers except Wafd al Misri and Siyassa, both of which carried the news as a local item. The first-named seized the occasion to remind its readers that it was due to Nahas Pasha's efforts that the Zaghloul mausoleum had been built. Apart from the conventional expressions of respect and regret, the Wafd papers showed no marked sign of real sentiment.

24. In the meantime the Wafd papers (Al-Misri can no longer be taken as such) are again attacking the Government from more than one angle. Apart from the purely political side, the Government's failure to ensure public security was vigorously exploited. The present regime was referred to as 'the regime of bombs and bullets' and the murder of Amin Osman Pasha continued to be a main theme.

The Press

25. Al-Misri hitherto considered to be the most influential organ of the Wafd, appeared on the 10th instant, (the day King Ibn Saud arrived in Egypt) with a new title-heading; the line stating that the paper "is published and politically directed by the Wafd" has disappeared and the name of the paper is printed on a background of two Egyptian flags surmounting a quotation from Saad Zaghloul. This quotation emphasises the nation's power to be above that of the Government. This change seemed to confirm the story that Abu Al-Fath intends to publish his paper as an independent organ (no longer supporting the Wafd) and competing with Ahram. Akher Sa'a reported that Dr. Mandour, one of the Wafd's ace writers, was going to relinquish the editorship of Wafd al Misri; Dr. Mandour, however, has denied this.

26. This week has also witnessed the appearance of a new weekly Al-Sahabah, a term exclusively applied to the friends and collaborators of the Prophet. The policy of this weekly was announced as the revival of Moslem precepts and the profession of the true principles of the Moslem faith. Ali Maher Pasha gave an interview to this new religious weekly and Sheikh Ahmed Mured El-Bakri, Chief of the Sufi sects, was among its contributors. In

its political editorial, Britain was said to have hypnotised the people of the Orient and persuaded them to organise the Arab League. "The Orient will never live freely unless it gets rid of British domination", Al-Sahabah said, quoting Britain's support of the Dutch in Indonesia as proof of her imperialist instincts.

The Sudan.

27. The visit of the Egyptian Minister of Education to the Sudan (to open the Egyptian Secondary School in Khartoum) was the subject of considerably publicity in all papers, except the Wafd organs. Dr. Taha Hussein took the occasion to emphasise that this school owed its foundation to the Wafd and that it was a Wafd Government which 'forced' this school on the British.

28. Prominence was also given to an interview which the Sudan Government's Civil Secretary gave to the press. No comments appeared on this interview, but the Wafd papers seized the opportunity to repeat their attacks against the British who were said to be striving to detach the Sudan from Egypt, and against the present Egyptian Government who, by their weakness and incompetence, would, it was said, destroy Egypt's rightful claims.

Great Britain and Egypt.

29. Saifullah Yusri Pasha wrote in Ahram criticising The Times article (31st December). He appealed to the British Government to be convinced that the Egyptians were not trying to annoy them in these critical times, but on the contrary wanted to help, on condition that each party should know exactly where it stood vis-à-vis the other. Real experts and competent authorities, he urged, should be the ones to deal with such subjects.

30. Akhir Sa'a reported some time ago that the Wafd party had decided to open an anti-British press campaign. All the Wafd papers are now adopting a harsher and more hostile tone whenever they deal with the subject of the Ally. "The liquidation of the British Empire", an article in Wafd Al Misri by Abdel Magid Nafi may be quoted as an example. This writer argued that Britain's imperialist policy had not changed, but that the comprehensive evolutions which the two world wars had hastened were sure to bring about the liquidation of the Empire, unless Britain changed her traditional attitude.

Foreign Affairs

31. Mohammed Saleh El Din Bey, former Under Secretary for Foreign Affairs (Wafdist) suggested in Ahram that the Arab countries should withdraw from U.N.R.R.A. on the grounds that this organisation was confusing its humanitarian task with Zionism.

32. The election of Egypt to a seat on the Security Council of the United Nations Organisation was conspicuously featured in all papers. The surprisingly few comments on United Nations Organisation that have appeared have emphasised the unity of the Arab nations and the possibility that far-reaching results may follow in consequence thereof.

E C O N O M I C

Hard Currency Agreement (Paragraphs 40 - 42 of Report No. 160)

33. The agreement reached with the Egyptian Government for
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No. 164

WEEKLY POLITICAL AND ECONOMIC
REPORT - 16th January to 22nd
January, 1946.

P O L I T I C A L

Visit of King Ibn Saud.

During the week under review King Ibn Saud and his suite have been entertained in Alexandria for two days and have visited the Misr Company's spinning and weaving mills at Mehalla Kubra. There have also been further festivities in His Majesty's honour in Cairo itself. On January 16th the Secretary-General of the Arab League entertained King Ibn Saud and King Farouk and various other notabilities to luncheon at the Monasterli Palace in Cairo which was recently given by King Farouk to the Arab League. A joint declaration by the two monarchs on this occasion is summarised under "Arab Affairs" below. During his stay in Alexandria King Ibn Saud visited the Institute of Hydro-Biology and the Fued I Hospital and was entertained at luncheon by the Municipality. On his return to Cairo he was again entertained to luncheon by King Farouk at Abdin Palace. King Ibn Saud received representatives of the press on January 21st and expressed to them the pleasure which he had derived from his visit and his high regard for the accomplishments of the Egyptian people.

