

# CounterPunch

FEB 1-15, 2011

ALEXANDER COCKBURN AND JEFFREY ST. CLAIR

VOL. 18, NO. 3

## *For CounterPunch Subscribers*

**This File Contains all the State Department cables discussed in Kathleen Christison's article in CounterPunch newsletter Volume 18, Number 3. Feb. 1-15, 2011. Cables 7192, 7201, 7304, 7360, 7395, 7415, 7423, 6253, follow.**

### **Cable 7192**

S E C R E T SECTION 01 OF 02 CAIRO 000118 SIPDIS NOFORN NSC FOR SHAPIRO AND PASCUAL E.O. 12958: DECL: 01/21/2019 TAGS: PREL, PGOV, KPAL, IS, EG SUBJECT: ASSESSMENT OF EGYPT'S REGIONAL ROLE IN THE WAKE OF GAZA REF: A. CAIRO 98 B. CAIRO 1206 (2008) C. CAIRO 2475 (2008) Classified By: Ambassador Margaret Scobey Reasons: 1.4 (B) and (D) Summary and Introduction ----- 1. (S/NF) The serious intra-Arab rifts exposed by the Gaza crisis also highlighted both the extent and limitations of Egypt's role in leading the moderate Arab position. The Gaza crisis was only the most recent, and significant, event to expose the polarization of Egypt and Saudi Arabia at one end of the Arab political spectrum, and Syria and Qatar at the other. The impasse has exposed erosion of Egypt's ability to drive a common Arab position, especially in dealing with smaller, affluent Arab states within the consensus-based Arab League system. The Egyptians and moderate Arab partners have also struggled to manage the searing impact of domestic and regional public criticism. 2. (S/NF) However,

Egypt retains a significant comparative advantage as one of the few Arab states with stature in the West and within the Arab world, and the only major player that has communication with both Israel and Hamas. If the Egyptians can come to fully understand that their role as the "indispensable Arab state" is contingent on being pro-active on key regional issues, including containing Iranian influence, we will continue to have an effective partner to work with, alongside other regional states such as Saudi Arabia and Jordan. End Summary. The Egyptian Foreign Policy Approach ----- 3. (S/NF) Egypt seeks to be the "go to" Arab ally for Western powers and at the same time be appreciated in the eyes of the Arab public as defending Arab interests against post-colonial foreign domination. This strategic dichotomy is becoming increasingly difficult to maintain as seen in the string of regional crises (e.g. Iraq, Sudan, Lebanon and the intra-Palestinian conflict) and intra-Arab strife. The U.S., in particular, has not been satisfied that Egypt is doing enough, while the Egyptian and regional public increasingly criticizes the GOE for "abdication" of its role as Arab leader (Reftel a) 4. (S/NF) At the same time, the Egyptians are concerned at the emerging Arab bloc of states that they see as increasingly webbed into Iran's strategic aim of obtaining regional dominance. Unfortunately, the Egyptian response has often been inadequate or flatfooted. For example, during the 2007 Lebanese political impasse, the GOE, along with the Saudis, were largely outmaneuvered in the Arab League by a pro-Syria bloc. Although the Egyptians did not object to the substantive result of the March 2007 Doha conference on Lebanon, our interlocutors laid down a clear marker that neither the Qataris nor anyone else would take away the Egyptian lead on the

Palestinian issue (Reftel b). A subsequent Qatari foray into the Sudan political conflict elicited similar Egyptian disdain, but no counter-approach or strategy (Reftel c). 5. (S/NF) When Egypt came through on the six-month "tahdiya" (calming) in June 2007, it reaffirmed its centrality on Gaza. But the recent Gaza crisis opened the door for Arab diplomatic competitors, and despite the full attention of EGIS Chief Omar Soliman, the Egyptians and Saudis have barely held the line against those who wish to seat Hamas at an Arab League meeting. Although Arab League Secretary General Moussa is supportive of Egypt's primacy on the Palestinian question, the Arab League itself appears to have lost the ability to manage intra-Arab dynamics at least for the moment. Maintenance of Egyptian influence ---- 6. (S/NF) Egypt is traditionally risk-averse, driven in large part by Mubarak's personality, as well as the desire for stability. But the Egyptians may be waking up to the need for a more dynamic approach. In the run-up to Israel's military action in Gaza, Soliman was well aware of Egypt's political vulnerability, including exposure to withering domestic and regional criticism, but told us that the Egyptian strategic interest was tied to increased pressure on Hamas. Throughout the IDF action, our Egyptian interlocutors privately focused their ire on Syria and Qatar, as opposed to CAIRO 00000118 002 OF 002 Israel. The GOE publicized the arrest of terrorist cells connected with Iran in mid-January. We assess that the Egyptians believe their primary strategic threat is Iran, that the current theater of combat is the intra-Arab struggle for primacy, and the current battle is the intra-Palestinian dispute. 7. (S/NF) The Egyptians, along with its traditional Arab partners, have the ability to prevail, but the victory of the moderate Arab position is not a foregone conclu-

sion. If Egypt fails to maintain its influence, the Arab regional consensus may tilt toward Hamas and Iran, and away from support for PA President Abbas and the two-state solution. If Egypt cedes its position as "champion of the Palestinians," it will cement the current domestic opposition charge (Reftel a) that the GOE has failed to deliver on this account, something that could have lasting negative consequences. For these reasons, we should assist Egypt and its partners in the current intra-Arab power struggle however we can. 8. (S/NF) In the short term, the Egyptians will need to establish control of the Arab debate over the intra-Palestinian dispute heading into the Arab League annual summit, which is scheduled for late March in Doha. The Egyptian donors conference for Gaza, expected to be held in February, is a good way to maintain the initiative following the Sharm el Sheikh Summit of January 18, but more will be needed. 9. (S/NF) Within our bilateral relationship, we need to increase Egyptian confidence that we will support a more assertive GOE approach to blunting Iranian momentum, which extends beyond the current intra-Arab Hamas standoff. The Gaza crisis has demonstrated that Egypt appreciates U.S. support but prefers it more often than not to be quiet and helpful, not public

and prescriptive. The Egyptians have requested we consult with them first prior to any new USG regional policy initiative, especially if it involves Syria. We should honor this request, and seek to involve the Egyptians (as well as other regional partners such as Saudi Arabia) in implementation of any new policy approach. For their part, the Egyptians should be pressed to move forward with naming an ambassador for Iraq and reopening the embassy in Baghdad, and we should urge them to work with the Saudis on supporting the Lebanese Government as parliamentary elections approach. 10. (S/NF) The disarray within Arab ranks provides Iran a strategic opening to back extremist groups and move the centrist position away from negotiations and a two-state solution to the Israeli-Palestinian. Ultimately it is Egypt, and more specifically President Mubarak's leadership, that will be critical if we are to support the moderate Arab position. The recent crisis over Gaza brought into focus some of the vulnerabilities in Egypt's leadership role, but also highlighted the fact only Egypt was willing and able to step forward with an aggressive diplomatic, propaganda, and political counter-attack against Iran and its proxies. SCOBNEY

**Cable 7201**

SECRET CAIRO 000119 NOFORN FOR SENATOR MITCHELL FROM THE AMBASSADOR ALSO PASS TO NSC FOR SHAPIRO AND PASCUAL; NEA FOR FO E.O. 12958: DECL: 01/23/2019 TAGS: PREL, PGOV, KPAL, IS, EG SUBJECT: SCENESETTER FOR SPECIAL ENVOY MITCHELL'S JANUARY 26 VISIT TO CAIRO REF: CAIRO 118 (ASSESSMENT POST-GAZA) Classified By: Ambassador Margaret Scobey Reasons: 1.4 (B) and (D) 1. (S/NF) Summary and Introduction: Senator Mitchell, welcome to Egypt. Your visit will be, we hope, the first in a regular process of dialogue and consultation with senior Egyptians on what they consider to be the primary regional political issue -- the Arab-Israeli conflict, particularly the Palestinian track that has generated violence and tension that threatens Egypt's national security interests. 2. (S/NF) We have requested meetings with President Mubarak, EGIS Chief General Omar Soliman, Foreign Minister Ahmed Aboul Gheit and Arab League Secretary General Amre Moussa. The Egyptian lead-

ership will hope to see in your visit signs that the U.S. will give urgency to addressing the Israeli-Palestinian conflict and a hope that the U.S. approach will be seen as balanced. Healing the Palestinian rift is critical, but may hinge on re-establishing a Syrian track in the peace process. Egyptian-Syrian relations, never good, are particularly hostile at this juncture with Mubarak seeing Syria acting aggressively as Tehran's proxy in undermining Egyptian Arab leadership. It will be important for us to consult closely with the GOE on our approach to Syria and Lebanon because of Egypt's overriding strategic view of the Iranian threat. GOE anger over what they perceived as U.S. intervention in Iraq that did not heed the advice and interests of regional partners like Egypt has abated somewhat, but President Mubarak believes that the post-Saddam vacuum has unleashed Iranian regional ambitions, including now in Gaza via Hamas. End summary. ---

