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DIRECTORATE OF
INTELLIGENCE

Intelligence Memorandum

Egypt: Sadat's Dilemma Deepens

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CENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence
3 May 1972

INTELLIGENCE MEMORANDUM

Egypt: Sadat's Dilemma Deepens

The first quarter of 1972 has been bleak for Egyptian President Sadat. Last year, his proclaimed "year of decision," ended without the bang he had promised. His attempts to explain away his failure to produce a decision have proved disastrous. Speaking to the nation on 13 January, Sadat laid bare his essential impotence by attributing the failures of 1971 to a "fog over Egypt" (i.e., extraneous events, like the Indo-Pakistani war, which obscured the Egyptian cause). This speech seriously eroded public confidence in him and made him the butt of considerable derisive humor. More fumbles followed. He appointed a "confrontation cabinet," only to see it greeted with widespread disbelief; then came student riots, protesting the state of "no war, no peace" and presenting Sadat with his first manifestation of open dissent.

Note: This memorandum was prepared by the Office of Current Intelligence and coordinated within CIA.

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Foreign Policy Difficulties

1. President Sadat's overriding concern, of course, is his inability to show any progress toward a resolution of the Arab-Israeli impasse. Sadat has been able to arrest or ameliorate some of the domestic inequities that prevailed during the Nasir era, and this has been noted with satisfaction by the general public. But he has failed to come up with any believable plan for regaining the occupied territory or for attaining the peace that virtually all Egyptians desire. Progress in reaching these two objectives is considered by most Egyptians to be the measures of political success; since he cannot make progress, Sadat faces growing unrest.

2. Sadat has attempted to obscure his failure and give the illusion of movement by a series of diversionary tactics. For example, during March and April, Egyptian officials initiated a series of meetings and contacts with their Arab counterparts. Sadat traveled to a number of neighboring capitals, lower ranking Egyptian officials visited still others, and Cairo announced new political initiatives that were to include "total Arab mobilization on the various fronts." Additionally, a succession of domestic meetings was held during which Egyptian officials tried to arouse increased support for government policies. All of this added up to very little and it was obvious to many Egyptians that the regime was merely treading water.

3. Sadat has been less than successful in other foreign policy ventures. There is a general lack of enthusiasm for Egypt's participation in the Confederation of Arab Republics, which is continuously headlined in the Egyptian press. Although the confederation provides greater access to Libya's coffers, many Egyptians maintain that the energies expended on this venture could be better utilized to deal with the myriad domestic problems facing the average citizen. Sadat's decision to sever diplomatic ties with Jordan was apparently intended in part to provide

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a harmless divertissement for the Egyptian public. If the move had any impact at all on public opinion, it was further to estrange citizens who hold that Egypt has done enough for the Palestinian cause and should turn its attention to Egypt's own problems.

4. Many Egyptians are doubtless disappointed that Sadat's dealings with the USSR and the US have been less fruitful than they had hoped. There is a general feeling in Egypt that Sadat committed his prestige to an effort to improve US-Egyptian relations last year, but was let down by Washington. At the same time, there has been a surge of public questioning about the role of the Soviet Union in Egypt and the extent of the Soviet commitment to Cairo. Some Egyptians see the influx of Soviet military advisers into their country as a new form of colonialism. Encounters between Egyptian civilians and Soviet advisers are not always happy; one common Egyptian complaint is the parsimony of their Soviet guests. Sadat is aware of the uneasiness generated by Egypt's dependence on the Soviets. He is frequently forced to reiterate for the public the beneficial nature of the relationship and to assure his countrymen that Egypt's reliance upon Moscow does not constitute subjugation.

Domestic Troubles

5. The overpowering need to confront Israel dictates Egyptian policies in other areas, adding to the frustrations of the President. It results, for example, in a commitment to build up the Egyptian armed forces, and this is one of the major factors that helps to perpetuate economic stagnation. And economic weakness has directly affected the aspirations of middle- and upper-class Egyptians. Indeed, this need forces Egypt into a poor cousin relationship, not only with the Soviet Union but also with other Arab states and the East European countries. Moreover, the fear of renewed warfare with Israel has discouraged the flow of foreign funds that Egypt is seeking.