2. King Ibn Saud and his suite left Cairo on January 22nd and King Farouk was present at the station to bid His Majesty farewell. The Royal party embarked on R.Y. "Mahroussa" at Suez the same afternoon.

3. King Farouk has addressed a message to his people thanking them for their reception of his guest and expressing the hope that this visit may be the dawn of the day when the Arab nation will realise its aspirations in glory, independence and effective co-operation towards the elaboration of a human civilisation of which the foundations will be peace, justice and liberty and which will renew the Arab civilisation.

4. It is noteworthy that, apart from visits to Mehalla Kubra and to the royal estate at Inchass, King Ibn Saud's movements have been confined to Cairo and Alexandria and that His Majesty has not had any real opportunity of observing at first hand the conditions in the provinces.

Murder of Amin Osman Pasha.

5. With reference to paragraph 3 of Weekly Report No. 163, there have been further arrests in connection with Amin Osman Pasha's death, the most important of which is that of Aziz el Masri Pasha at whose house, according to the press, a number of interesting documents were discovered and led to other arrests. It is reported that two Egyptian officers who had been dismissed from the Egyptian Army and Air Force owing to their connection with German espionage agents in 1942 have also been taken into custody. Meanwhile the Parquet continues to observe caution in its announcements regarding the progress of the investigations and no further details are at present available.

/The Cabinet

The Cabinet

6. The press reports that Mahmoud Ghalob Pasha, Minister of Public Works, has now offered his resignation to Nokrashy Pasha on the grounds of ill-health and that this resignation has been accepted. A further manifestation of the lack of cohesion in the Cabinet has resulted from a statement attributed to Bedawi Pasha in London, and reported by the Arab News Agency, to the effect that the Security Council of the United Nations Organisation would not have to concern itself with the Egyptian question and Arab affairs. This incident has created a considerable sensation in Egypt (see paragraph 9 below). There is lively speculation in political circles as to whether the ministerial situation portends a probable resignation of the Cabinet as a whole rather than a reconstruction to fill existing vacancies in various Ministries. Discussion has again revived about the possibility of a neutral cabinet's taking office and conducting general elections within the next few months. It is also conjectured that even if Nokrashy Pasha were to head a reconstructed cabinet, Makram Pasha and his bloc might now prefer to go into opposition where they could more effectively demonstrate their advocacy of the Egyptian national cause.

Internal Politics.

7. The annual elections to the offices of the Syndicate of the National Bar, which used to be generally regarded as a reliable political barometer, have recently taken place and resulted in the election of Maître Omar Omar, formerly Vice-President of the Chamber of Deputies during the Wafdist period of office, as Bâtonnier, and of another former Wafdist deputy as Vice-Bâtonnier. This event seems, however, to have attracted singularly little notice this year.

8. It is reliably reported that Wafdist students of Cairo University have distributed among their colleagues printed ballot papers asking recipients to indicate whether they favour negotiations, non-cooperation or force as the most suitable means of achieving Egypt's national aspirations. It is stated that the results of this poll will be published in the Wafd's weekly review, "Akher Sa'a".

Egypt and the United Nations Organisation.

9. Both the government and other political circles are considerably perturbed by an Arab News Agency report referred to in paragraph 6 above. Bedawi Pasha's alleged declaration was vigorously condemned not only by the Wafd newspapers but also by Makram Pasha's organ "Kotla" (see paragraphs 27 and 28 below). The press and deputies and senators have urgently demanded to know whether this represented the official view of the Egyptian Government and were insistent that, if it did not, the Government should at once define its attitude. Sicko Pasha and others took the matter up strongly in the Chamber of Deputies on January 22nd and asked for immediate discussions, but in the absence of Nokrashy Pasha, the Ministers of Agriculture and Finance demurred at this suggestion since the Cabinet had not had an opportunity of considering the matter. The Chamber eventually agreed to adjourn discussion until January 29th.

10. In the Senate Sabri Abu Alam Pasha pressed the Prime Minister to state whether the Security Council was, or was not, competent to pronounce on any eventual difference between Great Britain and Egypt. Nokrashy Pasha is reported to have stated that in

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such fundamental questions as this he could not express an opinion without possessing all the necessary information (i.e. until the actual text of Badawi Pasha's statement had been received).

Egypt and Great Britain.

11. Continuing the debate on the Address in reply to the Speech from the Throne the leader of the opposition in the Senate spoke on January 21st on foreign affairs and strongly reproached the Government for its silence which, he alleged, had resulted in more than one slap in the face for Egypt. Sabri Abu Alam Pasha contended that after Egypt's declaration of war and the promises given in regard to her participation in the peace settlement, it was not enough merely to address a note to the Foreign Office. Article 103 of the San Francisco Pact gave Egypt the right to demand the opening of negotiations for treaty revision, he continued, and Egypt could argue in the Security Council that her territory should no longer be a strategic zone occupied by British troops.

Arab Affairs

12. With reference to paragraph 1 above, the joint statement of King Farouk and King Ibn Saud, which was read by Nokrashy Pasha at the Arab League luncheon, expressed the conviction that the Arab League would always be an example of since cooperation between a group of states united in order to assure their common security and safeguard their liberty and independence. The statement continued that it was in virtue of the principles of right and justice that the Heads of Governments of the Arab States were exerting immense efforts for the cause of the Palestine Arabs. "We share with all Moslems and all Arabs the conviction that Palestine, being an Arab country, its inhabitants, as indeed all Moslems and all Arabs, have the right to desire that it should remain Arab as it always has been". The statement then mentioned appreciation of the fact that the Arab League Covenant tended to allow every Arab country to exercise its evident right of self-determination and to enjoy full freedom. This joint statement is no doubt intended to impress the Anglo-American Committee of Enquiry on the Palestine problem.