The Egyptian Approach on the Israeli-Palestinian Conflict

-- 3. (S/NF) Resolution of the Israeli-Palestinian conflict is the primary strategic political goal for the Egyptians. Over the years, the Egyptians have functioned well as an intermediary (e.g. between Arafat and the Israelis), a role that effectively balanced Egypt's moderate stance alongside its regional image as standard-bearer for the Palestinian cause. With the emergence of direct Israeli-Palestinian Authority communication, followed by the Hamas coup of Gaza in June, 2007, the Egyptian role shifted to a focus on intra-Palestinian reconciliation and establishment of the Hamas-Israel cease-fire. Egyptians have welcomed signs from the Obama Administration that the U.S. intends to engage early; Foreign Minister Abul Ghayt warned a few days ago that "others" (Turkey, the French, Qatar to name a few) are actively jockeying to expand their role in brokering peace during a period of perceived U.S. inattention. The Egyptians have fretted, however, about the possibility that renewed U.S. engagement would devolve into endless "process." They support direct Palestinian-Israeli negotiations but want to see the U.S. using its influence with the parties more effectively. 4. (S/NF) EGIS Chief Omar Soliman, 72 years old and in his position since 1993, is the de-

**CounterPunch**

EDITORS  
**ALEXANDER COCKBURN**  
**JEFFREY ST. CLAIR**

ASSISTANT EDITOR  
**ALEVITINA REA**

BUSINESS  
**BECKY GRANT**  
**DEVA WHEELER**

DESIGN  
**TIFFANY WARDLE**

COUNSELOR  
**BEN SONNENBERG**  
**1937-2010**

CounterPunch  
P.O. Box 228  
Petrolia, CA 95558  
1-800-840-3683  
counterpunch@counterpunch.org  
www.counterpunch.org  
All rights reserved.

facto national security advisor, and holds responsibility for the Israeli-Palestinian account, including Egyptian efforts to negotiate the release of IDF Corporal Gilad Shalit. Soliman, a retired general and veteran of the 1973 war, is a pragmatist with an extremely sharp analytical mind. He currently is hosting a series of meetings with Israeli MOD Official Amos Gilad and Hamas representatives (from both Gaza and Damascus), with the goal of cementing the new ceasefire and advancing intra-Palestinian reconciliation. Soliman believes that Palestinian reconciliation is a prerequisite to any major next step in Gaza, as neither the Egyptians nor the international community can work with Hamas as a partner on security, political or economic reconstruction issues. That said, he has struggled to find incentives for Hamas to cede Gaza back to the PA, especially given Hamas' increasingly stout backing from some Arab states (e.g. Syria and Qatar) as well as Iran. Soliman will tell you he understands that Hamas needs to be "squeezed" and that limiting movement in and out of Gaza supports this end, but will urge that you impress upon the Israelis the need to maintain adequate humanitarian inflows to Gaza. The Egyptians will stress the point that keeping borders open for legitimate trade and forging effective measures against smuggling go hand in hand. 5. (S/NF) Following his most recent round of discussions with Gilad, Soliman told us that he and Gilad generally agreed that they were "back where they started" in the fall -- only perhaps Hamas has gotten meaner. Together they intend to work to extend the calm and promote Palestinian reconciliation. As long as the calm lasts, Israel will proceed, as before, with limited border openings for legitimate goods. On counter-smuggling, Soliman said he told Gilad that Egypt has a new "arrangement for border security" that will involve EGIS, State Security and DMI. He pledged to Gilad that Egypt would exert maximum effort to control borders including areas of the Gulfs of Suez and Aqaba. The Egyptian Prime Minister will address compensation for Sinai Bedouin to alleviate the impact of cutting off smuggling. He said Egypt would accept technology from the U.S., Germany and Italy and that Egypt would arrest owners of the tunnels. Gilad and Soliman reportedly agreed that Hamas knows its resupply challenges will grow but that their efforts to succeed will

also increase. 6. (S/NF) The Egyptians are also in the midst of a serious intra-Arab rift, exposed by the recent Gaza crisis (for a full analysis see refTel). The Israeli military operation, and enormous regional public outcry, appears to have buoyed Hamas' popularity for the moment. Egypt, with support primarily from Saudi Arabia, has pushed back against Arab and other states that wish to give greater political recognition to Hamas, but the fight will likely intensify in the run-up to the Arab League Annual Summit set for late March in Doha. FM Aboul Gheit, a career diplomat who has held his position since 2004, recently announced Egypt's intent to hold a ministerial level meeting on Gaza humanitarian assistance as soon as mid-February, something that he hopes will marginalize efforts from other Arab states to channel assistance to Gaza via contributions to Hamas. He will likely ask for full USG support of this initiative. Arab League Secretary General Amre Moussa (in office since 2001) is generally supportive of Egyptian primacy on the Palestinian issue and of PA President Abbas. He has struggled to regain control of intra-Arab dynamics following the Gaza crisis). Your tentatively scheduled visit will give him a needed boost. 7. (S/NF) Your key meeting however will be with President Mubarak who retains a firm grip on national security and strategic issues. EGIS Director Soliman and FM Aboul Gheit take their marching orders from Mubarak and are effective to the extent that Mubarak and Egypt are still seen both in the region and on the international stage as indispensable partners in seeking Arab-Israeli peace. With Iran making inroads into the Arab world via Syria, Hezbollah, Qatar, and now Hamas, Mubarak will be most open to a USG approach that puts our efforts on the Israeli-Palestinian conflict in that broader regional context. Reconciliation between Fatah and Hamas may be the critical piece to reestablishing a meaningful path towards the objective of a two-state solution, but in our view that is unlikely to take place without broader reconciliation within Arab ranks. Mubarak's feelings towards Syria and Bashar al-Assad are scathing, but at the same time we believe he will understand that prying Syria away from Iran and establishing a Syrian-Israeli track may be a strategic necessity. You will want to seek his views on this issue and assure him that the U.S. will consult

closely with Egypt as we consider any overtures towards Syria. ----- Regional Issues ----- 8. (S/NF) On Iraq, although President Mubarak remains deeply suspicious that Nuri Al Maliki answers to Tehran, other GOE officials have expressed increasing confidence that Maliki, and Iraq generally, has turned a corner and may avoid civil war. Foreign Minister Aboul Gheit recently completed a successful trip to Baghdad in October and is moving forward to reopen the Embassy in Baghdad. On Iran, Egypt is concerned by rising Iranian influence in the region, has supported UN sanctions, and is increasingly active on countering Iran, e.g. in Gaza and to some extent in Lebanon, working with Saudi Arabia and other Arab states to support Lebanese political and territorial sovereignty. 9. (S/NF) Egypt is a steadfast ally in counter-terrorism efforts, and we maintain close cooperation on a broad range of security and law enforcement issues. We have a long-standing and productive relationship with EGIS and SSIS, the two Egyptian agencies that cover internal and regional terrorism issues. Through the Department of State's Anti-Terrorism

### Subscription Information

Subscription information can be found at [www.counterpunch.org](http://www.counterpunch.org) or call toll-free inside the U.S. 1-800-840-3683

**Published twice monthly except July and August, 22 issues a year.**

- 1 - year hardcopy edition \$45
- 2 - year hardcopy edition \$80
- 1 - year email edition \$35
- 2 - year email edition \$65
- 1 - year email & hardcopy edition \$50
- 1 - year institutions/supporters \$100
- 1 - year student/low income \$35

Renew by telephone, mail, or on our website. For mailed orders please include name, address and email address with payment, or call 1-800-840-3683 or 1-707-629 3683. Add \$17.50 per year for subscriptions mailed outside the U.S.A.

