

RELEASE IN FULL

CONFIDENTIAL

February 12, 2011

For: Hillary

From: Sid

Re: Intel report and options: What really happened and what should happen now

I. What Really Happened

Throughout the day on 10 February Army General Hassan al-Roueine, the Commander of the Cairo military district, reported to his superiors on the Supreme Council of the Armed Forces (SCAF) that his sources watching the demonstrators were reporting that on 11 February the student leaders of the demonstrations planned to try and enter the Presidential Palace, the Parliament building, the old Royal Palace in Alexandria, and other government buildings. Al-Roueine added that his troops would have to use force to protect these buildings, and this would lead to violent confrontations that would destroy the relationship between the soldiers and people.

Throughout the day on 10 February, Minister of Defense Field Marshall Hussein Tatawi, and Armed Forces Chief of Staff Lt. General Sami Annan and other leaders of the SCAF met with Mubarak and Vice President Omar Suleiman in an effort to persuade the President to step down as President, placing authority in the hands of the Armed Forces Council. The Army Officers also wanted to preclude Suleiman (an Air Force General) from succeeding Mubarak. The discussions were heated and revolved around Mubarak's desire to depart with honor, and a guarantee that any new government would not seek to seize his possessions and personal funds. In the end a compromise was reached that would allow Mubarak to move to his home in Sharm el-Sheikh, where he could be protected, and maintain the title of President, while Suleiman managed the transition to a new government, under the control of the SCAF.

Following Mubarak's speech during the night of 10 February al-Roueine's sources reported that the speech had confused the issue by leaving the demonstrators that he was maintaining control of the country. Again, al-Roueine warned that violent encounters between demonstrators and troops on 11 February. Suleiman received similar information from his intelligence sources. Al-Roueine repeated warnings from 10 February that the troops, who are conscripts, would not fire on the crowds for any extended period of time, and they could be faced with an Iranian style uprising if these confrontations began.

Early in the morning of 11 February Vice President Suleiman, and General Annan warned Mubarak of the problems anticipated later that day. Annan also assured Mubarak that King Abdullah of Saudi Arabia would guarantee that he would have a significant personal fortune, even if foreign banks attempted to freeze his personal accounts. (Note: Switzerland froze Mubarak's personal bank accounts shortly after he stepped down.) Annan also told Mubarak that the SCAF would protect his honor and reputation. Annan added that he would stay in Sharm el-Sheikh with Mubarak until the situation stabilized, and guarantee his security (Note: According to one source Annan also wanted to ensure that Mubarak did not change his mind and attempt to retain power at the last minute.) With this in mind, Mubarak agreed to allow Suleiman to announce his departure.

According to these sources the military—in particular the Army—has preserved their role as the most important institution in the country, with Defense Minister, Field Marshal Mohammed Hussein Tantawi as the most powerful individual. Suleiman's status remains unclear but well informed sources say that Egypt is returning to the 1952 model of ruling the state via a council of army officers. The question now is to what extent the military elite will share power with its civilian counterparts.

Whether the military stays true to its commitment to hold elections on schedule in September remains to be seen. If elections are held, however, the military must have a political vehicle in place to counter opposition forces, particularly the Muslim Brotherhood.

The fate of the ruling National Democratic Party (NDP) thus lies in question. Without the NDP, the regime will have effectively collapsed and the military could run into greater difficulty in managing the country on a daily basis.

While the SCAF will serve as a provisional government, it will likely want to retain as much of the ruling NDP bureaucracy as possible, incorporating elements of the opposition to manage the transition. Sustaining its hold over power while crafting a democratic government will be the biggest challenge for the military as it tries to avoid regime change while also dealing with a potential constitutional crisis.

The SCAF is also watching the pro-democracy forces to get a clear picture of how many and what types of political parties emerge from this process. In the meantime they plan to call on the goodwill of the population toward the troops to restore order. The most difficult task will be the return of police officers to the street, since they were involved in the most violent confrontations with the pro-democracy demonstrators.

(Source Comment: Some Egyptian political figures – including some senior military officers-- are referring to this change of leadership as a military coup, while others see it as the regime—and the Army-- preserving their positions of leadership under a system put in place by Mubarak's mentors, Gamal Abdel Nasser and Anwar al-Sadat, during the 1952 officers revolt against King Farouk. Some younger army officers are calling for a "Turkish solution," where the Army takes power in a crisis, acting as the guarantor of civilian democracy.)

II. Options:

1. The SCAF as promised must lift the state of emergency as soon as possible.
2. The best solution is the "Turkey solution," where the army maintains its status and position in society, but stays in its barracks under a democratic order. That requires a stated agreement that the army is the guarantor of democracy and elections. In the future, the fear of direct army intervention in politics can act as a moderating force used by moderate politicians to stigmatize radicals of any stripe. The army leadership will be satisfied; the generals don't want to run the country, especially after the Mubarak experience.