13. According to the "Misri", King Ibn Saud, to whom a delegation of Palestine Arabs headed by Jamal El Hussein presented their respects, stated to his visitors that he would sacrifice everything to maintain Palestine as an Arab and Moslem country and that he was firmly opposed to the establishment of the Jewish State in Palestine.

14. There has been no important reaction in Egyptian circles to the announcement of His Majesty's Government's intention to grant independence to Transjordan.

Students' Unrest

15. Current reports from police sources and also in the press indicate that Azhar and Cairo University students are endeavouring to draw attention to certain grievances by absenting themselves from their classes. As regards the Azhar students the trouble is reported to be mainly in the Faculty of Shari' Law, the Dean of which resigned in protest against the Government's legislative reform of certain statutes of the Azhar University at the end of December to secure the appointment as Rector of Sheikh Mustapha Abdel Razek (see paragraph 6 of Weekly Report No. 161). The Rector of El Azhar is reported to have addressed a warning to Heads of Faculties instructing them to ensure regular attendance of students in their classes. At Cairo University the students of the Polytechnic Faculty are reported to be on strike in protest against a decision which gives students

who hold the Diploma of the Higher School of Applied Arts equal status with graduates of the Polytechnic Faculty. This is presumably a recurrence of dissatisfaction which has previously been manifested in this connection since the decision adversely affects the prospects of University graduates who take up government employment in various technical capacities.

Moslem Brethren Society.

16. A tea party was given by the President of the Moslem Brethren Society on January 15th in honour of Sudanese residents in Egypt. According to a police report, Hassan al Banna, and others delivered speeches dealing with the Society's activities in the Sudan.

Coptic Church

17. According to the "Bourse Egyptienne" fourteen candidatures had been submitted for the vacant Coptic Orthodox Patriarchate and will shortly be examined by the electoral committee. This report states that the committee will eliminate certain candidates in order that the number finally selected shall not exceed seven. It is also stated that the Maglis Milli would shortly meet to discuss further reform of the regulations governing the Patriarchal elections, particularly as regards the admissibility of lay candidates for the Patriarchate.

The Orthodox Church

18. The press reports that a meeting is to take place in Cairo between the Orthodox Patriarchs of Constantinople, Alexandria, Jerusalem, Antioch and Moscow. The Patriarch of Moscow visited Egypt in June 1945, ostensibly to return the visit made by the Greek Orthodox Patriarch of Alexandria to Moscow to attend the Russian Patriarch's enthronement. The Patriarch of Alexandria, in a conversation with the Oriental Minister, has denied that there is any truth in this report and has suggested that it may have been put out by persons interested in promoting such a meeting.

P R E S S

Arab Affairs

19. The press in general continued to give great prominence throughout the week to the visit of King Ibn Saud. The keynote was unabated enthusiasm - except in the Wafd organs which maintained their appearance of aloofness and were content with reporting the royal news without any flourishes.

20. Ibrahim Abdel Qader Bo-Mazni (an independent and popular writer on the editorial staff of Balagh) wrote a well-balanced comment on the joint statement which the two Kings issued following the official luncheon given by the Arab League. He emphasised the importance of co-operation, which he said was the gist of the Kings' statement, and added that this appeal for co-operation among the Arab Nations should be taken as an appeal to the Egyptians themselves. Mazni wondered "how could we co-operate with others while we fail to do so amongst ourselves?"

21. In another article in the same paper (15th) Mazni replied to the misleading reports appearing in certain European papers about the Arab League. He denied the allegations that the meeting of the Kings was designed to avert a split in the League, which Britain was said to sponsor. Mazni further denied Britain's sponsorship and said that she might have an interest in maintaining good and friendly

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relations with the League. "The League stands on its own feet and not on the support of Britain", Mazni said, "Egypt's demands from Britain, and the attitude of the League towards her in connection with Palestine and the Levant countries go to prove this".

22. Contrary to expectations, the Arabic press made no comment on Mr. Bevin's declaration regarding the eventual grant of independence to Transjordan.

Internal Affairs.

23. This week saw a renewed intensity in the press attacks on the Government. Ismail Sidki Pasha's article in Ahram (17th) commenting on Riyad El-Solh's press statement in London that the Arabs have no faith in a wait-and-see policy, went on to quote the cases of the Levant States, Palestine, Iran and Turkey as examples of how nations bestirred themselves to attract the world's attention to their case. The Pasha wondered how Egypt could fail to do the same, and surmised that Egypt's diplomatic representatives abroad were failing to appreciate the power of world public opinion. Sidki Pasha deplored what he called "the conspiracy of silence" and criticised the Government's policy of secrecy which "brought us nothing but sweet promises covering either imperialistic intentions or at least the maintenance of imperialist influence". Finally, he expressed his "fear of the co-operation for which my friend Bedawi Pasha called in his speech to the Anglo-Egyptian Society".

24. The Waft papers, seizing this article, exploited it cleverly against the Government. Dr. Taha Hussein, replying in Balagh under the title "A Lesson", attacked both Sidki and the Government. According to Taha Hussein, Nokrashy Pasha's apparent neglect of the "Elder Statesmen" (of whom Sidki Pasha is one) had moved Sidki to write his article. The expected result, Dr. Taha argued, is that the Premier will eventually call a meeting and so conciliate Sidki once more.