#### Make checks or money orders payable to:

CounterPunch  
Business Office  
PO Box 228, Petrolia, CA 95558

Assistance program, we are working with SSIS to establish an anti-terror investigative unit, and also are in the beginning stages of a USG-funded community policing program that will include needed human rights training. -----

----- Internal Politics and Economics -----

----- 10. (C) Our fundamental political reform goal in Egypt remains democratic transformation, including the expansion of political freedom and pluralism, respect for human rights, and a stable and legitimate transition to the post-Mubarak era. Egyptian democracy and human rights efforts, however, are being suffocated, and Mubarak remains skeptical of our role in democracy promotion, lecturing us that any efforts to open up will result in empowering the Muslim Brotherhood (which currently holds 86 seats in Egypt's parliament). Mubarak now makes scant public pretense of advancing a vision for democratic change. An ongoing challenge remains balancing our security interests with our democracy promotion efforts. 11. (S/NF) Mubarak, who is now 80, is in solid health, notwithstanding a hearing deficit in his left ear. The next presidential elections are scheduled for 2011, and if Mubarak is still alive it is likely he will run again, and, inevitably, win. Despite incessant whispered discussions, no one in Egypt has any certainty about who will eventually succeed Mubarak, nor how the succession will happen. Mubarak himself seems to be trusting to God and the inertia of the military and civilian security services to ensure an orderly transition. The most likely contenders for next president are presidential son Gamal Mubarak (whose profile is ever-increasing at the ruling party), EGIS chief Omar Soliman, dark horse Arab League Secretary-General Amre Moussa, another old-guard regime insider, or an as-yet unknown military officer. 12. (C) Economic reform has been a success story, although Egypt still suffers from widespread and so far irremediable poverty affecting upwards of 35-40% of the population. Reforms in trade and tax policy, financial reform, privatization and increased transparency have led to 7% economic growth in the last fiscal year. Foreign investment increased from around \$3 billion in 2005 to \$11 billion in the last year, mostly in the petroleum sector. Despite this success, significant problems remain, including 20% inflation,

high levels of poverty and unemployment, and endemic corruption. The effects of the global financial crisis on Egypt may not be as severe as elsewhere, as Egyptian banks operate very conservatively and have been spared involvement in risky financial products. The informal economy also provides a certain degree of resiliency to the economic picture. Nevertheless, as the economic crisis worsens, Egypt remains vulnerable as exports, Suez canal revenues, tourism, and remittances will reflect global trends. SCOBEY NNNN End Cable Text

**Cable 7304**

S E C R E T SECTION 01 OF 04 CAIRO 000231 NOFORN SIPDIS FOR THE SECRETARY FROM THE AMBASSADOR E.O. 12958: DECL: 02/09/2019 TAGS: PREL, KPAL, EG, IS, QA, IR, SY SUBJECT: SCENESETTER FOR REQUESTED EGYPTIAN FM ABOUL GHEIT MEETING WITH THE SECRETARY Classified By: Ambassador Margaret Scobey for reasons 1.4 (b) and (d). ----- Summary ----- 1. (S/NF) Madame Secretary, Foreign Minister Aboul Gheit has been looking forward to meeting you since your nomination was first announced. The Egyptian leadership, including President Mubarak, are encouraged by the Administration's immediate attention to the Middle East and your and the President's early outreach to them. Overall, the Egyptians believe they did not receive fair treatment from the previous Administration and hope to see improvements. Aboul Gheit likely will explain Egypt's "soft power"--its ability to influence regional events without benefit of deep pockets. He likely will focus more on the strategic challenges of the region--the peace process and Iran--but may also address some pending bilateral matters. He may ask for your support for Egypt to be part of an expanded G8 or G20 and press the candidacy of Egyptian Culture Minister Farouq Hosny for Director General of UNESCO. He may not raise human rights (specifically Ayman Nour), political reform, or democratization; but you should. Aboul Gheit will want to discuss Gaza, including smuggling and counter-tunneling; Iran; and the Israeli-Palestinian peace process. On Iraq and counter-terrorism, we and the Egyptians see largely eye-to-eye; intelligence cooperation is close and effective; and our military-to-military relationship

is durable but stuck in a force-on-force mindset. 2. (S/NF) Summary continued: Aboul Gheit is smart, urbane, with a tendency to lecture and to avoid discussing Egyptian failings with all-purpose recourse to Egyptian sovereign pride. However, because this is his first meeting with you and it is in Washington, he may be more inclined to listen. You should thank him for Egypt's continuing regional leadership, in particular regarding their efforts to bring about a ceasefire in Gaza, and press him for Egypt to continue to use their influence and good offices to achieve a permanent solution to intra-Palestinian infighting and conflict. You should also stress the need for Egypt to more effectively insure that Hamas cannot rearm via smuggling across -- or tunneling under -- the border with Gaza. Aboul Gheit will press for your attendance at the March 2 Gaza Donors Conference in Cairo, and may complain about unhelpful Qatari and Syrian behavior. He will also want to explore US intentions towards Iran; President Mubarak told Senator Mitchell during his recent visit here that he did not oppose our talking with the Iranians, as long as "you don't believe a word they say." End summary. ----- Respect and Appreciation ----- 3. (S/NF) In terms of regional affairs, Special Middle East Envoy Senator George Mitchell struck the right chord during his recent visit to Cairo when he told President Mubarak that he was here to "listen and hear your advice." The Egyptians have long felt that, at best, we take them for granted; and at worst, we deliberately ignore their advice while trying to force our point of view on them. You may wish to thank Aboul Gheit for the vital role Egypt played in bringing about a ceasefire in Gaza, and its efforts at making it last. You should ask him what the current state of play is between Hamas and Fatah and have him describe Egypt's vision of the future for the Palestinians, both among their factions, and vis a vis Israel. Note: Although the Egyptians will react well to overtures of respect and appreciation, Egypt is very often a stubborn and recalcitrant ally. In addition, Egypt's self-perception as the "indispensable Arab state" is contingent on Egyptian effectiveness on regional issues, including Sudan, Lebanon, and Iraq. ----- Egypt and the Israel-Palestinian Conflict ----- 4.

(S/NF) Although Aboul Gheit was never enthusiastic about the Annapolis Peace process, resolution of the Israeli-Palestinian conflict remains the primary strategic political goal for the Egyptians. They are proud of their role as intermediary, well aware that they are perhaps the only player that can talk with us, the Israelis, and all Palestinian factions. Mubarak hates Hamas, and considers them the same as Egypt's own Muslim Brotherhood, which he sees as his own most dangerous political threat. Since the CAIRO 00000231 002 OF 004 June 2007 Hamas takeover of Gaza, the Egyptians, under the leadership of intelligence chief Omar Soliman (the de facto national security advisor with direct responsibility for the Israeli-Palestinian account) have shifted their focus to intra-Palestinian reconciliation and establishment of the Hamas-Israel ceasefire. Soliman brokered a half-year-long truce last year, which Hamas broke in December, leading to the Israeli invasion of Gaza. He has recently re-started those efforts, with the goal of getting Hamas to agree to a year-long ceasefire, which should give the Egyptians space to bring about their political goal of Palestinian reconciliation under a technocratic, non-partisan government headed by President Mahmoud Abbas. -----

