EGYPT'S FOREIGN POLICY IN THE DECADE AFTER CAMP DAVID: AN INTERPRETATION

by

Ralph King

April 1991

Thesis submitted for the
Degree of Doctor of Philosophy
in the Department of International Relations
The Australian National University
Canberra ACT
DECLARATION

This thesis is my own work.

Ralph King
April 1991
ACKNOWLEDGEMENTS

This thesis could not have been written without the assistance, intellectual and financial, of a number of people and institutions. My chief intellectual debt is to my supervisors, Geoffrey Jukes and Amin Saikal, for cheerfully but persistently cajoling their occasionally-reluctant charge. Their help was, quite simply, invaluable. I am equally grateful for the financial support which I received from the Commonwealth of Australia and the Department of International Relations at the Australian National University. Prof Jim Richardson, head of the Department during my stay there, agreed to supplement my scholarship with generous travel allowances, and was himself a steady source of moral support.

There are others whom I should also like to thank. Prof Robert O'Neill, then director of the IISS in London, encouraged me to continue my research into Middle East politics after I left the Institute. More specific guidance was provided by Dr Jim Piscatori, then at the Johns Hopkins University's School of Advanced International Studies in Washington, who very kindly allowed me to use his office there in the summer of 1988. In Cairo, the helpfulness of the staff of the Centre de documentation et d'études économiques, juridiques et sociales (CEDEJ) made my 1989-90 fieldwork visit both pleasant and fruitful. Jeffrey Phillips of the BBC and his wife, Heather Qualtrough, provided introductions as well as delightful hospitality.

Many individuals, in the United States and in Egypt, agreed to share their expertise with me. Beside those whose names I have listed in the Bibliography, I would thank Drs William Burns, Yahya Sadowski, Robert Satloff, Ahmad Yusuf Ahmad, Abdel Moneim Said, and Prof Ali Hilal Dessouki.
None of those mentioned here is in any way responsible for the deficiencies of my work; but such merit as it may have can largely be attributed to their suggestions.

My warmest thanks, finally, to those closer to home who made the task easier: to Robin and Martin Ward, for their unfailing kindness; to Lynne Payne, for computer-counselling smilingly given; to Tim Drury, for proofreading; and to my parents, for everything.

A note on the spelling of Arabic names and words

Wherever possible, I have employed simplified forms. Nevertheless, I have retained the 'ayn and the hamza in transliterated names or titles (e.g., al-Sha'b, Fu'ad Matar). If the name of an author or politician has a widely-accepted, westernised spelling, I have used it; thus, for example, Ismat Abdel Meguid rather than 'Ismat 'Abd al-Majid. For consistency, I have also used the Egyptian 'g' rather than the classical jim. Arabic sources are indicated in footnotes as being [in Arabic].
ABSTRACT

This thesis is an interpretation of Egypt's foreign policy in the decade, loosely-defined, after the signing of the Camp David accords in September 1978. It examines the way in which Husni Mubarak managed the diplomatic legacy bequeathed to him by Anwar Sadat.

The thesis pursues two, interrelated themes. First, it examines the content of Egypt's most important diplomatic relationships during the 1980s, and the linkages between them. Second, it considers Egypt's role in Arab politics and the nexus between that role and Egypt's position in the wider international system.

Egypt's foreign policy during the 1980s was dominated by the United States, the Arab world, and Israel, with the Palestinian question as a common denominator. Equally important, even if less attention-getting, was the management of the vital Egyptian-Sudanese relationship. The purpose of Mubarak's diplomacy was, whilst adhering to the peace treaty with Israel, to inject a degree of flexibility into Egyptian diplomacy. This could be achieved by repairing those relationships which Sadat had damaged, and reducing the salience of those which he had built up excessively; thus, for example, the restoration of relations with the Soviet Union served symbolically to offset Egypt's unavoidable dependence on the United States.

The overall contention of the thesis is this: although Egypt's perceived central role in inter-Arab politics is its principal source of international prestige, that role is itself co-determined by the interests of outside powers. Consequently, Egyptian policymakers must strive to preserve a balance between the dictates of what may be called the 'Arab regional' and the 'Middle Eastern' systems.
## CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acknowledgements</td>
<td>i</td>
</tr>
<tr>
<td>Abstract</td>
<td>iii</td>
</tr>
<tr>
<td>Introduction</td>
<td>1</td>
</tr>
<tr>
<td>Chapter 1: Egypt and the United States</td>
<td>36</td>
</tr>
<tr>
<td>Chapter 2: Partners in Peace? Egypt and Israel</td>
<td>74</td>
</tr>
<tr>
<td>Chapter 3: Diluting Dependence: Relations with the Soviet Union and France</td>
<td>107</td>
</tr>
<tr>
<td>Chapter 4: From Baghdad to Casablanca: Egypt and the Arab World</td>
<td>126</td>
</tr>
<tr>
<td>Chapter 5: Sudan and the Nile: Focus of Egypt's African Diplomacy</td>
<td>159</td>
</tr>
<tr>
<td>Chapter 6: Egypt and the 'Arab Regional System'</td>
<td>185</td>
</tr>
<tr>
<td>Conclusion</td>
<td>208</td>
</tr>
<tr>
<td>Bibliography</td>
<td>224</td>
</tr>
</tbody>
</table>
INTRODUCTION

Egypt is a paradox. It is an overpopulated, debt-ridden country with limited natural resources; and yet it is one whose internal developments and diplomacy have, more often than not, been central to the politics of the region. The material dividends of Egypt's geopolitical location, combined with its traditional function as cultural lodestone for the surrounding Arab world, have in recent times enabled it to play a prominent role in the international political arena. During the 1950s and early 1960s, Gamal Abdel Nasser presided over a state whose regional activism was the bane of western interests and conservative Arab regimes alike. With its self-styled revolutionary foreign policy, Egypt was an attractive partner for the Soviet Union. But within a few years of Nasser's death, his successor, Anwar Sadat, had ostentatiously overturned the prevailing tenets of Egypt's state policies. He embraced Washington rather than Moscow, private investment rather than 'Arab socialism'; and, perhaps most importantly for the Middle East, he embraced peace with Israel rather than continued confrontation.

It is not surprising, given the regional resonance of their policies, that the Egypt of Nasser and Sadat was generally regarded as the central, even the dominant Arab state. In the mid-1970s, John Waterbury noted that Egypt was, for all its problems, still the Arab world's leading military power, the only state which the others 'must, to some degree, fear, and always court.' Moreover, it was the linchpin of the Arab front against Israel.¹

By the early 1980s, however, assessments of Egypt's regional position needed to be more circumspect. The most obvious change was that a

majority of Arab states had anathematised Egypt for having formally made peace with Israel. But other underlying factors could be detected. In 1982, for example, the Egyptian sociologist Saadeddin Ibrahim warned that Egypt's 'return' to the Arab fold would not provide the 'magic cure' for the Arab world's political crisis which many Arabs seemed to expect. Egypt was no longer the Egypt of Nasser's time: it was militarily weak, financially burdened, and dependent on imports for more than fifty per cent of its food requirements. It was clear, he argued, that Egypt had already found Sadat's solitary path a perilous one, and that many Egyptians were disillusioned with the fruits of peace; but this did not mean that there would again be a desire to confront Israel militarily, for that was simply not feasible. Furthermore, Egypt would not enter into hostilities with Iran - then at war with Iraq. Cairo was wary of the expectations of other Arab capitals, and would seek, by its gradual approach to Arab reintegration, to dampen these expectations. Although almost all Arab capitals had restored full diplomatic relations with Cairo by the end of 1988, and Egypt was readmitted to the Arab League in May 1989, Ibrahim's rather sober analysis was to be proven correct.

The purpose of this thesis is to examine Egypt's place and role in regional and international politics in the light of the critical changes which have taken place in Egyptian diplomacy since the mid-1970s. The thesis takes as its departure point the conclusion of the Camp David Accords in September 1978, which mark a watershed in the history of the modern Middle East, inasmuch as this has been shaped by the Arab-Israeli conflict.

---

It focuses on the decade - loosely defined - during which Egypt was formally excluded from the Arab League. At one level, the thesis aims to reconsider Egypt's relations with the Arab world. Can one reconcile Sadat's contention that Egypt's Arab rehabilitation was a foregone conclusion, with the sporadic process of rehabilitation? Was the process indicative of a fundamental shift - or at least the open acknowledgement of a shift - in the logic of inter-Arab relations? At a different level, the thesis will consider the nexus between Egypt's regional role and its place in the wider international system.

There have as yet been no sustained treatments of Egyptian foreign policy during the 1980s. To be sure, certain aspects - particularly Egypt's relations with the United States and with the Arab world - have received more attention than others, but the different strands have not been drawn together in a manner which is both detailed and which explains their complementarity.

Those writers who have examined the broad area of Egyptian foreign-policy making have tended to concentrate on the Nasser and Sadat periods; they include Adeed Dawisha, Salwa Guma'a and Gamal Zahran. The collection of essays on central themes in Egyptian foreign policy edited by Ali Hilal (Dessouki) also ends with the Sadat period. Shorter, but more up-to-date analyses have been written by McLaurin et al. and Louis

---

3 Egypt's formal 'readmission' can be said to have taken place in the period between the Amman summit of November 1987 and Mubarak's appearance at the Casablanca summit of May 1989.


5 Ali Hilal (Dessouki) (ed.) [in Arabic], Studies in Egyptian Foreign Policy from Ibn Tulun to Anwar Sadat (Cairo: Maktabat al-Nahda al-Misriyya, 1987); see esp. the introduction and the chapter by Nadya Mustafa.
Two works published in 1982 - one written by Saadeddin Ibrahim, the other edited by Malcolm Kerr and El-Sayyed Yassin - examine Egypt's place within the 'post-oil' political and economic order in the Arab world. Like Fouad Ajami's *The Arab Predicament*, published in 1981, which treats Egypt's politico-economic crisis as a symptom of the Arab world's malaise, they remain relevant to any discussion of Egyptian foreign policy.

The most notable recent examinations of the political economy of Egypt have all contained good analyses of Egypt's foreign policy. But Raymond Baker's *Egypt's Uncertain Revolution under Nasser and Sadat* covered only the period before the peace process, and neither John Waterbury's *The Egypt of Nasser and Sadat* nor Raymond Hinnebusch's *Egyptian politics under Sadat*, published in 1983 and 1985 respectively, goes any further than the end of the Sadat era. Only Gudrun Krämer's *Ägypten unter Mubarak* and Robert Springborg's *Mubarak's Egypt* have dealt with the diplomacy of the Mubarak period, the former in some detail. Two recent collections of essays on different aspects of Egyptian politics during the

---

1980s, edited by Lillian Harris, and Charles Tripp and Roger Owen respectively, include only brief overviews of foreign policy.\textsuperscript{11}

One area which has received considerable attention is, not surprisingly, the American-Egyptian relationship, because of its politico-economic importance for Egypt and the sheer scale of American assistance. William Burns and Marvin Weinbaum have thoroughly examined the aid connection, though the former's historical treatment ends in 1981, and Weinbaum focuses on the bureaucratic intricacies of aid.\textsuperscript{12} Elsewhere, the complex of recent ties between Cairo and Washington has been succinctly analysed by Hermann Eilts and by William Quandt.\textsuperscript{13}

For Egyptian writers, as well as for others, Egypt's recent relations with the Arab world have provided the material for numerous essays and monographs. Notable examples of are those by Ali Hilal (Dessouki), Abdel Moneim Said Aly and Wahid 'Abd al-Magid.\textsuperscript{14} Since its first publication in by the Al-Ahram Center for Political and Strategic Studies in 1986, the \textit{Arab Strategic Report} has provided useful analysis of Egypt's foreign relations, especially in the Aab domain.\textsuperscript{15}


\textsuperscript{15} \textit{The Arab Strategic Report, 1985} and following years (Cairo: Al Ahram Center for for Pol. and Strategic Studies, 1986-).
Other areas of Egypt's diplomacy have suffered more neglect. These include the Egyptian-Israeli relationship. Certainly, William Quandt and other participants in the peace process - such as Mohamed Kamel and Moshe Dayan - have written good accounts of it; but detailed treatments of the bilateral relationship since 1979 are relatively few. Besides the partisan versions offered by Muhsin 'Awad and Ehud Yaari, only the recent work of Ann Lesch and Mark Tessler stands out. As regards Egypt's recent relations with the Soviet Union and Sudan - hardly unimportant from an Egyptian viewpoint, even if less obviously vital than Cairo-Washington ties - the published material is sparse. John Waterbury's *Hydropolitics of the Nile Valley* remains important for any examination of the Egyptian-Sudanese connection; the work on Egyptian-Soviet ties is fragmentary.

In sum, one can say of the existing literature on Egypt's foreign policy since 1978 that it is, for the most part, limited in scope and detail; and that much of it may be slightly outdated, especially in the light of the fundamental changes in the international system that have occurred during the latter part of the 1980s. Naturally, this thesis draws on the historical detail and conceptual insights presented in the works cited above; nevertheless, it contains more recent material and, on the basis of this material, offers some new interpretations. A sustained analysis of the

---


19 Brief overviews are contained in the annual *Middle East Contemporary Survey*, prepared by the Shiloah Center of Tel Aviv University, and the *Arab Strategic Report*. This last also contains good analyses of Egyptian-Sudanese ties.
diplomatic record of the 1980s will show that notions of Egyptian 'power', as well as the connection between Egypt's regional role and its international salience, need to be reassessed.

Egypt's 'Role' and the Nasserist Intellectual Legacy

Because of its strategic location, Egypt has long been coveted by others. By the same token, Egypt's own rulers have been tempted to extend their influence into the surrounding region, particularly to the east. Fouad Ajami has commented on the tendency of successive Egyptian leaders, from Muhammad Ali onwards, to pursue regional ambitions as a substitute for facing up to Egypt's pressing internal problems.20

Others might argue that Egypt has no option but to play a role beyond its borders. For example, Boutros Boutros-Ghali (now Minister of State for Foreign Affairs) once wrote that history and geography have imposed 'burdens' upon Egypt, from which stems a 'dynamic and active diplomacy that might not always be related to the real means and resources of the country'.21 Perhaps more to the point, Gabriel Ben-Dor has suggested that Egypt's modern foreign policy reflects 'the dialectics of poverty and power'. To overcome its most profound problem, namely the growing gap between population and resources, Egypt needs - and has long needed - foreign assistance; to attract outside aid, its rulers have held it necessary that Egypt play a visible international role based on its location and its large pool of manpower.22 In simple terms, one might say that it has deliberately sought to make itself useful to some and a nuisance to others, and to use

20 Ajami, The Arab Predicament, p.133.
the resulting proceeds to maintain as great a degree of independence as possible.23

The 'primacy of economics', to use Waterbury's expression24, is well-established in the formulation of Egypt's foreign policy. Nasser consciously strove to bridge Egypt's resource gap by exploiting the rivalry between the United States and the Soviet Union. The Free Officers' regime had a vision of

a developed Egypt [which] would take its place at the head of the Arab world and as leader in the struggle against Israel. The activism of its foreign policy would raise Egypt's global prestige and earn the foreign aid needed for domestic development.25

One observer of Nasser's Egypt wrote, only a little unfairly, that 'positive neutralism', which was one of Nasser's catch-phrases after the success of Bandung, was not so much an objective in itself as a means to extract the maximum amount of economic and technical assistance from the superpowers.26

The story of Nasser's involvement in the Arab world, and the consequences for Egypt and the region of his policies, has been excellently told by a number of writers.27 It needs to be remembered that much of the Nasser phenomenon was based on appearances. Vatikiotis believes that, by exploiting the world's interest in Bandung, the Czech arms deal and Suez, Nasser pushed Egypt onto the world stage and

dazzled and overwhelmed the Egyptians. He was therefore able to construct a myth of Egyptian greatness and world importance. Egyptians felt, 'We are now a state in the Middle East led by a hero,

23 To paraphrase Ali Hilal (Dessouki), introduction to Hilal (ed.), Studies in Egyptian Foreign Policy, pp.‘z’-‘h’.
25 Baker, Egypt's Uncertain Revolution, p.236.
and the hero is a leader of a new breed...Nasser inevitably - and perhaps detrimentally for Egypt - came to be universally accepted as a great Arab leader.28

In particular, Nasser's name became synonymous with Egypt's pan-Arab leadership.

The pan-Arab movement in fact reached its high-water mark as early as 1958. In February of that year, the shortlived United Arab Republic (UAR) was born of the political union of Egypt and Syria; in July, the pro-western Iraqi monarchy was toppled by revolutionary elements; there was civil unrest in Jordan and Lebanon; and ordinary Arabs everywhere looked to Nasser for inspiration. But almost at once, the tide began to recede. In both Jordan and Lebanon, the conservative order managed to cling to power with western assistance. The high hopes of revolutionary solidarity were dashed as Baghdad's new rulers not only failed to follow Cairo's lead, but assumed a hostile attitude towards the UAR. That experiment itself, initially hailed as the first step to unity in the Arab world, rapidly turned sour, especially from the point of view of the Syrians: after only three years, they repudiated their junior status and left the union.

The early 1960s turned into a period of 'Arab cold war', as Republican regimes vilified not only their conservative neighbours but also each other. Such was the mass appeal of Arab nationalism, particularly in its Nasserist guise, that the idea of non-intervention in the internal affairs of others was deprived of virtually all meaning.29 Mutual suspicion and resentment crippled the Arab League. Moreover, Egypt was to pay a high price for Nasser's pursuit of pan-Arab primacy. His involvement in the Yemeni civil war after 1962 turned into a wasteful proxy confrontation with Saudi Arabia, which was only abandoned in 1967. Far more disastrous, for Egypt


as well as for the Arab world in general, was the defeat by Israel in the Six Day War of June 1967. By this time, commitment to the struggle against Zionism had become the touchstone of Arabism, and Nasser, as leader of the Arab cause, was effectively goaded into a confrontation with Israel which he would have preferred to avoid.

Nevertheless, his Egyptian public forgave him the failure in Yemen and even the 1967 defeat because he had, as he often said, given Egypt and Egyptians 'dignity and self-respect'. Whether or not his stature has been exaggerated in retrospect, it remains a fact that he was in an obvious sense successful in raising Egypt's profile and in attracting outside resources. Indeed, the example of Nasser's leadership continues to affect the self-image and political outlook of many Egyptians, even if self-styled 'Nasserists' are confined to the margins of Egyptian politics.30

Part of the intellectual legacy of Nasserism is what Ghassan Salamé has called a 'dominant Arab discourse', which is particularly well-represented in Egypt. 'It is', he observes,

also an ambiguous discourse: at one and the same time descriptive of the Nasserist experience and normative in that it claims to represent what the Arab attitude should be.31

Salamé points out that the discourse assumes three things: first, that the idea of the Arab nation is accepted by the principal actors themselves; second, that 'the higher interests of the Arab nation' - or, in a more recent formulation, 'Arab national security' - is seen as more than a mere ideological construct; and third, that there is a prime mover, Egypt, which gives impetus to the whole 'regional subsystem'. Salamé caustically adds

---


that the fading of the Non-aligned Movement and Egypt's perceived loss of regional status have tended to 'reinforce the criticism of those who see this discourse as no more than the self-interested claim of an Egypt nostalgic for the days when it was the dominant regional power'.32

Salamé's analysis seems a little churlish. For much of recent Middle Eastern history, it would be difficult to argue against the claim of Mohamed Heikal, Nasser's erstwhile confidant, that Egypt has played the 'central role in the Arab system' when the state is vigorous rather than introspective.33 Nevertheless, many Egyptians would instinctively agree with the geographer Gamal Hamdan's assertion that 'Egypt is the natural regional leader', and that any attempt on the part of 'colonialism' to make Egypt dependent is also aimed at bringing about the dependence of the Arab world as a whole.34 In the executive summary of the Al-Ahram Center's first Arab Strategic Report, the editor, El-Sayyed Yassin, notes:

The choice of focussing on Egypt in a separate section of the report was dictated not so much by local [qutri] as by pan-Arab factors. The central importance of Egypt's Arab role is a fact clearly demonstrated by the recent and more distant history of the Arab regional system; we therefore accorded it a special place in this report.35

It is understandable that Egyptian writers of neo-Nasserist bent should recall the days in which Cairo's views held sway in the region, and that a prominent state official like Boutros Boutros-Ghali should assert that 'Egypt is the central power in the Middle East'.36 But it is not only Egyptians who have, during the past decade, continued to describe their country as being vital to the Arab world. A large percentage of those non-Egyptians who contributed to Al-Ahram's serialised discussion, in 1985, of

32 Ibid., p.34.
36 Boutros-Ghali, 'The Foreign Policy of Egypt', p.770.
'the Arab predicament', argued that one of the most important requirements in any recovery would be 'the return of Egypt to Arab ranks'. In a 1988 essay on prospects for Arab cohesion, Rashid Khalidi - a Palestinian writing in America - noted that a change in the relative position of Egypt would have the greatest impact on the Arab system; for 'if the system is to overcome the diffusion of power which currently plagues it, Egypt is the only possible central axis'. Egypt, he continued, required only skill and confidence to overcome the constraints placed on its 'natural role'.

In November 1987, at the Amman summit which allowed individual Arab states to restore relations with Cairo, Jordan's foreign minister declared: 'The isolation of our big sister from the Arab League and the Arab body weakens the bases on which the Arab order is founded'. As will be seen, there is no doubt that other Arab states shared this inclination, or, indeed, that Egyptian policymakers wished to see their country's ostracism speedily ended. One of the aims of this thesis is to examine the basis for such rhetorical flourishes; to reconsider the nature of Egypt's relations with the Arab world, and the reciprocal expectations involved.

**Thesis Outline**

This thesis is an interpretation, not a comprehensive record, of Egypt's diplomacy since 1978: it is intended to draw together, and to add to, existing accounts by examining the main strands of Egypt's foreign policy.

---


It is not explicitly theoretical, in that it sets out no theory of Egyptian foreign policy-making or about foreign policy in general; nevertheless, any interpretation inevitably reflects a set of assumptions and constraints, which need as far as possible to be made explicit. Briefly put, they pertain to the broad approach to Middle East politics which informs it; to the subject matter; to the kinds of evidence adduced; and to its scope.

First, the broad approach. Even if one seeks to avoid a version of what may be called the 'orientalist' trap⁴⁰ - that is, considering Egypt simply as a strategic 'problem' for the international community in general and the West in particular - it is pointless to examine Egypt's position in the world solely through Egyptocentric or Arabist lenses. The Middle East may be seen, in L. Carl Brown's words, as a 'penetrated political system', one

which has been so continually interlocked politically with the West as to have become almost an appendage of the Western power system (which has always included Russia and now extends to the United States as well).⁴¹

It is difficult to maintain - and this point will be argued more extensively in Chapter 6 - that Arab politics can or should be analysed according to a special set of political criteria according to which extra-regional influences are an aberration. Egypt's location has, as already noted, made it attractive to outside powers: so attractive, in fact, that the idea of a sovereign Egyptian state is a very recent phenomenon. Moreover, it can be argued that Nasser, even as he tried to maintain a semblance of neutrality, implicitly endorsed the logic of external intervention by playing the superpowers against one another, and then allowing Egypt to become dependent on the Soviet Union. As for Sadat, he did not try to disguise his eagerness to have the United States as a patron. We shall see that this

---


trend has continued during the 1980s: the government has frequently invoked the strategic importance of Egypt and its vital role, either in promoting a political settlement in the Middle East or in preserving regional stability. If a state portrays itself as a politico-strategic asset it may find it difficult to avoid - though its leaders may deplore - the unwelcome side-effects of that approach.

Furthermore, it will be argued that Egyptian-Arab relations cannot be viewed solely within the framework of inter-Arab relations as defined by some writers of Arab nationalist inclination, but must allow for the intrusion of international factors into the Egyptian policymaking calculus. That said, Mubarak's references to, for example, Palestine and Arab cooperation cannot be seen purely as ritual intonations of an outworn Arab nationalist mantra. Pan-Arab issues remain vital to an understanding of Egyptian foreign policy - especially where these issues have been harnessed to Egyptian interests.

Second, the choice of subject matter is central. A number of points, both general and specific, can be made here. In general, it is obvious that too rigid a separation of 'foreign' and 'domestic' issues in a study of this kind would be artificial. This is particularly true given that, during the 1980s, attracting resources for national development became ever more central to Egyptian diplomacy. This issue, as well as other underlying economic problems, therefore form a subtext of the thesis.

More specifically, there is the question of emphasis and exclusion. From anecdotal and circumstantial evidence, it is clear that the main foci of Egyptian diplomacy were the United States, the Arab world and Israel -

---

42 Such as the work of, for example, Gamil Matar and Ali Hilal [in Arabic], *The Arab System: A Study of Arab Political Ties*, 3rd. ed. (Beirut: C.A.U.S., 1982).
with the Palestinian problem as the most notable common denominator. Relations with Sudan and the Soviet Union were also important. The thesis treats these different issue areas separately, for the sake of clarity and convenience, but collectively they are analysed from the standpoint of the management of the consequences of Sadat's policy reformation, where this is taken to embrace close ties with the United States, peace with Israel and the resulting, heavily-circumscribed relationship with Arab world. Sadat's volte-face on the United States and Israel, and his initial response to its consequences, left Husni Mubarak with a series of interrelated challenges.

For example, the nature of Egypt's peace with Israel may be said to have embedded Cairo's relations with Jerusalem in a Cairo-Jerusalem-Washington triangle, notwithstanding the purely bilateral elements of the Cairo-Washington relationship. Egyptian-American and Egyptian-Israeli relations - the subjects of Chapters 1 and 2 respectively - were themselves part of a wider equation: this involved Mubarak's efforts to 'balance' Egypt's diplomacy by repairing relations with the Soviet Union (Chapter 3) as well as with the Arab world (Chapter 4). Egypt's relations with its Arab neighbours cannot, however, be discussed under one heading. Although Sudan is officially an Arab state, and Sadat's regional policies had implications for Egyptian-Sudanese ties, these ties are sui generis; as will be seen in Chapter 5, Egypt's dealings with Sudan for much of the 1980s were only indirectly related to Egypt's 'mainstream' Arab diplomacy.

The emphasis on Egypt's Arab connections reflects a belief that it is Egypt's relative weight in the Arab domain which governs its international

---

44 The importance of these areas was stressed by, for example, Lt.-Gen. Ahmad Fakhr (adviser to the prime minister; interview, 18 Jan. 1990), and Dr. Shimon Shamir (Israeli ambassador; interview, 28 Dec. 1989).

45 Eilts, 'The United States and Egypt', p.127. See also below, Chapter 1.
salience. But the very fact that Egypt was readmitted to Arab circles after making peace with Israel is indicative of a change in at least one aspect of Arab politics. For this reason, Chapter 6 is devoted to an examination of Egyptian views of the functioning of the 'Arab regional system', and of Egypt's place within that system.

Some areas which featured prominently in programmatic statements of Egyptian foreign policy - Egypt's declared commitment to non-alignment and its wider African relations - are, in this study, treated as subsidiary or secondary. This is not an arbitrary choice, but reflects the view, alluded to above, that Egypt's diplomatic efforts were increasingly concentrated on securing more resources and restoring its regional standing. Whatever one's views on the vitality or otherwise of the Non-aligned Movement (NAM) during the 1980s, it is difficult to describe Egypt as being non-aligned. It was precisely Sadat's close embrace of the United States which made it politic for Mubarak to invoke the Nasserist principle of non-alignment and to breathe new life into relations with the Soviet Union. But Egypt remained dependent on American economic and military aid. As the foreign minister, Ismat Abdel Meguid, said in 1987:

Nonalignment does not mean that our relations with one of the two superpowers should be exactly equal to our relations with the other, but it means we are always biased toward Egypt and its interests.

In other words, non-alignment meant pragmatism.

Similarly, while Egypt did maintain an active role in Africa throughout the late 1970s and 1980s, this was at least in part designed to mitigate the effects of the Arab boycott and to back-up its Sudanese interests. A

---

secondary issue, in the mid-1980s, was the need to harness African concerns about the debt problem to Egypt's own concerns.\textsuperscript{49} Boutros Boutros-Ghali's comment in 1983 that Egypt's African interests 'take precedence over those in the Arab domain because the sources of the Nile are in Africa'\textsuperscript{50} may have been an oversimplification; but it clearly indicated the place of Sudan and the Nile in Cairo's list of African priorities.\textsuperscript{51}

As regards the third of Nasser's 'three circles', the Islamic circle, this was entirely subordinated to Cairo's Arab diplomacy. Whereas Sadat used Islam to lambaste his Arab critics, Mubarak - with the cooperation of other Arab leaders - exploited the Organisation of the Islamic Conference (OIC) as a substitute forum in which to pursue Egyptian-Arab contacts. He did not cloak any of his foreign policies in Islamic garb.\textsuperscript{52}

A third issue is one of evidence - specifically, the relative paucity of verifiable information that besets any analysis of recent events. The Egyptian government is usually reluctant, for reasons of security and domestic politics, to disclose anything other than sanitized or favourable details of its dealings. A centralised decision-making process effectively limits the number of people with real knowledge of events; and the lack of informed discussion in the Egyptian press, despite the qualified press-freedom in Egypt, is an additional hurdle. In the absence of verifiable evidence, one can often do no more than draw inferences from the public record - by the way, for example, that a particular issue has been treated or

\textsuperscript{49} See ASR, 1987, p.417.
\textsuperscript{50} Al-Ahram, 21 July 1983.
\textsuperscript{51} Mubarak often visited some European capitals and Washington twice a year, and he made increasingly frequent visits to the Arab world. But in the period 1982-88, he made 21 visits to all African capitals - not including those of the North African Arab states. Of these, fully 14 visits were to Sudan (9) and Ethiopia (5). See Egypt, Ministry of Foreign Affairs, \textit{Twelve Years of Egyptian Diplomacy in Africa} (Cairo, 1989, Arabic text), pp.634ff.
\textsuperscript{52} 'Alaa Abu Zaid [in Arabic], 'Islam in Foreign Policy during Mubarak's Presidency', Paper presented to Second Political Studies Conference, Cairo, 3-5 Dec. 1988, demonstrates this convincingly.
indeed ignored. Many Egyptians find it galling (and even sinister) that the international media, particularly in the United States and Britain, have better information on their country than they do themselves; but this is often the case.