25. In another brief comment, the same paper suggested that Nokrashy Pasha was in conspiracy with the British.

26. Another lively dispute during the week was focussed on Bedawi Pasha's speech in United Nations Organisation and the statement he made later to the Arab News Agency. The Waft papers attacked the speech as weak, insignificant and unworthy of the occasion. The Pasha himself was attacked as incompetent and having no authority to speak for Egypt.

27. Bedawi Pasha was again attacked for his statement to the Arab News Agency to the effect that the problems of Egypt and the Arab world need not concern the United Nations Organisation. Ahram said that "this statement was received with amazement in all quarters". Kotla (Makram Pasha's organ) said that Bedawi Pasha's attitude was disgraceful; his statement meant that the Egyptian problem was a private matter between Egypt and Britain, thus denying to Egypt the support of international public opinion. "Egypt's seat on the Security Council will be valueless and she may perhaps be used as an instrument against her own interests and those of the Arab countries". Finally, Kotla deplored Bedawi Pasha's reference to Egypt's obligations and his failure to state her national demands.

28. Mazni, in Balagh, also criticised the views attributed to Bedawi Pasha. His main theme was that a policy of procrastination was harmful both to Britain and Egypt. Busy as Britain might be with other world problems, she could afford to deal with the problem of Egypt, Mazni argued, "... and when can Britain finish with those problems? She is not short of men and she can quite well afford to

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follow the same course as in 1936, when all the negotiations were carried out in Egypt by the British representative". Referring specifically to Badawi Pasha's statement to the Arab News Agency, Mazni said "bringing a case before United Nations Organisation does not necessarily mean a just settlement, as the Big Powers retain the right of decision".

Great Britain and Egypt.

29. The anti-British campaign recently launched by the Wafd press took a more definite shape this week, Balagh and Wafd both following one and the same line in this respect.

30. First, Britain was accused of employing Nazi policy and methods, as well as her traditional imperialism. Palestine and Indonesia were given as examples. Balagh (17th) published a front-page article under the title: "The immigration of Nazism - The new Nazi octopus extends its tentacles to Egypt". Wafd al Misri (18th) published two articles - the first entitled: "Policy of the Imperialists", by Dr. Aziz Fahmi, and the second entitled: "Dividing the Spoils", by Abdel Magid Nafi, who also wrote another article (20th) entitled: "The British Empire is the Cause of World Wars".

31. The second new line of attack in the Wafd papers is the argument that Russia is a new factor which has to be reckoned with in the problems of Egypt and the Middle East. Wadi (15th) and Balagh (which on January 17th resumed publication after its month's suspension) called for "new methods for achieving our national aims". Russia was referred to as a friendly country with no external ambitions whatsoever.

The Sudan.

32. Some publicity was given to the return of the Minister of Education from the Sudan (see paragraph 15 of Weekly Report No.161). Ahram's correspondent published his impression of his visit to the Sudan in company with the Minister. Lengthy descriptions were given of the inhabitants of the "closed provinces" and the travel restrictions imposed were played up. Speaking of these southern provinces, this correspondent wrote in one of these articles (20th): "... had the British permitted the people to mix, there would have been no place for the British arguments justifying this division". The article went on to ask what efforts the British have made in the last fifty years to bring the entire population of the Sudan up to one identical standard of living.

E C O N O M I C

Egypt and United Kingdom - Trade Relations.

33. Speaking in the Egyptian Senate on 14th January, the Minister of Finance said that no discussions were taking place concerning a new trade agreement with Britain. This was in reply to a question by Mr. Azar Gibran, who thought such an agreement futile in view of Mr. Churchill's recent suggestion for scaling down sterling balances and of the British Government's refusal to buy Egyptian cotton. The Minister added that the Egyptian Government could not compel British firms to expedite the handling of Egyptian importer's orders; he had, however, stressed this point in his farewell speech to the United Kingdom Goodwill Mission. It was equally obvious that neither Britain nor any other country could be compelled to buy Egyptian cotton but he was sure that they would soon find it in their interests to do so. The total of the sterling balances would only be known at the

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WEEKLY POLITICAL AND ECONOMIC REPORT
FOR THE WEEK 23rd to 29th JANUARY, 1946.

P O L I T I C A L .

The Cabinet

With reference to paragraph 6 of Weekly Report No.164, the principal development during the week under review has been the intervention of King Farouk to maintain intact the present coalition. Makram Pasha's newspaper "Kutla" was continuing its denunciation of Bedawi Pasha for his statement to the Arab News Agency and Makram Pasha and the other two Ministers who are members of the Independent Wafdist Bloc submitted their resignations to Nokrashy Pasha, apparently owing to Nokrashy Pasha's insistence that a communiqué which he proposed to issue about Bedawi Pasha's statement should include a declaration to the effect that the Cabinet had every confidence in Bedawi Pasha's patriotism. Makram Pasha wished this to be omitted since he regarded it as a reflection of his attacks on Bedawi Pasha in the "Kutla". Speaking to representatives of the press, Makram Pasha declared that the statement attributed to Bedawi Pasha was grave since it closed the door against Egypt in the event of her wishing to submit the Egyptian question to the Security Council of the United Nations Organisation. The ministerial truce which had been tacitly observed for the duration of King Ibn Saud's stay in Egypt was thus terminated. On January 28th, however, King Farouk summoned Nokrashy Pasha, Heikal Pasha, Makram Ebeid Pasha and the President of the Chamber of Deputies and appealed to them to place the national interest above all other considerations. The three Government party leaders then saw Hassanein Pasha, and a communiqué was issued by them stating that, in view of the recent evolution of the political situation and in anticipation of the arrival of the British reply to the Egyptian Note regarding the opening of negotiations in connection with the national claims, King Farouk considered it necessary that the nation should remain united and all the ministers in solidarity in order to face this situation as one front. The Cabinet has thus been saved from disruption for the moment and has subsequently been meeting to discuss the terms of His Majesty's Government's reply regarding the request for negotiations with a view to treaty revision.

