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August 14, 2012

For: Hillary
From: Sid
Re: Two memos, Morsi's moves

Memo 1

SOURCE: Sources with access to the highest levels of the Muslim Brotherhood in Egypt, The Supreme Council of the Armed Forces, and Western Intelligence and security services.

1. (Source Comment: During the week of August 6, 2012 Mohammed Badie, the Supreme Guide of the Egyptian Muslim Brotherhood (MB) told senior advisors that he and the Supreme Guidance Council of the MB had underestimated newly elected President Mohamed Morsi, particularly his personal ambition. In discussions with Saad al-Katany, the MB/Freedom and Justice Party (MB/FJP) speaker of the lower house of the Egyptian Parliament, Badie added that it is clear that Field Marshall Mohammed Hussein Tantawi, the interim Head of State and commander of the Supreme Council of the Armed Forces (SCAF), made the same mistake. The Supreme Guide noted that both the MB and the SCAF believed that Morsi was a bland but often irascible politician, interested primarily in the inner workings of the FJP. Instead, he appears to be a sophisticated strategist who recognized before other government officials the strong desire of the majority of the Egyptian population for a period of peace and stability following the eighteen months of revolution and political turmoil. Accordingly, in Badie's opinion, Morsi outmaneuvered both the Supreme Guidance Council and the SCAF, while resolving long standing conflicts with the leadership of the Salafist al-Nour party, establishing himself as the most powerful figure in Egypt.)

2. According to a source with access to the highest levels of the MB/FJP, Badie and al-Katany had several heated meetings with Morsi during late June and early July 2012, after they realized he had established a secret contact with the SCAF, replacing the series of talks held between Badie's staff and Tantawi's advisors for the past two years. They were particularly upset to learn that Morsi was adopting certain aspects of the military's constitutional plan, particularly the establishment of the President as the Head of State and Head of Government. The MB plan, drafted in April 2012, called for real power to rest with a Prime Minister and the MB dominated Parliament.

3. At the same time this source reports that MB/FJP polling throughout the country indicates that the population is relieved to have a new civilian government and does not want to wait for the drafting of the Constitution and the possible election of a new Parliament before life returns to normal. With this information in hand Badie decided in late July to adopt a low profile and allow Morsi to take the dominant position in the MB/FJP. At the same time, this individual adds, Morsi promised to consult Badie on all major policy decisions. In the opinion of this individual Badie is convinced that it is highly unlikely Morsi will follow through on this promise. Badie also believes that Morsi's ability to deal with foreign leaders and diplomats strengthened his hold on power. He noted in private, however, that Morsi will face difficult times in maintaining a ruling political structure, and the Guidance Council will watch carefully for any signs of faltering on his part.

4. (Source Comment: According to a particularly sensitive source with access to the leadership of the MB, Morsi will now focus on dealing with the chaotic state of the Egyptian economy, reassuring foreign businessmen, governments, and investors that the revolutionary period is over, and life is returning to normal. For this reason he decided to end his early, problematic statements on Islamist policy, criticizing both the United States and Israel. In fact, working through his new military commanders Morsi is also establishing a working relationship with Israel, initially focused on the security situation in the Sinai Peninsula. This individual believes Morsi is looking at the current situation in Libya, and is convinced there are real opportunities for Egyptian firms and technical experts to fill the void left by foreign workers in the oil and oil services industry, replacing those who fled during the Libyan revolution in 2011.)

5. A source with excellent access to the leadership of the SCAF stated in private that the normally volatile Morsi did not overreact to the military's efforts to establish their role in the political structure during June 2012. Instead he reached out to younger generals on the SCAF and in Military Intelligence (MI -Mukhabarat el-Khabeya). Morsi went out of his way to build a working relationship with General Abdel Fatah al-Sissi, the then Chief of MI. At the same time he blamed problems in the Sinai, including the ambush and killing of sixteen (16) border police

by tribal militants, on the civilian General Intelligence and Security Service (GIS- Al-Mukhabarat al-'Ammah), long time rivals of the military and ordered a reorganization of that service.

6. In the opinion of this individual by early August, General al- Sissi indicated to Morsi and his advisors that he was prepared to step in and replace Tantawi as the senior military official in the country and take on the role of Minister of Defense. He named General al-Assar as his deputy and told Morsi that he would cooperate in undoing the June proclamations. In return for this support, al-Sissi demanded tangible assurance from Morsi that the Army and its leaders will retain their special, privileged place in Egyptian society. The President also promised to protect Tantawi, his deputy General Sami Anan, and other senior officers from prosecution for corruption or actions taken against demonstrators during the 2012 revolution. Morsi stated that he will continue to turn to Tantawi and Anan as advisors, although, as is the case with Badie, al-Sissi does not believe he will ever actually call on them for assistance. Finally, al-Sissi told Morsi that he and al-Assar have excellent, discreet relations with their Israeli counterparts and will continue to work with them. This sensitive source believes Morsi will use these discreet military contacts as channels for maintaining positive relations with Israel and the United States.

7. (Source Comment: In the opinion of this individual, Tantawi and Anan were not given advance notice from the Office of the President regarding their forced retirement. This source also believes, however, that the move came as no surprise to the Field Marshal, who had been given advance knowledge by al-Sissi, in an effort to avoid complications and as a sign of respect. As this individual noted, Tantawi and the SCAF have no interest in ruling the country; rather they want only to protect themselves from the fate suffered by former President Hosni Mubarak after his resignation and arrest for corruption and murder. Once al-Sissi was able to reassure them on this point they cooperated. During the second week of August SCAF staff officers discussed rumors of a potential military coup d'etat by Special Forces and Intelligence Para-Military units, but this threat never became serious, especially when reports from commanders in the field indicated that up to 90 per cent of the conscript soldiers who make up the vast majority of the Army, would side with Morsi and the MB/FJP.)