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6. Efforts to curb a chronically escalating wage bill have fueled the restiveness of Egyptian workers. In order to undercut worker grievances and forestall labor support for student demonstrations in January, the government ordered a number of austerity measures aimed almost exclusively at upper-income groups while granting the workers concessions, such as salary increases for hazardous occupations and more housing and services. Nevertheless, Prime Minister Sidqi ran afoul of resentful laborers in mid-March who were apparently protesting measures that cut into their overtime pay. His car was stoned by the workers, and a clash resulted. Some 150 workers were arrested, and although the incident was localized, it was another embarrassment for the regime. It indicated worker dissatisfaction was such that they might make common cause with other oppositionists, like the students.

7. But more serious for Sadat was the outburst of student hostility that followed his speech on 13 January. Concentrated at Cairo's main universities, the student demonstrators voiced sometimes contradictory complaints, but persistently questioned the direction in which Sadat seemed to be going. Some of the demonstrators called for an immediate national commitment to military action against Israel, but most appeared to be venting their frustration over the "no war, no peace" situation. Their disillusionment with Sadat was clear. In the end, the government had to employ force to halt the demonstrations. Since these demonstrations, the students have been quiet; they did get concessions, such as better housing and some stringent economic controls to prepare the nation for conflict. But many of their grievances remain unanswered: freedom of the press is still restricted, the opportunities for satisfying and productive employment after graduation are extremely limited, and the prospect of long service in the armed forces faces every graduate.

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8. The Sadat regime subsequently mounted a concerted effort to direct future expression of student discontent into more manageable channels. Egypt's only legal political organization, the Arab Socialist Union, has moved to link student organizations more closely to itself. Several leaders of the Egyptian student federation have been arrested or drafted into the armed forces, and the government appears to have succeeded in gaining effective control of the organization. To back this up, Sadat has publicly warned that, while students could debate the issues, he would tolerate no more demonstrations.

9. Egyptian officials have refused to admit any responsibility for the conditions that generated the student unrest. Instead they have attempted to put the blame on foreign-inspired agitators. Among those alleged to have stirred up the students were Moscow-oriented supporters of former Vice President Ali Sabri, a sprinkling of Maoists and Palestinians, and members of the outlawed Muslim Brotherhood. A few of these people in fact did take part in the demonstrations, but only as casual participants.

10. Still, the government has worked hard to conjure up the spectre of subversive groups at work within Egypt. The discovery of several small anti-regime cells has been given wide publicity, although these groups apparently posed no real threat to the government. One group, the Egyptian National Front, was charged with having sent subversive leaflets into the country, some attacking the Soviet presence in Egypt and others aimed at President Sadat himself. Although the organization's backers have not been positively identified, the regime has labeled it a creation of Israel. Sadat has stretched this accusation to link the student demonstrations to the Israelis, warning that any further unrest would play into the hands of the enemy.

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11 Journalists, men of letters, and artists, as a group, have been another embarrassment to Sadat. For example, a storm of criticism arose during a meeting of journalists in March. The experience caused Sadat to order the reinstatement of journalists who had been transferred from their posts since 1964. Egypt's most prominent newsman, Muhammad Haykal, chief editor of the semi-official al-Ahram, is said to be disillusioned with President Sadat. Haykal's standing in Egyptian politics fluctuates. At times he is the confidant of the President; at others he loses access to the inner circle. At all times, however, his standing as the most widely read journalist in the Middle East guarantees him a tangible measure of influence. Haykal's current estrangement from Sadat, therefore, represents yet another diminution in the assets of the President.

A Latent Opposition

12. The political opponents who Sadat attacked as "centers of power" in May 1971 have today vanished from sight. What remains is an amorphous collection of leftists, who strangely enough, retain some influence despite the decimation of their ranks during the Ali Sabri purge of May 1971. The positions they hold, primarily in the public media, provide them with a platform from which to criticize government policies. They remain largely unorganized, however, and their capacity to harm Sadat directly is limited. At present, they seem unable to do more than provoke an occasional awkward incident, such as the abortive attempt in early February to free Ali Sabri from prison.