Egypt and Great Britain.

2. The receipt of His Majesty's Government's communication referred to above has had a steadying effect on Egyptian political circles but pending the disclosure of its contents (the notes are to be published on January 31st) the general mood is not over-optimistic.

3. When the Senate continued its debate on foreign affairs on January 23rd in connection with the Address in reply to the Speech from the Throne, Moustafa al-Shorbagui Bey (a former Minister of Justice under Ali Maher Pasha) is reported

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by the press to have expressed surprise that Egypt should only claim the evacuation of foreign troops when the Anglo-Egyptian Treaty covered points of greater importance, especially Egypt's relations with the Sudan. He urged that the Egyptian question ought to be submitted to the Security Council since it had an international character and world peace could only be safeguarded if Egypt gained complete independence. Failing such reference, Egypt's entry into the Security Council and the United Nations Organisation were of no utility.

4. According to Makram Pasha's paper "Kutla", the Committee of Elder Statesmen will shortly be convened to examine Great Britain's reply regarding negotiations for treaty revision.

Egypt and the United Nations Organisation.

5. With reference to paragraph 9 of Weekly Report No. 164, it is still not clear what was the exact tenor of Bedawi Pasha's statement. The "Misri" has published an account of an interview which Bedawi Pasha gave to Mahmoud Azmi, differing slightly from that reported by the Arab News Agency. According to press reports, however, Bedawi Pasha, with whom Nekrasy Pasha has been in touch by telephone, has given the Prime Minister a version which he wishes to be considered the authentic one. So far, however, there has been no official announcement of the authentic text, possibly owing to the disagreement between Nekrasy and Makram Pasha's referred to in paragraph 1 above. In the Chamber of Deputies on January 29th, Sidki Pasha, who had tabled a motion to discuss the Government's policy as regards the competence of the Security Council, proposed that such discussion should be adjourned for at least two weeks in view of the receipt of His Majesty's Government's reply regarding treaty revision.

Amin Osman Pasha's Murder.

6. The "Journal d'Egypte" reports that the Parquet has admitted in principle a demand by Nahas Pasha to be a partie civile in the case but has refused to allow Nahas Pasha's legal representative to attend the enquiry which is being conducted in camera. The same newspaper reports that five youths have been condemned to one month's imprisonment for demonstrating on the public highway during the funeral of Amin Osman Pasha. The Parquet has published a communiqué denying a press report (published in the weekly "Ithnein") that a "foreign quarter" (i.e. His Majesty's Embassy) had intervened in the enquiry into the murder.

Public Security.

7. A shooting incident occurred at Giza on the evening of January 28th. According to a preliminary report from the police, two youths, aged 16, one of whom is the son of Kamal Habelsha Bey, a former Wafdist Under-Secretary of State in the Ministry of Interior, and the other a son of Mohamed Khalid Effendi, the chief editor of the Saadist newspaper "Dustur", held up a car belonging to a notable of Qalioubia named Mamdouh Shalakani and one of them is reported to have shot him. The youths were arrested while trying to make their escape by tram. The police suspect that the motive of the assault may have been to gain possession of the car in order to use it for some other unlawful purpose. One of the youths is stated to be a cousin of the late Amin Osman Pasha's assailant.

8. The "Journal d'Egypte" reports that 105 persons convicted of participating in the incidents of November 2nd last in the Cairo quarter of Darb el-Ahmar have been condemned to imprisonment with hard labour for periods varying from one to three months.

9. The "Bourse Egyptienne" reports the arrest of an Azharite student in connection with communist activities. The accused is stated to be the author of a communist pamphlet which has been confiscated.

10. The Defence Security Officer reports that certain local Jews were arrested about the middle of January in connection with the activities of Jewish youth movements and that documents were found at their houses revealing that preparations had been made for the "protection" of Jews in Egypt in the event of a repetition of the events of 2nd November, 1945. It is stated that their plan was to retaliate with arms in the event of further anti-Jewish outbreaks in Egypt. The report adds that police enquiries are continuing.

11. His Majesty's Embassy have received copies of two inflammatory circulars stated to have been distributed among trade unions in Cairo and Alexandria. Both circulars denounced British "imperialism" as a cause of the misfortunes of the Egyptian working classes.

12. A report from the Consular Agent at Assiut states that the Moslem Brethren Society broadcast through loud-speakers inflammatory anti-British speeches at meetings held on January 17th and 18th. The numerous Copt population of Assiut is stated to have been greatly perturbed by this virulent display of Moslem feeling.

Student Unrest.

13. Police and press reports refer to a continuance of the strike among the students of the Polytechnic Faculty of Cairo University reported in paragraph 15 of the Weekly Report No. 164.

Press Offences.