8. A separate, particularly sensitive source stated in secret that Badie and his supporters on the Guidance Council will continue to watch for any signs of weakness or ineffective management from Morsi. Badie is particularly interested in the possibility that the Constitutional Court may invalidate many of Morsi's moves; however, he did note that Morsi acted to preclude this by naming Mahmoud Mekki, a senior judge, to be his vice president. Finally, Badie urged

his supporters to watch Morsi's actions as he comes under increasing pressure to improve the Egyptian economy. He noted that Morsi has a volatile temper and in the past has not reacted well when people disagree with him. Badie believes that will be his major test; for the moment he believes Morsi, through decisive action has control of the political and security situation in Egypt.

Memo 2

SOURCE: Sources with access to the highest levels of the Muslim Brotherhood in Egypt, The Supreme Council of the Armed Forces, and Western Intelligence and security services.

1. (Source Comment: In the opinion of an individual with access to the leadership of the Egyptian Muslim Brotherhood (MB) and Freedom and Justice Party (FJP) speaking on condition of strict secrecy, President Mohammed Morsi sees the April 5 ambush of Egyptian border police by dissident tribesmen in the Sinai Peninsula as a turning point for his new government. While the President will remain committed to the idea of Egypt as an Islamic state, he now sees that he must control the violent dissident groups that oppose the government in Cairo, no matter who they might be. At the same time the incident allowed Morsi to deal with the country's aging and highly politicized military leadership, replacing them with younger generals with good working relationships with the United States, Western Europe, and Israel. Finally, the poor performance of the civilian General Intelligence and Security Service (GIS- Al-Mukhabarat al-'Ammah) during this period also led him to replace and reorganize its leadership. This source noted that Morsi had seen the GIS as a potential threat to his regime, and feared they might work to undermine his authority. According to this individual, Military Intelligence (MI -Mukhabarat el-Khabeya) is now the dominant security service in Egypt, particularly as its former commander, General Abdel Fatah al-Sissi is now the Minister of Defense and the dominant figure in the national security apparatus.)

2. This individual added that the attack in Sinai was staged by a group of radical dissidents recruited from the impoverished Sawarki Bedouin tribe. These nomadic raiders feel no loyalty to Cairo, are extremely hostile to Israel, and, in the opinion of Egyptian and Israeli security officials, easy targets for recruitment by radical groups looking to attack Israel or simply complicate the relationship between Egypt and Israel. This individual believes that al-Sissi and the MI will work with the Israelis to address this problem, but warns that the Sawarki have been brigands for one thousand years and will not be easily defeated or deterred. Morsi is now concerned that this situation in Sinai will deteriorate as the country's economic problems continue, and may create problems for him both in Cairo and in the relationship with Israel.

3. According to a source with access to the MI, the August 5 attack began when armed militants approached an Egyptian checkpoint near the town of Sheikh Zuweid. The attack came at sunset when the Egyptian border policemen were preparing to eat their evening meal as part of their observance of the Islamic holy month of Ramadan. The policemen had no opportunity to protect themselves, and after the 16 men had been killed the raiders took their vehicles and attempted to cross the Israeli border. Israeli military officers reported to the Egyptians that one vehicle exploded and the second was successfully targeted by an air strike. In briefing Morsi, al-Sissi reported that this was the most deadly assault on Egyptian forces in Sinai for at least twenty years. He added that he and the MI believe that this attack is the first move in an increased period of activity by radical dissidents.

4. Egyptian police stations and the army posts have been targeted by radical Islamic groups several times in the past year, and the gas pipeline from Egypt to Israel has been attacked many times, according to a senior MI officer. Morsi believes that this situation is the result of the chaos in the Egyptian government and security apparatus since January 2011; he was particularly critical of the GIS for its efforts to report on dissident activity in Sinai during this period. Al-Sissi also warned him that while these dissident groups are often made up only of the tribal people of Sinai their recruits are now coming from across Egypt and the region.

5. The Sawarki and other tribal groups are also involved in smuggling between Sinai and Gaza and as such have clandestine relations with Hamas security forces in Gaza. That said, al-Sissi noted that it does not appear that Hamas played a role in the August 5 incident. In response to this incident al-Sissi has ordered elite Special Forces troops into the region and the Egyptian Air Force has also been used to target militant hideouts. According to this source, al-Sissi and the Egyptian Army and intelligence units are coordinating their operations in this region with their Israeli counterparts; both to gain intelligence and to avoid accidental contact with Israeli Special Forces troops operating in the same area.

6. (Source Comment: An associate of the President added that the use of Egyptian Special Forces Units also gets them out of the Cairo region. Morsi has been warned by al-Sissi that some of these professional military units are not pleased with the transition to civilian rule.)

7. A source with access to al-Sissi states that up to twenty militants have been killed in the subsequent fighting. After reviewing the August 5 attack, al-Sissi and Morsi plan to raise the idea of modifying the 1973 peace treaty with Israel, allowing the Egyptian Army to station forces and helicopters in Sinai on a permanent basis. Under the current agreement, once specific operations are concluded, the troops must return to the west bank of the Suez Canal. The Egyptian forces based in Sinai are the lightly armed and often poorly trained border policemen, whose colleagues were the victims in the August 5 attack. Advisors to Morsi add that at present it is highly unlikely Israel will agree to amend the treaty.

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