

RELEASE IN FULL**CONFIDENTIAL**

November 26, 2012

For: Hillary
From: Sid
Re: Internal Egyptian politics on Morsi seizure of powers

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

1. (Source Comment: According to a source with access to the highest levels of the Muslim Brother (MB) and its Freedom and Justice Party (FJP), Egyptian President Mohamad Morsi, after discussions on November 25, 2012 with MB Supreme Guide Mohammad Badie, met with a delegation of senior jurists in an effort to explain his decision to proclaim extraordinary presidential powers, including limiting the authority of Judges to rule on the legality of presidential decrees. In the opinion of this source Badie sees this development as an opportunity to firmly establish the MB/FJP in control of Egypt's political scene. While Morsi expected public protest against his decision, he is, according to this source, surprised by the level of violence, particularly between secular/liberal protesters and MB supporters. Badie believes that this violence could hinder efforts to establish long term MB leadership of the country, while frightening foreign business leaders looking to invest in Egypt. With this in mind he urged Morsi to reach out to the judges in an effort to gain their understanding, if not support, for the expansion of powers. The MB leaders hope that a positive result from the meeting with the senior judges will reduce the level of violence associated with the protests, even as the demonstrations continue.)

2. In the opinion of this sensitive source, these meetings, on the eve of rival demonstrations which threaten to lead to more violence, come one day after an FJP member died in rioting in the Alexandria region. At the same time fifteen (15) people were injured in the fighting between supporters and opponents of the president, near the MB offices in Damanhour.

In Cairo and Alexandria, MB/FJP offices were burned by secular/liberal demonstrators, protesting Morsi's announcement on November 22, 2012 spelling out enhanced presidential powers. Morsi told the MB leadership that the declaration will remain in effect until mid-2013, by which time the new constitution is to be drafted, and the next national elections will be held. This step allows the president to issue decrees and draft laws with no oversight from parliament or the judiciary, and the MB/FJP leaders warned Morsi that he is heading for serious confrontation with the nation's judges. In certain districts judges suspended operation in protest of the move and the journalists' union called for a national strike.

3. (Source Comment: During the afternoon of November 25, 2012

Egyptian Army commander General Abdel Fatah al-Sissi stated in confidence that prior to President Morsi's announcement of sweeping presidential powers on November 22, the president asked for assurances that the Egyptian army would support this move. According to a sensitive source, Morsi told al-Sissi that he anticipated a potentially violent reaction from student groups and liberal/secular political organizations that would see the move as an attempt to establish a dictatorship under the auspices of the Muslim Brotherhood (MB). Al-Sissi told Morsi that he Army would support him and if necessary act to maintain public order, but he suggested in the strongest terms that Morsi depend on the national police force to control the demonstrations that developed. Morsi agreed noting that he did not want to use the Army until absolutely necessary. According to this individual, al-Sissi believes that Morsi was confronted with an internal power struggle centered on the lack of progress in the constitutional convention and felt that he had to act.)

4. In the opinion of this individual, al-Sissi believes that the current situation arose because the national elections were held before the national constitution was drafted and the balance of power between parliament, the prime minister and the president institutionalized. In August 2012, after winning the presidential election Morsi, with the help of al-Sissi and the leadership of the Military Intelligence Service (MI -Mukhabarat el-Khabeya) outmaneuvered the acting head of state, Field Marshall Mohammed HusseinTantawi, the leadership of parliament, and the highest levels of the MB and the FJP. But, according to this source, when faced with the delays experienced by the constitutional convention al-Sissi believes that Morsi felt that he was unable to carry out his plan to transform Egypt into a moderate Islamic republic. In the opinion of this individual, Morsi had privately planned this move for at least a month but did not feel strong enough to move forward until after his success brokering the ceasefire between Israel and Hamas' forces in Gaza. At the same time Morsi received the support of MB supreme guide Badie, with whom he had been at odds since the presidential election. According to this source,

Badie felt that Morsi was too independent from the leadership of the MB. But the president now needs their strong support and Badie sees this period as an opportunity to institutionalize the Brotherhood's control of the political situation in the country.

5. (Source Comment: In the opinion of this individual, al-Sissi feels that he has cast his lot with Morsi and will continue to support him for the immediate future. But the General is concerned that while Morsi may indeed be acting in good faith at this time he will find absolute power intoxicating and will be reluctant to relinquish authority when the constitution is drafted and the national elections are held in mid – 2013. Al-Sissi and the younger officers who now dominate the Egyptian military are also willing to accept new prosecution of former President Hosni Mubarak and members of his government, with the understanding that Tantawi and other senior Army commanders are not brought to trial. Morsi has assured them that he will honor his commitments to Tantawi made in August 2013 when al-Sissi and the younger officers took over leadership of the army. Al-Sissi also agrees with Morsi's contention that many of the national judges were appointed by Mubarak and are not interested in allowing the new president to transform the country into an Islamic state.)

6. This same source notes that al-Sissi secretly ordered the MI to keep selected judges and secular/liberal leaders under surveillance, particularly as increasingly violent demonstrations develop. He also noted that Morsi is now working with Badie, and while they plan to use the MB/FJP infrastructure to support Morsi's regime, they agree that they must be careful to avoid large scale violent clashes between secular/liberal crowds and MB supporters. According to this individual, the MI is also following the leaders of the Salafist al Nur party, who Morsi believes do not support his more moderate vision of an Islamic state. At the same time Morsi continues to have problematic personal relations with Saad al Katany the FJP leader of parliament. Al Katany, although a long time member of the MB leadership and protégé of Badie, continues to believe the government should be dominated by the FJP controlled parliament, and a Prime Minister selected by that parliament, not the president.

7. (Source Comment: An individual with access to the highest levels of the MB adds that, the opinion of Badie and other MB leaders, Morsi is sincere about revoking his special powers after the national election in 2013, and, for their part, they see the interim period as an opportunity to firmly establish the MB/FJP as the dominant political force in the country. Badie believes that he can manage the personal conflict between al Katany and Morsi, especially if al-Sissi and the Army/MI remain loyal to the president. The Supreme Guide also believes that Israel and other states of the region will welcome a stabilizing period. On the other hand, Badie has confided to advisors that he also fears that Morsi will grow comfortable in office and will not

be willing to relinquish his expanded powers in mid-2013 as promised. If this happens Badie believes some MB members will also join secular/liberal demonstrators in protests against the Morsi regime. Badie realizes that there will be demonstrations, some violent, throughout this interim period, but he does not believe they will reach the level of the anti-Mubarak activities in 2011 that led to the national revolution and overthrow of the old regime. The key for Badie and the other MB leaders is to support Morsi in his new role, while reassuring Western business interests that this expansion of presidential power does not pose a threat to their activities in Egypt, or the long term stability of the country. In the opinion of this source, these MB leaders see this as their greatest challenge.)