That said, the Egyptian press is a vital source. Semi-official publications, which include the daily *al-Ahram*, *al-Akhbar*, *al-Gumhuriyya* and the weekly *al-Musawwar*, provide a useful record of the government's (occasionally shifting) arguments in international forums as well as those used to placate its internal critics. On the other hand, opposition papers like *al-Sha'b*, *al-Ahali* and *al-Wafd*\(^5\) frequently drew the attention of their readerships to issues which the government would have preferred quietly to ignore, such as the question of Egypt's relations with the former Sudanese head of state, Ja'afar al-Nimeiri. Despite a tendency to exaggerate or distort facts, the opposition press has over the past decade reflected an important viewpoint: this is the deep-seated mistrust of, or hostility to, Israel and the United States, and a correspondingly firm commitment to the Palestinian cause which was and is felt by many Egyptian intellectuals.\(^5\) It was thought in some quarters that the opposition press had a discernible influence: at one level, its views could be used by the government to persuade others - for example, Israeli or American critics - of the constraints upon its freedom; at another level, it may have acted as real boundary marker for policy.\(^5\)

---

\(^{53}\) *Al-Ahali*, the organ of the National Progressive Unionist Grouping (NPUG or *Tagammu*) was closed in mid-1978; *al-Sha'b*, the paper of the somewhat less marginal Socialist Labour Party was banned during the September 1981 crackdown. Both were reopened in May 1982, following President Mubarak's liberalisation measures. *Al-Wafd*, which re-appeared in 1984 after a long absence, is the paper of the rightist Wafd party.

\(^{54}\) A point made by Baker, *Sadat and After*, p.xviii, and passim.

\(^{55}\) This was argued both by Prof. Ali Hilal Dessouki, in conversation, and by the then Israeli ambassador (and specialist on Egyptian politics), Dr. Shimon Shamir; interview, 28 Dec. 1989. See also I.W. Zartman, 'Opposition as Support for the State', in G. Luciani (ed.), *The Arab State* (London: Routledge Kegan Paul, 1990), p.234, where the same point is made.
thesis relies on publicly-available sources instead of material from interviews; but the latter have occasionally proved indispensable because they helped in assessing impressions gained from circumstantial evidence, quite apart from providing details which some parties were reluctant to acknowledge openly.

Finally, what of the thesis' scope? The end of the 'Camp David decade' is, at least in part, a convenient device to delimit the time frame of the study. But it is a legitimate device. Certainly, there are elements of continuity which blur the distinction between the period before and after 1988-89: Egypt remained dependent on the United States for the greater part of its foreign aid and weaponry; it remained at peace with Israel and showed no inclination to end the peace; and it was still beset with the same chronic economic problems, except that these had intensified. Nevertheless, there are good reasons, besides the changes in inter-Arab politics that have occurred during the past decade, to reassess Egypt's position in the international system. It would seem, for example, that internal upheaval in the Soviet Union and the ending of the Cold War in Europe have already had, and will continue to have, profound implications for the foreign policies of Egypt and many other developing states. The Cold War tensions which Egypt's leadership once so diligently exploited, seem suddenly to have diminished; and in any case, Moscow could no longer afford to rival Washington as a paymaster. Such changes in the international system, added to Middle Eastern and domestic developments, promise to make the decades ahead potentially difficult ones for Egypt. Egypt's room for manoeuvre is not what it was in 1978.

Before proceeding further, however, it is necessary briefly to recall the nature of the diplomatic transformation undertaken by Anwar Sadat.
The Background to Peace

The Syrian philosopher, Sadeq al-'Azm, wrote in 1978 that Sadat's peace policy was not an aberration. Nasser, he argued, had already accepted both the idea of a just settlement on the basis of Resolution 242 and the importance of relying on the United States to exert pressure on Israel.

In principle, this was true: Nasser accepted the Rogers Plan in July 1970, which included adherence to Resolution 242 (with its implicit recognition of Israel's right to exist), thereby ending the 1969-70 Canal War. But he remained firmly opposed to a separate peace, and refused explicitly to recognise Israel, which he regarded as an expansionist threat until his death.

At the Khartoum summit of August-September 1967, Saudi Arabia, Kuwait and Libya had agreed to compensate Egypt and Jordan for their loss of land and revenue in June; Egypt would receive $280 million annually, and Jordan $100 million. This cash came with two conditions: first, that Egypt end its intervention in Yemen and second, that it and Jordan adhere to the confrontation with Israel. There was to be no recognition of Israel, no direct negotiation, no peace settlement and no abandonment of the rights of the Palestinians. The agreement seemed to set the seal on Nasser's loss of pan-Arab leadership.

In March 1969 Nasser decided to escalate the simmering confrontation with Israel. Sporadic artillery duels across the Suez Canal turned into heavy bombardments of the Israelis, entrenched in and behind the Bar-Lev line. Having taken the initiative, Nasser presented the Arab leaders assembled at Rabat in December 1969 with detailed - and perhaps


57 Vatikiotis, Nasser and His Generation, p.259.
deliberately exaggerated - estimates of the cost of a war with Israel. They baulked, and Nasser walked out of the conference. By this time, Israel had acquired new Phantom fighter-bombers from the United States; its forces established air superiority over the Canal and, in January 1970, began a campaign of bombing in the Egyptian interior. Nasser turned to the Soviet Union for protection. By April 1970, a dense missile belt along the Canal, manned by Soviet crews, and air-defence missions undertaken by Soviet pilots brought the Israeli bombing to a halt. During the subsequent lull, William Rogers, the then Secretary of State, presented his peace proposals. On 23 July, Nasser accepted the plan. Israel did so a week later, followed by Jordan.

Alvin Rubinstein has argued that Nasser wanted to involve the United States in the peace process, partly in the hope that it would halt arms shipments to Israel and enable Egypt to close the arms gap more quickly. Certainly, Nasser's arms build-up was well underway by the time of his death. He died in September 1970, of a heart attack brought on by his efforts to mediate in the Jordanian civil war. Radical Palestinian factions, angered at King Hussein's acceptance of the Rogers plan and general Arab inaction, had precipitated a (long-impending) confrontation between the Resistance forces and the Jordanian authorities.

For a long time, Sadat remained a figure of fun, even within Egypt - a feeble heir to Nasser's legacy. His loud declarations that 1971 would be the decisive year in the confrontation with Israel came to nothing. The imminent war was 'cancelled' in late December. Partly, this was because the Soviet Union effectively discouraged any initiative on Egypt's part,

58 See Kerr, Arab Cold War, p.145-6.
59 See Dawisha, Egypt in the Arab World, pp.53-58.
diverting arms earmarked for Egypt to India, then at war with Pakistan. In July 1972, Sadat won considerable popularity at home through his decision to expel thousands of Soviet military personnel, being seen thereby to reassert Egypt's sovereignty. He alleged that Moscow had failed to deliver the arms it had promised, either in the quantities or by the dates specified.

But Sadat's aura of indecision ultimately helped Egypt. Its forces and those of Syria achieved complete military surprise when at last they attacked Israel in October 1973, making good use of their restocked Soviet arsenals. For all that the war ended on a bad note, Sadat had won the strategic victory that had eluded Nasser. Yet, even as the Arab world savoured the military success and the apparent power of its 'oil weapon', Sadat began to disengage. Henry Kissinger relates that Sadat had made it clear to him (and through him to Golda Meir) that Egypt would fight no more wars against Israel while he, Sadat, was president.  

Certainly, Sadat's willingness to begin reconstruction of the war-damaged Canal cities, with American funds, in 1975, and his acceptance of the second ceasefire agreement in September of that year was evidence enough for many, including the PLO and Syria's president, Hafez al-Asad, that Egypt had already embarked upon the road to a separate peace.

The Jerusalem Visit

In the Arab world, reactions to Sadat's Jerusalem venture of November 1977 varied from openly-stated support to outrage. In particular, Syria, Iraq and Libya condemned it unequivocally. At a summit in Tripoli in December 1977, hastily convened by Colonel Qaddafi, a group of

---

63 See Zahran, Egyptian Foreign Policy, pp.331-3.
'rejectionists' comprising Syria, Algeria, Libya, the People's Democratic Republic of Yemen (PDRY), as well as the PLO, declared Syria to be the principal confrontation state. Iraq had come to the summit, but walked out early, officially because it wished to see a stronger stand taken, but in reality because of its continuing feud with Syria. The remaining states styled themselves the 'Front of Steadfastness and Rejection'. The Front condemned all aspects of Sadat's international politics, declaring that Egypt 'cannot be great but with the Arab nation, without which Egypt becomes smaller'; it decided to freeze relations with Cairo. Sadat reacted swiftly. On 6 December, he severed relations with members of the Front and with Iraq - though in the latter case, contacts were soon resumed. The PLO had been expelled from Cairo at the end of November.64

With the exception of Morocco, Sudan, Oman and Somalia - all of which supported Egypt - the response in other parts of the Arab world was reserved. Jordan initially welcomed Sadat's 'wise step', but quickly adopted a more cautious attitude.65 The Saudi line, to which the Gulf states adhered, was that Egypt could return to the mainstream if it abandoned unilateral acts of this kind. Any Arab initiative to solve the Palestinian problem 'must derive from a unified Arab attitude'.66 Nevertheless, Saudi Arabia was reluctant completely to alienate Sadat, whose anti-Communist and pro-western inclinations it shared; Crown Prince Fahd commented that his country would never break off relations with Egypt.67 Given the hesitant nature of much of the Arab world's reaction and the emptiness of the rejectionists' rhetoric - they failed signally to produce any coordinated action in 1978 - there seemed to be no workable Arab alternative to Sadat's

own approach, and nothing to prevent his accepting President Carter's invitation to Camp David in September 1978.

Sadat was proud to claim the idea of the journey to Israel as his own. He wrote of his decision to respond to President Carter's plea for help in the peace process; of his subsequent trip to Rumania to consult its leader, Nicolae Ceausescu, on Menachem Begin's character; and of his inspiration, while flying from Bucharest to Tehran, to travel to Jerusalem.68 From Sadat's and other accounts, it appears that only one or two of those close to him were consulted on the plan in advance. It is generally agreed that there was no effort seriously to discuss the idea with senior advisory bodies in Egypt.69

There was nothing particularly unusual about Sadat's unilateral methods as such; any Egyptian president was, after all, acknowledged to have the final say in matters of foreign policy, and Sadat himself had a well-established record of ignoring ministerial channels, diplomatic missions and the National Security Council (which he himself had established on the American model).70 What was unusual was the stark symbolism of the visit: by directly negotiating with, and implicitly recognising the State of Israel, Sadat was discarding one of the fundamental principles of post-revolutionary Egypt, and the main

---

69 See especially Gamal Zahran, *Egyptian Foreign Policy*, pp.321ff. Zahran cites Kamal Hasan 'Ali's claim that the NSC was not consulted, merely informed, of the forthcoming trip. Mustafa Khalil claims that the NSC agreed to the visit; see Zahran, p.368, fn.22. Ismail Fahmy is adamant that no one but himself was consulted. Hasan al-Tuhami, who was sent by Sadat to meet Moshe Dayan secretly in Morocco some months before the visit, claims to have suggested the idea to Sadat; see Zahran, p.368, fn.25, and al-Tuhami's account in *al-Musawwar*, 3 June 1982. Sayyed Marei, Sadat's close adviser, was reportedly sent to meet Begin secretly in Rumania, in August 1977, but he denied any involvement in the Jerusalem trip; see R. Springborg, *Family, Power, Politics in Egypt* (Philadelphia: U. Penn. Press, 1982), p.241.
70 On the president's powers, see, for example, Dawisha, *Egypt in the Arab World*, p.98. On Sadat's monopoly of decision-making, see also Guma'a, *Egyptian Diplomacy*, pp.74-81.
shibboleth of Arab solidarity. The then foreign minister, Ismail Fahmy, resigned in protest before the Jerusalem trip; the Minister of State for Foreign Affairs and Fahmy's designated successor, Mohamed Riyad, quickly followed suit; and less than a year later, another foreign minister, Mohamed Kamel, resigned at Camp David in Maryland rather than be associated with the eponymous peace accords.

We are more concerned here with Sadat's broad motives for seeking a peace settlement than with the legal and political intricacies of the peace process itself.\(^{71}\) That said, constructing a coherent account of the logic behind the Jerusalem initiative remains problematic. The perceptions of observers are a crucial factor, especially as the peace cannot be separated from, and has been retrospectively judged as a part of, Sadat's reorientation of the political economy and foreign policy of Egypt.

Sadat's own version of this period is often vague and self-serving. Many contemporary western assessments, focusing primarily on Sadat's willingness to make peace, were almost hagiographical. By contrast, his detractors have been variously motivated by self-justification, and different degrees of distaste for his personal manner; his condoning of (or conniving in) the corruption and social hardships that accompanied the economic infitah or 'opening'; and, not least, for what they saw as a cynical or stupid separate peace agreement.\(^{72}\) In Egypt, four of the surviving members of the original Revolutionary Command Council of July 1952 spoke for critics in

---

\(^{71}\) For detailed accounts, see, for example, Quandt, *Camp David*, and Kamel, *The Camp David Accords*.

the Arab world when they addressed a memorandum to Sadat in October 1978: in the Camp David Accords, they claimed, Sadat had achieved a separate peace at the expense of the Palestinians. Israel had managed to neutralise the principal confrontation state, whilst Egypt had regained only a circumscribed sovereignty over the Sinai, and isolated itself from the Arabs. The Egyptian sociologist, Anouar Abdel-Malek, expressed the views of the Arab Left when he lamented that the peace with Israel amounted to 'a negation of the whole course of the modern and contemporary history of the Arab nation'. It needs to be remembered, then, that American participants in the peace process recall that Sadat was originally opposed to a partial, let alone a separate agreement, and that he was conscious of the need to obtain assurances on behalf of the Palestinians.

The Political Economy of Peace

If it is possible to talk of a 'Sadatian vision', as Saadeddin Ibrahim has done, this would in some ways seem to be more the product of hindsight than contemporary evidence of a fully-articulated programme. Certainly Sadat restructured the economy, drew close to the United States (and away from the Soviet Union), instituted limited political reforms and pursued a settlement with Israel, all within the space of a few years. But these policy re-orientations might equally be seen as a cumulative and mutually-reinforcing series of steps, as much the product of opportunism and Sadat's

74 A. Abdel-Malek, 'The Occultation of Egypt', Arab Studies Quarterly, Vol.1, No.3 (Summer 1979), p.177.
flair for the dramatic gesture as of a coherent vision.\textsuperscript{77} Thus, Sadat's well-documented discontent with the Soviet Union on economic, political and military grounds, could be translated into active measures against Moscow, because the United States was only too willing to see the reduction of Soviet influence in the Middle East.\textsuperscript{78} Moreover, the United States appeared to be able not only to underwrite a sorely-needed restructuring of the Egyptian economy, but also to apply pressure on Israel. Progress might therefore be achieved on two fronts at once.

Insofar as Sadat had a vision, it was of an economically-revitalised Egypt. There can be no doubt that economics lay at the heart of Sadat's reorientation after the October war. He seemed eager to tell the Egyptian public of the parlous state of Egypt's finances on the eve of the war, to justify his subsequent actions.\textsuperscript{79} Sadat set out some of his ideas for Egypt's economic regeneration in the 'October Paper' of April 1974. Although the Paper repeated familiar Nasserist themes of confrontation and Arab unity, there was an emphasis on the need to adapt to new international circumstances: Egypt's economy should be 'opened up' to foreign investment from the newly oil-rich Arab states and from the West; the private sector would have to be involved, and the public sector streamlined.\textsuperscript{80} This pronouncement and subsequent developments showed that Sadat intended fundamentally to challenge the prevailing state-centric ethos. It was this new, market-oriented philosophy which underpinned Law 43 of June 1974, the legal basis of Egypt's 'opening' to foreign investment. Some forty laws

\textsuperscript{77} Gamal Zahran's analysis of Sadat's public policy statements - for all the shortcomings of this kind of evidence - underscores Sadat's opportunism rather than any systematic plan. See esp. Zahran, \textit{Egyptian Foreign Policy}, Ch.3, pp.105-42.

\textsuperscript{78} See Rubinstein, \textit{Red Star on the Nile}, pp.297ff.

\textsuperscript{79} \textit{Ibid.}, pp.282-3.

\textsuperscript{80} See Hinnebusch, \textit{Egyptian Politics}, pp. 112, 114.
relating to investment were passed between 1974 and 1977. More generally, the economic opening could be seen as part of a wider programme of 'de-Nasserisation', in which some of the less savoury aspects of the Nasser era - such as the pervasive use of imprisonment and torture - were scrutinised in the press, now weighted to the Right.

As Malcolm Kerr observed in late 1973, Sadat was confronting a basic and long-impending choice 'between military and civilian expenditures, between welfare and investment [and] between an Egypt-first and a Pan-Arab foreign policy' which would sooner or later have had to be faced, even if the 1967 war had not happened. He could not simultaneously have confrontation and economic development, and so opted for the latter. If it is true that Sadat and those around him went to war in 1973 to regain the initiative in Arab and international affairs, it was a gamble that worked. The political outcome of the war gave him the opportunity to take these radical steps.

Egyptocentrism

One of the more pronounced attitudinal and rhetorical shifts of the Sadat era was the officially-sponsored redefinition of Egypt's national priorities and their relation to the region: the 1970s saw the rise of unabashed Egyptocentrism. In his own way, Nasser may be said to have behaved as if what was good for Egypt was good for the Arab world; but he had not neglected the second half of the equation, which required a close and

---

84 See Ajami, The Arab Predicament, pp.98-100.
explicit link between Egyptian interests and those of the 'Arab nation'. By contrast, Sadat increasingly subordinated Arabist issues to Egyptian development. Where once his language had been full of brotherhood and solidarity, it began to acquire a demanding element. Sadat never tired of reminding his audiences of the cost of the Arab-Israeli confrontation, and of Egypt's right, especially in view of its critical contribution in 1973, to a generous recompense. In January 1975, he told an Arab journalist: 'I can honestly say, despite my appreciation for what our Arab brothers have given us, that I have not received enough to cover my needs'. He expanded on this theme to an assembly of French lawyers:

The Arab oil-producing nations are obliged to give us assistance because we carried the burden of four wars against Israel in the past 25 years, at a cost of some $40 billion. Arab oil revenues rose by a factor of four after the last war, and Egypt wants $40 billion in the form of loans or direct assistance of joint projects. Egypt urgently needs this kind of help to advance the task of development.

In fact, significant quantities of Arab capital did flow into Egypt after 1973. The International Monetary Fund estimated that, as of September 1977, $4.4 billion in Arab credits had been disbursed, while another $3.9 billion remained undisbursed. Nevertheless, the money did not match Egyptian expectations, and the behaviour of its donors during their visits to Cairo provoked resentment and envy rather than gratitude.

In 1976, Egypt requested some $12 billion in Arab contributions towards its Five Year Plan. When Saudi Arabia, Kuwait, Qatar and the United Arab Emirates established the Gulf Organisation for the Development of Egypt (GODE) with a starting capital of $2 billion, the Egyptian government was disappointed. Furthermore, the Gulf states

---


86 Cited in Guma'a, *Egyptian Diplomacy*, p.158.


joined Egypt's western creditors in 1976 in their demand for greater economic and fiscal discipline on Egypt's part.\textsuperscript{89} The upshot of this IMF-led pressure was the economic reform programme of January 1977, which triggered serious nationwide riots before being abandoned.

Sadat remained outwardly grateful to Egypt's Arab benefactors. In August 1977, he told an audience:

\begin{quote}
I will never forget the good deed of our Arab brothers who supported us and extended aid to us. They gave over $4 billion last year...Were it not for this aid, I would not have been able to pay the salaries or pay the supplies.\textsuperscript{90}
\end{quote}

But it must have been clear to Sadat, as it was to outside observers, that Saudi Arabia and the Gulf states had reservations about bankrolling Egypt's development. By 1976, Saudi financial assistance had declined sharply from its peak in 1975.\textsuperscript{91}

During 1976 and 1977, the official press often reminded its readership that the newly oil-rich had a duty to rebuild the main pillar of Arab strength, a duty they seemed rather reluctant to discharge.\textsuperscript{92} This kind of self-justification was to increase markedly in response to the Arab criticism of the Jerusalem visit, and then Camp David. As Fouad Ajami later observed, it was as if the president and many Egyptians had grown weary of the burdens of Arab leadership; the real motives for Egypt's past efforts were conveniently forgotten and seen in hindsight 'as selfless sacrifices for others' dreams and others' interests'.\textsuperscript{93}

\begin{footnotes}
\footnotetext{89} Ibid., p.417.
\footnotetext{90} To students in Alexandria; Cairo Domestic Service, 14 August 1977, cited in FBIS-MEA, 15 August 1977.
\footnotetext{93} F. Ajami, The Struggle for Egypt's Soul, Foreign Policy, No.35 (Summer 1979), p.4.
\end{footnotes}
After November 1977, the Egyptian government mounted a concerted effort to reshape public opinion on the issue of peace with Israel. It was said that neither the Syrians nor the Palestinians were really interested in reaching a political settlement; they failed to understand that the United States would not permit Israel to be defeated, and that the Soviet Union would never provide sufficient weaponry for the task. Those Egyptian leftists, Nasserists and Islamic groups who criticised the peace policy were denigrated in the official media.94

Symptomatic of the prevailing intellectual and political climate in Egypt in 1978 was the journalistic debate about Egypt's relations with the Arab world. In March 1978, the prominent writer, Tawfiq al-Hakim, suggested that 'civilised' Egypt declare itself a neutral haven and cut itself off from the turmoil of the Arab world. Al-Hakim's argument was in some ways a philosophical elaboration of Sadat's implicit position, but most of those who responded to the challenge rejected his ideas outright on the grounds that al-Hakim ignored the realities of history, culture and geopolitics.95

It has been suggested by Fouad Ajami and Ghassan Salamé, for example, that Sadat undertook the dramatic step of visiting Jerusalem at least in part because he found it difficult to reconcile himself to the reality of Egypt's diminished status in the new Middle East. In other words, he decided to reassert Egypt's status as prime-mover by waging peace rather than war.96 It may well be the case that he resented the implied loss of

94 See S. Ibrahim in Ibrahim et. al., Egypt and the Arabs, pp.96-7.
95 The debate is reproduced in Ibrahim, Egypt's Arabism, pp.107ff. See also Raga' al-Naqqash, The Isolationists in Egypt: A Response to Louis Awad, Tawfiq al-Hakim and Others (Cairo: Al-Mu'assassa al-'Arabiyya li'l-Dirasat wa'l-Nashr, 1981), passim.
respect from other Arabs, rather than accepting Egypt's loss of position as a given. On the other hand, he does not seem to have felt that Egypt's leadership was a thing of the past. There is general agreement amongst contemporary observers that Sadat believed he, as Egypt's leader, had the power to change the rules of the game, and that other Arabs - certainly the conservative Arabs - would have little option but to follow his example. At Camp David, both William Quandt and Mohamed Kamel gained this impression.\(^{97}\) Ezer Weizman, then the Israeli defence minister, recalls Sadat's assuring him that

the Jordanians will follow in [Egypt's] footsteps. So will the Syrians. Things in the Arab world happen the way Egypt decides.\(^{98}\)

None of those who served with him has made reference to his feelings that Egypt had lost power.\(^{99}\) The weight of his pronouncements indicates that he was fairly convinced that Egypt's primacy in the Arab world was - as Ali Dessouki has written - structurally determined by facts of geographical location and cultural and demographic weight rather than being a function of its adherence to Arabist principles.\(^{100}\)

**The U.S. Factor**

Sadat's desire to capitalise on Egypt's relations with the United States was a more important factor behind his peace strategy than any wish to impress the Arab world. Indeed, William Quandt suggests that Sadat was interested primarily in an Egyptian-American, rather than in the Egyptian-Israeli agreement.\(^{101}\)

\(^{97}\) See, respectively, Quandt, *Camp David*, p.312, and Kamel, *Camp David Accords*, pp.365,368.


\(^{99}\) 'Abd al-Magid in Ibrahim et. al., *Egypt and the Arabs*, p.86.

\(^{100}\) Dessouki, 'The Primacy of Economics', in Matar & Dessouki (eds.), *The Foreign Policies...*, p.130.

\(^{101}\) For example, Quandt, *Camp David*, p.208.
Within a year of the 1973 war’s ending, Sadat had not only abandoned his predecessor’s economic philosophy, but had restored diplomatic relations with the United States. He openly declared his extravagant expectations of the new relationship, thereby creating exaggerated expectations on the part of general public. Much prominence was given to the (arbitrary) figure of $2 billion in planned American investments referred to in the joint communique at the end of President Nixon’s visit in June 1974.102

Moreover, he had indicated by his encouragement of Kissinger’s shuttle diplomacy and his acceptance of the successive Sinai ceasefire agreements that Egypt was downgrading its commitment to the Arab-Israeli conflict. It has been suggested that one consideration behind the limited political liberalisation of 1976 was a desire to impress Sadat’s American audience with his democratic credentials.103

As early as January 1974, Sadat had removed Nasser’s erstwhile confidant, Mohamed Heikal, from the editorship of Al-Ahram for suggesting that he, Sadat, had gone too far in placing his hopes on Washington to extract concessions from the Israelis.104 By 1977, Sadat openly stated his belief that the United States held 99 per cent of the cards relating to the Arab-Israeli conflict; but he also seems to have believed that Washington’s influence was decisive in most domains, especially those affecting Egypt’s economic future, such as international capital.105 From the account of the peace process written by Kamel, as well as the

102 See Waterbury, Egypt of Nasser and Sadat, p.401, and Zahran, Egyptian Foreign Policy, p.166.
104 See Waterbury, Egypt of Nasser and Sadat, p.248.
105 As, for example, in an interview with ABC television: ‘Well, the US role has become definitive. It is 99 per cent, definitive, precisely as I have said.’ MENA, 28 Nov. 197, cited in FBIS-MEA, 30 Nov. 1977.
106 See Ali Hilal (Dessouki), introduction to Zahran, Egyptian Foreign Policy, p.11.
recollections of the then American ambassador to Egypt, Hermann Eilts, it is clear that Sadat had a powerful faith in the ability of the United States to pressure Israel into making concessions.107

Gamal Zahran, no admirer of Sadat, has argued that Sadat's trip to Jerusalem was motivated more by a desire to restore his tarnished popularity after the 1977 riots, and his strong pro-American (and anti-Soviet) inclinations, than by Egypt's domestic economic situation in 1977. Sadat needed something which would restore his stature; and in fact, the trip did just that, largely, perhaps, because of the prosperity that had been promised as a result of peace. According to Zahran, external factors, such as the advice of President Ceaucescu of Roumania and the help of King Hassan of Morocco, played upon these pre-existing inclinations.108

Another interpretation sees the timing of the trip as stemming from his desire to forestall Moscow's being involved in an international settlement, as the Americans suddenly seemed to wish.109 On this reading, his trip was a reaction to the superpowers' joint statement110 on the Middle East, issued in October 1977. The evidence for this view is inferential, based on Sadat's known dislike of the Soviet Union. However, some of those who had frequent dealings with Sadat recall that he was not opposed to a Geneva conference - as he himself stated. Husni Mubarak and Hermann Eilts both maintain that Sadat wished to pursue the Geneva option, but was frustrated by Syrian obduracy.111 He travelled to Jerusalem to maintain

108 Zahran, Egyptian Foreign Policy, pp.335-7.
109 This interpretation is alluded to, but rebutted, in M. Indyk, "To the Ends of the Earth": Sadat's Jerusalem Initiative, Harvard Middle East Papers, Number One (Cambridge, Mass.: Harvard Uni., 1984), pp.42-3.
110 See text in Quandt, Camp David, pp.343-4.
the momentum of negotiations - but regional reactions to his Jerusalem visit undermined the strategy.

It is clear that a concatenation of forces was at work in late 1977: Sadat knew that Washington considered the 'psychological barrier' to peace important; he faced latent domestic pressures in Egypt; and there was little prospect of a common Arab negotiating position. The Jerusalem venture may, then, have been designed abruptly to push Carter - who at the time was still seeking a broader Arab consensus - into pursuing his goal of regional peace by different means.