Gaza and Tunnels ----- 5. (S/NF) Smuggling through the Sinai Peninsula and into Gaza is an old and complicated problem for Egypt. Egypt views a well-armed and powerful Hamas as a national security threat, a point driven home in dramatic fashion by the January 2008 border breach when Hamas bulldozed the old border fence and more than half a million Palestinians poured into Egypt, unchecked and hungry. Since the closure of the Egypt-Gaza border following the June 2007 Gaza takeover by Hamas, most smuggling of consumer goods and weapons has gone underground. The narrow corridor between Egypt and Gaza is as honey-combed with subterranean passageways as a gigantic ant colony. 6. (S/NF) Although it is not directly in Aboul Gheit's bailiwick, belonging more to the security and intelligence forces, nonetheless the issue of tunnels and rearming Hamas is the subject of intense scrutiny (by Israel and the Congress), and sensitivity (by the Egyptians). Long criticized by Israel for "not doing enough" to halt arms smuggling via tunnels, the Egyptians

have stopped complaining and started acting. Egypt has increased efforts to counter arms smuggling by accelerating its \$23 million FMF-funded tunnel detection program along the Egypt-Gaza border and requesting U.S. support to purchase four backscatter X-Ray machines to scan vehicles entering the Sinai for weapons and explosives (note Aboul Gheit may not be of this EGIS-originated request). Egypt also continues to cooperate with Israel, especially via intelligence sharing, to prevent militants from Hamas and other extremist organizations from crossing the Gaza border, and on thwarting militant activity in Egypt. Egyptian efforts are all justified under President Mubarak's pledge that Egypt with "protect its borders." 7. (S/NF) Egypt will not take any action that could be perceived as collaboration in Israel's siege of Gaza, and they have been hyper-sensitive to any suggestion that foreigners are assisting them or overseeing their efforts to counter smuggling. Aboul Gheit publicly distanced Egypt from our January MOU with Israel to combat arms smuggling into Gaza, although he knew about it in advance and consulted with Secretary Rice and me about its contents. The Egyptians do not want to be stuck holding the Gaza bag, and must be able to point the finger of blame at Israel for the plight of the Palestinians. At the same time, Egypt has withstood scathing and widespread criticism in the Arab world for refusing to open the Rafah border crossing to supply Gaza. Even during the height of the December fighting, the Egyptians only sent medicine and medical supplies through the Rafah border; all other humanitarian goods went through the Israeli crossing at Kerem Shalom. They likewise insist that Rafah will only reopen to handle Gazan travellers when the Gazan side is under PA control with EU observers according to the 2005 AMA. 8. (S/NF) Ultimately, Egypt believes that the only realistic and viable solution to erode Hamas' power and stop arms smuggling is the return of the Palestinian Authority to Gaza and the opening of Gaza's border to legitimate trade. While in the short term we can best assist the Egyptians with technical know-how and training, long term counter smuggling success will depend on reducing the financial incentives to smuggling by providing the Sinai Bedouin with legitimate economic opportunities and by regularly

opening the Gaza borders to trade, thereby reducing economic incentives to smuggle. -----

The March 2 Gaza Donors Conference -----

----- 9. (S/NF) President Mubarak told Senator Mitchell that he CAIRO 00000231 003 OF 004 wanted to personally invite you to the March 2 Gaza Donors Conference in Cairo. Aboul Gheit will press hard for you to accept this invitation. He is keen to keep up the momentum on Gaza reconstruction and for Egypt to be seen as taking the lead in helping the Palestinians. It is very important to him that this conference be at the ministerial level, and he will be disappointed if you are unable to accept. -----

----- Iraq and Iran ----- 10. (S/NF) President Mubarak enjoys recounting for visiting members of Congress how he warned former President Bush against invading Iraq, ending with, "I told you so!" and a wag of his finger. In addition, there are Egyptian misgivings about Nuri Al-Maliki and Shia majority rule in Iraq. Egypt therefore will need additional prodding to continue to take steps to help rehabilitate Iraq into the greater Arab world. You should ask Aboul Gheit when he plans to fully open the Egyptian embassy in Baghdad and exchange accredited ambassadors with Iraq (the first Egyptian ambassador to post-Saddam Iraq was assassinated). As for Iran, Mubarak has a visceral hatred for the Islamic Republic, referring repeatedly to Iranians as "liars," and denouncing them for seeking to destabilize Egypt and the region. He sees the Syrians and Qataris as sycophants to Tehran and liars themselves. There is no doubt that Egypt sees Iran and its greatest long-term threat, both as it develops a nuclear capability and as it seeks to export its "Shia revolution." Nonetheless, Mubarak told Mitchell pointedly that he did not oppose the U.S. speaking to the Iranians, as long as we did not "believe a single word they say." Aboul Gheit will be keen to hear your description of U.S. intentions towards Iran. In his conversation with Senator Mitchell, Aboul Gheit carefully noting he was speaking personally, expressed more interest into bringing the Syrians into negotiations again; President Mubarak was not enthusiastic about dealing with the Syrians at this time. -----

U.S. Assistance to Egypt -----

- 11. (S/NF) The greatest Egyptian outrage a year ago -- Congressional conditioning

of \$100 million of U.S. assistance to Egypt -- may now be moot, according to our latest understanding of the state of play with the FY2009 appropriations language. Beyond the issue of conditioning, the Egyptians resent the U.S. unilateral decision to cut ESF in half, from \$415 million in FY-08 to \$200 million in FY-09, a level which the Egyptians find embarrassing, not because they need the money (they say), but because it shows our diminished view of the value of our relationship. In my view, it is important to the U.S. to continue an ESF program aimed at health, education, and poverty eradication to demonstrate concern for the Egyptian people as opposed to a strictly military assistance program. Egypt has also been unhappy with the use of these funds to support democracy in Egypt. It would be useful if you could urge that Egypt accept the FY 2009 levels so that we can proceed to program funds to benefit Egypt, while promising to engage in a serious review of the conflicts that exist and a desire to resolve them as soon as possible. 12. (S/NF) Concerning military assistance, the Egyptian political and military leadership feel that they have been "short changed" by our holding to an FMF level of \$1.3 billion, (the same level for 30 years despite inflation), and which they contrast with increases to our military assistance to Israel. Finally, Egypt seeks a higher profile in international financial circles (Finance Minister Youssef Boutros Ghali was recently named Chairman of the IMF's policy-setting committee, the IMFC, the first from a developing country), and Aboul Gheit is likely to ask for your support to include Egypt in expanded G8 and G20 fora. ----- Ayman Nour and Saad Eddin Ibrahim ----- 13. (S/NF) Egypt's political leadership considers our public chastisement of their treatment of jailed former opposition Al Ghad party leader Ayman Nour as interfering with internal affairs and infringement on national sovereignty. Mubarak takes this issue personally, and it makes him seethe when we raise it, particularly in public. Aboul Gheit's view is that we have made Ayman Nour a freedom martyr, and a damaging (and CAIRO 00000231 004 OF 004 distorting) prism through which we view our relationship with Egypt. Much the same can be said about Saad Eddin Ibrahim, the outspoken political science professor and democracy activist who is

in self-imposed exile in the U.S. because of spurious law suits brought against him for allegedly defaming Egypt. In a negative development in late January, Egypt's Attorney General-equivalent took action to advance the only criminal case pending against Ibrahim. You should press Aboul Gheit hard on Nour and Ibrahim, and also urge the GOE to stop arresting other less prominent political activists. Nour's health is bad and he has served more than half his sentence; he deserves a humanitarian pardon. You may wish to lay down a marker for a future discussion on democratization and human rights concerns. You might note that although you and the President want to improve the relationship, Egypt could take some steps to remove these very volatile issues from the agenda. ----- Farouq Hosny ----- 13. (S/NF) Egypt has mounted a full-scale international campaign to support the candidacy of Culture Minister Farouq Hosny for Director General of UNESCO. The Arab League and the African Union have already publicly stated their commitment to Hosny, and the Egyptians believe they also have the support of several Europeans, notably the French. Aboul Gheit will also seek US support -- or, at least, not to actively oppose -- the candidacy of Farouq Hosny as the next Director General of UNESCO. The U.S. informed him last year that we could not support the candidacy and urged Egypt to put forward another name. Aboul Gheit will argue Hosny's merits for facing down the Islamic extremists who want to narrow the space in Egypt for artistic expression. U.S. objections have been to statements Hosny has made that "Israel had no culture. . . it stole cultural ideas from others and claimed them as its own" and other objectionable remarks. If we plan to derail the Hosny candidacy, we must provide a credible alternate, preferably an Arab and/or Muslim. SCOBEG

**Cable 7360**

S E C R E T STATE 014421 E.O. 12958: DECL: 02/12/2019 TAGS: EG, IS, IR, MEPP, UN SUBJECT: (U) Secretary Clinton's February 12, 2009, Meeting with Egyptian Foreign Minister Aboul Gheit 1. Classified by NEA Acting Assistant Secretary Jeff Feltman for reasons: 1.4 (b) & (d). 2. (U) February 12, 2009; 13:00 p.m.; Washington, DC. 3. (U) Participants: U.S. The Secretary