14. Last week's issue of the weekly review "Rose el Youssef" was confiscated by the police owing to an inflammatory article suggesting, among other things, that Egyptian youth would continue to employ violent means of achieving their aims if they were not suitably guided as regards the attainment of the national objectives.

15. The chief editor of the "Wafd-al-Misri" has been questioned about a report falsely alleging that the Public Prosecutor, Towayer Pasha, had resigned. This allegation was presumably made in connection with the enquiry into the late Amin Osman Pasha's murder; Wafdist circles have privately expressed a lack of confidence in Towayer Pasha's impartiality in the conduct of the enquiry.

Coptic Church Affairs.

16. The Ethiopian Minister of Public Works has arrived in Cairo to discuss with the Coptic Church authorities the Emperor's desire that the Ethiopian branch of the Church

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should be represented in the Holy Synod and to press the demands previously formulated for the appointment of an Ethiopian Archbishop and for the participation of Ethiopian representatives in the patriarchal elections.

Public Health.

17. It is reported in the "Journal d'Egypte" that the Council of Ministers has approved the establishment in Egypt of an Institute for Tropical Diseases by the United States Government, subject to the conditions that an Egyptian expert and a certain number of Egyptian doctors should take part in the researches of the Institute, whether in Egypt or abroad.

Arab Affairs.

18. Azzam Pasha is stated by the "Bourse Egyptienne" to have declared that a news agency report regarding the possibility of an offensive and defensive alliance between Egypt and Saudi Arabia was unfounded. His Excellency is reported to have commented that the bonds of friendship between the two countries were much stronger than any treaty or alliance.

19. According to the "Mubattam", a delegation representing the Christian Orthodox Arab Executive Committee for Palestine and Transjordan called on Azzam Pasha on January 25th and presented to him a note alleging negligence on the part of the Orthodox Patriarch in maintaining the rights of Arabs belonging to the Orthodox faith. The report adds that Azzam Pasha promised to refer the matter to the competent authorities.

20. On the appearance of the first version of Bedawi Pasha's statement referred to in paragraph 1 above, most papers vehemently protested, while the Government appealed for calm until the true facts were ascertained. After the second version (Lazay's), the Government papers hinted that Bedawi Pasha was in the right and that there was no need for the storm that had been raised. The two organs, Balagh and Wafd al-Misri, took the opportunity to intensify their campaign against the Cabinet, while keeping up their old vendetta with Kotla, which made outspoken attacks on Bedawi Pasha.

21. Amidst the hysterical utterances by Wafdist writers, and the moderate comments of the pro-Government and independent commentators, Al-Mazni was the most balanced. Writing for the first time in Al-Misri, he said that the principal factor in the political situation in Egypt was fear. Being a weak nation in the prevailing state of jungle law, Egypt, like other small nations, lacked confidence in herself and suffered from over-sensitiveness, he said. Mazni added: "We are a small, weak and newly independent nation. We have a special relationship with Britain which tends to give us a feeling of constraint although we are not at any rate averse to the existence of such a relationship. Our experience has not been that Britain's fulfilment of her promises was regular ... Many a time has she neglected a promise, just because we are weak and she is strong". Mazni paid a high tribute to Bedawi Pasha and defended his point of view: "The fact is that Bedawi Pasha was not wrong"; Mazni

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said, "There is no reason at all for the United Nations Organisation to deal with our case, because we have asked to negotiate with Britain; it cannot be argued that there has been a dispute which must be referred to the Security Council, because these negotiations have not yet been carried out. Supposing Bedawi Pasha or any other person took a wrong view of the subject, would his mistake alter United Nations Organisation's Charter or deprive us of any right to which we may be entitled?" Concluding, Mazni called for a wise and calm outlook.

22. The attitude of the press towards the ministerial crisis was more logical than in the Bedawi affair. The Wafd papers did not miss the chance and the old quarrel between the two camps was relentlessly pursued throughout the week. No effort was made by any editor to conceal the fact that it was Makram Pasha who played the major part in the crisis; the Wafd papers which were the most outspoken alleged that Makram Pasha's jealousy of Bedawi Pasha and his irritation at the Pasha's success in London had led Makram to create a crisis; as a result of the Foreign Minister's statement to the press, they argued, Makram thought that he would emerge as a patriotic hero.

23. The Wafd Papers insist that the cabinet crisis is not over, despite Makram Pasha's withdrawal of his resignation.

Great Britain and Egypt.

24. The announcement of the arrival of the British reply to Egypt's Note has not yet produced any outstanding comment.

25. In his maiden article in Al-Misri, Mazni, writing on the subject of evacuation, said that Britain had no justification for insisting on the retention of troops in Egypt after the creation of United Nations Organisation. "Willing or not, Britain will have to evacuate Egypt", Mazni argued, and went on to say that she could follow one of two courses: either to delay the opening of the negotiations as a precautionary measure against Russia's manoeuvres in the Middle East, or to use Egypt's evacuation demand as a basis for bargaining on other points, such as the unity of the Nile Valley, or a trade agreement.

The Press

26. Al-Misri's gradual movement away from the Wafd had another aspect this week. Wafd al Misri - which was this party's second evening organ - began to appear as a morning paper and Mazni, the independent writer of Balagh contributed for the first time a leading article to Al-Misri (see above).