Whatever the immediate catalyst of the Jerusalem visit, Sadat's fundamental aim was to achieve economic development for Egypt, for which peace and American aid would be essential; Egypt could no longer afford to spend 37 per cent of its GNP - as it did in 1977 - on defence. As will be apparent from the following chapters, the economic imperative behind the peace with Israel also helps to explain the direction of (and constraints on) Egypt's diplomacy during the past decade. Thus, although the sceptics were to be proved correct in their gloomy predictions about Israeli and American behaviour, their own recommendations were largely impractical because they ignored Egypt's lack of alternatives.

113 As argued in Indyk, "To the Ends of the Earth", pp.47ff.
Chapter 1

EGYPT AND THE UNITED STATES

In late 1988, President Mubarak spoke to Ibrahim Nafi'a, the editor of *al-Ahram*, about various aspects of Egypt's foreign policy. On the subject of the United States, he said:

For the sake of history and truth, I must say that the United States does not try to impose any decision on us. It does not seek to restrict our freedom of action, nor does it try to impose on us any field of cooperation that it is incompatible with our interests and views.¹

This statement was, as will be seen, something of a half-truth. Strictly speaking, the United States had not attempted to 'impose any decision' on Egypt. On the other hand, Mubarak knew only too well that his government had at various times been subject to American pressure. This, together with other aspects of the United States' regional policies, had been a source of embarrassment.

The relationship between Cairo and Washington was, from its revitalisation in 1973 onwards, a central - perhaps the central - factor in Egyptian diplomacy. It facilitated and underpinned Sadat's regional initiatives; it provided vital economic support; and, for all its vicissitudes, it remained a given throughout the 1980s. But it was deeply resented by Egyptian opposition forces, who regarded their country's position as ignominious. Many of the arguments employed by, and the 'facts' adduced in, the opposition press were dictated by more or less extreme anti-Americanism and by a nationalistic resentment of Egypt's dependence on a foreign power with (supposedly) dubious political motives.² Nevertheless,

the persistent carping of the opposition, to which Mubarak had himself given greater rein, could play upon and exacerbate the government's own discomfiture.

This chapter chiefly examines the efforts of the Mubarak government to manage the legacy of Sadat's enthusiastic embrace of the United States. These efforts were complicated by the Reagan administration's pro-Israeli outlook on the Middle East, and by the brute fact of Egypt's growing economic vulnerability.

**The Scale of Aid**

American diplomatic efforts and economic largesse facilitated the Sinai disengagement agreements of 1974 and 1975; these same factors lay behind the Camp David accords and the resultant peace treaty between Egypt and Israel. Without the economic and military inducements offered first by Henry Kissinger and then by President Carter, Sadat would have been far less prepared to face the political risk of making peace with Israel. The disapproval of the Arab world could be more easily borne if the United States were to provide moral, and especially financial, support.

From the American point of view, economic aid to Egypt was initially intended to forestall any inclination on Sadat's part to turn to the Soviet Union again. Henry Kissinger visited Egypt in November 1973 and suggested that Washington send substantial amounts of food aid; there had been no such aid to Egypt for six years, and world wheat prices were soaring. The Nixon administration requested $250 million in economic assistance for Fiscal Year (FY) 1975.

During the shuttle diplomacy that led to the second Sinai disengagement, Sadat tried to impress upon Kissinger that Egypt's economic liberalization and his, Sadat's, own boldness deserved American
support. Kissinger mentioned a figure of $750 million (excluding $200 million in Public Law (PL) 480 food aid), which was deliberately close to the level of aid which Israel would receive. The FY1976 total aid allocation, some $986 million, was intended to symbolize an evenhanded approach to Egypt and Israel, and became a benchmark for American commitment to Egypt and its government.³

The Carter administration subsequently went to considerable lengths to obtain an Egyptian-Israeli peace agreement. Carter was determined to achieve a breakthrough in the Arab-Israeli conflict, in order that a bilateral settlement would become the cornerstone of a stable, moderate Middle East; he seemed to believe, like Sadat, that the other Arab states would have to accept facts.⁴ To this end, Washington was prepared to devote substantial sums: as part of the Camp David accords, Israel and Egypt were promised an extra $4.8 billion in security assistance, Egypt's share being $1.8 billion.⁵ The official justification given in Washington for the large amounts of aid which Egypt began to receive after 1978 remained practically unchanged during the following decade: that the bilateral peace and the stability and prosperity of Egypt itself were vital to the wider stability of the region, and thus to American interests.

William Quandt points out that 'some Egyptians have argued that Carter, in a bid to convince Sadat to stay [on at Camp David], promised Egypt a massive aid program equivalent to Israel's. Carter has strongly denied that any such promise was made'.⁶ Yet Carter did in effect commit

⁴ Quandt, Camp David, p.312.
⁶ Quandt, Camp David, p.239.
the United States to long-term economic rehabilitation of Egypt; without large infusions of aid, 'there could be no guarantee that the Sadat regime would survive, let alone sustain its partnership with the American government'.

Economic and military assistance, at over $2 billion per year during the decade after the peace treaty, became the cornerstone of the Egyptian-American relationship. In itself, the scope of American economic assistance was impressive. Between 1974 and 1990, aid allocated to Egypt under the rubrics of the Economic Support Fund (ESF), PL 480 food aid, Export-Import Bank loans, and others miscellaneous headings, amounted to almost $17 billion. Much of the aid was handled by the Agency for International Development (AID) office in Cairo - which by 1978 was the largest American AID station in the world. AID's own published figures indicate that it had responsibility for aid allocations totalling $14.98 billion between FY1975 and FY1989. This was spread broadly over 'project' and more generally targeted 'programme' assistance. Project assistance, totalling some $6.3 billion, included support for the rehabilitation and expansion of urban sewage and water systems; the importation of materials vital for the expansion of Egypt's power generating capacity; and help with government efforts to encourage local development and decentralized planning. A large part of 'programme' assistance was devoted to the importation of PL480 Title I food imports, which had reached $3.3 billion by FY1987. In fact, Egypt received some 19 per cent of the global PL480 food aid budget in the period 1977-1989. Loans under the PL480 scheme were, after 1978,

8 This figure, in current dollars, is derived from official U.S. statistics cited in Quandt, *The United States and Egypt*, p.76.
9 The following details are taken from *Status Report, United States Economic Assistance to Egypt* (Cairo: USAID, November 1989), *passim*.
10 *Background Materials on Foreign Assistance*, p.170. In 1989 dollars, this amounted to some $4 billion. PL480 funding is not part of the ESF allocation.
repayable over forty years, at interest rates of 2-3 per cent. Smaller amounts were devoted to areas such as child nutrition and family planning (PL480 Title II) and rural development (PL480 Title III).

Funds allocated to the Commodity Import Program (CIP) - $4.49 billion by 1987 - were intended to finance imports of American-produced goods. The CIP, which initially provided concessional loans, began to provide grant funding in 1979. Special production credit and commodity import programmes for the private sector were instituted in FY1982 and FY1986 respectively. From FY1982 onwards, all ESF assistance came in grant form, though PL480 aid continued to attract low interest. In addition, Washington began in 1984 to incorporate a cash component into its annual ESF allocation, to help relieve Egypt's balance of payments problem.

Disagreements over Aid

Considerable though these sums might be, AID increasingly found itself under attack, both in the Egyptian press and in Washington. Congressional critics focussed on its alleged inefficiencies; those in Egypt often questioned not only AID's activities, but the value of the aid relationship itself. It will be seen that there was a degree of overlap in American and Egyptian criticisms. This is not to imply that such criticisms were always similarly-motivated; as noted, many on the Egyptian Left considered dependence on the United States to be *prima facie* objectionable.

Such prejudices were exacerbated by a more general problem. Sadat gave the Egyptian public to believe that something akin to a new Marshall Plan - a 'Carter Plan', he once called it11 - would be forthcoming. He made promises that neither he nor the American government could keep, yet public expectations had been raised so high that both his image and that of

---

the United States came to suffer as a result. American economic aid became the subject of chronic Egyptian complaints; in particular, these revolved around the conditions attached to its disbursement and (what were in Egyptian eyes) the damaging effects of interest payments on its military component. Although the annual economic and military aid packages were separate for accounting purposes, the distinction became blurred during the 1980s; both came to be regarded in Egypt as part of Egypt's overall economic dilemma, as well as being symbolic, for government as well as opposition, of the United States' parsimony and intransigence.

A recurring complaint, in Cairo and in Washington, concerned the discrepancy between the monies allocated for project assistance and the actual level of disbursement. A General Accounting Office (GAO) report in 1981 noted delays of up to three years in project implementation, and cited as reasons insufficient Egyptian support and AID monitoring, as well as a lack of experience and staff on the part of American contractors. These problems were neither new to AID nor unique to Egypt, but they were magnified by the scale of the American aid programme there. During the 1970s, AID staff had scant data on Egypt and little knowledge of its problems. Lacking specific requests from an Egyptian bureaucracy used to central planning and Soviet heavy industrial and turnkey projects (and not used to participation in project management), AID initially gave priority to readily identifiable areas like consumables and spare parts, and entered into a number of expensive infrastructural projects, such as port and sewage facilities. This task, hampered by inexperience, was further hindered by turgid bureaucracies in both Washington and Cairo. The AID

programme was subjected to the scrutiny of the Cairo office and the American Embassy, as well as that of AID headquarters in Washington and Congress; all of these might be working at cross purposes. As for the Egyptian bureaucracy, it was chronically short of managerial skills and often resentful of AID intrusion, besides which it was (and remains), in the words of a recent study, 'lethargic, inflexible, noninnovative and lacking in rapport with the masses'.

As late as 1987, the problem of the clogged aid 'pipeline' had not improved greatly. The House Subcommittee on Europe and the Middle East was told that $2.3 billion had not been disbursed - the figure in 1984 had been $2.4 billion - and it noted that there was 'no good excuse' for such delays in a ten year-old programme. During 1987-88, AID claimed that steady if unspectacular improvements in the rate of disbursement had been registered; nevertheless, blocked funds still stood at $2.1 billion, with 60 per cent of these funds allocated to twelve large projects, like the Cairo wastewater project, which were dogged by problems of obtaining official Egyptian approval.

In other ways, too, the value of aid was seen by Egyptians to be overstated. Many AID projects, though they might be essential, suffered from a lack of publicity, and this apparent inactivity on the part of AID contrasted oddly with the large numbers of personnel and contractors in Cairo, provoking unfavourable comments. Egyptian commentators also observed that numerous, highly-paid American consultants made serious

inroads into project budgets. In 1984, the Egyptian Central Agency for Accounting claimed that 16 per cent of a $25 million sewage project grant, and 24.9 per cent of an energy development grant, had gone towards inflated consultancy fees.

The editor of al-Ahram al-Iqtisadi, Lutfy Abd al-Azim, had come to believe that American aid was simply not contributing to Egypt's productive capacity, even though Egypt was becoming dangerously dependent on it. In late 1982, the journal sought to publicise the activities of what it saw as 'a shadow American government in Cairo'. A series of articles attacked the motives of those Egyptians who accepted American funding, and their complicity in a pervasive information-gathering process which were alleged to be aimed at facilitating political control. One prominent academic who was interviewed described researchers who were engaged in the process as 'mercenaries'. Many participants in the debate were more restrained than the paper's staff, blaming a lack of research planning on the part of the Egyptian government, and the low salaries of Egyptian academics and researchers; some even dismissed the notion of intelligence-gathering by these methods as absurd.

Nevertheless, the accusations were indicative of a reservoir of discontent, and they struck a sore nerve in AID. Although the Agency

20 Baker, Sadat and After, pp.221-4.
21 See especially al-Ahram al-Iqtisadi, 4 October 1982. The following comments are based on edited translations of these articles, published in Rpé, No.7 (décembre 1982), esp. pp.22-54. It is worth recalling that, in the late 1970s, the then American ambassador, Hermann Eilts, had warned against a repetition of the Iranian experience: too many Americans, living well and distributing largesse. (Interview, Amb. H. Eilts, 7 July 1988).
made efforts to raise public appreciation of its work, the image problem was not easily solved. In 1983, the House Committee on Foreign Affairs went so far as to suggest that 'the US-Egyptian economic relationship...has reached a critical juncture'. It reported the findings of a congressional study mission to Egypt which had heard numerous Egyptian complaints about the proliferation of slow, overstudied projects.23 Opposition members of the People's Assembly continued to complain: Abu al-'Izz al-Hariri wrote in 1984 that 'Egypt is ruled by AID, not the Egyptian government', and Ibrahim Shukri, head of the Socialist Labour Party, described AID's conditions as 'a flagrant form of interference'. A member of the ruling National Democratic Party (NDP) complained that AID had no right to insist on the transfer of technology to small groups of businessmen.24

AID's encouragement of the private sector was clearly unpopular in Egyptian opposition circles. But this policy reflected the mood in Washington. As Marvin Weinbaum observed in 1983:

To the extent that the US aid program has adhered to any development model for Egypt, it is one that, put briefly, envisions a more export-oriented industrial society, supplemented by a highly productive agricultural sector. The implicit model foregoes self-sufficiency in seeking to maximize Egypt's believed comparative advantages in both industry and agriculture. The economic course also presupposes a larger, vigorous private sector, a stabilized and improved public sector, and a greater decentralization of development decisions.25

It was believed in Washington that an end to Egypt's chronic economic problems could only be achieved by removing distortions in the agricultural sector, devaluing the currency, reducing the large public subsidy programme and installing proper budgetary management. Decision-makers in Washington regarded the process of reform in Egypt as mesmerisingly slow, and were disappointed by frequently-broken promises

---

23 MEED, 24 June 1983, p.6, and see also Springborg, Mubarak's Egypt, p.275.
24 The above comments are cited in Morsy, 'U.S. Aid', p.383.
on the matter. Many thought, therefore, that cash transfers, which Egypt began to receive in 1984, should not be handed over without at least some assurance of reform. There was no question of Egypt's requests for a larger proportion of cash in its annual ESF funding being met; this, it was felt, would only encourage laxity.26

The twin issues of food production and land reclamation are traditionally sensitive ones in Egypt. Some saw it as paradoxical that, against a background of American agricultural assistance and food support programmes, Egypt's dependence on food imports should have grown so rapidly during the 1980s. The GAO in Washington noted as early as 1981 that American efforts to increase food production had had a 'negligible' impact, and that only $62 million of the $357 million allocated since 1975 had been spent.27 Given Egypt's experience in the past of American efforts to use food aid as a lever - the Johnson Administration had cut off PL480 aid in 1967 in protest at Nasser's behaviour28 - and the habitual suspicions of many intellectuals about American motives in Egypt and the region, it is not surprising that there should have been talk of deliberate efforts to keep Egypt dependent and to limit its freedom of manoeuvre.29 But suggestions that Egypt might become self-sufficient in food production, especially where such suggestions were linked to the desirability of land reclamation, found no support in AID corridors. The first was considered to be economically unrealistic and the second inefficient and expensive.30

26 Interview, Dr. Michael van Dusen (Staff director, House S'cttee. on Europe and the Middle East), 1 August 1988.
28 Burns, Economic Aid, pp.165-173.
The Debt Issue

Even among American observers, the contribution of aid to Egypt's balance of payments was a moot point. The Commodity Import Programme, though praised by AID in Cairo for its effects on Egypt's balance of payments, was felt by some in Congress to have compelled Egypt to import American goods for which it had little use. Similarly, the ready availability of PL480 wheat shipments could be said to have acted as a disincentive to domestic agricultural reform and contributed to food dependence; but by the same token, it was acknowledged that they had been of considerable value in freeing scarce foreign exchange for other purposes.31 Dennis Sullivan has pointed out that, given the magnitude of Egypt's immediate food requirements, '[t]here are few in Egypt's various ministries who would say that food aid is a disincentive to Egyptian farmers and thus should be stopped'.32

In 1985, Egypt's balance of payments became a critical issue. The cause of the crisis was a severe drop in Egypt's main sources of foreign currency, all of which were vulnerable to the vicissitudes of market forces and regional politics. Oil prices, which had declined steadily since the early 1980s, fell sharply, causing a loss of export earnings as well as indirect earnings from migrant worker remittances; Suez canal revenues were also affected. Tourism was badly hit by the hijacking of the liner *Achille Lauro* in October - of which, more below - and by internal terrorist attacks.33 As a consequence of this income shortfall, Egypt found it extremely difficult to service its foreign debt; the Minister for Economy and Foreign Trade,

31 For an American exchange on PL480 and CIP, see *Foreign Assistance Legislation for Fiscal Years 1988-89*, p.136.
Sultan Abu Ali, said debt servicing was consuming 24 per cent of Egypt’s current account receipts.34

Egypt’s total external debt had, according to the IMF, risen to $32.5 billion by 1985.35 The bulk of its civilian debt was accumulated in the period 1975-79, when Egypt had enjoyed windfall foreign earnings and was regarded as very creditworthy; in these years, public and publicly-guaranteed debt had grown at 26 per cent annually. Egypt’s military debt, especially that owed to the United States, posed an acute problem. Under the Foreign Military Sales (FMS) programme, Egypt had borrowed some $4.55 billion, at interest rates of 12-14 per cent, between 1979 and 1984.36 European countries were owed almost the same amount and, since these loans matured earlier, scheduled payments on them had reached $550 million by 1984-85. Egypt’s annual debt service payments fell from a level of $1.9-$2 billion in 1983-84 to only $1.1 billion after that date, partly because of lower prevailing interest rates but largely because of increases in arrears. Arrears grew from $260 million in 1981-82 to $1.1 billion in 1984-85; and arrears on the FMS debt, which attracted mandatory 4 per cent penalty charges, stood at $540 million in 1985.37

It should be noted that 20 per cent of FMS credits in the period FY1979-FY1984 had been forgiven, and that, from FY1985 on, FMS financing came in grant form.38 But for Cairo, the reduction of the interest rate on past

35 MEED, 8 March 1988, p.12. The official Egyptian figure for 1985, not including military debt, was $25 billion. The World Bank put the total at $36 billion; see MEED, 28 June 1986, p.8.
36 A GAO report called these interest rates 'exorbitant'; see Forging a New Defense Relationship with Egypt (USGPO, 1982, pp.15,17), cited by Morsy, ‘U.S. Economic Aid’, p.369.
FMS loans, if not the cancellation of all or part of the loan, was now an urgent matter. Yet Washington adamantly refused to alter the interest rate, for fear of encouraging other FMS beneficiaries, like Pakistan and Turkey, to seek similar treatment. Instead, the United States decided in 1985 to make an emergency cash grant of $500 million, to be disbursed during FY1985 and FY1986. This step was necessary to avoid Egypt falling behind in its payments by more than twelve months, which would result in the automatic suspension of American aid, under the provisions of the Brooke amendment. The irony of this situation was not lost on Egyptian commentators, who noted that the United States seemed to take with one hand what it gave with the other: most of the value of the economic assistance was cancelled out by the size of debt payments. In March 1985, Mubarak himself had told *Newsweek*:

> You're giving me about $815 million in economic aid. Each year, I am giving you back, as interest on the military loans, about $500 million. The rest is only about $300 million. It is not helping me to raise the standards [sic] of the people.39

Opposition and government alike maintained that this was no way to treat a friend.40

The Egyptian government faced a difficult task. It was embarrassed and frustrated by Washington's behaviour; yet, lacking an alternative source of funding, it had to persist in its requests for more helpful policies. At the same time, it was attacked by the domestic opposition for being weak and submissive. Here, it was partly the victim of its own attempts to highlight the benefits of the American-Egyptian connection. As Dina Galal, a critic of American aid policies, has pointed out,

40 See the *Arab Strategic Report* (hereafter *ASR*), 1985 and *ASR*, 1986, and I'sam Rif'at in *Al-Ahram al-Iqtisadi*, 19 Aug. 1985, cited in Rpé No.19 (2e semestre 1985), pp.245 ff. Mustafa Amin at *al-Akhbar* (22 May 1985) maintained that, as American support for Israel had over the years compelled Egypt to squander its resources on wars and defence expenditure, Egypt was not 'begging' for more aid, only asking for its 'rightful entitlement'.

[o]ne can say that the [official] Egyptian press gives accords concluded with [AID] regular, repetitive and, one might even say, insistent coverage. News items on this subject are scattered and published at different times, so that the average citizen is unable to grasp the real volume of aid and believes that there is an abundant influx. In fact, each accord is reported at least three times: at the beginning and end of negotiations, and at the time of its implementation.41

Moreover, the language used by the semi-official press in its coverage of the government’s dealings with Washington gave a false impression of progress. Every speech, complained Ali al-Din Hilal, was a 'turning point', every visit, 'historic'.42 Measured against such expectations, the results of Mubarak’s rather unproductive trip to Washington in March 1985, for example, were bound to look disappointing.

Caught in a difficult and unequal relationship with Washington, the government felt bound to defend its position in public. The editorials of Makram Muhammad Ahmad, a journalist who was close to Mubarak, provide good examples of its attempts to do so. Besides reiterating the government’s case to Washington, for more aid with fewer restrictions, lower interest rates on its debt and movement in the peace process, Ahmad defended the American-Egyptian relationship. Though it was one between a superpower and a medium power, this in no way meant that Cairo did Washington’s bidding; there were often differences of opinion, which both sides did their best to resolve, and there was a high level of mutual dependence. Those who called for more belligerence on Egypt’s part forgot that Egypt had no alternative, in economic terms or with regard to regional political problems, but to deal with the United States. He reminded his readers that American aid had been more generous than that of the Arabs,

and the United States had not been adequately thanked. Did the critics want Israel to monopolize Washington's attention once more?43

Occasionally a more apologetic note crept into the press. A published interview with Egypt's ambassador to the United States, Abd al-Ra'uf al-Raydi, in late 1986, sought to convey the difficulties under which Egypt laboured. Egypt lacked the influence which Israel enjoyed, said the ambassador, and the American press was highly critical of Egypt's economic demands. Moreover, foreign aid had no important constituency in the United States, and was becoming increasingly unpopular. This theme was echoed by an al-Ahram report, one year later, which also explained how the American president's hands were tied by Congress when it came to aid levels and debt renegotiation; there was, Congressional sources were reported as saying, little likelihood that the conditions applied to Egypt's aid package would be relaxed or that Egypt could expect the same treatment as Israel received.44

As negotiations with Washington dragged on fruitlessly, it became clear that the debt problem could not be resolved in a bilateral framework, and that Egypt would have to submit to the scrutiny of the IMF. If its economic programmes were approved by the IMF, the United States would be willing to discuss debt rescheduling in a multilateral forum, with Egypt's other principal creditors. Though many in the government accepted that some of the reforms demanded by the IMF were necessary, justifying IMF-mandated reforms to the public would be a difficult matter. With the exception of the Wafd, the opposition parties were united in the belief that Egypt's dealings with the IMF had to be seen in the context of Egypt's


44 See al-Gumhuriyya, 14 August 1986, and article by Ezzat al-Sa'dani in al-Ahram, 5 May 1987, respectively.
progressive 'satellisation' by the United States. In return for aid, they alleged, Washington sought to impose reforms which conflicted with Egypt's national interests and even threatened the country's independence. To such charges, the government replied that conditions in Egypt were in no way similar to those prevailing at the time of the Khedive Ismail, when foreign financial intervention had robbed Egypt of its independence. Economic rationalisation was urgently required; the reformist policies now under way were of Egypt's making, though they might resemble those suggested by the IMF. Had not Nasser himself signed the first IMF agreement?45

Up to a point, the Egyptian government could use the vociferous objections of the opposition to bolster its case that reform should not be too rapid; it could also rely on the assumption that, though Washington might withhold part of the cash transfer to 'encourage' reforms, the United States would stop short of bankrupting Egypt. American aid was, after all, linked to a broader political motive, as a 1987 GAO report on American economic assistance to Egypt, for example, made explicit:

> Funding is kept at this high level [i.e., $815 million in ESF funds alone] for political purposes - peace in the Middle East. While Egypt does have substantial economic needs, the consensus of development experts was that US assistance to Egypt would range from $100 to $200 million if it was based solely on economic need.46

Presumably, the United States would not insist upon measures which risked undermining its interest in regional stability. Cairo therefore persistently reminded its American benefactors that it should not be asked to do too much too quickly. The expensive subsidies on foodstuffs, transport and utilities, unbeloved of the IMF, were of vital importance to lower- and

middle-income earners; outside observers were reminded of the dangerous food riots which had followed IMF-imposed subsidy cuts in 1977, and which Egyptian policymakers remembered all too well.47

But reiteration of the dangers of over-hasty reform did not induce much flexibility on Washington's part. Negotiations on the reduction of the military debt continued fruitlessly during 1985 and 1986. At the end of 1986, President Reagan wrote to Mubarak, suggesting, inter alia, a Congress-approved solution to the military debt problem. The main proposal involved a reduction of the interest rate, from 13 to 7.5 per cent, for several years; the difference would be added to major repayments beginning in 2009. Congressman David Obey later told a Congressional hearing that, while Egypt stood to save some $200 million in interest payments, it would have to make a balloon payment of $3.2 billion in 2009, and similarly large payments in subsequent years. But, Obey said, he knew of no one who believed 'that Egypt's economy is going to grow fast enough between now and 2009 to be able to make a series of multi-billion dollar payments at the end'.48

In the event, Mubarak turned down the suggestion. He pointed out that Egypt would end up paying interest of $9.5 billion on its original borrowings of $4.5 billion, and that the lumping together of Egypt with 36 other countries, whose debt was to be similarly dealt with, raised questions about the nature of the 'special relationship'. Moreover, he found unacceptable the other contents of Reagan's proposal, which reportedly included requests that joint military exercises be resumed, and that Cairo take serious steps to revive the Egyptian-Israeli normalisation process and

to persuade King Hussein to negotiate directly with Israel.\footnote{For details, see \textit{ASR, 1986}, p.486 and \textit{ASR 1987}, pp.400-1.} This is a good illustration of the extent to which the debt question had become bound up with other policy areas, including the complex of Egyptian-Israeli ties.\footnote{Egyptian-US military ties, and Egypt's relations with Israel, are dealt with below and in Chapter 2.}

In May 1987, after two years of discussions, Egypt obtained an IMF credit package of $325 million, whose conditions the United States had deliberately sought to have watered down. Egypt was required to devalue its currency, to raise domestic interest rates by several points and to lower its budget deficit. No mention was made of subsidies. As a consequence of this agreement, the Paris Club - eighteen creditor countries, including the United States - established a framework to reschedule some $6.5 billion in Egypt's public debt. This covered arrears accumulated until December 1986, and civilian and military interest payments falling due between 1 January 1987 and 30 June 1988. The rescheduling was for a period of ten years, including a five-year grace period.\footnote{MEED, 23 May 1987, pp. 8-9 and \textit{MEED}, 30 May 1987, p.5} As part of the Paris Club framework, the United States agreed to defer a portion of Egypt's FMS debt, at reduced interest rates of 7.3-8.9 per cent.\footnote{MEED, 21 November 1987 and \textit{Report on the Egyptian Economy, 1988}, p.23. During 1987, Egypt was able, using Arab aid, to make substantial payments to meet its US commitments, and to reduce the amount of debt to be rescheduled.}

An American sceptic pointed out that the whole rescheduling package was only a stopgap measure: in time, Cairo would have to borrow more, to cover payments due during the rescheduling period, and the cycle would repeat itself. Creditors would continue to apply pressure on Egypt to undertake reform in return for debt relief, whilst Egypt tried vainly to promote productive investment.\footnote{See Joe Stork, 'Rescheduling the Camp David Debt', \textit{Middle East Report} No.147 (July-August 1987), p.31.}
Stopgap measures were not to Cairo's liking. At the end of 1987, Congress passed legislation which would enable Egypt and Israel to refinance their military debt on relatively favourable terms, with the aid of American government-guaranteed loans. Once again, Egypt turned down the offer - though Israel did not - because, as the president's principal adviser, Usama al-Baz, said, the refinancing would still save Egypt 'only' some $2 billion.\(^54\) Evidently, Cairo was hoping that, if it held out long enough, the debt might be completely forgiven.