13. The traditionalist Muslim Brotherhood, potentially another opposition group, has been able to maintain itself even during periods of active suppression. Nasir considered the Brotherhood the primary threat to his regime, but Sadat is less hostile. He has eased some of the restrictions on its activities and has attempted to establish contact with it. The Brotherhood

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probably does not have the strength or inclination to challenge Sadat seriously at this time.

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14. The most crucial element in the Egyptian power structure, and the one about which there is perhaps the least hard information, is the armed forces. The senior leaders, War Minister Sadiq and Chief of Staff Shazli, appear to be loyal to President Sadat. Shazli is, however, reputed to be an extremely ambitious man. There may well be differences with Sadat's policies at some levels of the military.

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The regime is naturally sensitive to the pivotal position of the military and has attempted to ensure its loyalty by granting it numerous favors. As a result, the military is probably the most privileged class in contemporary Egyptian society.

15. Problems within the government apparatus present Sadat with additional concerns, although less pressing ones.

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Prime Minister Sidqi evidently is widely disliked, and his handling of economic matters has provoked open protests.

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Differences of opinion among political leaders concerning Egypt's over-all strategy may well exist.

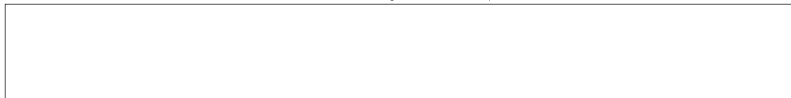
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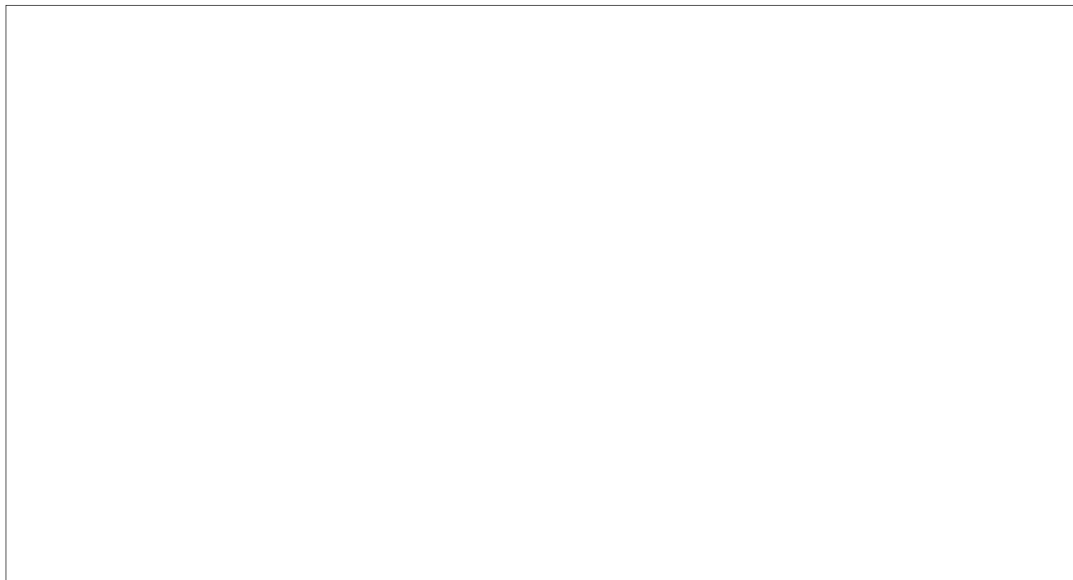
16. As if this were not enough, prominent former members of the government and military establishment are said to be unhappy with Sadat.