27. Rose el Youssef last week was confiscated by the police and the Parquet opened an inquiry regarding an article entitled "Statesmen were silent and so bombs spoke". In fact, the main theme of this article was not a new feature to the Arabic press; in 1944 and 1945 Akhbar al Yom had already publicised a similar notion implying that the new generation was tired of the old-fashioned political bosses who had proved themselves to be incompetent office-seekers.

E C O N O M I C

Cotton

(Paragraph 34 of Report No.164).

28. According to press reports, in the course of a debate
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EGYPT AND SUDAN.

February 2, 1946.

CONFIDENTIAL.

SECTION 1.

Copy No. 61

Lord Killearn to Mr. Bevin.—(Received 2nd February.)

(No. 155.)

(Telegraphic.)

Cairo, 2nd February, 1946.

WEEKLY appreciation.

Conflict over Bedawi's statement came to a Cabinet crisis by the resignation of Makram and the Makramite Ministers. Farouk, however, appealed to both sides to place national interests above all other considerations and to come to terms. The news of the forthcoming arrival of the British reply to the Egyptian note regarding the opening of the Treaty revision negotiations also contributed to a burying, at least temporarily, of hatchets and an apparent agreement to letting the Bedawi issue slide into oblivion. The Cabinet was thus saved from disruption just in time to consider His Majesty's Government's above-mentioned reply. I suspect this reconciliation has little permanent value. This last crisis, in showing up more blatantly than before the divisions and ineffectiveness of the Government, has greatly contributed to a strengthening of opposition.

2. Immediate effect of the receipt of His Majesty's Government's communication referred to above was of a steadying nature on Egyptian public opinion. Sidki Pasha, who had tabled a motion to discuss the Government's policy as regards the competence of the Security Council, asked leave to withdraw his motion in view of the arrival of the British answer mentioned above.

3. It is too early to appreciate accurately the Egyptian reaction to the British note. Wafdist organs attacked it violently and read into it all sorts of

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things unfavourable to Egyptian national aspirations. Government and neutral circles are restrained but suspicious. Idea of preliminary negotiations in Cairo does not appeal to the Egyptians who would have preferred to go straight to London. The affirmed soundness of the principles of the 1936 Treaty is also not appreciated as it is thought to indicate that we have no intention to modify substantially the 1936 Treaty. The word "partnership" is also looked at askance and thought to indicate some closer association than normal treaty relations between independent States.

4. The public has been disturbed by a further evidence of growing lawlessness, i.e., a daring attempt at highway robbery on the Pyramids road. The culprits were arrested and first evidence gives some ground for thinking that they may be connected with the murder gang.

5. Wafdist press (apart from its criticism of the British note) continues its violent attacks on Great Britain and to play the Russian card, varied occasionally by the American one. On the other side the Watanists and Moslem brethren are, according to reports received, getting more violently anti-British in their meetings.

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EGYPT AND SUDAN.

January 11, 1946.

CONFIDENTIAL.

SECTION 1.

ARCHIVE

Copy No.

61

Lord Killearn to Mr. Bevin.—(Received 11th January.)

(No. 9. Saving.)
(Telegraphic.)

Cairo, 5th January, 1946.

WEEKLY Appreciation.

The apparent exclusion by the Moscow Agreement of Egypt from participation in the peace discussions has caused a very unfavourable reaction in Egypt, and the Prime Minister has stated to the press that the Egyptian Government is taking action in the matter.

2. Generally the Moscow Agreement has created a painful impression among Egyptians, who are inclined to think that Great Britain has made important concessions to Russia in Europe without obtaining any assurances regarding the Middle East. The apparent failure of Great Britain to check Russian aggression in Persia has created the feeling that Great Britain is powerless to check Russian progress in the Middle East, and that generally the United States and Great Britain are prepared to sacrifice the interests of small nations, even of their allies, to Russian exigencies. The Persian factor is thus becoming of considerable importance to our position in Egypt on the eve of treaty revision discussions. Unless there is some sign of our being able to check Russia in Persia, it is likely that Egyptians will question our ability to maintain a dominant position in the Middle East, and such scepticism may make them less amenable negotiators.

3. The Anglo-French Agreement regarding the Levant States has been ill-received by Egyptian political circles and has accentuated the feeling, already created by the Moscow Agreement, that Great Britain is sacrificing small States in the Middle East to power politics. Moreover, agreement is interpreted as giving France the right to occupy herself with affairs of the Middle East generally and this has particularly provoked hostile reactions of Egyptians, and expression is being given in the press and elsewhere to angry objections that, under this agreement, France could claim the right to interfere in Egypt.

4. According to a statement made by Heikal it would seem that the Government may postpone the filling of the vacant Ministry of Wakfs and of the Ministry of Justice, whose incumbent continues incapacitated by illness. The reason of this delay is reported to be Makram's claim that the late Ragheb Hanna should be replaced by a Makramite Minister who would no longer be without portfolio. Makram maintains, it is said, that he originally accepted the proportional representation among the parties on the basis of a Watanist holding one portfolio. Now that Hafez Ramadan has left the Cabinet, Makram claims that he should not only have a Minister in the Cabinet to replace Ragheb Hanna but that that Minister should have a portfolio. It is said that Cabinet reconstruction will anyhow be postponed until after departure of Ibn Saud in order to avoid unseemly quarrels during the Royal visit.

5. It is reported that Bedawi is likely to resign in a month's time and content himself with the membership of the International High Court. In that event it is reported that Nokrashy would take over the Ministry for Foreign Affairs.

