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SUBJECT: SCENESETTER: PRESIDENT MUBARAK'S VISIT TO
WASHINGTON
Classified By: Ambassador Margaret Scobey for reasons 1.4(b) and (d).

1. (S/NF) Introduction: President Mubarak last visited Washington in April 2004, breaking a twenty year tradition of annual visits to the White House. Egyptians view President Mubarak's upcoming meeting with the President as a new beginning to the U.S.-Egyptian relationship that will restore a sense of mutual respect that they believe diminished in recent years. President Mubarak has been encouraged by his initial interactions with the President, the Secretary, and Special Envoy Mitchell, and understands that the Administration wants to restore the sense of warmth that has traditionally characterized the U.S.-Egyptian partnership. The Egyptians want the visit to demonstrate that Egypt remains America's "indispensible Arab ally," and that bilateral tensions have abated. President Mubarak is the proud leader of a proud nation. He draws heavily from his own long experience in regional politics and governance as he assesses new proposals and recommendations for change.

MUBARAK'S PROFILE

2. (S/NF) Mubarak is 81 years old and in reasonably good health; his most notable problem is a hearing deficit in his left ear. He responds well to respect for Egypt and for his position, but is not swayed by personal flattery. Mubarak peppers his observations with anecdotes that demonstrate both his long experience and his sense of humor. The recent death of his grandson Mohammad has affected him deeply and undoubtedly will dampen his spirits for the visit which he very much wants to make. During his 28 year tenure, he survived at least three assassination attempts, maintained peace with Israel, weathered two wars in Iraq and post-2003 regional instability, intermittent economic downturns, and a manageable but chronic internal terrorist threat. He is a tried and true realist, innately cautious and conservative, and has little time for idealistic goals. Mubarak viewed President Bush (43) as naive, controlled by subordinates, and totally unprepared for dealing with post-Saddam Iraq, especially the rise of Iran's regional influence.

3. (S/NF) On several occasions Mubarak has lamented the U.S. invasion of Iraq and the downfall of Saddam. He routinely notes that Egypt did not like Saddam and does not mourn him, but at least he held the country together and countered Iran. Mubarak continues to state that in his view Iraq needs a "tough, strong military officer who is fair" as leader. This telling observation, we believe, describes Mubarak's own view of himself as someone who is tough but fair, who ensures the basic needs of his people.

4. (S/NF) No issue demonstrates Mubarak's worldview more than his reaction to demands that he open Egypt to genuine political competition and loosen the pervasive control of the security services. Certainly the public "name and shame" approach in recent years strengthened his determination not to accommodate our views. However, even though he will be more willing to

consider ideas and steps he might take pursuant to a less public dialogue, his basic understanding of his country and the region predisposes him toward extreme caution. We have heard him lament the results of earlier U.S. efforts to encourage reform in the Islamic world. He can harken back to the Shah of Iran: the U.S. encouraged him to accept reforms, only to watch the country fall into the hands of revolutionary religious extremists. Wherever he has seen these U.S. efforts, he can point to the chaos and loss of stability that ensued. In addition to Iraq, he also reminds us that he warned against Palestinian elections in 2006 that brought Hamas (Iran) to his doorstep. Now, we understand he fears that Pakistan is on the brink of falling into the hands of the Taliban, and he puts some of the blame on U.S. insistence on steps that ultimately weakened Musharraf. While he knows that Bashir in Sudan has made multiple major mistakes, he cannot work to support his removal from power.

5. (S/NF) Mubarak has no single confidante or advisor who can truly speak for him, and he has prevented any of his main advisors from operating outside their strictly circumscribed spheres of power. Defense Minister Tantawi keeps the Armed Forces appearing reasonably sharp and the officers satisfied with their perks and privileges, and Mubarak does not appear concerned that these forces are not well prepared to face 21st century external threats. EGIS Chief Omar Soliman and Interior Minister al-Adly keep the domestic beasts at bay, and Mubarak is not one to lose sleep over their tactics. Gamal Mubarak and a handful of economic ministers have input on economic and trade matters, but Mubarak will likely resist further economic reform if he views it as potentially harmful to public order and stability. Dr. Zakaria Azmi and a few other senior NDP leaders manage the parliament and public politics.