American and IMF pressures for reform gave critics of the Egyptian-American connection further ammunition. In August 1988, they seized upon the United States' alleged obstruction of a $270 million loan from the African Development Bank to fund Cairo West power station, which had been turned down on the grounds that projects of this sort would never pay their way until electricity prices were raised. This, they said, was evidence of the insidious linkage between the IMF policies and Washington's own interventionist agenda.\(^55\) Perhaps in response to such critics, Mubarak lambasted the IMF for being a 'quack doctor', who prescribed massive and lethal doses of medicine. He conceded that reforms in, for example, the energy sector, were necessary, but insisted that consumers needed to be protected against too sudden a shock. In contrast, the IMF's regional director, Abdel Shakour Shaalan - an Egyptian - told *al-Ahram* that Egypt was irresponsible, 'like an employee who earns 100 pounds a month but spends 122 pounds'. Public sector wages, said Shaalan, should be increased


as subsidies were phased out, and energy prices should reflect true costs of production.56

After almost a decade of negotiations, the record of the Mubarak government in attempting to improve Egypt's position with regard to aid conditionality and debt repayments was not good. In some years, Mubarak had made two trips to the United States; his ministers, especially Field Marshal Abu Ghazala, the defence minister, had travelled more frequently still. On the economic front these trips had yielded little. The semi-official press might dwell on flattering testimony before Congressional committees about Egypt's regional centrality and commitment to peace, or - for example - on the favourable impression made by Mubarak during his visit in March 1989; but this was slightly misleading. As the conservative opposition paper *al-Wafd* bluntly pointed out, the March 1989 trip had failed, like previous trips, to change Washington's position on Egypt's military debt: it would not be forgiven, nor would the interest rate be lowered.57

The Bush administration decided in March 1989 to withhold the $115 million cash component of Egypt's FY1989 ESF allocation - for the second year in a row - in order to encourage speedier policy reform in Cairo.58 Later in the year, Washington decided that sufficient measures had been taken to warrant the release of all the frozen funds. These measures included the abolition of an artificial customs rate for import duties, and the commencement of a further round of exchange rate adjustments.59

Thus, even if is true that Washington was reluctant to apply too much pressure on Egypt, this does not mean that such pressure was abandoned -

or, indeed, that it failed to have some effect.\textsuperscript{60} So dire was Egypt's economic predicament, that Mubarak and others around him accepted the necessity of economic reform; nevertheless, IMF and American criticisms, backed up by limited financial sanctions, acted as a goad. It is worth noting that the Egyptian government began in 1986-87 to give far greater priority to encouraging the private sector than had until then been the case.\textsuperscript{61} Moreover, Mubarak sought to involve both the American-Egyptian Chamber of Commerce and the US Chamber of Commerce in bilateral dealings; and since the former did not really constitute a unified pressure group in Egypt - being faction-ridden - this policy can be seen as a conscious appeal to American development priorities.\textsuperscript{62}

**Military Cooperation**

The question of arms supplies surfaced very early in Sadat's dealings with the United States. Henry Kissinger appreciated the symbolic value of American arms at a time when Egypt wanted not only to secure an alternative source to the Soviet Union, but also needed to modernize its armed forces.\textsuperscript{63} Moreover, as Sadat moved closer to a settlement with Israel, it would be important for him to retain the support of the Egyptian military establishment.

\textsuperscript{60} Dennis Sullivan has argued ('The Political Economy of Reform in Egypt', p.328) that officials in the White House, State Department and the U.S. Embassy in Cairo were far less insistent than their AID counterparts 'on the elusive goal of economic development through policy reform.' But it is also true that influential members of Congress, such as Lee Hamilton (D-Ind.) were deeply sceptical of Egypt's commitment to reform, and that the administration could not ignore such sentiment.


\textsuperscript{63} See, for example, Eilts, 'The United States and Egypt', p.116.
Egypt's military relationship with the United States was built on the supply of an extensive range of materiel, joint exercises, the use of military facilities by American forces and, to a much lesser degree, on joint planning. There is little doubt that both sides derived benefits from the relationship: American forces gained the opportunity to train in Middle Eastern conditions, for example, whilst Egypt's armed forces were able substantially to modernise their equipment. Nevertheless, the Egyptian government was hampered by public concern - and obsession amongst leftists - for the delicate issue of national sovereignty, and by the need to consider the effect of this cooperation on its ongoing Arab diplomacy. In contrast to Sadat's at times overenthusiastic embrace of American military and strategic interests, Mubarak attempted to protect his government from the charge of overt collaboration.

Sadat intended to build a bilateral relationship with the United States of the kind which Israel enjoyed: economic and military aid would be provided on the basis of shared interests and values. It has been suggested, for example, that he sought to undermine Saudi plans to finance Egypt's arms purchases because he did not wish for an intermediary to come between Cairo and Washington. Sadat's signature of the Camp David accords brought a promise of Foreign Military Sales (FMS) credit worth $1.5 billion, to be spread over three years; and Carter then committed the United States in principle to supplying a further $1.15 billion for FY1981 and FY1982. In the event, Egypt received slightly

---


more, but the high interest rates attaching to credit component of FMS aid was to be a source of friction in the relationship, as noted above.

Soon after the peace treaty, Egypt began to receive a broad range of equipment. This included F-4E and F-16A fighter aircraft, HAWK anti-aircraft missiles and M-60A3 medium tanks. Although delivery of these tanks to American units, and the production timetable for the new XM-1 battle tank - later designated M1A1 - were delayed so that commitments to Egypt could be met, the speed and volume of American arms supplies did not match the expectations of Egypt's military. Complaints about slow deliveries were to persist.

In order to underline Egypt's strategic value, Sadat and others around him emphasised the Soviet threat to Egypt and the region, and Egypt's willingness to help check it. Sadat was, as he often said, prepared to allow American forces to use Egyptian facilities should the need arise. On the eve of his last trip to the United States, he told a journalist:

I will tell President Reagan that Egypt will give the United States military facilities to reach any Gulf state or Islamic country so that Soviet involvement in Afghanistan will not be repeated. This also goes for Sudan.

To a large extent, references like this were consciously designed to appeal to American fears, particularly after the Soviet invasion of Afghanistan, and should be read as such. However, it is true that Sadat was alarmed at

---

66 That is, $1.25 billion in credits and $200 million in grants. Total American military aid to Egypt for the period 1977-89, in 1989 dollars, was about $14 billion, a little over half as much Israel received; see Background Materials on Foreign Assistance, p.171.


68 For an example of Sadat's many comments on facilities for US forces, see his interview with Uktubar magazine, cited by MENA, 25 April 1980, in FBIS-MEA, 28 April 1980. See also Chapter 4 below.

the threat posed to Sudan by Soviet-allied states like Libya and Ethiopia, and that this preoccupation continued under Mubarak.\textsuperscript{70}

The issue of foreign forces on Egyptian soil was historically a sensitive one, and required careful handling. The US Rapid Deployment Joint Task Force (which in 1983 became Central Command), created in the wake of the Soviet invasion of Afghanistan, needed regional bases, and Ra's Banas on the Red Sea coast seemed a favourable location. Sadat's offer of facilities there struck a responsive chord in Washington, but even he was adamant that no permanent foreign bases on Egyptian soil were permissible, and that the United States would not be allowed to use Etzion airbase in the Sinai after the Israelis vacated it in 1982.\textsuperscript{71}

From the late 1970s onwards, American military personnel were stationed in Egypt to assist in training the Egyptian forces in the use of unfamiliar equipment. The semi-official press emphasised that American forces using Egyptian facilities were under the command of Egyptian officers, unlike Soviet forces in the 1960s.\textsuperscript{72} But the opposition was steadfastly against granting even temporary facilities to the United States; it argued that Egypt would end up by being drawn into the American strategy of regional domination. Sadat was criticised for suggesting in April 1981 that he would have no qualms about joining NATO.\textsuperscript{73} The very presence of American combat troops in the Multinational Force and Observers (MFO), whose composition and tasks were finalised in August 1981, was attacked by the opposition, who in any case resented the

\textsuperscript{70} See Chapter 5, on Egypt and Sudan.
\textsuperscript{71} The government's position on the Sinai airbases was made clear by the prime minister, Fu'ad Muhi el-Din, on Cairo Domestic Service, 21 December 1980, in FBIS-MEA, 22 December 1980.
\textsuperscript{72} See, for example, comments of the Cairo West airbase commander in \textit{al-Ahram}, 14 July 1980.
\textsuperscript{73} See comments by ex-foreign minister Ismail Fahmy in \textit{al-Sha'b}, 31 December 1980, in FBIS-MEA, 7 January 1981; and Abd al-Mugni' Said in \textit{al-Sha'b}, 8 May 1981.
derogation from Egyptian sovereignty implicit in the peace treaty’s restrictions on Egyptian force levels in Sinai.\textsuperscript{74}

Husni Mubarak had no intention of allowing himself to be portrayed as the United States’ regional gendarme, and was still warier of basing arrangements. Mubarak endorsed his predecessor’s policy that American forces could use Ra’s Banas and other facilities in an emergency, and that equipment could be pre-positioned, but he consistently refused to enter into any formal arrangements. This reluctance eventually led, in 1983, to Congress’ withdrawing funds allocated for the expansion of Ra’s Banas. In 1984, the Egyptian government indefinitely postponed plans to upgrade the facilities, following a domestic controversy surrounding a tender placed by the US Army Corps of Engineers for the base expansion project.\textsuperscript{75}

Mubarak also insisted that joint American-Egyptian military exercises be given less publicity than his American partners would have wished. The first joint exercises had been held in 1980; another major exercise, the first of many under the rubric ‘Bright Star’, took place in late 1981, and was billed by Abu Ghazala as a rehearsal for possible intervention in the Gulf.\textsuperscript{76} But Mubarak was increasingly aware of the domestic and regional implications of being seen to collaborate with Israel’s closest ally, particularly in view of Israeli behaviour towards Egypt and the region. In 1982, following the Israeli invasion of Lebanon, at which Washington had apparently connived, Mubarak asked that the scheduled ‘Bright Star’ exercise be postponed.\textsuperscript{77}

The opposition press did not forget the issue of foreign bases. Indeed, criticisms of Egypt’s military cooperation with the United States were


\textsuperscript{76} Lawson, ‘The Reagan Administration’, p.29.

\textsuperscript{77} \textit{MEED}, 15 Oct. 1982, p.11. See also below, Chapters 2 and 2.
almost predictable, given American regional policies during the 1980s and the views of left-wing journalists. In January 1985, Muhammad Sid-Ahmed wrote that, even if Egypt had participated in the 1984 joint exercises for economic reasons, such compliance would still be interpreted in Washington as a political statement. In 1986, al-Sha'b reported on several occasions - citing western sources - that Washington was continuing to demand access to bases in Sinai, and that Egypt was participating in joint exercises for economic reasons. An incident which deeply embarrassed the government and enraged the opposition was the Achille Lauro affair in late 1985. The Tagammu' party's paper, al-Ahali, said it warranted the immediate suspension of facilities and joint exercises.

The Achille Lauro incident imposed a serious but - at least in public - relatively short-lived strain on relations between Egypt and United States. In October 1985, the Palestinian hijackers of the cruise ship Achille Lauro, whom Egypt had persuaded to surrender, were flown out of Egypt in an Egyptian airliner which was subsequently forced to land in Sicily by American fighters. Mubarak regarded this as an affront to Egypt and a personal insult. For their part, American decision-makers felt that Mubarak had attempted to mislead them by claiming the Palestinians were still in Egypt, and they regarded the apprehending of terrorists who had murdered a passenger as entirely justified. A quasi-apology from Washington officially settled the matter - though Cairo later asked that 'Bright Star 86' be cancelled - but lingering resentment in Cairo was reawakened by revelations that the United States had maintained routine electronic surveillance on Mubarak.

78 See, for example, al-Sha'b, of 27 May 1986, 8 July 1986, and 16 Sept. 1986.
In late 1986 it became known - to Mubarak's displeasure - that the United States had been supplying arms to Iran in its war with Iraq, despite its official support for an arms embargo against Iran, and the interests of its Arab friends, including Egypt. But, for all that Mubarak condemned American policy in a speech at the January 1987 summit of the Islamic Conference Organisation in Kuwait, there was no question of his severing the 'special relationship'. Apart from anything else, Egypt's armed forces wanted continued access to American equipment and expertise.

The question of joint planning against Libya is a good example of Mubarak's ambivalent attitude towards military cooperation with the United States. To an extent, there existed a shared threat perception between Cairo and Washington: when Egypt mobilised its forces on the Libyan frontier in the wake of Sadat's assassination, the United States despatched AWACS aircraft in a prominent show of support. It needs to be recalled, too, that the threat allegedly posed by Libya was invoked by the Egyptian government, under Mubarak as well as Sadat, in its annual military funding requests. But this was a mutually convenient arrangement. Pentagon officials, who were preoccupied with Libya for different reasons, knew that the Libyan menace to Egypt was deliberately exaggerated. This fiction was necessary because it could not openly be stated that Egypt's military commanders increasingly regarded Israel as their primary strategic threat, particularly after the 1982 invasion of Lebanon. Consequently, Congressional committees - a receptive audience -

---

82 The 'Irangate' affair, as it became known, did have some benefits for Egypt's Arab diplomacy; see below, Chapter 4.
83 Which the editor of Al-Ahali (21 January 1987) immediately challenged him to do.
continued to be told that the Libyan threat was significant and of great concern to Egypt.\(^{86}\)

In 1983, Mubarak privately requested the despatch of four AWACS aircraft to Egypt, to monitor suspicious Libyan activities, only to deny publicly that Egypt or Sudan would collaborate with an outside power against a fellow Arab state. In March 1986, *Al-Ahram* published an American-sourced report to the effect that Egypt had turned down American requests for a joint attack on Libya in July and September 1985, and January 1986.\(^{87}\) Mubarak also dissociated Egypt from the American raid on Tripoli in April 1986, whilst privately assuring the United States that he would continue to engage in joint planning against Libya.\(^{88}\) Public denials did not convince his domestic critics. Later in 1986, following the completion of joint exercises with US forces off the Libyan coast, *al-Sha'b* pointed out that exercises of this sort presupposed a common enemy, and that Egypt had acquiesced in the United States' desire to threaten Colonel Qaddafi.\(^{89}\)

Notwithstanding this apprehensiveness about being closely identified with the United States at a planning level, the Egyptian government remained eager for the material and symbolic benefits of military co-production. Egypt's armed forces were, despite an admixture of Soviet, French and hybrid weapons systems, increasingly dependent on American equipment. In April 1987, an understanding was reached, after protracted negotiations, to permit Egypt to co-produce the American M1A1 main battle tank, with which it would re-equip its own forces. The deal was finalised in

---


\(^{87}\) *Al-Ahram*, 31 March 1986.


\(^{89}\) See Fathi Radwan in *al-Sha'b*, 2 September 1986.
November 1988. Abu Ghazala announced that Egyptian content would eventually rise to 75 per cent, but Congress had already been told that most of the work on this long-term project would remain in the United States. The tank's American producers confirmed that Egyptian content would never rise above 20 per cent. Kits would be sent to Egypt and assembled there; Egypt did not have the capacity, for example, to produce the tank's advanced frontal armour.

In March 1988, Egypt and the United States signed a Memorandum of Understanding which gave Egypt NATO 'most favoured nation' status and put it, theoretically, on a par with Israel. Abu Ghazala said that, after four years of talks, Egypt now enjoyed the right to bid for military production and research contracts in the United States, and stood to receive greater quantities of weapons. The Memorandum was largely symbolic: whereas Israel had a sophisticated electronics industry and was participating in SDI research, Egypt's capabilities were more modest. Although Egyptian sources publicly professed to realise this, they were privately keen to collaborate on more prestigious projects.

The Egyptian opposition was concerned with a different kind of symbolism: the Memorandum, its spokesmen alleged, confirmed Egypt's dependence on the United States, and made a mockery of its claim to non-alignment. Left-wing papers attacked the government for allowing Egypt to be drawn into American strategy on NATO's southern flank, and for signing 'secret clauses' restricting the use of advanced weaponry.

---

91 MEED, 11 November 1988, p.16 and MEED, 9 December 1988, p.15. See also US Congress, House, C'ttee. on Foreign Affairs, S'committee. on Europe and the Middle East, Developments in the Middle East, July 1987 (28 July 1987), p.79.
92 See, for example, al-Ahram, 14 April 1988; also Uktubir, 24 April 1988, in FBIS-NES, 27 April 1988.
Memorandum, they said, was a device to escape parliamentary scrutiny.\textsuperscript{94} Abu Ghazala repeatedly denied the existence of secret clauses, and Usama al-Baz said that the Memorandum neither made Egypt an ally of the United States nor gave it special military privileges, but only improved its access to advanced equipment. \textit{Al-Ahram} gave prominence to comments by the American ambassador, Frank Wisner, and Abu Ghazala, that Egypt would be able to export weapons to the United States.\textsuperscript{95} But cooperation had its limits. In June 1988, four men, including an Egyptian diplomat and an Egyptian-born American - one Dr Abdelkader Hilmy - were apprehended at Baltimore Airport whilst allegedly attempting to smuggle a quantity of carbon-composite, a material used in missile nose-cones, from the United States.\textsuperscript{96} In some ways, the affair was a good indicator of the continuing vitality of the military and political relationship: despite the fact that Egypt refused to waive the diplomatic immunity of one of those arrested, the repercussions of the affair did not appear seriously to affect bilateral relations.

And yet the publicity surrounding the story in Egypt was an indication of Egyptian sensitivities. True to form, elements in the left-wing press applauded Abdelkader Hilmy, stressing that his arrest reflected a desire to keep Egypt technologically backward; indeed, there was general agreement that certain 'forces', possibly the Israeli lobby, were using the issue to harm American-Egyptian relations. Abu Ghazala, who denied allegations that he

\begin{itemize}
\item \textsuperscript{94} See, for example, \textit{al-Ahali}, 6, 13 & 27 April 1988; also, \textit{al-Sha’b}, 19 & 24 April 1988.
\item \textsuperscript{95} For Abu Ghazala's denials and al-Baz's comments, see sources cited in fn.91 above, and \textit{al-Ahram}, 15 May 1988. On likely arms sales, see \textit{al-Ahram}, 16 & 28 April 1988, and 11 May 1988 (where Abu Ghazala speaks of an order for $40 million of 'high quality' weapons).
\item \textsuperscript{96} For the original story, see \textit{Washington Post}, 26 June 1988. For an official Egyptian reaction, see \textit{al-Ahram}, 26 June 1988 (which claimed that this was 'not the kind of thing that Egyptian organisations do').
\end{itemize}
had been involved, subscribed to the latter view. Even Mubarak told *al-Musawwar* that the whole story was being exaggerated: Egypt had not known of any export restrictions on the carbon-fibre - and why, he wondered, was there suddenly such concern over Arab medium-range ballistic missiles, when Israel possessed far superior ones?

There was indeed a concern in Washington about the dangers of missile proliferation in the Middle East; moreover, that concern was being fuelled by pro-Israeli lobbyists. Egypt was itself still involved in a controversial missile venture with Iraq and Argentina. When Mubarak abruptly removed Abu Ghazala from his position as Minister of Defence and War Production in April 1989, it was conjectured that this reflected not only a desire on the president's part to curb the domestic power of the military, but also Abu Ghazala's involvement in the smuggling affair of the previous year.

**The United States-Israel-Egypt Triangle**

The notion that Egypt's relationship with the United States involved, and to a large degree depended, on Israel, was not a popular one in Cairo. As one commentator argued, Cairo and Washington had distinct interests in the region and Egypt was - unlike Israel - not an ally of the United

---


99 This was the impression gained from an interview with Dr. Martin Indyk (Director, Washington Institute for Near East Policy), on 12 July 1988. This Institute can fairly be described as pro-Israeli.

100 See *The Middle East*, April 1989, p.20, for details of the *Condor II* programme.

States. Nevertheless, it was fundamentally true that, instead of enjoying purely bilateral relations with the United States,

Egypt found itself enmeshed in a superimposed, asymmetrical triangular relationship. This meant, in effect, that Egypt was in part judged by Washington on how it conducted itself toward Israel. Whenever the Egyptian-Israeli link deteriorated for whatever reasons, U.S.-Egyptian ties were reflexively strained. Israel could always influence U.S. policy on Egypt; Cairo lacked any comparable capability. Israel had powerful public and congressional constituencies in the United States; Egypt had no such assets, only a certain amount of goodwill as long as it adhered to the peace treaty.

From the vantage point of Cairo, Israel's preferential treatment was galling, and Egypt sought similar privileges. To observers in Washington, it appeared that Egypt was attempting to have its cake and eat it, too. On the one hand, it successfully exploited the strength of the Israeli lobby in order to press for matching increases in aid levels; on the other, it demanded a strictly bilateral relationship. Egypt could not realistically hope to be treated in the same way as Israel.

This in no way stopped complaints. It was a basic Egyptian grievance that American economic aid to Israel was far more generous - in absolute, let alone in proportional terms - than that given to Egypt. Israel received its payments without conditions and without the irritating AID intermediary; and from FY1985 onwards, aid to Israel came in the form of a simple cash transfer. The difference in treatment did indeed extend to relatively small matters. For example, a Congressional subcommittee

---


103 Eilts, 'The United States and Egypt', p.127.

104 Interview, Dr. Michael van Dusen, 1 August 1988. Matti Golan records a conversation between Mubarak and Shimon Peres, the then Israel prime minister, during their summit in September 1986: Mubarak asked Peres to support Egypt's case for interest rate reduction in Washington, and to put in a good word with the Israeli lobby there. See M. Golan, The Road to Peace: A Biography of Shimon Peres (New York: Warner Books, 1989), pp.319-20.

established in late 1987 that Israel had the right to use its ESF cash grant to pay off military debts, whereas Egypt - which had done so that year - legally had no such freedom.  

Another source of resentment in Cairo was American pressure to encourage the 'normalisation' process between Egypt and Israel. It was seen in Washington as unhelpful that Egypt had withdrawn its ambassador from Israel in September 1982, in protest against apparent Israeli complicity in the Sabra and Shatilla massacres in Lebanon. In the face of American efforts to have the ambassador returned, President Mubarak made it clear that this would depend on Israel's meeting three conditions: progress on talks concerning the Taba enclave, which (it was claimed) Israel had illegally retained when it vacated the Sinai in April 1982; the withdrawal of all Israeli troops from Lebanon; and an end to the settlement policy in the West Bank. Mubarak was irritated by the presentation of a letter from 52 senators, shortly after his return from Washington in October 1983, requesting Egypt to end its 'cold war' against Israel and unfreeze the normalisation process. Prime Minister Fuad Mohieddin explained to the semi-official journal Mayo that it was wrong to attribute the poor state of Egyptian-Israeli relations to the absence of the Egyptian ambassador from Tel Aviv, whilst ignoring the three issues raised by the President. Mubarak was further stung by the signing of a American-Israeli strategic co-operation agreement in November 1983, calling it a 'new obstacle' to peace, and declaring that if the United States persisted in its attempts to have the ambassador returned, he would contemplate calling a referendum on the issue.  

---

107 See below, Chapter 2, for details of Egyptian-Israeli relations.  
foreign aid bill for FY1984 expressed concern 'about the lack of progress in the normalisation of relations between Egypt and Israel'.

The Egyptian government believed a lasting settlement to the Arab-Israeli dispute was a precondition for genuine regional stability. But the Reagan administration had a rather different view of the means by which a broader peace could be achieved. Given the administration's attitudes towards international terrorism and its generally pro-Israeli stance, it is not surprising that Egypt had little success in attempting to persuade Washington to deal with the PLO, in the absence of the latter's explicitly recognising Israel's right to exist. Washington would not, despite Mubarak's urgings, enter into talks with the PLO.

Mubarak had supported President Reagan's peace initiative of 1 September 1982, because he pragmatically recognised the need to keep the United States involved. He also realised that, since Israel would not recognise the PLO, the best strategy probably lay in the creation of a joint Jordanian-Palestinian negotiating team. Egypt helped bring about the Hussein-Arafat accord of February 1985, whereby the two sides adopted a common position on the creation of a Jordanian-Palestinian delegation to an international peace conference. That said, Cairo lacked leverage not only in Washington and Jerusalem, but in the Arab world as well. Mubarak's statement, in late February 1985, that he would accept a joint delegation which did not include PLO members, had little impact: King Hussein flatly refused President Reagan's offer, that the United States

---

111 *MEED*, 17 Sept. 1982, p.24. The Reagan plan differed from the Arab plan endorsed at Fez eight days later, in that it rejected the idea of an independent Palestinian state in the Occupied Territories; nevertheless, it did not recognise Israel's claim to the Territories, and called for a five-year transitional period of autonomy after which the Territories might be associated with Jordan.
would meet such a delegation if it were subsequently to enter into direct talks with Israel.\textsuperscript{113} When the Hussein-Arafat accord broke down one year later, there was disappointment in Cairo and satisfaction in Washington.\textsuperscript{114}

There was a degree of confusion in the official Egyptian stance. As Gudrun Krämer has noted\textsuperscript{115}, Cairo seemed to fluctuate between minimalist and maximalist positions. At the minimum, Cairo hoped for the creation of a joint Jordanian-Palestinian delegation, which might contain personalities associated with - but not senior members of - the PLO, and the achievement of 'full autonomy' for a Palestinian entity in association with Jordan. Cairo's maximalist position, by contrast, envisaged the immediate inclusion of the PLO and the creation of an independent Palestinian state. It is worth that the ruling NDP's 1984 election programme did not explicitly endorse the PLO's status as sole legitimate representative of the Palestinians; it also referred to a Palestinian 'homeland' as opposed to a 'state'.\textsuperscript{116}

By the end of 1985, Cairo had begun in 1985 publicly to endorse the idea of convening an international peace conference on the Middle East.\textsuperscript{117} Such a conference enjoyed little support in either Washington or Jerusalem, and the chances of bringing it to fruition were correspondingly slim; but Washington's intransigence on the Palestinian question, especially when combined with the Israeli raid on the PLO headquarters on 1 October 1985 and the humiliation of the \textit{Achille Lauro} affair, left Cairo with few options.

\textsuperscript{113} Golan, \textit{The Road to Peace}, pp.302-4.
\textsuperscript{114} See Eilts, 'The United States and Egypt', p.125. King Hussein declared the accord unworkable on 19 Feb. 1986; the Palestine National Council completely dissociated itself from the accord in April 1987.
\textsuperscript{115} Krämer, 'Ägyptische Aussenpolitik', pp.364-5.
\textsuperscript{116} 'Ilwi, 'Egyptian Political Parties', pp.17-8.
\textsuperscript{117} \textit{ASR, 1985}, p.386.
Besides, Cairo could, by voicing its support for the idea, endear itself to other audiences.\(^{118}\)

**Implications**

In some ways, it is misleading to concentrate, as this chapter has largely done, on the sources of friction within the Egyptian-American relationship. After all, strong bureaucratic ties were built up during the 1980s, to say nothing of the military connection. Because Egypt remained the only Arab state to have made peace with Israel, the expensive American aid commitment was never seriously questioned; the annual aid request became predictable in its size and ease of passage through Congress. And, however fractious relations with Washington might occasionally become, Mubarak never seriously questioned the relationship as such.

Yet the often-overstated concerns of Egyptian opposition writers cannot be ignored, because they highlighted something which the government itself must have realised: it was no more than a polite fiction that the bilateral relationship was one between sovereign equals. It became increasingly difficult to defend the notion that the Egyptian-American relationship was a partnership, based not merely on economic support - that is, on Egyptian need - but on a shared strategic commitment to peace in the region.\(^{119}\)

The basic problem of the Egyptian government, succinctly stated by William Quandt, was this:

> It wants the economic and military assistance that Washington alone can provide, but it bristles at constraints on its independence, resents being treated as a client, and finds the intrusiveness of the

\(^{118}\) See below, Chapters 3 and 3. At its July 1986 General Conference, the NDP endorsed the international conference as the sole solution; Ilwi, 'Egyptian Political Parties', pp.17-8.

\(^{119}\) To paraphrase Ibrahim Nafi'a in *al-Ahram*, 21 March 1986, in *FBIS-MEA*, 26 March 1986.
Israeli factor in the relationship both insulting and domestically unpopular. Injured national pride - perhaps the inevitable result of dependence - coupled with a widespread intellectual suspicion of the United States, had soured the atmosphere by the end of the 1980s. In fact, the government's own position had come to resemble that of moderate left-wing commentators like Gawda Abdel Khaleq. He wrote in February 1988 that the United States, which stubbornly refused to respond to Egypt's economic predicament, held many cards, including food, arms and aid. Egypt could not do without them, but would simply have to persist in its attempts to secure better terms.

Mubarak had relatively little room for manoeuvre. He might express his misgivings about the American intervention in Lebanon, and resent the American-Israeli strategic understanding of November 1983, but he knew that Egypt needed American aid and Washington's continued involvement in the peace process. Few solutions offered themselves. Mubarak could, and did, attempt to improve the terms of the relationship, whilst defending his government against charges of subservience and of compromising Egypt's dignity. But the effects of such pleading were limited.

On a different plane, he could endeavour to reduce the psychological salience of the United States in Egyptian diplomacy. In effect, this meant rebuilding those diplomatic bridges which Sadat's peace policy - and his subsequent behaviour - had severely damaged. The most important of these bridges was that to the Arab world. This is not to imply, of course, that Cairo felt compelled to restore its Arab credentials, purely because of its embarrassment at being closely linked to a pro-Israeli administration in Washington. The Arab world had a 'pull' of its own and, as will be seen,

120 Quandt, The United States and Egypt, p.10.
Cairo pursued openings in the Arab world in parallel with other strands of its diplomacy. Nevertheless, diluting the importance of the United States, and increasing that of Egypt's Arab role, were both facets of Mubarak's efforts to transcend the limited - and limiting - vision of Sadat's regional diplomacy. The common denominator, and common constraint, was the peace treaty with Israel, whose consequences are the subject of the next chapter.
PARTNERS IN PEACE? EGYPT AND ISRAEL

The peace settlement between Egypt and Israel, based on the Camp David accords and finalised by the treaty of 26 March 1979, suffered from a number of crucial defects. President Carter and his advisers had expended considerable efforts in devising formulae which allowed both sides to maintain that they had made their intentions clear. Yet it quickly became apparent that their respective interpretations of the content and relative priority of certain key concepts were incompatible, stemming as they did from political agendas whose wide divergence the language of legal compromise had managed to conceal. Neither the nature of Palestinian 'autonomy', to be discussed within one month of the treaty's signing, nor the linkage between this autonomy and the 'normalisation' process, had been made explicit. Such basic flaws were, over time, compounded by a feeling on each side that the other was being dilatory or reneging on its commitments.