NEA Acting Assistant Secretary Feltman Egypt Foreign Minister Aboul Gheit Egyptian Ambassador to the U.S. Sameh Shoukry 4. (S) SUMMARY. Secretary Clinton and Foreign Minister Aboul Gheit met on February 12 and engaged in a warm discussion on the need to strengthen the U.S.-Egyptian bilateral relationship. The FM was delighted when the Secretary accepted Egypt's invitation to attend the upcoming March 2 Donor's Conference in Cairo and urged a presidential visit in Cairo or Washington soon. Regarding peace efforts in the region, Aboul Gheit said the United States had only two options, either pick up the Clinton Parameters of December 2000 or the Annapolis process from where it left off. On Iran and Syria, Aboul Gheit urged caution in any attempt to engage both countries. The FM urged the United States not to actively oppose the candidacy of Hosny Farouq for UNESCO Director General. Both leaders agreed on the need to get the U.S.-Egyptian bilateral assistance program back on track. END SUMMARY. ----- EMBRACING CHANGE ----- 5.(S) Aboul Gheit opened the meeting by conveying warm greetings from President Mubarak. He was effusive in his praise of Secretary Clinton and expressed hope that a "very difficult" eight-year period in the relationship was over. He noted that Egypt is "eager to embrace change."The Secretary emphasized the United States strong, continuing commitment to work with Egypt. ----- GAZA DONORS CONFERENCE ----- 6. (S) Aboul Gheit then turned to the March 2 Gaza Donors conference, stating that President Sarkozy and PM Berlusconi would attend. Noting that it would be an "excellent follow up" to the Mitchell visit, he asked the Secretary to attend the conference and for the United States to be a co-sponsor. The Secretary confirmed her attendance and underscored that the United States wanted to work closely with Egypt on the framework for the conference in order to ensure a positive outcome. The Secretary stated that the United States wanted the conference to send a message about Egypt's leadership and to make clear to others in the region the importance we attach to Egypt's role and our support for like-minded states that share Egypt's strategic approach. ----- THE UNITED STATES IS BACK ----- 7.(S)

Delighted with the Secretary's response, an effusive Aboul Gheit urged the Secretary to deliver a speech at the conference and assured that she would be received by President Mubarak. He said that although Sarkozy and Berlusconi would be there at the same time, that the attention should be on the Secretary, to symbolize the return of the United States to the Israeli-Arab negotiations. Foreign Minister Aboul Gheit noted that the Europeans had begun to assert themselves during the U.S. transition period; the Secretary's presence in Cairo would clearly convey the message that "the United States is back."

----- -- PROPOSED MEETINGS AT FRINGE OF DONOR CONFERENCE -----

----- -- 8.(S) In terms of other meetings in Cairo, Aboul Gheit suggested that the Secretary meet with the GCC+3. He also suggested a GCC+3 meeting with the P5+1, noting that this had been a very useful gathering to send signals to Iran and others. Aboul Gheit proposed that if the Secretary were to arrive in the afternoon of March 1, that she could do one of these sessions then, with the following session the following evening. The Secretary responded positively but noncommittally, saying that she would have to check her schedule. "We want to send a signal that we know who our friends are," the Secretary said.

----- PROPOSED PRESIDENTIAL VISIT -----

----- 9.(S) Aboul Gheit asked when "we can allow our two presidents to meet," and encouraged that it be soon. He conveyed that President Mubarak would be willing to travel to the United States or to host the President in Cairo, adding, "You decide." He noted that given the President's promise to deliver a speech in a Muslim country, Cairo would be the perfect venue, given that it is the seat of al-Azhar University and the center of the Arab world. Other countries like Morocco or Indonesia, while important, he noted, are peripheral to the real Arab heartland, which is what the President hopes to reach. In terms of audience, the FM said "I can provide 20,000 people" in a secure venue, listening to the President's message. The Secretary agreed to convey the invitation. She cautioned that President Obama is currently constrained by the work needed to address the economic challenges, "but I will faithfully represent your arguments."

ASSISTANCE ----- 10. (S) Aboul Gheit raised the issue of U.S. assistance to Egypt, asking that the USG "re-open the Egypt program." "Decisions were taken unilaterally," he said, which is not how allies and friends should deal with one another. While Egypt had remained "polite," the FM said that Egyptians had "distanced themselves" in this regard. He urged that the United States and Egypt work to mend this aspect of the relationship. The Secretary expressed understanding, acknowledging that there had been both cuts in the program and programmatic decisions made by the United States. "I'm going to look into this," she promised. She noted that Congress is also a factor in the assistance relationship, and underscored the need to examine how to "get Members of Congress to see you as a friend and ally."

----- PALESTINIAN RECONCILIATION -----

----- 11. (S) Aboul Gheit said that Omar Soliman had reported to him that a longer-term calming should be ready for announcement on February 17 or 18. The Israelis are now informed. On February 22, Egypt will host all of the Palestinian factions in Cairo to launch a reconciliation process that "could last days or weeks, if not months." The "quiet" and the reconciliation process should allow the PA, Abu Mazen, and Salam Fayyad "some relief" from the threats of illegitimacy, as a start to restoring their authority. The Secretary urged that we be kept informed of how this is progressing, as we needed to understand what the conditions for Palestinian reconciliation will be.

12. (S) Responding to the Secretary's comments about "lost ground and lost time," Aboul Gheit noted that, in terms of the Israeli-Palestinian negotiations, the United States had only two options: either pick up the Clinton Parameters of December 2000, or pick up the Annapolis process from where it left off. "There is no third way." The Secretary asked about the Arab League Initiative. It is still there, the FM acknowledged, but the Israelis never picked up on it, with the issue of refugees being more difficult than the issue of Jerusalem. Israel cannot accept the formulation on refugees, he said, but maybe it can be set aside temporarily. He emphasized the need for Egypt to understand what the United States was doing regarding negotiations, referring to the failed 2000 Camp David summit when "we didn't know what was happening."

----- IRANIAN INFLUENCE AND ARAB POLITICAL DISARRAY -----

----- 13. (S) In response to the Secretary's questions about Palestinian reconciliation efforts, Aboul Gheit spoke of a "region in the midst of a war" -- a cold war that often turns hot and then back to cold. This is largely due to the fact that Iran wants to extend its influence across the region and to "collect cards" to use in bargaining over its nuclear program. Iran has IRGC forces "everywhere." Iran uses Hamas and Hizballah. "Sadly," even some Arabs are collaborating with Iran, such as Syria and Qatar. Imagine, he noted, Qatar is a "principality" of only "60,000 maybe 100,000 people, and it is creating havoc in the region." He noted that there are more Egyptian guest workers in Qatar than Qatari citizens. Iran also promoted "two wars in two years," he said, referring to Gaza and the 2006 Lebanon war. Iran is destabilizing the region and must be confronted everywhere. 14. (S) Aboul Gheit urged that the United States, should it decide to engage, do so "with eyes wide open." He predicted that the USG would discover by the end of 2009 that the Iranians did not deliver anything and that the Iranians "express what they don't believe." The Secretary emphasized that, indeed, the USG was going into this process well aware of the difficulties. But any engagement should demonstrate clearly that Iran either can deliver or that it won't deliver. At this point, people question whether the United States is to blame for Iranian intransigence, but engagement should show exactly where the problems are. 15. (S) Aboul Gheit added that the threat of sanctions is not sufficient, and the threat of war contradicts the message the Administration is trying to send to the Muslim world. So he suggested being "very, very firm" in any talks with the Iranians. He mused about whether, ultimately, the United States should agree to enrichment on Iranian soil that is heavily patrolled by comprehensive international supervision.