6. During the debate on the Address in reply to the Speech from the Throne, Watanist Deputies were particularly violent about Egyptian national aspirations, and one even proclaimed the necessity of revolution. The tone of other Deputies was also hostile to Great Britain. The lack of progress in negotiations for treaty revision, the apparent exclusion of Egypt from the peace discussions by the Moscow Agreement and the Anglo-French Agreement seem to be creating a more bitter feeling in political circles. In this tendency Makram and his party are particularly prominent, and it seems that Makram is out on an anti-British stunt, partly in order to strengthen his position in the country against the present

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Government and partly out of resentment at our attitude in opposing the prosecution of Nahas. It is even suggested that Makram is aiming at an extremist combination with the Watanists and possible dissident Saadists. His presence at a party given by the Watanists to welcome Hafez Ramadan back from Upper Egypt after his sensational resignation was much criticised in view of Hafez Ramadan's anti-Government and anti-British stand.

7. Ali Maher is displaying considerable political activity, and it is reported that a recent meeting at his Political Centre was attended by a number of Watanists and by Ahmed Hussein, the leader of "Young Egypt." At the meeting it is reported that there were anti-British cries from some of those present.

8. The press announces that Makram and Abboud have come to an agreement regarding the dispute about the taxes due by the Pharaonic Mail Line.

9. Considerable publicity has been given to action taken by the Egyptian Government to implement the boycott of Zionist goods.

10. Great preparations are being made for the reception of Ibn Saud. There has been some criticism and murmurs, particularly among the humbler classes, regarding large credits voted for this Royal visit at a time when the masses are in great need of relief.

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EGYPT AND SUDAN.

March 16, 1946.

SECRET.

SECTION 1.

Copy No.

61

Mr. Bowker to Mr. Bevin.—(Received 16th March.)

(No. 499.)

(Telegraphic.)

Cairo, 16th March, 1946.

WEEKLY appreciation.

There have been no further serious disorders during the week under review, though there was some smashing of shops in Cairo as the result of killing of a young Egyptian by a British military lorry. However, strikes continue in universities and schools and British teachers and professors are unable to hold classes. Anti-British speeches and para-military training have taken place of studies in universities and schools. British institutions in the provinces are subjected to molestation and partial boycotts. Propaganda continues for other forms of anti-British boycotts, *e.g.*, of British newspapers, films and goods.

2. On the 10th March a grenade exploded in a Cairo cinema particularly frequented by British soldiers, foreign and non-Moslem elements. Two people were killed and some thirty-seven injured, including nine British soldiers and one member of the A.T.S. It had been suggested that, apart from the intention to kill British soldiers, this outrage was part of a campaign to intimidate cinemas with a view to preventing them from showing British films. This particular cinema was showing a British film.

3. Moslem Brethren have obtained a permit for a newspaper and a large allocation of newsprint. The society has also announced its intention of withdrawing from "National Committee of students and workers." This action may facilitate Sidki Pasha's efforts to control students. Both of these developments emphasise the Government's policy of using Moslem Brethren.

4. Sidki Pasha has broadcast an appeal to Egyptians to maintain order now that Egyptian delegation for treaty negotiations has been formed. The appeal included a warning that all movements and manifestations of a nature to create disorders would be severely repressed. The Under-Secretary of State for the Interior has informed the embassy of certain measures proposed for dealing with the present disturbed situation, *e.g.*, legislation to restrain irresponsible violence of the press by requiring that all editors should be members of the syndicate of journalists, admission to which would be subject to suitable guarantee, and to penalise incitements in the press to disorder. Also legislation to control printing presses and to penalise professional agitators, defined as persons directing and inciting to political disorders bodies to which they do not belong, *e.g.*, students and workers.

5. With reference to paragraph 5 of my telegram No. 440 the Government has recommended that shops should display Arabic as well as European signs and has announced that any attempt to tamper with European signs will be repressed.

6. Wafd has protested in two manifestos against the Government's attitude regarding Wafd's exclusion from treaty negotiations and against the opening of negotiations on basis of Nokrashi Government note and British reply. The Wafd has also protested against the Government's attitude towards manifestations and haphazard confiscation of Wafdist newspapers.

7. Sidki Pasha has in two public declarations justified composition of delegation and refuted Wafdist claims for leadership of delegation as being unconstitutional.

8. Minister of State in charge of Foreign Affairs, in the course of a debate in the Chamber, stated that Egypt would undertake entirely free negotiations for military evacuation and united Nile Valley and enforcement of 1936 Treaty no longer had any object. He argued that two basic points of that treaty, namely, defence of Egypt and defence of British communications, were now in accordance with San Francisco pact within the competence of the Security Council. Egypt, however, was bound by an unexpired treaty and must ask Great Britain for its revision in conformity with San Francisco pact. The fundamental principles to which British reply had referred must be taken as friendly and military alliance, not military bases. This interpretation, he said, did not bind Egypt to anything.

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9. Generally speaking it may be said that Sidki Pasha has been attempting cautiously to control elements of disorder but he is prevented from really effective measures by his policy which is also that of the Palace, namely competition with Wafd for favour of Nationalist Extremist elements. This policy prevents him at present from taking drastic action against students, whose insidious and subversive activities are under no control as yet other than that exercised in preventing actual demonstrations in the streets. It is quite possible that Sidki Pasha himself favours a maintenance of agitation as long as it does not reach stage of disorder, for he no doubt thinks that such agitation will make us more ready to yield to Egyptian Treaty demands.