Besides these structural weaknesses, the peace settlement clearly had negative political consequences for Egypt, particularly for its relations with the Arab world. But Sadat, and then Mubarak, had two strong incentives to adhere to the peace. By doing so, Egypt would be able to recover - and, after 25 April 1982, maintain its hold on - the Sinai, which was of enormous political, psychological and economic importance. Second, peace promised Egypt the chance to rebuild and develop its war-stunted economy, a process in which American capital and aid inflows were thought to be central. As

---

we have seen, American aid did not live up to Sadat's predictions, nor was it an unmixed blessing; yet Mubarak knew that Egypt could not do without it, and that its continued disbursement depended ultimately on Egypt's being at peace with Israel.

There is no evidence that Mubarak ever seriously contemplated abrogating the peace. On the other hand, it is clear that he turned Egypt's relationship with Israel into something akin to an exercise in 'damage limitation'. The relationship remained formally correct, but its political, social and economic side-effects were increasingly restricted, in order that they should not impede Cairo's efforts to repair Egypt's moral standing in the Arab world.

Differences of Interpretation

No aspect of the peace settlement aroused more resentment in the Arab world than the absence of a well-established linkage between the bilateral peace and the rights of the Palestinians; no aspect was more criticized by Sadat's Egyptian detractors. Egypt had been seen not only to abandon the Arab cause unilaterally, but to leave the Palestinians to their fate. At Camp David, Sadat had accepted a compromise, one which was profitable for Egypt, but whose vagueness on the eventual status of the Occupied Territories would allow Menachem Begin to claim that he had neither jeopardised Israel's rights over the Territories nor flouted the letter of the agreements. By contrast, the Egyptian government believed that it had at Camp David achieved a measure of linkage between the bilateral peace and

---

2 See above, Introduction.

3 See Quandt, Camp David, pp.254-7. Jimmy Carter later wrote (The Blood of Abraham, p.168): 'Sadat always insisted that the first priority had to be given to self-determination for the Palestinians, and all of us (perhaps excepting Begin) were convinced that these rights had been protected in the final document.'
the autonomy provisions for the Occupied Territories. President Carter also believed that a linkage existed.4

Nevertheless, differences over the interpretation of the provisions relating to Palestinian autonomy loomed large in Egyptian-Israeli dealings in the six months which elapsed between the conclusion of the Camp David accords in September 1978 and the signing of the peace treaty. Egypt's firm position stemmed from its desire to counter the charge that it had made a separate peace at the Palestinians' expense. Boutros Boutros-Ghali, then Egypt's acting foreign minister, succinctly summed up the different arguments in December 1978 when he said that

[the] fundamental difference between Egypt and Israel on the subject of autonomy derives from the [Israeli] will that it should not lead to the establishment of a Palestinian state, while Egypt is of the opinion that it will lead to a state. The U.S. hopes that there will be a federation between that State and Jordan. Egypt is not opposed to this, but should this State wish to remain independent, it will be independent.5

Israel was opposed to the idea of any linkage between the agreement on autonomy and bilateral relations, insisting that the subject of autonomy be dealt with in a document separate from the treaty. It rejected Egyptian demands that talks on autonomy begin within a month of the treaty's coming into effect, and argued that Egypt's insistence that elections for a Palestinian authority take place in 1979, or within a year of the treaty's signing, was unacceptable on the grounds that this lay outside the control of either party.6

At length, President Carter devised a formula that expressed intentions rather than legal obligations, and this formulation was eventually included as a Joint Letter signed by Sadat and Begin and appended to the peace treaty. It specified, *inter alia*, that Egypt and Israel would begin negotiating on the autonomy issue within one month of the treaty's

---

ratification; that they would negotiate alone if Jordan chose not to participate in the talks; that their goal was to 'complete negotiations within one year'; and that they intended the United States to be a full partner in all stages of the negotiations.7

Eleven rounds of autonomy talks were convened between May 1979 and May 1980. It was clear during this period that the Begin government was reluctant to relinquish Israeli authority over the West Bank and Gaza, and that Sadat was equally disinclined to provoke a showdown over the issue of autonomy. More to the point, the refusal of Jordan and the Palestinians to join the peace process rendered the autonomy debate ever more otiose.8

A nominal deadline, 26 May 1980, had been set for the achievement of an acceptable autonomy formula. By May 1980, the talks had become mired in technicalities. The optimism of the American representative, Sol Linowitz, that tangible progress would be made before the deadline, proved unfounded. On 15 May, Sadat reversed his previously declared willingness to resume the talks, in protest at the tabling of a bill in the Knesset to make a unified Jerusalem the capital of Israel.9 The deadline passed without much comment. Technical issues, including security arrangements in the Territories and disagreements over the legality of Israeli settlements in the West Bank, remained serious stumbling blocks. In view of the impending American presidential elections, Cairo was aware of the difficulty of securing serious American participation.10

Discussions were resumed in October, but neither party was particularly hopeful of a successful outcome. Despite Sadat's and Begin's statement on 18 December 1980, that they were willing to resume work 'in

7 See White Paper on the Treaty between Egypt and Israel (Cairo: Min. of Foreign Affairs, 1979), p.129.
8 It became clear even before the autonomy talks began in May that neither Jordan nor the Palestinians would participate, and that Egypt would have no success in enlisting support in Gaza. See MECS, Vol.IV, 1979-80, pp.159, 173.
good faith...to conclude the negotiations at the earliest possible date', there was no real impetus to progress.\textsuperscript{11} The newly-elected Reagan administration gave the talks low priority, being more concerned with what it saw as the growing Soviet threat in the Middle East; and Egypt, as Vice-President Mubarak said, was content to await the results of the Israeli elections scheduled for 30 June 1981.\textsuperscript{12}

Following the Sadat-Begin summit in Alexandria, in August 1981, the autonomy talks were restarted in September. Further meetings in November and December, after Mubarak's accession to the presidency, were similarly unproductive; Begin's office had told Mubarak in a congratulatory message on the occasion of his swearing-in that Israel would be making no further concessions.\textsuperscript{13} Each side accused the other of hardening its demands and, by early 1982, with Israel insisting that meetings be held in Jerusalem and Mubarak refusing to oblige, the autonomy talks again ground to a halt. The Israeli invasion of Lebanon in June 1982 effectively sealed their fate. In any case, it is fair to say that they had achieved practically nothing.

Of far greater interest to many Egyptian opponents of the peace treaty was the unusual concept of 'normalisation' between Israel and Egypt. In the Framework for the Conclusion of a Peace Treaty between Egypt and Israel, signed at Camp David, 'normal relations' were defined as

full recognition, including diplomatic, economic and cultural relations; termination of economic boycotts and barriers to the free movement of goods and people; and mutual protection of citizens by the due process of law.\textsuperscript{14}

More specific details were provided in Annex III to the peace treaty, which related to the establishment of diplomatic and consular relations, as well as


\textsuperscript{13} \textit{New York Times,} 15 October 1981.

\textsuperscript{14} Quandt, \textit{Camp David}, p.382.
economic, trade and 'normal cultural relations' after Israel's interim withdrawal from Sinai. Article V of the Annex provided that both parties would work for mutual understanding and 'accordingly, abstain from hostile propaganda against each other'.

Just as the Egyptian semi-official press had prepared the public for the peace treaty, so too it attempted to allay public fears surrounding normalisation - fears which focussed on the likelihood of an Israeli cultural and economic 'invasion' of Egypt. Culturally, it was argued, Egypt had nothing to fear from Israel. In a series of articles published by *al-Ahram* in June and July 1979, prominent literary figures like Louis Awad, Naguib Mahfouz and Ihsan 'Abd al-Quddus wrote that Egypt had no dearth of talent to compare with, say, the conductor Yehudi Menuhin; that the challenge would be difficult but worthwhile; and that one should not exaggerate the capabilities of the (far from homogeneous) Israeli state. The semi-official press also emphasized that Egypt would not be swamped by Israeli goods and capital; it was more than capable of meeting the anticipated commercial assault and would not be dictated to, but would choose what it wanted.

As the date for the exchange of ambassadors drew near, the government sought to remind Israel, and to inform a sceptical Egyptian public, that normalisation did not imply any special treatment for Israel. Normalisation, the press explained, was an integral part of the struggle for peace in the Middle East; thus the transition from good-neighbourly relations to full cooperation could not be separated from an orderly withdrawal from Sinai or progress in the autonomy talks. These themes were repeated more forcefully on the day the ambassadors presented their credentials. *Al-Ahram* noted that the presence of an Egyptian ambassador

---

15 For full text, see *White Paper on the Peace Treaty between Egypt and Israel*, p.90.
17 See, for example, *al-Ahram*, 14 April and 18 May, 1979; and Makram Muhammad Ahmad in *al-Ahram*, 30 October, 1979.
in Israel reflected Egypt's recognition of Israel's pre-1967 frontiers; it did not imply acceptance of the legality of the annexation of East Jerusalem or of the ongoing settlements policy. The logic behind normalisation, wrote Makram Muhammad Ahmad, was that it would help Israel to break out from the psychological blockade which imprisoned it. Normalisation should not be taken to confer any 'special distinction', even though it was a courageous step on Egypt's part and evidence of Sadat's publicly-stated willingness 'to take two steps forward for every step Israel took'.

This last phrase is a good example of the mixture of defensive self-justification and assertiveness seen in the official press at the time. The government must have been quite aware of the undercurrent of hostility towards the peace settlement. Although the available evidence shows that some elements of the population were mistrustful of Israel's intentions but resigned to the peace, others, such as the Muslim Brotherhood, had been loudly opposed to peace from the outset, particularly on the grounds that it abandoned the holy places in Palestine to Jewish control.

It was difficult to protest publicly against Sadat's peace policy - or other policies - because of a series of legal measures implemented by the president to stifle opposition. On 5 May 1979, during the elections for a new parliament, Sadat issued Presidential Decree No. 23, which made the expression of opinions contrary to the spirit of the peace treaty an electoral offence, and precluded any candidate who might make them from running for office. Law No. 36 of 1979 was designed to prevent political parties from attacking, or cooperating with those who attacked the peace, thus in theory

---

18 See article by Makram Muhammad Ahmad in al-Ahram, 26 February 1980; see also his article on 18 January 1980 in the same paper.
20 The information in this paragraph is based on M. 'Awad [in Arabic], Egypt and Israel: Five Years of Normalization (Cairo: Dar al-Mustaqbal al-'Arabi, 1984), pp.50-53.
preventing those hostile to peace with Israel from participating in political parties. In 1980 the government promulgated the so-called 'Law of Shame' (Law No. 93), which was a catch-all designed to silence all opposition to the government's policies; it included a prohibition on anyone hostile to the peace founding a political party or holding an influential position in society. Finally, Law No. 148, issued in July 1980, was intended to prevent all those affected by the previous laws, as well as criminals and anyone who insulted the monotheistic religions, from expressing themselves in print. These measures are important because they muzzled the opposition or, which was useful to the Sadat's opponents, could be said to have muzzled it and concealed a large reservoir of discontent.

This latent hostility towards Israel, particularly noticeable amongst Egyptian intellectuals, was the subject of a polemic by the left-wing journalist Mohammed Sid-Ahmed, published in Beirut in 1980. He observed that, though the public at large might want peace, it would not accept the wholesale entry into Egypt of Israeli influences. Israel and Egypt, he argued, had wanted fundamentally different things from the peace: Israel sought an end to the external threat and Egypt a solution to its internal problems. There had not been an intellectual change in Egypt to match the political sea-change that had occurred. Those who opposed the treaty were not free to express themselves publicly, he wrote, but Israeli observers would doubtless notice that the image of Jews and of Israel was at best mixed, whilst certain groups - notably Muslim activists - retained their traditional antipathy.21 This analysis was substantially accurate.

For its part, the Israeli government considered normalisation to be an important indicator of the durability of the peace. It sought legitimation as a state, and attached particular value to the network of commercial,

cultural and communications links foreshadowed in the peace treaty. Sadat, who had been reluctant to have references to the scope of normalisation included in the treaty, and had accepted them as a concession, nevertheless acted to implement the spirit of the agreement. The process formally began on 26 January 1980 when, after Israel had completed its interim withdrawal to the El-Arish-Ras Muhammad line in Sinai, postal, telephone and telex links were inaugurated. One month later, and in accordance with letters attached to the peace treaty, Israel's first ambassador, Eliyahu ben Elissar, and his Egyptian counterpart, Sa'd Mortada, presented their letters of accreditation in Cairo and Tel Aviv respectively.

Initially, normalisation proceeded smoothly. Following the interim Israeli withdrawal and the exchange of ambassadors, a Supreme Normalisation Committee was established in each country. Their task was to guide the normalisation talks and oversee the final withdrawal of the Israeli forces. Subcommittees were formed to deal with specific areas, such as trade, communications and air and land transport; their work was officially completed with the signature of nine normalisation agreements on 8 May 1980. Direct air and bus travel between Egypt and Israel began in 1980, with El Al starting a service to Cairo on 3 March. Egyptair opened its service to Tel Aviv two days later, though it did so under the name of Nefertiti Airlines, so as to avoid an Arab boycott on its other flights. In 1980, some 14,000 Israeli tourists visited Egypt, a figure which was to rise


Interview with Dr Shimon Shamir (Israeli ambassador to Egypt), 28 December 1989.

For details, see 'Awad, Egypt and Israel, pp.62-64.
to 38,000 in 1981. In December 1981, a Memorandum of Understanding on Tourism was signed.  

The Agreed Minutes to Annex III of the peace treaty had provided that 'normal economic relations' would include

normal commercial sales of oil by Egypt to Israel, and that Israel shall be fully entitled to make bids for Egyptian-origin oil not needed for Egyptian domestic oil consumption, and Egypt and its oil concessionaires will entertain bids made by Israel, on the same basis and terms as apply to other bidders for such oil.

Following the fall of the Shah in February 1979, and the Iranian ban on oil sales to Israel, Sadat agreed to sell Egyptian oil to make up the shortfall. Supplies began on 26 November 1979, even before Sadat had ordered the lifting of the ban on all trade with Israel in January 1980. A trade agreement was signed in April 1980, and ratified on 1 April 1981. Apart from oil, trade was almost exclusively from Israel to Egypt. In 1980, Israeli exports amounted to US$10 million; in 1981, they rose to US$13.7 million.

Scientific cooperation began soon after the peace treaty, with particularly close contacts in the agricultural domain. The two agriculture ministries signed a Memorandum of Understanding on 24 March 1980, to make way for extensive cooperation in planning and research. In 1980, the five-year Gemiza Project in the Delta was established with funding from USAID to undertake research into grain crops.

As noted above, Israel attached especial importance to the signing of cultural agreements, on the premise that human interaction would change
(predominantly hostile) Egyptian perceptions of Israel and deepen the peace process. The signing of a bilateral cultural accord in May 1980 led to a protocol in cultural cooperation in October 1981. The results were, however, not impressive. Although Israeli newspapers had quickly become available in Egypt, and some Israeli journalists visited the country, few Egyptians showed any eagerness to travel to Israel. Moreover, professional and labour unions decided to boycott Israeli activities and officials in Egypt, in protest against the shortcomings of the peace settlement. The minority National Progressive Unionist Party, or Tagammu', condemned the peace from the outset for abandoning Palestinian interests and surrendering to the alleged American-Israeli plan to dominate the region; several days after its signing, party members founded the 'Committee for the Defence of the National Culture', whose aim was to encourage resistance to all Israeli cultural and political efforts in Egypt.30

With the passage of time, Sadat's press restrictions became less effective in quelling dissenting opinion. In late 1980, al-Sha'b, the newspaper of the still relatively tame opposition Socialist Labour Party (SLP), gave extensive coverage to a story that Sadat had agreed to divert water from the Nile to planned Israeli irrigation projects in the Negev. This was water which Egypt could ill afford to lose, fumed the paper. Al-Sha'b also reported that the Lawyers' Syndicate, amongst others, opposed the scheme.31 The government finally responded with the claim that Sadat had offered Begin 360 million cubic metres per year (of the 6 billion cubic metres wasted annually), as a gesture of goodwill to smoothe the resolution of the Palestine issue, especially the status of Jerusalem. Begin had turned

31 See, for example, al-Sha'b, 7 October, 14 October and 4 November 1980, and Baker, Sadat and After, pp.73-4. In 1979, there had been talk of diverting Nile water, through a tunnel south of Port Said, to irrigate Egyptian agricultural projects in Sinai; see MEED, 4 May 1979, pp.24-5.
the offer down and no practical steps had been taken; this was another case, said *al Ahram*, of the opposition's exaggerating and paying excessive heed to 'hostile voices'.32

Israel's participation in the 1981 Cairo Book Fair was unpopular, and provoked pro-Palestinian demonstrations.33 On the first anniversary of the peace, the *Tagammu* and SLP held a joint press conference to condemn the Camp David accords. *Al-Sha'b* sharply criticised an official statement to the effect that the peace treaty would be unaffected by the outbreak of a Syrian-Israeli conflict.34 The Coptic church in Egypt decided to ban pilgrimages to Jerusalem for as long as the Israeli government failed to implement the decision of its own High Court, to hand the church of Dayr al-Sultan in Jerusalem back to Coptic control.35

The Transition from Sadat to Mubarak

It could hardly escape outside observers that, by late 1981, popular opposition to Sadat's policies in general, and to his peace policy specifically, had grown considerably. There were those in Israel, such as Defence Minister Rafael Eytan, who voiced their fears that the peace might not outlive its main architect. Eytan's scheduled visit to Egypt was cancelled by Cairo as a result of his outspokenness.36

Sadat's assassination on 6 October 1981 caused great apprehension in Israel. Mubarak therefore faced a delicate task. On the one hand, he had to reassure Israel of Egypt's peaceful intentions, lest the all-important return of Sinai be jeopardised; on the other, there were rumours that he would adopt a more vigorously pro-Palestinian policy, and reconcile Egypt

---

33 Beinin, 'The Cold Peace', p.5.
34 Mumtaz Nassar in *al-Sha'ib*, 16 June 1981.
35 *Al-Sha'ib*, 17 March 1981.
36 *Al-Ahram*, 12 September 1981.
to the Arab mainstream. He immediately undertook to assure Israel and the world that there would be 'no reconsideration' of the peace. He continued to adhere to the main lines of Sadat's policy on Israel and the Palestinians. There was however, a slight change in tone, and it is noteworthy that, by early 1982, Mubarak had begun to allow opposition forces more freedom to express their known anti-American and anti-Israeli views.

Mubarak pursued the established line that the recognition of Palestinian rights was fundamental to the achievement of real peace in the Middle East, and that no one could speak for the Palestinians in the autonomy talks. The PLO, Sadat had said in August 1981, should be involved in all negotiations, but it was not necessarily the sole representative of the Palestinians. Here, Mubarak noted, shrewdly, that the PLO might not be that sole representative, but that this was a matter for the Palestinians themselves to decide; and they, unfortunately, were sadly divided. And just as Sadat had called upon the PLO and Israel to recognize one another, and for the United States to enter into a dialogue with the PLO, so too did Mubarak. He even used his predecessor's formula of 'recognizing rights, not organizations or movements'. Like Sadat, Mubarak was prepared in principle to accept new proposals to advance the peace process, provided they complemented the Camp David framework. Unlike Sadat, who had said that Crown Prince Fahd's peace plan of August

---

37 See below, Chapter 4.
40 The following comparison of Sadat's and Mubarak's positions on peace-related issues is largely based on A. Yusuf Ahmad (in Arabic), 'Continuity and Change in President Mubarak's Foreign Policy', al-Siyasa al-Duwaliyya, No.70 (October 1982), pp.112-117.
1981 contained 'nothing new at all', Mubarak believed that it contained some new points and could be a useful basis for future talks.42

Nor could it be said that Mubarak's reaction to the extension of Israeli civil law to include the Golan Heights - that is, their virtual annexation - in December 1981 was any firmer than had been Sadat's to the Israeli bombing of the Iraqi nuclear reactor six months earlier. Sadat had said that Egypt must persevere with its peace policy in the face of such 'mistakes', though they would, regrettably, lend weight to anti-peace arguments.43 Mubarak condemned the Golan annexation, but was equally forbearing on the peace itself.44

The smooth transfer of the Sinai on 25 April 1982 was, beyond doubt, uppermost in Mubarak's mind. Israeli sources were quite prepared to hint that Israel's withdrawal might be hindered by the failure to restart the stalled autonomy talks and to speed up normalisation.45 Mubarak attempted to play down the 'Sinai factor': he frequently dismissed the special importance of 25 April, saying on one occasion that it was 'just like any other day of the year'.46 He also allowed the process of 'cultural' normalisation to continue. Israel participated in the Cairo International Trade Fair in 1982, as it had done the year before, and this provoked a fresh boycott by some Arab firms. Permission was also granted for the establishment of the Israeli Academic Centre in Giza, which was to open in May 1982.47 Mubarak distanced himself from remarks made by Mohamed Heikal, to the effect that most Egyptians regarded Khaled Islambouli -

---

42 The plan indicated that Saudi Arabia might recognise Israel in return for a withdrawal from the Occupied Territories and the establishment of a Palestinian state. The plan collapsed in the face of Arab opposition, led by Syria; this disagreement ruined the subsequent Arab summit at Fez.
46 Al-Ahram, 9 March 1982, citing Mubarak's interview with Newsweek.
47 Lesch, 'Egyptian-Israeli Relations', p.72. The Centre's first director, Dr Shimon Shamir, became Israeli ambassador to Egypt in 1988.
Sadat's assassin - as a hero. Islambouli and four fellow conspirators were executed only hours before Ariel Sharon, Israel's hardline minister of defence, arrived in Cairo on 15 April.48

At the same time, however, Mubarak was under pressure not to appear to cave in to all Israeli demands. On Jerusalem, for example, he hardened his position. Having offered, in early December 1981, to visit Israel49, he now made it clear that a Jerusalem visit was out of the question; consequently, a summit planned for early 1982 was cancelled. Opponents of the peace also noted with satisfaction that he resisted Israeli and American pressure to sign a 'declaration of principles' regarding the autonomy question prior to April 1982.50 Egypt, said Mubarak, did not regard autonomy as a first step to self-determination, and any decision on the future of the Palestinians must be acceptable to the PLO.

On 25 April, Israel formally relinquished control over the Sinai peninsula, Menachem Begin having ordered the Israeli army forcibly to evict obdurate settlers from the township of Yamit. Even if a solution to the Palestinian problem seemed as remote as ever, the bilateral aspect of the Camp David accords was thus completed. But relations between Egypt and Israel quickly turned sour.

The Invasion of Lebanon

Israel's invasion of Lebanon on 2 June 1982 was a watershed in Egyptian-Israeli relations, and an event which reverberated throughout the region. It soon became clear that 'Operation Peace for Galilee', as it was styled, had been designed not only to secure a forty-kilometre buffer zone along the border, but also to destroy the PLO as a military force. Throughout the

---

Arab world there was impotent outrage at the physical and human cost of the invasion; and the scale of Israeli losses deeply divided Israeli society.51

In Egypt, the shock was acute. As Shimon Shamir later said, 't]he entire conceptual structure of Egypt's peace policy ha[d] fallen flat on its face'.52 More than any of Israel's previous military operations, the invasion undermined the faith, and the credibility, of those who had hitherto believed in and defended the peace settlement; it also confirmed the darkest suspicions and prejudices of the settlement's detractors. The war had the effect of narrowing the ideological divide between government and opposition. The journalist Anis Mansour, a former confidant of Sadat's and an ardent defender of Arab-Israeli peace, wrote in his daily column of 17 July 1982:

There is not a single pen in Egypt which has not cursed Israel. There is not a single voice in Egypt which has not disavowed its previous faith in the possibility of total peace with Israel...We had reconciled with Israel, looking forward to a comprehensive peace...It turned out to be a mistake...The most optimistic among us knows now that it will take another 34 years to correct that mistake.53

Lutfy 'Abd al-Azim, editor of al-Ahram al-Iqtisadi, who in 1978 had supported the peace, was equally outraged.54

Initially, the semi-official daily press, such as al-Ahram and al-Gumhuriyya, followed the cautious official line. Once Mubarak had condemned the invasion on 6 June, these papers immediately changed their tone.55 The speed with which the official press turned against Israel, and the vehemence of its criticisms, suggests that considerable restraint had been demanded and exercised until then. Left-wing journalists demanded

53 Quoted by S.E. Ibrahim, 'Domestic Developments in Egypt', in Quandt (ed.), The Middle East, p.19.
54 Baker, Sadat and After, pp.224ff.
55 See R. Whitaker, 'Egypt's Dilemma as Reflected in the Cairo Press', Middle East Review, Vol.xvi, No.3 (Spring 1984), pp.30ff.
immediate sanctions, bitterly condemned Israel's tactics and gave vent to their anger at the United States, which was seen to have connived at the invasion. Here was the clearest proof yet, said the critics, that Israel's peace strategy, aided and abetted by the United States, had been to neutralize Egypt in order to leave Israel's expansionist design unhindered. The Israeli government officially protested against the constant attacks on its policy in the press, calling them a violation of the spirit of normalisation, but the protest was rejected.\textsuperscript{56}

As public anger grew, the government nevertheless confined its response to diplomatic protests, and prevented the despatch of volunteers who wished to assist the increasingly beleaguered Palestinians in Beirut. On 27 August, it formally rejected the resumption of the stalled autonomy talks, until Israel withdrew its forces from Lebanon.\textsuperscript{57} But when news broke in early September of the massacre of Palestinians at the Sabra and Shatilla refugee camps in Beirut, which had taken place with the tacit collusion of Israeli forces, Mubarak had no option but to recall the Egyptian ambassador from Tel Aviv. This was a step which the opposition press had long been urging. In response to the official Israeli protest, the foreign minister, Kamal Hasan Ali, declared that this was a matter of Egyptian sovereign right, and was not a threat to the peace.\textsuperscript{58} Egyptian sources indicated that the ambassador would not return until Israeli forces had left Lebanon. One important side-effect of the crisis was that Cairo began to make statements in support of the PLO, far warmer than any heard since 1977. This public solicitude did much to heal the rift between the PLO and Egypt that had originally been created by Sadat's Jerusalem trip.\textsuperscript{59}


\textsuperscript{57} Korany, 'The cold peace', p.671.

\textsuperscript{58} See H. Mustafa [in Arabic], 'Egyptian-Israeli Relations after the Events in Lebanon', \textit{al-Siyasa al-Duwaliyya}, No.71 (January 1983), p.93.

\textsuperscript{59} See below, Ch.4.
As a result of the invasion, the normalisation process had been effectively frozen - though existing agreements were honoured, and Israeli tourists welcomed - and planned visits by Israeli officials cancelled.60 Few Egyptians had in any case shown any inclination to visit Israel, both because to do so was expensive and because it would preclude their working in Arab countries; the invasion made such visits more unlikely. The Israeli Government Tourist Bureau, which opened in Cairo in June 1982, closed within a year for lack of business.61 No new commercial contracts were signed, and Israeli exports to Egypt fell sharply; public sector companies had from the outset been reluctant to trade with Israel. The invasion of Lebanon ushered in a period of 'cold peace', as unwelcome to Israel as it was popular in Egypt. Mubarak steadfastly refused to return the Egyptian ambassador, despite pressure from US Secretary of State George Shultz in early 1983. Pressure of this kind was resented and exaggerated in the opposition press, and Mubarak's stand applauded.62 By early 1983, the official Egyptian position on the questions of the ambassador's return and the autonomy talks hardened. There would be no ambassadorial representation unless Israel withdrew from Lebanon, allocated responsibility for the Sabra and Shatilla massacres and moved towards solving the Palestinian problem on the basis of self-determination. Nor would Egypt rejoin the autonomy process unless Jordan and the Palestinians were brought in.63

60 Mustafa, 'Egyptian-Israeli Relations', p.94. Egypt continued to send some 20-22% of its oil exports to Israel, and to receive about 1000 Israeli tourists per month; MEED, 3 Dec. 1982, p.16. The invasion of Lebanon also brought to an end reciprocal visits by military units and senior staff officers, except in the framework of the Joint Military Committee in charge of treaty provisions, as Muhsin 'Awad (Egypt and Israel, pp.71-75) notes with satisfaction.

61 Lesch, 'Egyptian-Israeli Relations', p.66.

62 See Beinin, 'The Cold Peace', p.8; see also, for example, M. Sid-Ahmed in al-Ahali, 7 September 1983.

For the benefit of an outside audience, as well for its domestic critics, the Egyptian government was keen to underline its abiding commitment to the peace treaty. By way of illustrating the risks inherent in too confrontationist a policy, the semi-official Akhbar al-Yawm on 19 March 1983 offered its readers a scenario of what might happen if Egypt went back on its word: Gaza and the West Bank would swiftly be annexed, and the Sinai just as swiftly reoccupied. That said, the official comments during 1983 and 1984 were highly critical of Israel. In early January 1984, senior officials condemned Israel's decision to apply military law to the inhabitants of the Occupied Territories, calling it 'racial prejudice' amongst other things. Boutros-Ghali repeatedly laid the blame for the 'cold peace' at Israel's door, because of the way in which it had violated the spirit of the peace and embarrassed Egypt. In April 1984, his list of Israeli infractions included the decision to make a united Jerusalem the capital of Israel in July 1980; the attack on Iraq's nuclear reactor in June 1981; the annexation of the Golan Heights; the invasion of Lebanon and complicity in the subsequent massacres; and Israel's complete intransigence on the issue of Palestinian autonomy. Moreover, he said, its stand on the enclave of Taba was an obstacle to normalisation.