----- SYRIA -----

16. (S) On Syria, Aboul Gheit noted that Egypt is aware that the United States wants to try a new approach. He said that Egypt is planning an effort to reconcile Arab differences among ourselves. He cautioned that the USG should be cautious with Syria, noting that the Syrians seek to escape the Special Tribunal for Lebanon, to obtain

assurances about the future of their regime, seek a return of the Golan Heights, and want acknowledgement of their pre-dominance in Lebanon. The Syrians should be "forced to pay a price" for any of these, and not be given any of these up front. He concluded by urging the United States to tell the Syrians to "stay away from the Iranians." -----

UNHELPLESS QATAR ----- 17. (S) Finally, Aboul Gheit said, "there is Qatar." Qatar is financing "everything." Qatar claims to have frozen the Arab peace plan and to have ordered the Arab states to cut off ties to Israel. What is motivating Qatar is an image of "the great state of Qatar" -- a Qatar that hosts the Lebanese factions for a Doha accord, the Sudanese for another Doha accord, the various Arabs to respond to the Gaza crisis, and so on. The FM opined that the only country that can check Qatar's behavior is the United States. The United States needs to say, you are troubling our allies and confusing our policies." The FM suggested that the Emir and the Prime Minister need to feel that "Washington is cold." ----

HOSNY CANDIDACY FOR UNESCO DG -----

18. (S) Aboul Gheit raised the issue of Egyptian Cultural Minister Farouk Hosny's UNESCO DG candidacy. "I hope, I hope, I hope, if you can't support him, that you won't oppose him." The Secretary said that we had real concerns about Hosny's statements. Moreover, as we ask the Israelis to take a lot of hard decisions regarding negotiations and facts on the ground, we do not need additional problems. Foreign Minister Aboul Gheit said that perhaps he could solve the issue with the Israelis, by promising them that, if Hosny is elected, his first visit as UNESCO DG would be to Israel. The Secretary responded that Israeli concurrence could help, but we still had our own concerns. She recommended that Egypt seek other candidates. -----

PROPOSED FRENCH SUMMIT IN APRIL -----

19. (S) Aboul Gheit and the Secretary briefly conferred on the idea of a French-hosted summit in early April, and agreed that it was premature to commit to such a step. The Secretary noted that the Israeli political calendar made the timing especially awkward. -----

EGYPT PUSH FOR INCLUSION IN G-8/G-20 -----

20.(C) Aboul Gheit made a pitch for Egypt to be

included in an expanded G-20 and that the group of five "outreach" countries to the G-8 be expanded to include Egypt on a permanent basis. The Secretary said that she would look into the issue. CLINTON

**Cable 7395**

CONFIDENTIAL SECTION 01 OF 02 CAIRO 000330 SIPDIS FOR NEA/ELA AND DRL/NESCA NSC FOR PASCUAL AND KUCHTA-HELBLING E.O. 12958: DECL: 02/22/2029 TAGS: PREL, PHUM, PGOV, KDEM, KPAL, IS, EG SUBJECT: ACTIVISTS DISCUSS WAY FORWARD ON REFORM WITH SENATOR LIEBERMAN REF: 08 CAIRO 2297 Classified By: Ambassador Margaret Scobey for reason 1.4 (d). 1. (C) Summary: On February 18, civil society activists and an opposition party leader discussed democratic reform in Egypt with Senator Joseph Lieberman (I-CT), the Ambassador and the DCM. President of the Egyptian Organization for Human Rights Hisham Kassem said that over the next 15 years Egypt needs to rebuild its institutions, and is not ready for "instant democracy." Professor Abdel-Monem Al-Mashat of Cairo University described the human rights training he is conducting for student leaders. Director of the Cairo Institute for Human Rights Studies Bahey Al-Din Hassan claimed that as human rights movements grew throughout the region in 2008, Arab regimes pushed back and targeted secular activists. Democratic Front opposition party president Osama Al-Ghazali Harb optimistically predicted that if the GOE allowed secular parties a two-to-three year period to develop, these parties would outperform the Muslim Brotherhood (MB) in elections. End summary. -----

GOE Not Ready for "Instant Democracy" -----

2. (C) Hisham Kassem said that Egypt is not ready for "instant democracy," but needs to rebuild its civic institutions over the next 15 years. He called for establishing an independent judiciary, a credible independent news media, a more effective parliament and a stronger prime minister. Policy is made in Mubarak's office, he claimed, and only implemented by the prime minister. Kassem characterized the MB as bereft of grass-roots support, and as an organization that has tried and failed to gain power for the past 80 years. He criti-

cized the GOE as "unaccountable" to the population and asserted that the GOE is focusing on preventing a wider Israeli-Hamas war, instead of "leading the region toward peace," as it did in the past. 3. (C) Kassem, founder of the leading independent newspaper "Al-Masry Al-Youm," said that press freedom has improved in the past five to six years, although the GOE would like to roll back this political space. The independent print press has an increased market share of about 25 percent, and satellite television channels broadcast independent content. Kassem speculated that the pro-government press will eventually disappear because it is unpopular and only sustained by government subsidies. He plans to launch his own independent paper in the third quarter of 2009. (Note: Kassem left "Al-Masry Al-Youm" in late 2006. End note.) -----

Human Rights Training for Students -----

4. (C) Professor Al-Mashat criticized the GOE's argument that it cannot move quickly on democratic reform. He asserted that the "regime never gave people a chance to move forward," and created a competition between the ruling National Democratic Party (NDP) and the MB, instead of allowing other parties to develop. He described the 2005 parliamentary vote for the MB as a protest vote against the regime. Al-Mashat opined that the Israeli-Palestinian conflict fuels backing for Islamists throughout the region, and that the MB gained more support as a result of the Gaza War. Al-Mashat described the human rights training he is conducting for student leaders as a way to teach the next generation about democracy. He also noted the progress he is making with civic education training for Imams, and political training for women candidates for the next local council elections.

5. (C) Bahey Al-Din Hassan noted that his institute's 2008 human rights report describes a sharp regional deterioration because of a lack of political will from the Arab regimes. Hassan characterized human rights movements as growing throughout the region, but he noted that governments feel threatened and are pushing back. The report asserts that in 2008 Arab regimes focused on punishing secular activists, such as bloggers and independent journalists, who were the main proponents for democratic reform. According to the report, the majority of political detainees in the region (especial-

ly in Syria and Tunisia) in 2008 were secular, not Islamist. (Note: The majority of Egyptian political detainees in 2008 were Islamists. End note). -----  
 ----- Secular Parties Need Space to Develop CAIRO 00000330 002 OF 002 -----  
 ----- 6. (C) Democratic Front opposition party president Osama Al-Ghazali Harb characterized the GOE as "undemocratic, corrupt and authoritarian." He said that the regime, not the MB, is the "biggest problem" facing Egypt. According to Harb, authoritarian regimes such the GOE can crush any forms of resistance other than Islamist movements. He predicted that following a two-to-three year transitional period allowing for secular parties to develop, these parties would defeat the MB at the polls. 7. (U) Codel Lieberman was not able to clear this message before departing. SCOB EY

**Cable 7415**

S E C R E T SECTION 01 OF 03 CAIRO 000347 NOFORN SIPDIS FOR THE SECRETARY FROM THE AMBASSADOR E.O. 12958: DECL: 02/25/2019 TAGS: PREL, KPAL, EAID, MASS, QA, IR, SY, EG, IS, XF SUBJECT: SCENESSETTER FOR THE MARCH 2 MEETING WITH PRESIDENT MUBARAK IN SHARM EL-SHEIK Classified By: Ambassador Margaret Scobey for reasons 1.4 (b) and (d). ----- Summary ----- 1. (C) Madame Secretary, welcome to Egypt and the March 2nd Gaza Reconstruction Conference in Sharm El-Sheik. President Mubarak is very pleased you are coming and will meet you at 8:30 a.m. on March 2, prior to the start of the conference. He may also host you and the other conference participants at lunch. Aboul Gheit was very upbeat after meeting you in Washington, and we can feel a general relaxation of Egyptian attitudes towards the United States in the weeks since the U.S. inauguration. Bilaterally, the future of the Economic Support Fund (ESF) program is at the top of the Egyptian agenda, although we do not believe that President Mubarak will raise it. We assess the Egyptians will accept the \$200 million level for FY2009, but they will want assurances that the U.S. is prepared to put all aspects of the program on the table for review and that the U.S. will seek increases to the program in FY-2010 and beyond. If you are prepared to address this issue with President Mubarak it would advance our efforts to resolve a major irritant in

the relationship. Former presidential candidate and leader of the opposition Al Ghad political party Ayman Nour was released from prison on February 18 for medical reasons; the Egyptians know that this pleased us, and have asked that you not raise it in your meetings. Also, the Egyptians are expecting an invitation for President Mubarak to visit Washington. 2. (S/NF) Summary continued: Regionally, the Egyptians will want to discuss the situation in Gaza, including smuggling and counter-tunneling; the Israeli-Palestinian peace process; and the Syria-Iran-Qatar axis. President Mubarak may share with you his efforts to promote Arab reconciliation in advance of the Arab League Summit in late Marge. On Iraq and counter-terrorism, we and the Egyptians see largely eye-to-eye; intelligence cooperation is close and effective; and our military-to-military relationship is strong and robust. You should thank Mubarak for Egypt's continuing regional leadership, in particular regarding their efforts to bring about a ceasefire in Gaza, and ask him to continue to use his influence and good offices to achieve a permanent solution to intra-Palestinian infighting and conflict. You will likely hear Egyptian unhappiness with the Israeli cabinet's recent decision to link a ceasefire to the release of Israeli soldier Gilad Shalit, a decision which in Egyptian views has seriously compromised their standing in the region and their effectiveness as a go between on these issues. Mubarak remains highly sensitive to suggestions that Egypt is acting on behalf of either Israel or the U.S. vis-a-vis anti-smuggling efforts; heightened Egyptian efforts to counter the rearming of Hamas have been taken to protect their own borders and national security. You should note to him, however, that these efforts also contribute to our mutual goal of preventing Hamas from reigniting active conflict with Israel. Mubarak and Aboul Gheit will both be eager to learn more about U.S. intentions towards Iran. End summary. ---  
 ----- U.S. Assistance to Egypt -----  
 ----- 3. (C) In recent conversations Egyptian ministers have indicated that Egypt is looking for a way forward on ESF and may accept the reality that FY2009 levels cannot be changed. However, they want to hear an acknowledgement from the U.S. that the FY2009 decision to set the ESF level at \$200 million was done without consultation and