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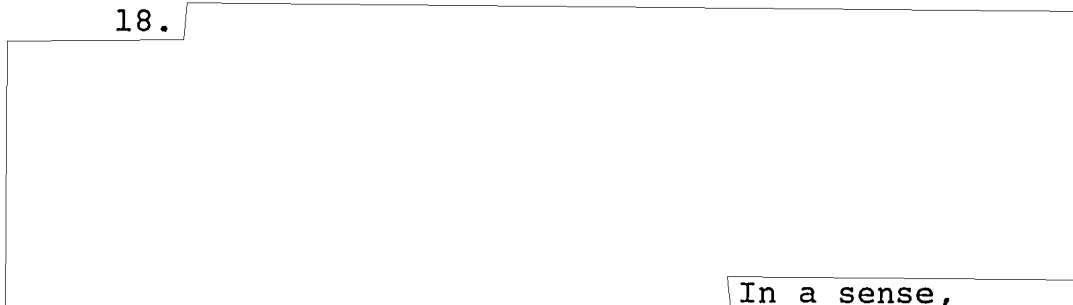
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17. The first few months of 1972 witnessed a rare debate of regime policies in Egypt's legislative body, the People's Assembly. The assembly rejected an executive order adversely affecting rural landowners and objected to government attempts to appoint officials to elective positions. Although so far the criticism from this side has been directed against less important policies, the questioning of executive authority is new and a somewhat embarrassing development for Sadat. It could tempt critics of the regime to use this channel for further exploitation of Sadat's weak points.

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In a sense, Sadat has been his own worst enemy, bringing upon himself a number of the problems he is facing. The failure to put any teeth into his threats concerning the "year of decision" and the "zero hour" undermined his credibility with the Egyptian masses.



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The "fog over Egypt" speech of 13 January was another serious blunder that helped precipitate the student riots a week later. Other such blunders are all too likely in view of the fact that talk is one of the few options still available to Sadat. He has, in fact, recently set himself yet another deadline. During a speech marking the birthday of the prophet Muhammad on 25 April, he vowed to liberate the occupied territory within a year.

Strengths and Prospects

19. There is little prospect that Sadat will find relief from his multitude of difficulties. Nevertheless, he can count a number of favorable factors. If his health, nerve, and luck hold up, he can perhaps hold his own for some time.

20. While his many critics grumble steadily that he has failed to produce, they are themselves unable to come up with constructive suggestions on how to proceed. There are few, if any, individuals who possess the respect necessary to win the support of all those elements whose help, either active or passive, would be needed to bring about a change in leadership. And, just as important, there are few, if any, claimants to Sadat's mantle who are really eager to assume the tremendous political and managerial burden Sadat has been willing to bear.

21. For the moment, Sadat to all appearances holds the allegiance of the leaders of the nation's armed forces and security services, the vital factor in his tenure. These two groups, but particularly the security services, continue to monitor and control the activities of malcontents who might threaten Sadat's position.

22. Support from the Soviet Union is another important plus in Sadat's staying power. Although Moscow has had its misgivings about the President and is far from enthusiastic about him, it probably regards him as preferable to an even less predictable successor. Moreover, despite some flirtation with the West, Sadat has worked to improve Soviet

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relations with both Libya and the Sudan and was the first "nonaligned" president to sign a treaty of friendship and cooperation with the USSR.

23. As long as the nation's economic situation does not deteriorate and basic foodstuffs are readily available, the regime will probably be able to provide the minimum benefits necessary to maintain at least the passive support of Egyptian labor. Student unrest can probably be controlled by either closing the universities or drafting larger numbers of students into the armed forces.

24. The diffusion of Sadat's opposition improves his chances of hanging on. No single group of anti-regime elements appears to have sufficient strength or determination to challenge his authority, and there has as yet been little evidence of cooperation among them. Moreover, no issue has yet arisen on which all the opposition elements could effectively focus.

25. So long as these factors operate, the opposition will remain weak and Sadat should manage to hang on. There is, of course, a limit to the time Sadat can arrange to distract the Egyptian people with his juggling acts. It would, for example, be difficult for him to handle a student-labor uprising that was supported by other segments of the population.

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