The Taba Question

When Israel vacated the rest of Sinai in April 1982, it declared that it would not relinquish Taba, a small piece of land, some 100 hectares in size, located on the coast of Sinai twenty kilometres south of Eilat, which Egypt claimed as its own. It may be true, as some believed, that Israel

64 Whitaker, 'Egypt's Dilemma', p.36.
66 See Boutros-Ghali's comments in al-Ahram, 24 April 1984.
67 A. Lesch, 'Egyptian-Israeli Boundary Disputes', in Lesch & Tessler (eds.) Israel, Egypt and the Palestinians, p.47. See also ASR, 1985, pp.373-5 for an Egyptian view of the Taba question.
manipulated the Taba issue as a pointed reminder that it could reoccupy Sinai at will, thus marring Egypt's diplomatic triumph of 25 April; but it is also true that the Egyptian government used the issue as a pretext to justify its reluctance to renew summit level contacts with the Israeli leadership, or to return its ambassador to Tel Aviv. In response to American requests during 1983 that he return Egypt's ambassador to Israel, Mubarak said that this would depend upon progress on Taba, as well as on previously stated conditions concerning Lebanon and the Occupied Territories. Indeed, Taba soon assumed a political significance in Egypt far out of proportion to its economic and strategic worth, something which profoundly irritated the Israeli government.\textsuperscript{68}

A temporary agreement on the status of Taba was reached on the eve of Israel's final withdrawal from Sinai. It provided, \textit{inter alia}, that troops of the Multinational Force and Observers (MFO) would be stationed in the disputed territory; that no further construction take place before a final settlement, and that meetings be held on the basis of Article VII of the peace treaty, which specified conciliation or arbitration if negotiations failed to produce a result. Shortly before 25 April, Israeli commercial interests had begun construction of a 5-star hotel, the 'Aviya Sonesta', which was eventually opened in November 1982. Moreover, since the parties could not agree on the function of the MFO within the disputed zone, Taba remained effectively under Israeli control.\textsuperscript{69}

Events in Lebanon and the failure of the autonomy talks left the atmosphere unconducive to negotiations. These resumed in March 1983, but dragged on fruitlessly until Shimon Peres, who headed the National Unity government which was formed after the Israeli elections of July 1984, decided to revive the talks in order to improve bilateral relations. By this


\textsuperscript{69} Lesch, 'Egyptian-Israeli Boundary Disputes', p.49.
time, Egypt had opted for arbitration rather than (non-binding) conciliation to settle the dispute. Mubarak had also made it clear to the new Israeli government that there would be no summit between Peres and himself until Israeli forces withdrew from Lebanon, progress was registered on the Palestinian issue and the Taba problem resolved to Egypt's satisfaction.  

Eager to encourage incipient Israeli moves to begin a withdrawal from Lebanon, Mubarak offered in March 1985 to return the Egyptian ambassador to Tel Aviv if Israel would agree to binding arbitration, that is, before Taba had actually been returned. Israeli sources speculated that a long-overdue summit had been arranged for early May, but Cairo was unaccommodating. Makram Muhammad Ahmed, a confidant of Mubarak's, wrote that Egypt was willing, in principle, to hold a summit, but only if its publicly-stated conditions were met.

There were signs of a thaw in relations, much to the chagrin of al-Sha'b: in May, the first Egyptian tour group for three years arrived in Israel, and Abdel Hadi Qandil, Minister for Petroleum and Energy Resources, similarly undertook the first ministerial visit to Israel since 1982. On 19 August, a group styling itself 'Egypt's Revolution' killed an Israeli embassy official in Cairo; but the Foreign Ministry immediately condemned the attack, and a scheduled visit to Israel by the Minister for Tourism, Waguih Shindi, went ahead as planned. Mohamed Sid-Ahmed commented in al-Ahali that this 'technically competent' attack was clearly aimed at disrupting 'the remarkable improvement in Egyptian-Israeli

---

70 See, for example, Mubarak's comments in al-Ahram, 4 October & 12 December 1984, and those of Usama al-Baz in al-Ahram, 14 November 1984.
71 See, for example, Ha'aretz, 15 April 1985, in FBIS-MEA, 15 April 1985.
73 See, for example, al-Sha'b, 9 July 1985, in FBIS-MEA, 16 July 1985.
relations in recent times'. He observed that Israel had played down the incident so as not to upset the trend.  

The improvement in relations was halted by Israel's attack on the PLO headquarters in Tunis on 1 October 1985 and by the furore surrounding the killing of seven Israeli tourists in Sinai by an Egyptian soldier one week later. Ismat Abdel Meguid reacted to the Tunis raid by declaring that an Israeli delegation due to begin talks on Taba would not now be welcome. The outpouring of popular sympathy for Sulayman Khatir, the Central Security Force conscript who shot the tourists - supposedly because they had not heeded orders to stop - was a good indicator of the mood in Egypt after the Tunis attack. Khatir was convicted and sentenced to life imprisonment and, though Israelis thought the sentence too lenient, many Egyptians rallied to his defence. Al-Ahali protested the fact that he had been tried by a military tribunal and thus deprived of his constitutional rights; when Khatir was found hanged in his cell some weeks later, doubt was expressed at the verdict of suicide, the government (or Israel) being thought responsible. For its part, the government believed that the Khatir affair had been deliberately exploited by elements of the opposition. Although the former prime minister, Dr Mustafa Khalil, visited Israel in October, a proposed return visit by Itzhak Shamir in December was rejected because of his public stance on the peace process and Taba.

The Israeli cabinet finally agreed to submit the Taba question to arbitration on 13 January 1986; its conditions, that relations be normalised, that the Egyptian ambassador be returned and that conciliation be

---

74 See al-Ahali, 28 Aug. 1985, in FBIS-MEA, 5 Sept. 1985. In Israel, Ha'aretz (22 August) believed that it was precisely this kind of article in al-Ahali that was to blame for the killing; cited in FBIS-MEA, 23 August 1985.
attempted before arbitration, were all rejected by Egypt. *Al-Ahram* railed against Israeli 'blackmail', and Jewish 'avarice and meanness'; and an Israeli commentator, noting that Egypt was still refusing to hand over the report on the tourist deaths, said that relations were 'as bad as they could be'.78 On 20 March 1986, 'Egypt's Revolution' again attacked a group of Israelis in Cairo, killing the wife of an official and wounding three men. Mubarak immediately deplored the attack, and emphasised his commitment to peace and desire for better relations. *Al-Ahram* editorialised that the attack would not affect the continuing efforts 'to remove all obstacles to normalisation'. This response drew praise from Israeli sources.79

With extensive American involvement, awkward questions concerning the composition of the Taba arbitration panel and the question it should address80, were subsequently resolved. Egypt and Israel reached a final agreement on arbitration only hours before the already-scheduled Peres-Mubarak summit was due to begin in Alexandria on 11-12 September 1986. It was something of a triumph for Peres, since it was the first Egyptian-Israeli summit since August 1981, and the first since Mubarak had taken office.81 As Muhammad 'Abdallah noted in *al-Ahram*, Egypt had made concessions for the sake of progress. Mubarak had clearly dropped the longstanding demands that Israel pull out of Lebanon and improve conditions in the Occupied Territories; and he could be said to have softened his stance on Taba, since agreeing to refer the question to arbitration was by no means the same as reaching a settlement. Nor, he added, was there evidence of any agreement on Palestinian self-
determination, supposedly an important reason for the summit. Western observers were right, 'Abdallah said, to point out that Mubarak wished to deal publicly with Shimon Peres before he handed over the prime ministership to the more intransigent Itzhak Shamir in October.82

On 15 March 1989, Taba was finally returned to Egyptian control. The international arbitration panel had decided in Egypt's favour on 29 September 1988; Egypt then resisted all attempts to compromise on the result, rejecting Israeli suggestions that sovereignty be shared and that Israelis continue to enjoy the right of entry without passports.83 In Israel, it was announced in May 1989 that Egypt had finally paid compensation to the families of the tourists killed by Sulayman Khatir. Egypt had officially accepted responsibility for the incident in October 1988.84 Both of these developments were regarded as long overdue in Egypt and Israel, respectively. In fact, the acrimony surrounding them was only a symptom of the obvious deterioration of bilateral relations, especially after the end of 1987.

**Marginalising Israel: the role of public opinion**

By 1986, Egypt officially backed the idea of an international peace conference on the Middle East. This, together with Cairo's emphasis on Taba to the virtual exclusion of all other matters, meant that relations between Egypt and Israel were effectively subordinated to increasingly successful Arab diplomacy.85 Cairo insisted more firmly than before that 'normalisation' was a redundant or inappropriate term; relations were, after all, normal in the sense that they existed and that the peace was

---

85 See below, Chapter 4.
respected. Where it was mutually advantageous, bilateral agreements could be signed; but such agreements tended to be confined to the domains of tourism, trade - especially the oil trade - and agriculture, where cooperation continued with extensive American involvement.\textsuperscript{86} The two ministers of tourism exchanged visits in 1986, but the Coptic church's continued ban on Christians visiting Jerusalem adversely affected the flow of Egyptian tourists to Israel.\textsuperscript{87} Egypt turned down a request that Israeli banks be allowed to open branches in Cairo on the grounds that there were already too many such banks and that levels of bilateral trade did not warrant any Israeli financial presence. An Israeli request for a joint extradition agreement reportedly met with a similar response.\textsuperscript{88}

The September 1986 summit meeting in Alexandria was a high-point of relations, and led to the re-appointment of an Egyptian ambassador to Tel Aviv. Although both leaders had announced in their post-summit communique that 1987 would be 'the year of negotiations for peace'\textsuperscript{89}, the promise was not fulfilled, not least because of the turmoil in Israel's coalition government. There were no more high-level visits; indeed, 'the year of negotiation for peace' was instead marked by a feeling of ill-will. In late January, the Israeli government was angered by comments reportedly made by Field Marshal Abu Ghazala before two parliamentary committees, to the effect that Israel remained Egypt's principal military threat, and that Syria and Egypt together could defeat Israel.\textsuperscript{90} Six months later, Abu Ghazala's comments caused fresh irritation: he had boasted to the Fourth

\textsuperscript{86} ASR, 1986, p.462.
\textsuperscript{87} See comments by tourism minister, Fuad Sultan, in Israel; Jerusalem Domestic Service, 3 Aug. 1986, in FBIS-MEA, 4 Aug. 1986.
Conference of Egyptian Expatriates that Egyptian forces in the Sinai were at their highest level since the begining of the Arab-Israeli conflict.91

In March 1987, Mubarak refused an Israeli suggestion that there be an official exchange of letters to mark the eighth anniversary of the peace. At the end of that month, Israel protested at Butros-Ghali’s comments that Israel was obstructing the implementation of the peace treaty and not keeping to its text, despite the passage of eight years.92 An official visit to Egypt by Itzhak Shamir, who had taken over from Peres as prime minister, had been scheduled to take place in June; it was postponed because circumstances were said to be inauspicious. In September, Mubarak said there was still no point in convening a summit, because Shamir was known to oppose the idea of an international peace conference.93

To what extent did the obvious opposition in some quarters of Egyptian society to the relationship with Israel influence government policy? Even though anti-Israeli newspapers like al-Sha’b had a relatively limited readership, and Egyptian-Israeli relations did not feature prominently in the 1984 and 1987 election campaigns94, the government could hardly ignore the obvious: much of the intelligentsia and many in the professional class were strongly in favour of closer links with the Arab world, and equally opposed to the idea of 'normalisation' with Israel.

After initially prevaricating in the wake of the 1982 invasion of Lebanon, the government appeared to have no option but to respond to popular demands for tough action. Nevertheless, one can say that

91 See al-Wafd, 20 August 1987. Policy-makers in Washington at no time suspected any aggressive intent on Egypt's part; the Egyptian government, they felt, was only too aware of the danger of losing Sinai again; interview with Dr Aaron David Miller, State Department, 22 July 1988.
94 See Ilwi, 'Egyptian Political Parties', pp.7-46 passim. The Tagammu' had the most coherent foreign policy position.
Mubarak, having decided at an early stage to rebuild relations with the Arab world, and only too aware of the way in which Israel had repeatedly embarrassed his predecessor, was in any case inclined to downgrade the relationship. Mubarak's closest adviser, Usama al-Baz, was a known advocate of close relations with the Arab world and, though a pragmatist, in favour of a tougher stance towards Israel.95

Having embarked on this course, Mubarak was able to use appeals to 'democracy' and 'press freedom' to justify Egypt's stance towards Israel and the Palestinian question. In response to Israeli complaints about the frequency (and virulence) of press attacks on Israel and its policies, and the reluctance of Egyptian professional syndicates to establish ties with their Israeli counterparts, Cairo could respond by declaring that it could not interfere in the free press or the affairs of independent professional bodies.96

On the other hand, the 'democracy' which Mubarak publicly invoked was regarded by the opposition in Egypt as being subject to excessive control, and imperfect at best.97 Foreign policy was not the most pressing concern of opposition journalists, but they did use foreign policy issues as a means to question the government's legitimacy and to express their displeasure at the tightly-controlled political system. Having decried the government's behaviour - as well as the American-Egyptian relationship - during the Achille Lauro affair, the opposition press then used Sulayman Khatir's 'heroism' and mysterious death to browbeat Mubarak. The president was moved, in an interview with al-Musawwar, to attack the

95 Interview, Dr Shimon Shamir, 28 Dec. 1989. See also M. 'Abdallah in al-Ahram, 15 Sept. 1986, for an Egyptian assessment.
96 This was the response to Israeli complaints in 1982, in the wake of the Lebanon invasion, as well as in Dec. 1987, for example. See MECS, Vol.VI, 1981-82, pp.179-80 and ASR, 1987, p.398, respectively.
97 On shortcomings of the democratic process in Egypt during the 1980s, see A. Lesch, 'Democracy in Doses: Mubarak Launches His Second Term As President', Arab Studies Quarterly, Vol.11, No.4, (Fall 1989), pp.87-107.
'irresponsibility' of the opposition and to warn direly of 'the alternatives to democracy'.

Nevertheless, it was expedient for Mubarak to take an increasingly firm line on Israel and Palestine, not only to bolster diplomatic efforts in the Arab world, but also to reduce domestic frictions. The fact that peace with Israel was not an issue in the 1984 and 1987 elections may partly be explained by the convergence between the government's stance on the Arab-Israeli conflict and the attitudes of the major opposition parties. It might be suggested, too, that Egypt's rapprochement with the Arab states helped make the peace itself less contentious. On the other hand, Sadat's law requiring political parties to support the peace was only declared unconstitutional by the High Court in May 1988; this decision paved the way for the fledgling Nasserist Party, which opposed the peace, to seek incorporation.

Marginalising Israel: success in the Arab world

In 1987, the Israeli commentator Ehud Ya'ari summed up Mubarak's attitude towards Israel in the phrase: 'Support the peace but do not participate in it; hostility to Israel remains a patriotic duty; and normalization is the cost, not the benefit of the peace'. Although this was a little harsh, there could be little doubt that Cairo was indeed attempting to derive the maximum benefit from the Egyptian-Israeli relationship with the minimum attendant cost - where cost was defined in terms of the likely public reaction to visible contacts and their adverse effects on policy towards the Palestinians and the Arab world. In other words, the

---

99 'Ilwi, 'Egyptian Political Parties', p.65.
100 Lesch, 'Democracy in Doses', p.89.
102 Ya'ari, _Peace by Piece: A Decade of Egyptian Policy Toward Israel_, p.6.
103 The following are comments made by Dr Shimon Shamir in an interview on 21 November 1988.
Egyptian government remained committed to the letter of the peace; there was no chance that it would do anything to compromise Egyptian sovereignty over Sinai or, for that matter, to jeopardise the continued flow of American financial aid, which was obviously linked to the stability of the peace. In those areas where Egypt stood to gain financially, namely agriculture, tourism and the petroleum trade, discreet contacts would continue. On the other hand, Cairo would not compromise on its demands that the PLO be involved in the peace process, or that Israel moderate its policies in the Occupied Territories.

With Egypt's *de facto* readmission to the Arab League as a result of the Amman summit in November 1987, Cairo became more confident in its dealings with Israel. The peace, which had once been seen as a humiliation, now seemed to offer Egypt a greater range of diplomatic options. Boutros-Ghali said that Egypt now had a good chance of mediating between Israel and the Arabs, and should stay on good terms with both sides. However, Israel had already shown itself apprehensive of the steady improvement in Egypt's Arab credentials; and this nervousness was exacerbated by the outbreak in December 1987 of a large-scale Palestinian uprising - which became known as the *intifada* - in the Occupied Territories.

At the beginning of December, unknown gunmen attacked an Israeli patrol at the border near Rafah; the assailants then allegedly fled into Egypt. This was the first incident of its kind since the return of Sinai in 1982, but the Israeli government accused Egypt of failing to keep its Camp David commitment to prevent anti-Israeli activities on its soil, and demanded the perpetrators' arrest and handover. Egyptian sources

---


105 *Al-Wafd* (20 August 1987) claimed that Israel had suggested that its forces participate in the 1987 'Bright Star' exercises. Three requests were reportedly received in the last quarter of 1987 that Abu Ghazala visit Israel to discuss military cooperation; see *ASR, 1987*, p.398.

played down the incident, but \textit{Yediot Aharonot} took umbrage at the Egyptian ambassador's description of the shooting as 'a routine event'.

A war of words broke out between Cairo and Tel Aviv. Ismat Abdel Meguid protested against the unnecessary use of force against civilians in the Occupied Territories. For its part, Israel threatened to abrogate the peace treaty because Egypt had violated the Camp David accords. Its ambassador in Cairo, Moshe Sasson, threatened to leave within weeks if the press attacks on Israel did not cease. An Egyptian Foreign Ministry spokesman claimed that Egypt had the right to cancel the Camp David accords because Israel had not adhered to them.

Since Egypt was firmly committed to supporting the continuing Palestinian uprising in the West Bank, Mubarak refused to meet any Israeli leader as long as the 'repression' in the Occupied Territories continued. He insisted on travelling to Washington in late January 1988, so as to avoid the possibility of encountering Itzhak Shamir, who was scheduled to arrive in early February. A subsequent American suggestion that Shamir visit Cairo was turned down on the grounds that Shamir's opposition to the idea of an international peace conference made any positive result unlikely. On a more symbolic level, the Egyptian ambassador to Israel boycotted celebrations in April 1988 of the fortieth anniversary of Israel's founding; and, for the first time since the peace treaty, no Egyptian representative attended the Israeli embassy's own celebration. When Avraham Tamir, the director of Shamir's office, visited Cairo in June, he was denied an audience with anyone but a junior Foreign Ministry official.

\begin{enumerate}
\item[110] \textit{ASR}, 1988, p.653.
\item[112] See, for example, \textit{WAKH} (Manama), 14 June 1988, in \textit{FBIS-NES}, 15 June 1988.
\end{enumerate}
By the end of 1988, Egypt found itself in a position which enabled it more convincingly to portray itself as an important player in the peace process. This had very little to do with Egyptian-Israeli relations; it was more the result of Cairo's cultivation of the PLO113 and developments in the volatile relationship between Jordan and the PLO.

On 31 July 1988, King Hussein formally abandoned Jordan's claim to the West Bank. As a consequence, it was to be legally separated from Jordan, administration salaries and development assistance terminated, and inhabitants of the West Bank and Palestinians living in other countries stripped of their Jordanian citizenship. This decision reflected Hussein's acknowledgment - and, it was thought, resentment - of the fact that the PLO had, as result of the eight-month long intifada, gained considerable prestige in the Arab world and in the Occupied Territories. Whereas the PLO had been virtually ignored at the Amman summit of November 1987, because of the Arab states' preoccupation with the Iranian threat, the special Algiers summit of June 1988 re-affirmed the PLO as the Palestinians' sole legitimate representative. All Arab subventions would thenceforth be channelled directly into the Territories, without Jordanian mediation.114 Faced with this challenge, Yasser Arafat on 14 November announced the establishment of an independent Palestinian state, which Jordan recognised on the following day. After some initial hesitation, Egypt, too, recognized the new Palestinian state retroactively on 21 November.115

For all that Mubarak openly described as 'outdated'116 the Camp David autonomy formula which Shamir still invoked, he had been very cautious on the matter of a Palestinian state, mindful of the fact that neither

113 Discussed below in Chapter 4.
American nor Israeli views on the matter could realistically be ignored. In January 1988, Mubarak told an American interviewer:

I have not spoken of an independent Palestinian state. We want to restore the occupied territories to their status before the 1967 War under Jordanian administration. Anything else can be discussed later.117

In September, he urged the Palestinians not to form a government in exile or to declare the existence of an independent state, in view of the impending elections in the United States and Israel. As late as 20 October, he urged the PLO not to forget their special relations with Jordan or 'the fact that Jordan has a basic role to play in attaining peace'.118

But, once the PLO made its announcement, Egypt sought to turn this, and Jordan's now diminished status, to its advantage. Mubarak knew that the United States would not enter into a dialogue with the PLO until it met certain preconditions: the renunciation of all forms of terrorism, recognition of the State of Israel and acceptance of UN Resolutions 242 and 338. It later became clear that Mubarak had played an important role in persuading Arafat explicitly to accept these preconditions in his speech before a special session of the United Nations in Geneva in December.119

In one sense, Arafat's declaration constituted a belated but nonetheless welcome vindication of Egypt's peace policy, especially in view the PLO's newfound international respectability. Now, since Israel continued to reject talks with the PLO and compromise over the Occupied Territories, Mubarak could more comfortably refuse to meet with Itzhak Shamir, on the grounds that a meeting would serve no useful purpose.120

---

120 See, for example, MENA, 2 & 19 April 1989, in FBIS-NES, 3 & 20 April 1989, respectively.
Conclusion

In the face of growing opposition, and despite his own frustration at Israeli behaviour, Sadat persevered in his efforts to adhere to the spirit of the peace treaty. The prospect that others in the Arab world would follow Sadat's example and make possible a comprehensive settlement to the Palestinian problem soon faded. Though Mubarak reaffirmed Egypt's commitment to the peace, he could not ignore the fact that it would be a political albatross.

From a purely Egyptian perspective, Mubarak's handling of the relationship with Israel may be regarded as a success. Egypt retained Sinai and its oil - and eventually recovered Taba - and benefited from the flow of tourists from Israel. At the same time, Mubarak managed progressively to distance his government from Israel and restrict contacts at all levels, thereby deflecting criticism from himself and reducing the salience of the peace in domestic politics. The fact that Mubarak refused formally to meet both Menachem Begin and Itzhak Shamir, and met Shimon Peres only once, in September 1986 - Sadat had met Begin on ten occasions, including the November 1977 visit to Jerusalem - illustrates the hardening of Cairo's position.

When set in the context of Egypt's regional diplomacy, his handling of Israel appears doubly successful, for, by championing the Palestinian cause, he accelerated the process of Egypt's return to the Arab mainstream - a process which itself contributed to a further deterioration in the Egyptian-Israeli relationship. As we shall see in Chapter 4, however, Egypt's increasing aloofness from Israel and its advocacy of Palestinian rights were not the only factors behind the Egyptian-Arab rapprochement.

\[121\] With the exception of their meeting at Sadat's funeral.
Chapter 3

DILUTING DEPENDENCE: RELATIONS WITH THE SOVIET UNION AND FRANCE

By the time of Sadat's death in 1981, Egypt's foreign policy had, to its detriment, become closely identified with American regional interests. As we have seen, Mubarak made efforts publicly to distance Egypt from what was considered by many to be an overly-close embrace. At the same time, however, he sought to dilute the effects of dependence on the United States by repairing Egypt's relations with the Soviet Union and by seeking the continued support of Egypt's Western European friends.

Two points can be made about these relationships. First, they were essentially uncontroversial and, by comparison with Cairo's more complex dealings with Washington and Arab capitals, somewhat uneventful. This was certainly true of relations with the West European states, which had supported Sadat's peace efforts and were keen to encourage continuity and stability in Egypt. Second, and by contrast, their very lack of controversiality made them politically valuable. French or German economic aid, for example, did not carry the stigma of aid from the United States. The relationship with the Soviet Union, a superpower, was especially useful in that it enabled Mubarak more plausibly to describe Egypt's foreign policy as 'non-aligned'.

Reaffirming Egypt's Non-alignment

As early as November 1981, Mubarak referred to non-alignment as one of the principles underlying Egyptian diplomacy.¹ In May 1982, he expressed surprise that his remarks on this theme should have provoked comment;

after all, he said, Egypt was one of the founding members of the Non-aligned Movement (NAM). This was, of course, true, but it could hardly be pretended that his predecessor had paid any more than lip-service to the ideal, having so deliberately attuned Egypt's foreign policy to western interests. Mubarak was signaling that he would thenceforth seek to give a more balanced appearance to Cairo's diplomacy. This would not be easy, given the undeniable importance to Egypt of American economic and military assistance. Nevertheless, the legitimating Nasserist aura of non-alignment, combined with a refusal to grant bases to American forces, was a symbolic antidote to Egypt's apparent subservience to an American-Israeli regional strategy. The target audience was domestic as well as regional.

Essentially, non-alignment came to mean repairing relations with the Soviet Union, a process which would yield not only symbolic, but also material dividends. But it did have a broader purpose, one related to Egypt's diplomatic efforts in the Arab domain. Even generous interpretations of Egypt's contributions to the proceedings in Non-aligned forums cannot disguise the fact that much of its activity focused on promoting the Palestinian cause - especially the PLO's right to participate in an international peace conference - as well as a solution to the Iran-Iraq war. In other words, it was part of the most important element of Mubarak's foreign policy, Egypt's Arab rehabilitation, which is discussed below.

\[3\] It could be also argued that Egypt had, in the final years of Nasser's presidency, become so dependent on a Soviet military presence that its 'non-alignment' was at best rhetorical.
\[4\] Paraphrasing Krämer, Ägypten unter Mubarak, p.157,
Sadat and the Soviet Union

In order to extract as much American assistance as possible, Sadat increasingly tailored his domestic and foreign policies to suit the outlook in Washington. Yet his opposition to the Soviet Union was by no means entirely contrived, even if the promise of aid from a more generous quarter reinforced his basic inclinations. Sadat had been convinced from the outset of his presidency of Moscow's hostility to him personally, and of Soviet backing for Ali Sabri and other 'Soviet agents'. At least part of the reason for his decision in 1972 to expel the Soviet advisors stemmed from his belief that the Soviet Union was using arms shipments as a political lever. He also alleged that Moscow had deliberately withheld arms supplies after the October 1973 war, and that its demand for payment for arms supplied during that war was mercenary.

Even in 1975, Sadat felt that Moscow's hand lay behind opposition to his peace policy on the part of Iraq, Libya and Syria. By this time, he had become openly frustrated at the Soviet Union's refusal to cancel or reschedule Egypt's large military and commercial debt; this was one of the main reasons for his decision, in 1976, to cancel the 1971 Soviet-Egyptian Treaty of Friendship and Cooperation. The fact that this decision helped smooth the way for the Ford administration to lift a ban on exporting military aircraft to Egypt is indicative of Sadat's real purpose: to realign Egypt with the United States.

Sadat publicly - and rather implausibly - blamed the food riots of January 1977, which followed on the heels of sharp price-rises, on

---

7 See Sadat, *In Search of Identity*, Ch.9 *passim*. Sadat claims to have found the Soviets condescending and deceitful; see, for example, pp.264ff..
communist subversion. Having already frozen shipments of cotton to the
Soviet Union in August 1977, he decided on 26 October to suspend
payments on Egypt's military debt to Moscow for ten years. For its part,
Moscow condemned the Jerusalem visit, and described the subsequent
Camp David accords and the peace treaty as being no more than attempts
to forge a separate peace.