that the U.S. wants to work through our differences with Egypt. Egyptians ideally seek a return to the FY2008 level of \$415 million believing it reflects the importance of the relationship, but they may accept a more general assurance that the U.S. will look for ways to compensate Egypt in other ways. Mubarak himself will not raise this with you as he holds himself above such discussions of money. However, if you are ready to address this issue, you should ask President Mubarak to accept the FY2009 level and to instruct his government to work with ours on developing a mutually acceptable assistance program that will that will benefit the Egyptian people. We do not recommend that you commit to an increase in ESF in FY2010, only that the U.S. would be prepared to review all aspects of the program for FY-2010 and beyond. -----  
 ----- UNESCO Chairman Candidate Farouk Hosny -----  
 ----- 4. (C) Egypt continues its determined international campaign to support the candidacy of Culture Minister Farouk Hosny for Director General of UNESCO. The Arab League and the African Union have already publicly stated their commitment to the controversial Hosny, and the Egyptians believe they also have the support of several Europeans, notably the French. Mubarak is unlikely to raise Hosny's CAIRO 00000347 002 OF 003 candidacy (although Hosny is close to Mubarak's wife, Suzanne); Aboul Gheit may raise it with you again. -----  
 Ayman Nour and Saad Eddin Ibrahim -----  
 ----- 5. (C) Egypt's record on human rights is nothing to be proud of, and this will be reflected in our annual Human Rights Report, released on February 25. Former presidential candidate Ayman Nour was released on medical parole on February 18. The Egyptians have asked that you not mention Nour's release, even to thank them. The case of Saad Eddin Ibrahim, the outspoken Egyptian-American democracy activist who is in self-imposed exile in the U.S. because of spurious law suits brought against him for allegedly defaming Egypt, remains a high-profile case. If you have any one-on-one opportunity with President Mubarak, you may wish to suggest that annulling these cases and allowing him to return to Egypt would also be well-received by the new Administration. ----- Gaza,

6. (S/NF) The issue of smuggling arms through the Sinai Peninsula and into Gaza to rearm Hamas is a particularly complicated and vexed one for Egypt. Mubarak will stress that "the tunnels and smuggling are just as dangerous for Egypt as they are for Israel." He may refer to the February 22 terrorist bombing in Cairo (which killed a Frenchwoman and injured several others, though no Americans) as evidence that Egypt suffers greatly from extremist violence; he considers Hamas to be one of the roots of that violence and will warn you against reaching out to them. You should thank him for Egypt's robust counter-tunneling efforts, as well as for the crucial role Egypt is playing to bring about a ceasefire in Gaza, and to achieve Palestinian reconciliation. Be prepared to hear his complaint against Prime Minister Olmert who, at the last minute, changed Israel's requirements for a ceasefire and undermined Egypt's efforts to obtain a durable ceasefire. You should ask Mubarak his expectations for Palestinian reconciliation and Egypt's assessment of the Palestinian situation. -----

----- Egypt and the Israel-Palestinian Conflict ----- 7. (S/NF)

The Israeli-Palestinian conflict remains the primary strategic political goal for the Egyptians. They are proud of their role as intermediary, well aware that they are perhaps the only player that can talk with us, the Israelis, and both the Palestinian Authority and Hamas effectively. Mubarak hates Hamas, and considers them a branch of Egypt's Muslim Brotherhood, which he sees as his own most dangerous political threat. Since the June 2007 Hamas takeover of Gaza, the Egyptians have shifted their focus to intra-Palestinian reconciliation and establishment of the Hamas-Israel ceasefire. Representatives of the Palestinian factions have been coming regularly to Cairo to meet under the patronage of the Egyptians in order to agree to a long-term ceasefire, which should give the Egyptians space to bring about their strategic political goal, Palestinian reconciliation under a technocratic, non-partisan government headed by President Mahmoud Abbas. -----

----- Iraq, Iran, Syria, and Qatar ----- 8. (S/NF) The Egyptians were among the first countries to reopen their embassy in Baghdad after the liberation of Iraq;

unfortunately, their ambassador -- hand-picked by Aboul Gheit -- was assassinated in Baghdad shortly after his arrival, and they have been understandably reluctant to replace him. Mubarak has also expressed concern about the Shia political leadership in Iraq in general, and about Prime Minister Nouri Al-Maliki in particular. Nonetheless, Aboul Gheit had a successful visit to Baghdad last October and Egypt is moving forward with plans to re-open their embassy in Baghdad. You should ask how those plans are progressing. On Iran, Mubarak will warn you to beware Ahmedinejad's perfidy; the Iranians, he will insist, cannot be trusted. He will likely want to know if we plan to re-open a dialogue with Tehran. Mubarak sees Iran as the greatest strategic threat to the region, and considers the Iran-Syria axis to be the most dangerous root of instability. He also blames the Qataris (especially the Prime Minister) for creating a rift within the Arab League between "moderates" (Egypt and Saudi Arabia) and "radicals" (Syria). Mubarak will accuse the Qataris of using their wealth to purchase influence in the region, siding with the Syrians, and funding Hamas. However, there are indications that the Egyptians are working to heal the rift. Mubarak recently told Senators Kerry and Lieberman that he and Saudi King Abdullah are trying to follow up Kuwaiti efforts to heal the breach in Arab ranks and may reach out to CAIRO 0000347 003 OF 003 Syrian President Assad and the Emir of Qatar in advance of the Arab League Summit in late March. SCOB EY

#### Cable 7423

C O N F I D E N T I A L SECTION 01 OF 02 CAIRO 000358 SIPDIS FOR NEA/ ELA E.O. 12958: DECL: 02/26/2019 TAGS: PREL, EAID, KPAL, EG, IS, XF SUBJECT: WHAT DOES EGYPT WANT OUT OF THE GAZA RECONSTRUCTION CONFERENCE? Classified By: Ambassador Margaret Scobey for reasons 1.4 (b) and (d). 1. (C) Summary: The Egyptians see the March 2 Gaza Reconstruction Conference as validation of their role as the regional leader in forging peace between the Israelis and the Palestinians. Their goals for the conference are straightforward: they want to be seen as helping the Palestinian people; they want to strengthen the Palestinian Authority (thereby weakening Hamas); they want to prevent Iran

from taking any credit for championing the Palestinian cause; and they want to move forward on an Arab rapprochement that strengthens moderates and raises pressure on Hamas. They see the conference as a place where they can shine as leaders, coordinators, and "convokers." They want to demonstrate that they and fellow Arab moderates (Saudi Arabia) -- not upstarts (Qatar) or radicals (Syria) -- hold the key to peace and stability in the region. However, Egyptian determination to close the deal may cause them to take risks with regards to their goals. End summary. 2. (C) The Egyptians have long felt they were the "owners" of the Israeli-Palestinian peace process. No one else had the access to all key players -- Israel, the Palestinians, and the United States -- that Egypt did. However, in recent years, they have been frustrated by the lack of tangible progress towards a final settlement, and were somewhat reluctant partners in the Annapolis process. Without being able to "deliver" the Israelis (or the U.S.), the Egyptians risked looking ineffective to Arabs at best, and like colluders at worst, as Palestinian suffering continued and peace appeared to be as elusive as ever. 3. (C) After the June 2007 Hamas takeover of Gaza, the Egyptian fear of losing relevance and their leadership position in the region grew even greater. They sensed they were losing ground on "the street" to more radical elements in the Arab League, in particular Syria and its protgs, Hezbollah and Hamas; all of which, in Egyptian eyes, are nothing more than Iranian proxies. The Egyptians worked hard to isolate and weaken Hamas, but in so doing, risked the appearance of siding with Israel as the "jailer" of Gazan Palestinians. 4. (C) The Egyptians engineered a six-month "tahdiya" (calming) between Hamas and Israel that lapsed in December 2008. During this relative calm, Egypt tried to forge the disparate Palestinian factions into a non-partisan "technocratic" government in Gaza with whom they -- and the Israelis -- could work to re-open the border crossings and relieve the pressure on the Gazans. The tahdiya fell apart last December, leading to renewed Hamas rocket attacks that provoked the Israeli invasion of Gaza. Fearing an influx of reconstruction aid and money from rivals Iran and Qatar, the Egyptians offered to host a donors' conference. Within the context of an economic/pledging confer-