6. (S/NF) Mubarak is a classic Egyptian secularist who hates religious extremism and interference in politics. The Muslim Brothers represent the worst, as they challenge not only Mubarak's power, but his view of Egyptian interests. As with regional issues, Mubarak, seeks to avoid conflict and spare his people from the violence he predicts would emerge from unleashed personal and civil liberties. In Mubarak's mind, it is far better to let a few individuals suffer than risk chaos for society as a whole. He has been supportive of improvements in human rights in areas that do not affect public security or stability. Mrs. Mubarak has been given a great deal of room to maneuver to advance women's and children's rights and to confront some traditional practices that have been championed by the Islamists, such as FGM, child labor, and restrictive personal status laws.

SUCCESSION

7. (S/NF) The next presidential elections are scheduled for 2011, and if Mubarak is still alive it is likely he will run again, and, inevitably, win. When asked about succession, he states that the process will follow the Egyptian constitution. Despite incessant whispered discussions, no one in Egypt has any certainty about who will eventually succeed Mubarak nor under what circumstances. The most likely contender is presidential son Gamal Mubarak (whose profile is ever-increasing at the ruling party); some suggest that intelligence chief Omar Soliman might seek the office, or dark horse Arab League Secretary-General Amre Moussa might run. Mubarak's ideal of a strong but fair leader would seem to discount Gamal Mubarak to some degree, given Gamal's lack of military experience, and may explain Mubarak's hands off approach to the succession question. Indeed, he seems to be trusting to God and the ubiquitous military and civilian security services to ensure an orderly transition.

MUBARAK'S EGYPT: 1982 -- 2009

8. (C) Egypt continues to be a major regional economic, political, and cultural power. However, economic problems have frustrated many Egyptians. Egypt's per capita GDP was on par with South Korea's 30 years ago; today it is comparable to Indonesia's. There were bread riots in 2008 for the first time since 1977. Political reforms have stalled and the GOE has resorted to heavy-handed tactics against individuals and groups, especially the Muslim Brotherhood, whose influence continues to grow.

9. (SBU) Economic reform momentum has slowed and high GDP growth rates of recent years have failed to lift Egypt's lower classes out of poverty. High inflation, coupled with the impact of the global recession, has resulted in an increase in extreme poverty, job losses, a growing budget deficit and projected 2009 GDP growth of 3.5% - half last year's rate.

10. (S/NF) Mubarak himself refuses to discuss economic assistance to Egypt, but other interlocutors may raise it. On May 7, Egypt formally and publicly accepted FY 2009 and FY 2010 assistance levels, ending a stalemate over the FY 2009 program, linked to levels, a perceived lack of consultation, and political conditionality. Based on our assessment of Egypt's most pressing assistance needs, and broad public consensus in Egypt that the educational system is seriously deficient, we would like to focus on education. We believe the Egyptians would welcome a new presidential level initiative in this area, which would also be in U.S. national interests given the critical role education will play in Egypt's political and economic development.

MUBARAK'S REGIONAL OUTLOOK

11. (S/NF) Israeli-Arab conflict: Mubarak has successfully shepherded Sadat's peace with Israel into the 21st century, and benefitted greatly from the stability Camp David has given the Levant: there has not been a major land war in more than 35 years. Peace with Israel has cemented Egypt's moderate role in Middle East peace efforts and provided a political basis for continued U.S. military and economic assistance (\$1.3 billion and \$250 million, respectively). However, broader elements of peace with Israel, e.g. economic and cultural exchange, remain essentially undeveloped.