By 1980, Sadat had become vituperatively anti-Soviet. An apparent
thaw in relations in 1979, indicated by the upgrading of Egypt's
representation in Moscow to full ambassadorial level, was abruptly brought
to a halt by the invasion of Afghanistan in December 1979. Sadat
condemned the invasion, cooperated in the channelling of arms to the
Afghan resistance, and openly endorsed the United States' strategy in the
Middle East. In January 1980, Sadat twice ordered a reduction in the
number of staff at the Soviet embassy in Cairo, as well as the expulsion of
many technical personnel working in Egypt. Throughout 1980, the
Egyptian press carried attacks on Soviet regional policy. In October, two
Soviet journalists were expelled on charges of stirring up sedition in
Egypt. Following Sadat's crackdown on dissidents in September 1981, he
ordered the Soviet ambassador, Vladimir Polyakov, six members of his staff
and over one thousand technicians to leave Egypt; but diplomatic relations
as such were not severed. The Soviet Union had, it was alleged, been
implicated in a plot against the president. Not unnaturally, Sadat's ill-

11 Ibid., pp.313-4.
12 Ibid., pp.346, 355.
13 See Woodward, Veil: The Secret Wars of the CIA, pp.79, 104.
will was reciprocated from Moscow: when he was assassinated, the Soviet leadership sent only the most perfunctory condolences.18

**A Symbolic Shift**

From the earliest days of his presidency, Mubarak gave it to be known that he regarded the improvement of relations with Moscow as desirable. Clearly, he had to tread delicately, since Washington had become accustomed to Sadat’s anti-communism, and the Reagan administration might not take kindly to any sudden about-turn. So, despite making the political gesture of requesting the return of 66 Soviet technical experts in January 198219, Mubarak was careful to emphasise where Egypt’s priorities lay. He told an Italian interviewer that relations with Moscow could not be as good as those with Washington because ‘America is helping me and the Soviet Union is not’.20

During 1982, the Egyptian press still criticised Soviet regional policy - for example, its intervention in Afghanistan and support for Iran21 - but the mood had begun to change perceptibly. Moscow announced in April that it would welcome the return of its ambassador at a time to be decided by Cairo; in July, Brezhnev warmly congratulated Mubarak on the thirtieth anniversary of the 1952 Revolution.22 In December, the ban imposed by Egypt on cotton exports to the Soviet Union in 1977 was lifted, and bilateral trade was expected to rise by 20 per cent.23

Following the Egyptian prime minister, Mamduh Salim's attendance at Leonid Brezhnev's funeral in November 1982, there were rumours that an exchange of ambassadors was imminent. These rumours persisted during 1983.\textsuperscript{24} The then foreign minister, Kamal Hasan Ali, told a Lebanese interviewer in March 1983 that Egypt welcomed the friendlier tone in Soviet commentary and said that ambassadors might be exchanged by the end of that year, notwithstanding continuing differences over Afghanistan.\textsuperscript{25} In May, the first bilateral trade protocol since 1977 was signed in Moscow.\textsuperscript{26} Mubarak was reported as seeing the resumption of relations at ambassadorial level as desirable, but he still seemed wary of unsettling Washington.\textsuperscript{27} Moreover, he did not wish to repeat past experiences: in October, he claimed to have evidence of continuing Soviet interference in Egyptian politics, and said that ambassadors would not be exchanged until this ceased.\textsuperscript{28}

In April 1984, Vladimir Polyakov, head of the Middle East desk at the Soviet Foreign Ministry and former ambassador to Egypt, visited Cairo. This time, speculation over an imminent exchange of ambassadors was better-informed: the agreement was finally announced on 7 July 1984, and the ambassadors named as Salah Basyuni and Aleksandr Belonogov.\textsuperscript{29} Egyptian commentators emphasised that this development was entirely normal. Mubarak had said in April that he hoped the 'special' relationship with Washington would not be affected by 'ordinary relations' with

\textsuperscript{26} \textit{Al-Ahram}, 31 May 1983.
\textsuperscript{27} \textit{New York Times}, 5 May 1983.
Moscow. The resumption of full diplomatic relations, said Kamal Hasan Ali, would neither affect ties with the United States nor give the Soviets greater influence in Cairo. In a lengthy comment to Akhbar al-Yawm, Usama al-Baz emphasised that the two sets of relationships could not be equally important, and that 'the concept of playing one state against another' was naive and outdated.

During 1985, the relationship was warm but bland: letters were periodically exchanged by the respective leaderships, talks resumed on the Egyptian military debt, and an Egyptian parliamentary delegation visited Moscow. Despite the lack of dramatic developments or high-level visits, however, the existence of full diplomatic relations can only have been of help to Mubarak's government. Given the frustration amongst informed sectors of Egypt's public at Cairo's dependence on a United States that seemed determined to ignore Arab and Egyptian concerns, the rapprochement was highly symbolic. It lent some credence, however faint, to Egypt's claim to be adhering to the principle of non-alignment. In fact, Cairo decided, towards the end of 1985, publicly to accommodate Soviet views on the region, in order to bolster a change in its own regional policy.

Until then, Cairo had been sceptical of the idea, long favoured by the Soviet Union, that talks involving the permanent members of the Security Council as well as the interested regional parties could prepare the way for a peace settlement. Mubarak had backed the Reagan plan of 1982, knowing that Washington and Jerusalem flatly opposed any international conference, especially one involving Soviet participation. But the dismal prospect of waiting for the Reagan administration to become more flexible,

as well as Israel's attack on the PLO headquarters in Tunis, seem to have confirmed a change in Egyptian official policy. The argument for a policy shift may have been helped by the opportunities for change which Mikhail Gorbachev's regime seemed to hold out. At the end of 1985, the Soviet Union was itself conducting an intensive campaign to raise its diplomatic profile in the Middle East: diplomatic relations were established with Oman and the United Arab Emirates, and contacts with Israel resumed, so that Moscow might be more involved in the peace process.

In August 1985, Kamal Hasan Ali had criticised the Soviet Union's inflexibility and unwillingness to meet a Jordanian-Palestinian delegation. He ventured the opinion that 'an international conference to solve the Palestinian issue might be held without the Soviet Union and, in some respects, outside UN auspices'. At the end of September, Mubarak stated in Paris that an international peace conference could not be rejected by anyone. We do not object to it. We do not believe in the exclusion of the Soviet Union from this international conference.

By early 1986, Cairo supported not only the peace conference itself but also Soviet involvement in it. However remote the prospects of actually convening a conference, Cairo's endorsement of the idea had an obvious effect on the level of contacts with the new regime in Moscow. Vladimir Polyakov visited Cairo twice in 1986, first in April and then in October, following Mubarak's meeting with Shimon Peres in Alexandria, at which the latter had himself endorsed the international conference. Both

---

Boutros-Ghali and Ismat Abdel Meguid held talks with Edvard Shevardnadze, the one in Moscow, the other at the United Nations. In February 1987, Boutros-Ghali told *al-Musawwar*\(^3^9\) that the international conference was the single most important issue behind the improvement in bilateral relations with the Soviet Union. Boutros-Ghali's enthusiasm was noteworthy but not surprising: he had just been made chairman of the revived Egyptian-Soviet Friendship Association, and was a firm advocate of a more non-aligned Egyptian stance.\(^4^0\) At the same time, relations with the United States were somewhat fraught because of the latter's rejection of the international conference approach, the recent revelations over Irangate and, of course, Washington's reluctance to yield to Egyptian requests for debt remission.

**Practical Benefits**

The question of outstanding Egyptian debts also complicated Egyptian-Soviet relations. In 1984, the debt had been consolidated\(^4^1\), but this did not solve the problem of repayments, unilaterally suspended by Sadat in 1977. Estimates of the debt varied. In the 1970s, Egyptian sources estimated the military component alone at between $3 and $4 billion\(^4^2\); Kamal Hasan Ali said in 1985 that the military debt was $1.215 billion, much lower than previously thought; and yet another Egyptian source suggested figures of $3 billion and $1.5 billion for the military and commercial components, respectively.\(^4^3\)

---

Talks on the debt began in 1985, and became bound up with the issue of a long-term trade agreement. Here, the two sides differed over the artificially low exchange rate (LE 0.70 for £1.00) used by Egypt for trading purposes, as well as the price of Egyptian commodities and the problem of Egypt's accumulated trade surplus. Talks held in December 1986 failed to produce more than a one-year trade protocol; the Soviet negotiators insisted that any long-term trade agreement be linked to the repayment of outstanding debts, and that Egypt's accounting surplus of £500 million be considered as an initial down-payment on the debt. For their part, the Egyptians maintained that this surplus should simply be transferred to their account and used to import more Soviet goods.

On 23 March 1987, Egyptian and Soviet negotiators in Moscow finally reached an agreement on the debt problem. It provided that Egypt's military debt to Moscow would be repaid, in kind, over a period of 25 years, including a six-year grace period. Interest payments would be waived. Egypt agreed that its trading surplus would be treated as an initial repayment of the debt. The political symbolism of the agreement was downplayed by Mubarak, who found it necessary to tell the People's Assembly on 23 April that it was in no sense indicative of a policy reorientation:

[W]e do not turn our back on a friend [the United States] who stands beside us. Nor do we see any benefit in such an alleged transformation, as it contradicts the stability that is the cornerstone of Egypt's efforts...and detracts from our prestige in the world.

This was no more than a statement of the obvious: relations with the Soviet Union were not, and could not, supplant the 'special relationship' with

---

44 The clearing account for bilateral trade used sterling as the official accounting unit.
Washington. Nevertheless, local observers could not help but contrast the Soviet Union's greater willingness to accommodate Egyptian economic concerns with the United States' reluctance to do so.\textsuperscript{48} One might add that such favourable publicity as Moscow gained was gained cheaply, since the debt would probably never have been repaid.

Certain circles in Egypt were in any case open partisans of better relations. To a right-wing commentator like Muhammad al-Hayawan\textsuperscript{49}, the apparently growing influence of a pro-Soviet congeries of Nasserists, socialists, former ministers and newspaper editors was galling. But there were indeed some Egyptians who had not agreed with the wholesale public condemnation of the Soviet Union during Sadat's final years, and their views were aired in the left-wing press. Former ministers like Muhammad Fawzi declared that the Soviet Union had not made arms supplies conditional on certain policy behaviour; that it had never interfered in Egyptian foreign policy; and that Soviet military experts had not been a financial burden, unlike their American replacements.\textsuperscript{50}

The value of the relationship was not, however, simply a matter of personal predilection. From a purely economic standpoint, Egypt derived significant benefits from it - even if the value of bilateral trade was dwarfed by trade with Europe, and the products exchanged were relatively basic.\textsuperscript{51} The Soviet Union was an important source of raw materials, especially wood, paper, coal and foodstuffs; and because bilateral trade was handled

\textsuperscript{48} See 'Abd al-Sattar al-Tawila in al-Siyasi (29 March 1987) and al-Ahram editorial of 31 March 1987, expressing gratitude for Soviet 'understanding'.

\textsuperscript{49} See, for example, Al-Gumhuriyya, 7 August 1986.

\textsuperscript{50} See, for example, Sawt al-'Arab, 26 April & 6 Sept. 1987, quoting former ministers Muhammad Fawzi, Murad Ghaleb and Amin Huwaydi.

\textsuperscript{51} Compare the figure of £498 million in Soviet-Egyptian trade in 1984 (al-Ahram, 21 March 1986) with $1.554 billion in trade with Europe and $1.401 billion with the United States during the same year. Egypt maintained a large trade deficit with these western markets; and from 1984 onwards, Soviet-Egyptian trade was weighted steadily more in the Soviet Union's favour. See Direction of Trade Statistics Yearbook, 1989 (Washington: I.M.F., 1989), p.166.
through a clearing account, no valuable hard currency was diverted. For Egyptian exporters, state as well as private, the Soviet market was a constant. By 1988, the Soviet Union was said to have become the single biggest market for Egyptian goods.\textsuperscript{52} The Egyptian private sector, which would form an increasingly voluble pressure group, found the market for its products - particularly cosmetics and fragrances - large and relatively easy: because of growing Soviet demand and unsophisticated Soviet consumer tastes, there was far less competition than in African markets, for example.\textsuperscript{53}

The March 1987 debt accord was only one of twenty economic protocols signed that year. Among them were agreements to repair and raise output from large Soviet projects that dated from the 1960s, especially the steelworks at Helwan, the aluminium smelter at Nag'a Hammadi and the coke plant at Shubra.\textsuperscript{54} Nevertheless, minor irritants remained. Among these was the question of the sterling exchange rate for trading purposes. This was raised from LE 0.70/£ 1.00 to LE 1.35/£1.00 in May 1987.\textsuperscript{55} But Egypt then devalued the Egyptian pound against the US dollar in June 1987, which effectively made Soviet purchases from Egypt more expensive. In response, the Soviet Union decided to restrict its imports, and not to supply a large part of the goods agreed under the trade protocol for 1987, unless previously-set prices were raised to reflect world trends. Egypt decided not to supply the Soviet Union's full requirement of cotton.\textsuperscript{56}

\begin{flushright}
53 See ASR, 1986, pp.441-2, and ASR, 1988, p.495 on business pressure groups. The importance of the private sector interests was underscored by Lt.-Gen. Ahmed Fakhr (Director, National Center for Middle East Studies, Cairo) in an interview on 18 Jan 1990. This Center has close connections to business interests trading with the Soviet Union.
55 ASR, 1987, p.407. It was subsequently adjusted to LE 2.00/£1.00 in December 1987, and LE 3.00 in February 1989; \textit{MEED}, 3 Feb. 1989, pp.11-12.
\end{flushright}
Ultimately, the dispute did not prevent the signing of a three-year trade protocol in December 1987\textsuperscript{57}; but it is notable that in December 1988, Soviet participants in trade discussions continued to complain of the high cost of many Egyptian exports.\textsuperscript{58}

Nevertheless, relations continued to improve. Cairo had made it plain during 1987 that it shared Moscow's outlook on other regional issues besides the peace conference. Ismat Abdel-Meguid told \textit{Pravda} on 5 March that Egypt supported the Soviet call for the withdrawal of all foreign ships and bases from the Gulf and an end to the Iran-Iraq war. In December, Mubarak and Oleg Vinogradov, chairman of the Soviet-Egyptian Friendship Association, issued a joint statement on the Iran-Iraq war and the need for a peace conference.\textsuperscript{59} In May 1988, Ismat Abdel-Meguid undertook the first high-level Egyptian visit to Moscow since Gorbachev's accession. It was described in Egypt as a considerable success.\textsuperscript{60} There is no doubt that it acted as a stimulus to cooperation on economic and broad political issues.

Bilateral trade rose to $950 million in 1988, and Soviet assistance in the refurbishment of heavy industrial plant - valued at $100 million in 1988 - was greatly appreciated.\textsuperscript{61} In May 1988, it was reported that the Soviet Union had agreed to expand the annual output of the Nag'a Hammadi aluminium plant from 170,000 to 200,000 tonnes, and had pledged up to 3 billion rubles ($5 billion) for industrial development and modernisation.

\textsuperscript{58} \textit{Al-Ahram}, 5 Dec. 1988. They had become used to artificially cheap Egyptian goods. Nevertheless, demand continued high because of the shortage of consumer goods in the Soviet Union, and the lack of hard currency.
\textsuperscript{59} \textit{ASR}, 1987, pp.405, 407-8.
\textsuperscript{60} \textit{Al-Ahram}, 21 & 22 May 1988.
\textsuperscript{61} \textit{ASR}, 1988, p.670. The IMF calculated bilateral trade in 1988 at $826 million; Egypt was now importing more than twice as much as it exported to the Soviet Union; see \textit{Direction of Trade Statistics Yearbook}, 1989, p.167.
over the next four years.\textsuperscript{62} Nor was it lost on observers that Moscow had offered, initially during Abdel-Meguid's trip to Moscow, to supply technical advice and plant for extra power generation, at a time when the United States was blocking such projects because of Egypt's artificially low electricity tariffs.\textsuperscript{63}

The relationship paid another significant public dividend in February 1989. Edvard Shevardnadze not only became the first Soviet foreign minister to visit Cairo for twelve years, but also made a point of meeting both Yasser Arafat and Israel's foreign minister, Shimon Peres, during his visit.\textsuperscript{64} There were other indicators, too, that Moscow was eager to consolidate Egypt's diplomatic rapprochement with the Arab world: during 1989, the Soviet Union was reported to be pressuring both Libya and Syria to relax their opposition to Egypt's return to the Arab League.\textsuperscript{65}

One may be sceptical of assertions, such as that made by Boutros-Ghali in 1988, that Egypt's relations with the Soviet Union were in no way affected by the latter's economic crisis or the special relationship between Washington and Cairo.\textsuperscript{66} Because of the Soviet Union's economic predicament, the bilateral relationship after 1984 was more symbolically than materially important; moreover, there was no question of its being allowed to detract from the close economic and military ties which Egypt enjoyed with the United States. Though the American relationship caused shrill resentment, it was a fact - and one which Mubarak recognised - that

\begin{footnotes}
\item[63] \textit{MEED}, 22 July 1988, p.8, and see above, Chapter 2. To mark the 30th anniversary of the Aswan Dam agreement, the Soviet Union pledged, in January 1989, to assist Egypt in the construction of three thermal and hydroelectric power generation projects; see \textit{MEED}, 27 Jan. 1989, p.11.
\item[64] \textit{Al-Ahram}, 20 & 21 Feb. 1989.
\item[65] \textit{ASR}, 1989, pp.561-2. Libya, Syria and Lebanon were by early 1989 the only Arab states still adhering to the diplomatic boycott.
\end{footnotes}
no other state could provide $2.2 billion annually in economic and military grants. And none could replace the United States as quantitative and qualitative leader in military supplies.

Diluting Dependence? The Case of France

This is not to imply that Cairo made no efforts to find supplementary funds. On the contrary, Mubarak and his ministers diligently visited West European capitals every year, seeking financial assistance - particularly as Egypt’s debt crisis worsened - and broad political backing. According to Usama al-Baz, Cairo regarded Britain as being well-placed to persuade the United States to play a more forceful role in the peace process. But Britain was, however, the least generous of the major European states in terms of aid.

The European leader with whom Mubarak had the closest rapport was President Francois Mitterand of France. As Mitterand said during his visit to Cairo in November 1982, Mubarak had been the first foreign head of state to visit France during his presidency, and he himself was the first European head of state to visit Egypt since Mubarak’s taking office. France and Egypt shared a common position on the Libyan threat to Chad, and also agreed on the means of restarting the Middle East peace process. In June 1982, the two countries prepared a draft resolution for submission to the Security Council, proposing greater Palestinian participation in the stalled peace negotiations. Within two months, however, President Reagan had launched an initiative of his own, which

---

70 Ibid., and see Chapter 5 below.
Egypt felt bound to support. Mubarak said that the Franco-Egyptian plan had been shelved by mutual agreement, to give the Reagan plan a chance of success; but as Boutros-Ghali later acknowledged, Washington had made it clear that it would veto the Franco-Egyptian plan.\textsuperscript{71}

During the 1970s, France had made significant inroads into the Egyptian weapons market, selling \textit{Mirage-F1}, \textit{Mirage-III} and \textit{Mirage-5} aircraft, as well as helicopters and missiles.\textsuperscript{72} This was primarily a consequence of Sadat's desire to re-equip the Egyptian armed forces with advanced western materiel in the wake of the 1973 war, to break what he felt was an inadequate supply relationship with the Soviet Union. It will be remembered that American weapons did not begin to flow in appreciable quantities until after the conclusion of the Egyptian-Israeli peace treaty. Mubarak continued the policy of diversification; in January 1982, Egypt signed an agreement to purchase twenty advanced \textit{Mirage-2000} fighters.\textsuperscript{73} By 1982, Egypt had become France's largest arms customer, and France Egypt's second-largest supplier after the United States.\textsuperscript{74} French aircraft remained a significant element in the Egyptian air force's inventory.

French equipment was not especially cheap. When Egypt agreed to purchase its initial batch of \textit{Mirage-2000s}, it was suggested that the numbers were low because the government-arranged loan carried an interest rate of 9 per cent, repayable from the date of the first delivery onwards.\textsuperscript{75} The first aircraft were not, in fact, delivered until mid-1986.\textsuperscript{76} In 1987, there was a sudden holdup in the delivery of the \textit{Mirage-2000s},

\textsuperscript{72} \textit{SIPRI Yearbook, 1980}, p.104.
\textsuperscript{73} \textit{The Times}, 4 Jan. 1982.
\textsuperscript{74} \textit{MECS, Vol. VII, 1982-3}, p.429.
\textsuperscript{75} \textit{MEED}, 8 Jan. 1982, p.8.
\textsuperscript{76} MENA, 26 June 1986, in \textit{FBIS-MEA}, 27 June 1986.
because repayments were not proceeding to the satisfaction of the French government. Since the deal had been officially arranged and financed, the holdup must have indicated some official displeasure. The disagreement was reportedly settled after Abu Ghazala visited Paris in June 1987.77

Franco-Egyptian trade, like Egypt's trade with the European Community (EC) states in general, was sharply unbalanced. During the 1980s, France fluctuated between second and third in the list of Egypt's principal suppliers, West Germany being its principal rival. French exports to Egypt in 1981 totalled FF6.22 billion; in 1983, they rose by 29 per cent to FF8.435 billion, and in 1985 reached FF8.697 billion. The slump in 1986 to FF6.464 billion probably reflected Egypt's 1986 cash crisis. Egyptian exports to France were consistently below half the total trade volume; in 1985, they were worth FF3.827 billion, in 1986, only FF1.732 billion.78

By 1987, when France became the first state to reach an agreement with Egypt within the Paris Club rescheduling framework, France was reported to be Egypt's second-largest creditor state after the United States.79 In the period 1974-87, French loans and credit facilities amounted to FF17.8 billion (some $1.975 billion).80 But French loan conditions - at least those arranged before 1983, when the conditions were improved - had not been particularly favourable. The commercial component of loans, which might, as in the 1981 aid protocol, reach half the total package, carried interest rates up to 15 per cent.81 Moreover, French commercial interests were no less pronounced than those of the United States, so excoriated by Egyptian commentators. France had obtained the lion's share

78 See MEED, 19 March 1982, p.20; 6 April 1984, p.12; and 26 Sept. 1987, p.41. Dollar equivalents are misleading because of wide dollar-franc exchange rate fluctuations.
of key Egyptian infrastructure projects - such as the Cairo Metro, the air traffic control modernisation, and the telephone networks in Cairo and Alexandria - and made inroads into a wheat market the United States clearly felt was its own. Equally, French interests came to share some of the frustration of other creditors: the Metro project consumed far more funds than originally allowed, and the contractors complained of payment delays.\textsuperscript{82} It is worth noting that the Metro alone consumed about half of all French credits in the 1980s. By 1989, for all that personal relations between Mubarak and Mitterand continued as close as ever, Paris was not inclined to provide more aid to Egypt.\textsuperscript{83}

At a different level, Mubarak seems to have regarded the French connection as a useful means of reducing American influence on his ministers.\textsuperscript{84} Atif Sidqi was chosen as prime minister in late 1987 partly because of his French postgraduate background. At the end of 1986, Mubarak appointed five other ministers to the cabinet with French advanced degrees or diplomatic experience at French-speaking posts. Thus the prime minister, and the ministers for Economy and Public Finance, were francophone. The inclusion of yet another French-trained technocrat amongst those ministers appointed after the 1987 elections perhaps indicates that the strategy was thought to be successful.

**Conclusion**

French and other European aid may have been uncontroversial, but it could not match the terms or the amounts of that provided by the United States. American economic aid - some $815 million per year - came as a grant after 1984; by comparison, only $231 million of the $1.521 billion in Japanese aid

\textsuperscript{83} Interview, M. Yvan-Jacques Canet (French commercial attaché), Cairo, 23 Jan. 1990.
\textsuperscript{84} This paragraph is based on Springborg, *Mubarak's Egypt*, pp.281ff.
committed by October 1987 was in grant form. Throughout the 1980s, American aid - not including PL480 credits - constituted almost half, and occasionally more than half, of all Egypt's official development aid receipts.

Europe's alleged parsimony finally provoked an unfavourable comment from the Al Ahram Center in 1989. In its Arab Strategic Report, the Center muttered that Cairo's diplomatic efforts in Western Europe had produced pitifully little by the end of the 1980s. For all the understanding noises which emanated from European capitals, and despite frequent tours by Mubarak and his senior ministers, the Center said that Egypt had gained no more than an EC customs exemption and very limited aid, and still had an enormous trade deficit with the EC as a whole.

Nevertheless, the material and symbolic benefits which Egypt derived from its relations with France and other European states were significant. Still more significant were Egypt's relations with the Soviet Union: they lent substance to the Egyptian government's claims that it was pursuing a balanced, even 'non-aligned', foreign policy, instead of following Washington's dictates in matters political and military. That said, however, there is no doubt that Mubarak regarded the Arab domain as providing Egypt with the best opportunity to play a visibly more dynamic and independent role in regional and international affairs. Egypt's diplomatic efforts in this domain are the subject of the next chapter.

---

87 ASR, 1989, p.578. The piqued tone of that year's Report may well reflect a feeling that Cairo's diplomatic successes in the Arab domain should have given Egypt greater international manoeuvrability.
Chapter 4

FROM BAGHDAD TO CASABLANCA:
EGYPT AND THE ARAB WORLD

In March 1979 Egypt's membership of the Arab League was suspended, and the League's headquarters transferred from Cairo to Tunis. With the exception of Oman, Somalia and Sudan, those Arab states which still had diplomatic relations with Egypt now severed them.1 These sanctions had been prepared at the Baghdad summit of November 1978; they were implemented because Sadat rejected all pleas that he resile from a peace treaty with Israel.

Almost nine years later, with the offending peace still intact, an extraordinary summit of the League in Amman resolved, inter alia, that individual states were free to re-establish diplomatic ties with Cairo. An Egyptian commentator wrote of the November 1987 summit:

It may be a little hasty to conclude, on the basis of the Amman summit's resolutions, that the resolutions of the Baghdad summit of 31 March 1979 have now lapsed; nevertheless, it is certain that a new, different reality has begun, and that makes this [latest] summit one of the most significant developments on the Arab scene in the last eight years.2

Between March 1979 and November 1987, and particularly after Sadat's death in October 1981, there had been a marked improvement in Egyptian-Arab relations. Only three states, Sudan, Jordan and Djibouti, had gone as far as restoring full diplomatic relations with Egypt; but official contacts between Cairo and other Arab capitals had become increasingly frequent. The Amman summit removed most Arab states' remaining inhibitions. By May 1989, only Libya and Syria still adhered to the formal

---

1 Egypt had cut off relations with Libya, Syria, Algeria and the PDRY in December 1977. Iraq broke off ties in September 1978, after the signature of the Camp David accords. Sudan withdrew its ambassador in March 1979, but did not break off relations.

diplomatic boycott, and this made Egypt's readmission to the League on 21 May something of a formality.

Sadat always maintained that for the Arabs to claim they could cut Egypt off was ludicrous. He would point to the fact that Egypt and Sudan alone made up two-thirds of the 'Arab nation'. The Arabs, he argued, would eventually realise their short-sightedness. But Egypt's rehabilitation was, as will be seen, not simply a case of the Arab states acknowledging their mistake; Cairo made determined efforts to speed up the process. It is true that Egypt's diplomatic ostracism was never complete - even Arab states without formal ties soon re-opened unofficial contacts - and that its non-governmental ties with the Arab world remained strong: Egyptian migrant workers continued to travel to the Arab states, as did Arab tourists to Egypt. Nevertheless, formal banishment was in itself a profound shock, and it was a situation which Husni Mubarak did his best to bring to an end, notwithstanding his, and his ministers', assertions that Egypt would not beg to be readmitted to Arab fora.

The Last Years of Sadat

The ninth Arab Summit, held in Baghdad in early November 1978, was the high watermark of Arab unity against Egypt. It was convened by Iraq in direct response to Sadat's signature of the Camp David accords, which seemed to make an Egyptian-Israeli peace treaty virtually inevitable. Even states like Sudan and Morocco, which had initially supported Sadat's peace initiative, signed the final statement, calling upon Egypt 'to abrogate [the Camp David] agreements and not to sign any reconciliation treaty with the enemy'.

---

3 See, for example, Quandt, *Camp David*, p.265.
Sadat dismissed the suggestion; he regarded the summit as having been illegally convened, and refused even to meet a delegation sent from Baghdad to offer Egypt a financial incentive - a bribe, as Sadat put it - to avoid its new commitment. He described the leaders of Iraq, Syria and Libya as 'semi-paralysed', and Cairo radio warned the 'corrupt' rulers of the Gulf against the wrath of their peoples.

The Baghdad summit communique contained an implicit threat of sanctions; these were put into effect by the conclave of Arab foreign and economic ministers which gathered in Baghdad in late March 1979, following the proclamation of the Egyptian-Israeli peace treaty. There was far less unanimity at this second Baghdad meeting: Sudan and Oman had stayed away, and Somalia refused to sign the final statement. The conference resolution duly called for the 'suspension' of Egypt from the Arab League and the 'temporary' removal of the League's headquarters to Tunis. All other inter-Arab organisations having their headquarters in Cairo were also to relocate, and the signatories of the resolution would press for the exclusion of Egypt from the Organisation of the Islamic Conference (OIC), the Organisation of African Unity (OAU) and the Non-aligned Movement (NAM). The conference was careful to distinguish between the Egyptian regime and the 'fraternal' Egyptian people, especially those 'working or living in the Arab countries', whose pan-Arab inclinations should, it declared, be fostered.