ence they will seek to display a political undercurrent of moral as well as material support for the Palestinians; we have made clear to the Egyptians to tread very carefully on this front and not allow the message to dissolve into anti-Israeli rhetoric. 5. (C) The Egyptians understand how weak the Palestinian Authority is. Although they hope the reconstruction conference will serve to strengthen Mahmoud Abbas, they are under no illusions about who calls the shots in Gaza. They therefore convoked the Palestinian factions again -- with Fatah,s delegation headed by Ahmed Qurei and Hamas, by Moussa Abu Marzouk -- to meet in Cairo starting February 25 with a goal of hammering out a "national reconciliation" government that will be dominated by neither Hamas nor the PA. The Egyptians have stated their preference that the donations pledged at the March 2nd conference would be overseen by an international body, and disbursed to a new, "technocratic," unity government in Gaza. They are adamant the funds must not go to Hamas. 6. (C) The Egyptians want the March 2nd conference in Sharm to remind everyone -- especially the Arab street -- that they remain at the top of the Arab world, and that success in any major undertaking depends not only on their support, but their leadership. They want to show that wealth alone (read "Qatar") cannot carry the day; only Egypt with its massive political and diplomatic weight and unique connections can ensure long-term success. They want to thwart Iranian attempts to further their influence -- via Syria, Hezbollah, and Hamas -- in the region. For Egypt, the greatest strategic threat is from Iran, and they will do everything in their power to prevent Iranian influence CAIRO 00000358 002 OF 002 from spreading. 7. (C) The new intra-Arab reality is somewhat different than the Egyptians perceive it be, however, as we have seen with Qatar,s successful efforts to broker Lebanese political reconciliation in 2007. Our message, therefore, should be that Egyptian activeness - as evidenced by this conference - is critical for long-term maintenance of Egypt,s regional role. If the Sharm Conference demonstrates Egyptian regional diplomatic preponderance; that Egypt remains the "great protector" of the Palestinians; and that only Egypt and moderate partners can lead the way forward, the Egyptians will have gotten what they wanted. 8. (C)

Egyptian determination to achieve success before the Arab world however may cause them to take risks with regard to their stated goals of supporting the PA and delegitimizing Hamas. SCOBEBY

### Cable 6253

E C R E T TEL AVIV 001984 SIPDIS E.O. 12958: DECL: 08/29/2018 TAGS: PREL, PGOV, PTER, EG, KPAL, IR, IS SUBJECT: DEFENSE MINISTER BARAK'S DISCUSSIONS IN EGYPT FOCUS ON SHALIT, TAHDIYA, ANTI-SMUGGLING, AND IRAN Classified By: DCM Luis G. Moreno, Reason 1.4 (b) (d) 1. (S) Summary. Defense Minister Ehud Barak's August 23 visit to Egypt was a success, according to MOD Arab Affairs Adviser David Hacham. Barak's meetings with President Mubarak, Intelligence Minister Soliman, and Defense Minister Tantawi focused on reviving negotiations for the release of Corporal Shalit, the Israeli assessment of the Tahdiya (Calming) with Hamas in Gaza, and Egypt's anti-smuggling efforts. Hacham said the Israelis were "shocked" by President Mubarak's aged appearance; their most substantive exchanges were with Soliman. Hacham said Iran was also on the agenda, with the Israeli and Egyptian sides agreeing they had a common strategic interest in containing Iran's regional ambitions. Our sense is that the Israeli-Egyptian relationship is gradually improving since the beginning of the Tahdiya in June. Barak and MOD in particular are committed to maintaining a strategic relationship with Egypt. MFA Director General Abramovich reportedly also is planning to visit Egypt next week to meet Foreign Minister Abul Gheit. End Summary. 2. (S) MOD Arab Affairs Adviser David Hacham, who was a member of Barak's delegation, provided Pol Couns with an overview of Barak's August 23 discussions with the Egyptian leadership in Alexandria. Hacham restricted himself to a broad overview of the three meetings (Mubarak, Soliman, and Tantawi) without describing any of them in detail. On Shalit, Hacham said the Egyptians confirmed that their discussions with Hamas had broken down. Hamas had refused to attend a meeting Soliman tried to arrange shortly before Barak's arrival. The Israelis think Hamas feels that the prisoner exchange with Hizballah had strengthened their hand in terms of how many and what kinds of prisoners Israel would

be willing to give for Shalit. Soliman was keeping the pressure on Hamas, but the Israelis were frustrated at Hamas' stalling tactics. In a separate conversation August 29, Egyptian Charge d'Affaires Tarek El Kouni told Pol Couns that Hamas was demanding Egyptian guarantees that Israel would not attack Gaza once Shalit was released. 3. (S) Regarding the Tahdiya, Hacham said Barak stressed that while it was not permanent, for the time being it was holding. There have been a number of violations of the ceasefire on the Gaza side, but Palestinian factions other than Hamas were responsible. Hacham said the Israelis assess that Hamas is making a serious effort to convince the other factions not to launch rockets or mortars. Israel remains concerned by Hamas' ongoing efforts to use the Tahdiya to increase their strength, and at some point, military action will have to be put back on the table. The Israelis reluctantly admit that the Tahdiya has served to further consolidate Hamas' grip on Gaza, but it has brought a large measure of peace and quiet to Israeli communities near Gaza. 4. (S) Turning to Egypt's anti-smuggling efforts, Hacham said Barak had decided to praise Egypt's performance publicly both in genuine acknowledgement of some improvements in destroying tunnels and in order to show the Egyptians that Israel was capable of praising as well as criticizing them. In private, however, Barak also pushed the Egyptians to do more, particularly in terms of stopping the smuggling well before the arms reach the Gaza border. The Israelis continue to believe that the principle smuggling routes are from the Red Sea coast across Sinai to Gaza, and Hacham complained that the Egyptians were still reluctant to tackle the entire smuggling chain. 5. (S) In terms of atmospherics, Hacham said the Israeli delegation was "shocked" by Mubarak's aged appearance and slurred speech. Hacham was full of praise for Soliman, however, and noted that a "hot line" set up between the MOD and Egyptian General Intelligence Service is now in daily use. Hacham said he sometimes speaks to Soliman's deputy Mohammed Ibrahim several times a day. Hacham noted that the Israelis believe Soliman is likely to serve as at least an interim President if Mubarak dies or is incapacitated. (Note: We defer to Embassy Cairo for analysis of Egyptian succession scenarios, but there is no question that

Israel is most comfortable with the prospect of Omar Soliman.) 6. (S) Iran reportedly was also on Barak's agenda. Hacham did not provide details of the discussions, but said Barak and the Egyptian leaders agreed that Israel and Egypt have a common strategic interest in stopping the expansion of Iranian influence in the region, as well as a common view of the threat posed by Iran's nuclear program.

7. (S) Comment: Barak's visit and especially his public praise of Egypt's anti-smuggling efforts is evidence that MOD's close cooperation with EGIS in negotiating the Tahdiya has resulted in a new atmosphere in Israeli-Egyptian relations. Barak's visit was preceded by Israeli-Egyptian mil-to-mil talks in Cairo, and will be followed by a visit to Cairo by MFA Director General Aharon Abramovich next week. \*\*\*\*\*

\*\*\*\*\* Visit Embassy Tel Aviv's Classified Website: <http://www.state.sgov.gov/p/nea/telaviv> You can also access this site through the State Department's Classified SIPRNET website. \*\*\*\*\*

\*\*\*\*\*

CUNNINGHAM