12. (S/NF) Camp David also presented Mubarak with the perpetual challenge of balancing Egypt's international image as a moderate with its domestic image as pan-Arab leader. Mubarak has managed this strategic dichotomy most effectively in times of regional stability. However, the Gulf wars, and especially post-Saddam regional crises, have taxed this equation. For example, during the 2006 Lebanon war, the Bush Administration asked Egypt to side against Hizballah; at the same time Egyptian protestors demanded the peace treaty with Israel be vacated. The Egyptians were frozen, and relegated to waiting for the situation to stabilize. More recently, with Iran bringing the battlefield closer with Hamas' actions in Gaza and discovery of the Hizballah cell in Egypt, the Egyptians appear more willing to confront the Iranian surrogates and to work closely with Israel.

13. (S/NF) Mubarak has been effective as an intermediary during various phases of the Israeli-Arab conflict. In the Arafat era, Egypt worked between the Palestinian Authority and Israel. At the outset of the Abbas era, Egypt's role was unclear as the Israelis and Palestinians communicated directly, and Mubarak for a time was left with no deliverable either to the West or his public. He firmly believes, incorrectly, that the Bush Administration "forced" the Palestinian legislative elections of 2006 (which Hamas won). Hamas' June 2007 takeover of Gaza allowed the Egyptians back into the game as a go-between, and Mubarak's team has made

clear they will not cede the "Palestinian file" to another Arab state. In general, the Egyptian-Israeli strategic relationship is on solid ground, as they face a shared threat from Hamas.

14. (S/NF) The ongoing intra-Arab dispute, which pits Egypt and Saudi Arabia against Syria and Qatar and is primarily driven by Iran's regional influence, is the current test for Mubarak. For the moment the Egyptian-Saudi moderate camp is holding. Mubarak has maneuvered with reasonable effectiveness, brandishing Egyptian clout through a hastily prepared but effective summit in Sharm el Sheikh in February, but Iran's Arab surrogates (especially Qatar) continue to unsettle the Egyptians. Mubarak will rail against President Bush's decision to invade Iraq, contending that it opened the door to Iranian influence in the region. That said, the Egyptians recently told Special Envoy Ross they expect our outreach to Iran to fail, and that "we should prepare for confrontation through isolation." Mubarak and his advisors are now convinced that Tehran is working to weaken Egypt through creation of Hizballah cells, support of the Muslim Brotherhood, and destabilization of Gaza. Egypt has warned that it will retaliate if these actions continue.

15. (S/NF) Egypt views the stability and unity of Sudan as essential to its national security because of concern over its access to Nile waters and the potential for increased Sudanese refugee flows. The GOE is using development assistance in South Sudan to encourage unity. Here too, the Egyptians are jealous and sensitive to the Qatari foray into resolving Darfur, a crisis squarely in Egypt's backyard. Mubarak may ask about the potential for cooperation with the U.S. on Sudan and will probably want to hear how the Administration will approach the issue. If he agrees, Mubarak can use his stature and credibility with Bashir to make progress on Darfur and human rights issues.

16. (S/NF) MUBARAK REGIONAL TALKING POINTS

Israeli-Arab peace: He will ask for continued U.S. leadership and highlight Egypt's role as moderate interlocutor. He will stress the primacy of the Palestinian track over efforts with Syria. He will press for concrete action on settlements and resist Arab gestures to Israel until the Arabs can see whether or not Netanyahu is credible.

Iran: He will rail against Iranian regional influence and express pessimism about U.S. outreach to Tehran. He will make clear that there should be no linkage between Israeli-Arab peace and Iran but will agree with the President's assessment that such linkage as does exist argues for progress on the Israeli-Palestinian track to undermine Hamas and Hizballah.

Sudan: He will highlight Egypt's role as provider of humanitarian and military assistance, and stress the need to maintain stability.

Intra-Arab strife: He may criticize Qatar, and perhaps Syria, as Iranian surrogates. He may ask about our plan to engage Damascus and suggest we coordinate our efforts.

Iraq: He may be circumspect, but harbors continuing doubts about Maliki and his Iranian ties. He will say Egypt is open to bilateral improvement but is awaiting Iraqi actions.

SCOBAY