The decisions reached at Baghdad - particularly those relating to the Arab League - were speedily implemented, notwithstanding Egyptian

5 MENA, 2 Nov. 1978, in FBIS-MEA, 6 June 1978. See also Arab Report and Record, 1978, No. 21 (1-15 Nov.), p.802
efforts to obstruct them.\(^8\) Egypt was suspended from the OIC on 9 May, but attempts by hardline Arab states later in the year to have it removed from the OAU and NAM failed, to the evident satisfaction of the Egyptian press.\(^9\) *Al-Ahram* repeatedly emphasised that Arab economic sanctions would cause Egypt no great harm: the Arabs supplied Egypt with a minute percentage of its imports and purchased very few of its exports; demand for Egyptian labour in the Gulf was unaffected; and, the paper claimed in January 1980, the Arab loans which had been cut off in 1979 constituted only a small fraction of Egypt's total borrowings for the year.\(^10\)

But the punitive economic measures adopted by individual states and groups of states did have an effect. By the end of 1979, the flow of official Arab multilateral aid to Egypt had all but dried up, as had bilateral aid. On 14 May, Saudi Arabia announced on behalf of Qatar and the UAE that the Cairo-based Arab Organisation for Industrialisation (AOI) would be closed down in July. Egypt, the remaining member, declared their action illegal and announced that it would keep the AOI functioning with Western assistance; nevertheless, some damage had been done.\(^11\) In addition to earlier steps, Saudi Arabia decided that it would not finance the planned Egyptian purchase of fifty F5-E fighters from the United States.\(^12\) The collapse of the AOI made Western companies reluctant to become involved in Egyptian projects where production, finance or marketing were linked to other Arab countries; and in the general climate of uncertainty, there was also a perception that access to markets in the oil states would be lost, and that they might be hurt by the Arab boycott against firms trading

---


\(^9\) The hardliners failed at the Colombo and Havana meetings of the NAM; see, for example, *al-Ahram*, 8 Sept. 1979, reporting on the NAM summit.

\(^10\) See *al-Ahram*, 3 April and 23 May 1979, and 4 January 1980, respectively.

\(^11\) The AOI's closure threatened 15,000 jobs and $1.5 billion in investments, it was claimed; *MEED*, 23 May 1979, p.1.

\(^12\) *MEED*, 18 May 1979, p.4.
with Israel. Sadat told potential western creditors that Egypt might have a balance of payments deficit of $5.4 billion in 1979, but his requests for large scale aid went unheeded by the Tokyo summit in July.13

From November 1978 onwards, Egyptian government and semi-official sources dwelt upon the illegality of the Arab states' actions. Immediately before the second Baghdad summit, al-Ahram's Zakaria Neel inveighed against the 'intellectual terrorism' being waged by those hostile to Egypt. Neel summed up the government's position in an article on 17 May, where he maintained that the League's headquarters could not be changed without a revision of the Charter, nor Egypt's expulsion be agreed upon in its absence.14

As time went by, Egyptian commentary - particularly Sadat's own comments - grew more vitriolic. Sadat's tirades, directed not only against the rejectionist states15 but also against moderate states like Saudi Arabia, were perhaps an indicator of his disappointment that the separate peace with Israel which he would have wished to avoid was becoming a reality. The Egyptian press and Sadat himself made unflattering comparisons between the democracy and peace prevailing in Egypt, and the tyranny which stamped most Arab regimes. The corrupt Saudis, said Sadat, were vindictively bribing other regimes to adopt a hostile stance towards Egypt; Iraq was a hypocrite, since its main preoccupation was not Israel but its feud with Syria; President Asad in turn was little better than a Soviet stooge, like his ostensible ally Qaddafi.16

---


14 See articles in al-Ahram, 25 March and 17 May 1979, respectively.

15 That is, Syria, Libya, Algeria and the PDRY.

The available evidence of Egyptian public opinion - and it is imperfect - suggests that the majority were initially hopeful about the peace even if they were ill-disposed towards Israel.\textsuperscript{17} As we have seen\textsuperscript{18}, this was not true of everyone: many Egyptians, including some prominent government officials, opposed the peace for the same reasons as did Arabs outside Egypt. Sadat was, of course, particularly keen to emphasise the unity of the Egyptian people and their government, as against the distinction between them made by his opponents. A referendum on the peace, held in April 1979, and an election in June were designed to demonstrate national solidarity.\textsuperscript{19}

A clear, if rambling and self-justifying statement of Sadat's views of Egypt's position was set out in a document published in March 1980, entitled 'Egypt and the New Arab Reality'.\textsuperscript{20} Here, Sadat dwelt on Egypt's historical contribution to, and sacrifices on behalf of, the Palestinian cause. Egypt had in fact no intention of forsaking them or the Arabs; but it could, if it so desired, blaze a separate trail, for it did not need the Arabs. The reverse, he claimed, was not true.

Indeed, many of Sadat's actions and statements seemed to indicate that he was bent on openly defying, or at least ignoring the views of, the majority of Arab states. In April 1980, Egypt cut off all remaining diplomatic contacts with Syria, Libya, Algeria and the PDRY.\textsuperscript{21} In May, Sadat declared that Sudan - which had recently restored full diplomatic relations with Egypt - was welcome to re-open its embassy, but that the other Arab states which had severed diplomatic relations could have no

\textsuperscript{17} See, for example, Al-Mashat, 'The Egyptian-Israeli Settlement', pp.100, 105.
\textsuperscript{18} See Chapter 2 above.
\textsuperscript{19} See \textit{MECS, Vol.III, 1978-9}, pp.233-4. As usual, Sadat was stunningly 'vindicated' in both.
\textsuperscript{21} \textit{Al-Ahram}, 16 April 1980.
more than 'offices'. In October, Sadat announced that he was establishing a 'League of Islamic and Arab Peoples' - an idea he had canvassed some months before - to replace the 'corrupt and irrelevant' Arab League. This new League, he said, would appeal to Islamic unity rather than the 'empty slogans' of Arabism, and to the peoples of the Arab world who were not beguiled by their leaders' rhetoric. A little disingenuously, perhaps, he told the League's first session that it was not intended to embody a claim to leadership, but simply a call to all Muslims to put aside their squabbles.

Sadat combined a defiant Egyptocentrism with frequent references to Egypt's Arab mission. Such statements were often aimed at a Western audience - particularly in the United States - but they were intended, at the same time, to deflect the charge that Egypt as a nation or Sadat personally had betrayed the Arabs. Senior Egyptian officials enlarged upon Egypt's readiness to welcome any Arab state wishing for a reconciliation, and spoke of its importance as a stable, powerful country in a region experiencing considerable upheaval. During 1979, Sadat emphasised his country's commitment to Moroccan security - he was clearly playing upon Morocco's need for assistance against the Algerian-backed Polisario rebels. The offer was welcomed, and arms shipments reported. Morocco, as one commentator noted, was the weakest link in the Arab coalition against Egypt, and had been quite prepared to accept Egyptian arms to defend the Western Sahara.

22 Cairo Domestic Service, 14 May 1980, in FBIS-MEA, 15 May 1980. Relations with Sudan are discussed more fully in Chapter 5 below.
24 Al-Ahram, 11 Nov. 1980.
26 See MENA, 1 Sept. 1979 in FBIS-MEA, 4 Sept. 1979; MEED, 7 July 1979, p.38; and Jeune Afrique, Nov. 1979, p.38.
In the wake of the Iranian revolution and the Soviet invasion of Afghanistan, the Egyptian press devoted much attention to the anxieties of the Gulf states. Sadat declared in January 1980 that he would offer facilities to the United States if it or any Gulf state requested such assistance. But it was the outbreak of the Iran-Iraq war which offered the best opportunity to demonstrate Egypt's worth. Sadat's initial response, dictated, no doubt, by Iraq's role in Egypt's ostracism and by its apparent attempt to consolidate a leading role in the Arab world, was to brand both Saddam Hussein and Ayatollah Khomeini as 'teenagers' and declare the war a tragedy for their respective peoples. Before too long, however, the Iraqi assault had ground to a halt and Iraq was suffering a shortage of equipment as the result of a Soviet arms embargo. It was confirmed in March 1981 that Egypt had been supplying arms to Iraq through a third party. Iraq's predicament conveniently allowed Sadat to demonstrate Egypt's 'weight' - as he saw it - in the Arab world. In December 1980, he said that Egypt would, as always, act to defend the Arabs, despite the fact that they were engaged in 'grinding disputes' and 'supposedly unified' in their hostility towards Egypt.

It is clear that Sadat wished to restore links with certain, non-rejectionist Arab states, albeit on his own terms. By the same token, several of these states indicated their desire, in principle, for warmer relations with Egypt. But neither Saudi Arabia nor Jordan, for example, was in a position to flout the rule of consensus. Sadat failed to understand that other Arab states, upon whom he had counted to follow Egypt's

30 Al-Ahram, 11 December 1980.
example, faced political constraints which Egypt did not. Many Arab leaders genuinely felt that the separate peace had effectively neutralised Egypt, and they were offended by Sadat's self-righteous vituperation. As Mohamed Sid-Ahmed, anticipating better Egyptian-Arab relations, wrote in 1982, the attitude that had given rise to the peace was itself thought to constitute the chief obstacle to an Egyptian-Arab reconciliation.

Sadat was assassinated not, as the media in the rejectionist states immediately claimed, simply and solely because of his 'treason'. He was killed by members of an extreme Islamic fringe group who violently expressed the distaste which many Egyptians felt for the effects of his political vision: the social inequalities and corruption associated with the economic 'opening'; the excessive identification with Western interests; and his increasingly arbitrary treatment of those whose opposition he had licensed but of whose opinions he disapproved. It remains true, however, that one of the chief grievances of many of those imprisoned in September 1981 was the structure of peace with Israel, pejoratively referred to as 'Camp David'.

**Business as Usual: Egypt's Non-state Relations with the Arab World**

The Baghdad communique of March 1979 had drawn a distinction between the League's official ostracism of Sadat's regime, and its continuing warm feelings towards the Egyptian people. Indeed, at the popular level, links between Egypt and the Arab world were not harmed by the diplomatic boycott. Tourist flows from other Arab states into Egypt were hardly

---

affected by the political climate in 1979, and their numbers grew steadily, providing the Egyptian economy with a welcome source of revenue. Arab private investment in Egypt was similarly unaffected.34

But the human link which most obviously symbolised Egypt's connection to the Arab world was Egypt's migrant labour force. The number of Egyptians working in the oil-states was difficult to measure precisely, because of the fragmentary or incompatible statistical records kept by their employers and by Egyptian agencies.35 In 1980, the International Labour Organisation estimated the number of Egyptians working in the Arabian Peninsula, Iraq and Libya at 695,650, while two Egyptian researchers put the total at over one million.36 Another Egyptian specialist, Nadir Fargany, cited official statistics which showed that some 1,469,000 Egyptians were working, and accompanying those working, in other Arab states in early 1985; he himself produced a total 'not exceeding 750,000', based on official departure and arrival statistics.37 These figures are, however, significantly lower than those cited in other sources, which range from 2.25 million to 3.5 million Egyptians living or working abroad in 1985.38 The slump in oil prices in 1986 caused some workers to return, as did Iraqi currency transfer restrictions in the same year, but fears of a more widespread collapse in the demand for imported labour proved unfounded.39

This was partly the result of active measures taken by the Gulf states to

employ Egyptians wherever possible, because of Egypt's helpful stance on the Iran-Iraq war.40

While there has been some debate about the socio-economic effects of labour migration in Egypt, there is less uncertainty about the value of migrant remittances to the national economy (though these, too, have been difficult to measure accurately). In 1979, they were said to exceed Egypt's combined revenues from cotton exports, Suez canal fees and tourism41, and they were still the major source of foreign exchange some years later. The flow of hard currency through official channels was sensitive to the government's manipulation of the dollar exchange rate; a flow of $3.2 billion in 1985 dropped to $600 million in 1986, and then recovered rapidly to top $2 billion in 1987.42

The only state officially to expel Egyptian workers during the 1980s was Libya. This step was a reflection of domestic economic problems as well as of the longstanding animosity between Libya and Egypt. In August 1985, Libya expelled some 30,000 Egyptians, as well as many Tunisians, and confiscated their savings. Predictably, the decision was loudly condemned as 'inhuman' by Egyptian commentators.43

**Solidarity on Two Fronts: Palestine and the Gulf**

It was apparent almost from the beginning of Husni Mubarak's presidency that the diplomatic distance between Egypt and the Arab states would diminish. While insisting that it would not abandon the Camp David

---

framework simply to curry favour in Arab capitals, the new government quickly abandoned some of the more provocative of Sadat's policies. Mubarak ordered the cessation of propaganda attacks on other Arab states and, though the Foreign Ministry still maintained that the Arab League in Tunis had 'no legal existence', official comments on the dismal failure of the Arab summit at Fez in November 1981 were restrained. Mubarak himself said he had no comment to make, and merely repeated King Hassan's statement that the League would make no progress as long as Egypt was excluded. In early 1982, Mubarak suspended the activities of the 'League of Islamic and Arab Peoples' which, as a prominent journalist noted, had failed and deserved to be disbanded.

The change in Egypt's official position was well-received. Chadli Klibi, secretary-general of the Arab League, was quoted in January as saying that Mubarak's policies since taking office were very positive. The Saudi information minister declared that Egyptian-Saudi relations were good, and welcomed the ending of Sadat's propaganda campaign. A reputable observer, Eric Rouleau, had reported that, at the November 1981 Fez summit, Saudi Arabia and other more moderate states had proposed that conciliatory gestures be made towards Mubarak, but that their efforts had been frustrated by Arab hard-liners like Syria.

As already noted, the immediate adoption by Mubarak's government of a significantly tougher stance towards Israel was more or less precluded by the need to ensure the smooth transfer of Sinai on 25 April 1982. Besides being a source of joy in Egypt, the return of Sinai gave rise to speculation.

---

47 See Le Monde, 26 Nov. 1981. The Saudi peace plan of August 1981 - the 'Fahd plan' - had in fact moved closer to Egypt's position by implicitly recognising Israel's right to exist.
that Egypt might once more move closer to the Arabs. The Saudi position - and, by extension, the position of others who vacillated, like Jordan and the Gulf states - was summed up in a newspaper article which said that reconciliation would be a difficult problem, but admitted:

The [Arab] leaders are not unaware that it is impossible for Egypt to shun its commitment to the Camp David agreements under any circumstances. They also know that Egypt has never been any less eager to restore its normal relations with its Arab brothers.48

Syrian sources, by contrast, dismissed the return of Sinai as unimportant, warning that the peninsula was now effectively under American control and alleging that Mubarak was no different from his predecessor.49

From 1982 onwards, Egypt's policy towards the Arab world can be seen to have consisted of two complementary strands. First, Egypt attempted to broaden the scope of the peace process and to enhance the international status of, and its own links with, the PLO. In so doing, it sought to demonstrate to its Arab audience that it was sincere in its stated wish for a just and lasting settlement, and that its relations with Israel were entirely compatible with this goal. Second, and at the same time, Mubarak pursued his predecessor's policy of supporting Iraq's war effort. He was careful to address the material needs of Iraq, at the same time as expressing Egypt's concern for the security of the Arab Gulf states in familiar Arabist terms. Where Sadat's attitude to the Gulf states had smacked of condescension, Mubarak's stance seemed to reflect a greater degree of empathy. Egypt was able to exploit the goodwill generated by these broad, symbolic policies, to create opportunities for bilateral ties with individual Arab states.


Supporting the PLO

The real catalyst of change in Egypt's relations with Israel, on the one hand, and with the Palestinians, on the other, was the Israeli invasion of Lebanon in June 1982. Cairo issued a somewhat futile call for an Arab summit to discuss the invasion; nevertheless, both public opinion in Egypt and official policy became noticeably pro-Palestinian.

In the summer of 1982, Boutros-Ghali outlined Egypt's basic diplomatic position as follows. He noted that peace with Israel had been logical and necessary, and was irreversible; that Egypt did not claim to speak on behalf of the Palestinians, and welcomed any suggestions which would advance the peace process; and that Egypt would inevitably re-establish contact with the Arab world, notwithstanding the treaty, since the Charter of the Arab League was an outdated document. At no time did any Egyptian official question Egypt's commitment to the peace treaty.

Egypt's position on the peace process was dictated by the need not to outdistance Washington. When President Reagan announced his (rather conservative) proposals for Middle East peace in September 1982, Egypt welcomed them as the most feasible approach. Its main reservations concerned Reagan's specification of autonomy rather than self-determination for the Palestinians, and his suggestion that Israel's withdrawal from the Occupied Territories be conditional on its receiving adequate security guarantees. Mubarak criticised Israel's settlements policy at the United Nations; but he also called upon the PLO to accept

---

50 See Chapter 2 above.
52 B. Boutros-Ghali [in Arabic], 'Egypt's Foreign Policy in the Post-Sadat Era', al-Siyasa al-Duwaliyya, No. 69 (July 1982) pp. 78-89
Security Council Resolutions 242 and 338, and to recognise Israel, since it would 'lose nothing' by doing so.\textsuperscript{54}

In order to broaden the peace process, still embarrassingly restricted to Israel and Egypt, and deadlocked, Egypt concentrated on involving Jordan and the Palestinians. This was to be an unrewarding task. Although Yasser Arafat praised Egypt's Arab role in January 1983, he also said that he hoped not to be asked to recognise Israel unilaterally.\textsuperscript{55} And, despite the fact that Arafat had declared that he would not ask Egypt to abandon its peace with Israel, the Palestine National Council, meeting in Algiers in February 1983, demanded just such a step. It caused considerable offence in Egypt by referring to the need to deal only with genuine 'nationalist forces' there.\textsuperscript{56}

Egypt's foreign minister, Kamal Hasan Ali, said in January 1983 that Cairo was 'not [using] its sympathy with and support of Palestinian rights as a means of restoring its relations with the Arab states'.\textsuperscript{57} This was probably no more than a half-truth; but in any case, Egypt's steady support for the PLO eventually bore fruit. In late 1983, when the PLO was under attack in Tripoli from Syrian-supported Palestinians, Mubarak publicly backed Arafat, calling him a 'moderate', and the symbol of the PLO.\textsuperscript{58} In December, Arafat's political adviser described Egypt's position on the PLO as 'excellent'.\textsuperscript{59} In a highly symbolic gesture, Arafat and Mubarak met in Cairo on 22 December, after the former's evacuation from Tripoli. Several days later, Mubarak confirmed that Egypt had obtained Israeli

\textsuperscript{54} MENA, 5 Dec. 1982 in FBIS-MEA, 6 Dec. 1982
\textsuperscript{56} MENA, 3 March 1983 in FBIS-MEA, 4 March 1983.
\textsuperscript{58} MENA, 17 Nov. 1981, in FBIS-MEA, 18 Nov. 1981.
\textsuperscript{59} Al-Ahram, 14 Dec. 1981.
undertakings guaranteeing Arafat's safety during the visit.\footnote{MENA, 22 Dec. 1983 in \textit{FBIS-MEA}, 22 Dec. 1983 and MENA, 28 Dec. 1983 in \textit{FBIS-MEA}, 30 Dec. 1983} This success was rapidly followed by Egypt's readmission to the Organisation of the Islamic Conference (OIC) in January 1984, a move for which the PLO, as well as Sudan and Chad, had earlier called.\footnote{\textit{Al-Ahram}, 30 Dec. 1983.} For all that the OIC was not the League, admission to its corridors amounted to a something akin to a good-conduct award, and provided Cairo with a discreet diplomatic forum.

In February 1984, Mubarak embarked on a state visit to Morocco, the first such visit to a state which had cut off relations in March 1979. Bilateral relations had in fact never been particularly cold: in June 1982, Morocco's foreign minister, Muhammad Boucetta, became the first foreign minister to visit Egypt - albeit quietly - after the imposition of the diplomatic boycott;\footnote{See \textit{New York Times}, 8 & 9 June, 1982.} and Morocco had actively promoted Egypt's readmission into the OIC.\footnote{\textit{MECS}, Vol.VIII, 1983-84, p.377.} \textit{Al-Ahram} maintained, on the fifth anniversary of the peace treaty in March 1984,\footnote{Cited in \textit{FBIS-MEA}, 29 March 1984} that Egypt's regional stock now stood considerably higher, and that its overall policy was sound. This verdict was endorsed by Yasser Arafat, who said in May that 'Egypt under Mubarak has returned to the Arab nation'.\footnote{MENA, 2 May 1984, in \textit{FBIS-MEA}, 3 May 1984.}

There was a far more significant development in September 1984: Jordan became the first state which had fully observed the boycott of Egypt to restore relations with Cairo.\footnote{Sudan had never severed relations entirely, only withdrawn its ambassador.} King Hussein agreed with Egypt's approach to the peace process, and appreciated its stance on the Iran-Iraq war. He had, he said, secretly visited Cairo twice since 1979, and met
Mubarak again at the March 1983 NAM summit in Delhi. Mubarak's visit to Amman in October, and Hussein's return visit to Cairo in December, led to increasingly close bilateral cooperation between the two countries. In April 1985, a ferry service was inaugurated between Nuwayba in Sinai and Aqaba; and in mid-1985, Jordanian and Egyptian forces conducted unprecedented joint exercises in the Western Desert.

The editor of al-Ahram wrote on 4 January 1985 that 1985 would doubtless be the year of restored Egyptian-Arab relations: Iraq, the PLO and Jordan were supportive, and Syria and Libya, which opposed Egypt at every turn, were hardly exemplars of collective Arab action, since they openly backed Iran. He was wrong, and 1985 was also to yield frustratingly little in the domain of an Arab-Israeli settlement. Egypt threw its weight behind the Jordanian-Palestinian accord of February 1985, defending Arafat against Syrian attacks, but it could neither persuade the PLO to accept Resolutions 242 and 338 nor convince Jordan to hold direct contacts with Israel.

In March 1985, Mubarak told his American interlocutors that the majority of the PLO were 'educated moderates'. But he failed conspicuously in his attempts to persuade Washington to deal with the PLO, and his efforts to enhance the PLO's image were further set back by the hijacking of the Achille Lauro by Palestinians in October 1985. Mubarak subsequently obtained from Arafat a public declaration, in Cairo, that the PLO opposed international terrorism and would confine itself to military targets in Israel and the Occupied Territories. This declaration

---

71 See above, Chapter 1, fn.113.
72 Quoted by MENA, 13 March 1985, in FBIS-MEA, 14 March 1985.
was greeted with skepticism in Israel, though Usama al-Baz maintained it removed all doubts about the PLO's qualifications to attend an international peace conference on the Middle East.\textsuperscript{73}

Egypt's efforts to promote a wider peace settlement had not been fruitful; it lacked the necessary influence in Washington or Jerusalem. Despite this failure, Mubarak vigorously defended Egypt's basic policy. In November 1985 he told a Kuwaiti interviewer that Egypt would neither renege on its treaty commitments, nor 'beg for the restoration of relations with the Arabs.' The Arab - that is, Syrian - presence in Lebanon had provoked Israel, he noted; there was no real qualitative difference between the Syrian and the Israeli occupations, even if one was undertaken in order forcibly to impose Arab nationalism. If the Arabs did not stop rejecting all proposals, there would soon be nothing to defend.\textsuperscript{74}

Commenting on the results of Egypt's peace policy in 1985, the Al-Ahram Center for Political and Strategic Studies noted that Egypt had hoped through it to make others accept the logic of Camp David, and remove any remaining grounds for Egypt's diplomatic isolation. Moreover, said the Center, success in this domain would confirm Egypt's status as a leading regional state, whatever the doubts about its strategy.\textsuperscript{75} Two years later, the Center's annual report was forced to acknowledge that Egypt's attempt to mediate between Israel and the Arabs had yielded no results at all, but that this goal had not been abandoned.\textsuperscript{76}

And yet there is no doubt that support for the PLO and efforts to promote the peace process - even futile efforts - had improved Cairo's

\textsuperscript{73} See \textit{New York Times}, 6 Nov. 1985 and 8 Nov. 1985; see also MENA, 8 Nov. 1985, in FBIS-MEA, 13 Nov. 1985. Egypt's adoption of the peace conference idea has been alluded to above, Chapters 1 & 3.

\textsuperscript{76} KUNA, 22 Nov. 1985 in FBIS-MEA, 22 Nov. 1985.

\textsuperscript{75} ASR, 1985, p.391.

\textsuperscript{76} ASR, 1987, pp.419-20.
diplomatic position. This was precisely their purpose. It was generally thought in Egyptian government circles, and elsewhere in the Arab world, that the chances of convening an international peace conference were minimal; but the reiteration of this theme was a necessary part of Egypt's search for reintegration into the Arab world.  

Cairo's cultivation of the PLO, and of Arafat personally, contributed to the relaxation of Arab diplomatic strictures against Egypt. Despite the political rift between Egypt and the PLO which developed in April 1987 over the hostile resolutions of the Palestine National Council in Algiers - once more demanding that Cairo abrogate the peace treaty - a reconciliation was effected through the mediation of Saudi Arabia and Iraq, amongst others. It was clear that hardline resolutions, which Arafat was known not to support, had been the price of an intra-Palestinian reconciliation. Arafat was prominent among those who called for the ending of Egypt's banishment at the extraordinary Arab summit in Amman in November 1987.

Solidarity against Iran

There was, as noted earlier, a second main strand to Cairo's Arab diplomacy during this period. Almost from the beginning of the Iran-Iraq war, Egypt had materially assisted Iraq's war-effort; as the war dragged on, it began to lend more rhetorical support both to Saddam Hussein and to the Gulf states in general. It became a frequent theme of Egyptian statements

77 Paraphrasing T. Aclimandos, editorial comment in Revue de la presse égyptienne, 4e trimestre 1987 (Cairo: CEDEJ), p.11.
78 Mubarak said that he knew Arafat had not been to blame; al-Tadamun (London), 13 June 1987, in FBIS-NES, 17 June 1987.
that the Arabian Peninsula - as the Egyptian prime minister remarked in May 1982 - represented 'the strategic depth of Egypt eastwards'.

Egypt continued to supply Iraq with significant quantities of arms, even increasing the output of its factories to this end; but official sources denied the presence of Egyptian forces at the front. This level of support soon began to produce diplomatic results. In April 1982, Egypt's then UN representative, Ismat Abdel Meguid, was invited to attend a conference preparing for the (subsequently cancelled) summit of the Non-aligned Movement in Baghdad. This was the first such Egyptian visit to an Arab capital since 1979. In December 1982, Iraq's foreign minister, Tareq Aziz, said that he was prepared to meet his Egyptian counterpart anywhere, and was 'not against' the resumption of bilateral relations. On 7 January 1983, Boutros-Ghali met Aziz in Paris, and received a letter from Saddam Hussein, thanking Egypt for its support. After several further high-level meetings, Tareq Aziz finally came to Cairo in July 1983. Early in 1984, Egypt sponsored a diplomatically useful 'peace initiative' for the resolution of the conflict, under the auspices of the NAM. This is an illustration of the way in which Egypt used multilateral forums like the OIC and the NAM as surrogates for the Arab League.

82 Frankfurter Allgemeine Zeitung, 21 April 1982.
84 See, for example, Boutros-Ghali's comments, MENA, 13 April 1984, in FBIS-MEA, 17 April 1984. There was little chance that a peace plan sponsored by one of Iraq's backers would have any chance of succeeding; it was almost certainly designed to appeal to the Gulf states, who were increasingly concerned about the war.
In March 1984, Iraq put forward a political formula for Egypt's readmission to Arab ranks which called for individual Arab states to decide whether or not they wished to restore diplomatic relations.\textsuperscript{85} In May, Saddam Hussein himself told a Kuwaiti journalist that Egypt should be readmitted to the League.\textsuperscript{86} But, despite the signature of bilateral trade agreements between Egypt and Iraq\textsuperscript{87}, and close government relations, Iraq remained reluctant to break the Arab consensus which it had itself helped to engineer.

At the height of the 'war of the cities', in March 1985, Mubarak and King Hussein made a surprise visit to Baghdad, to express solidarity with Iraq.\textsuperscript{88} In 1985, Egypt was reported to have sold $2 billion worth of arms to Iraq.\textsuperscript{89} Throughout this period, Egypt denied the presence of any of its forces in Iraq, though there were reports of up to 20,000 Egyptian volunteers in the Iraqi armed forces.\textsuperscript{90} Egypt supported the Iraqi war-effort not only to gain diplomatic kudos but also for reasons of national security. The immediate danger to Egypt of an Iraqi defeat was not great, though it clearly had an interest in the safety of navigation through the Strait of Hormuz, and of the Saudi pipelines to the Red Sea. Far more dangerous were the symbolic implications of a possible Iranian victory. It was feared that this might provoke sectarian strife in various parts of the Arab world and that it might exacerbate Egyptian inter-communal tensions.\textsuperscript{91} There


\textsuperscript{87} See, for example, MENA, 16 Aug. 1984, in \textit{FBIS-MEA}, 17 Aug. 1984, reporting the easing of currency export restrictions.

\textsuperscript{88} Cairo Domestic Service, 19 March 1985 in \textit{FBIS-MEA}, 19 March 1985. The 'war of the cities' involved reciprocal missile attacks by Iran and Iraq on the other's main population centres.


\textsuperscript{90} See MECS, Vol.9, 1984-85, p.127.

was, then, a growing belief that Egypt's security and that of the Gulf were closely linked. This linkage had been underlined by the Gulf economic downturn in 1985-86, and the fears surrounding its consequences for Egypt.

The Gulf states (which collectively formed the Gulf Cooperation Council in May 1981) were more directly threatened, and proportionately more alarmed by the prospect of an Iraqi collapse. Officially, the GCC insisted that the defence of the Gulf was a matter for littoral states alone, and not for outside forces; in fact, their physical vulnerability and poor defence coordination meant that they were ultimately dependent on the West, and on the United States in particular. But the Gulf states were uneasy about the motives and commitment of the United States; not only was there the example of an undignified retreat from Lebanon in 1983, but also the revelations in late 1986 of American arms shipments to Iran. In these circumstances, they sought reassurance from other quarters, and Egypt was the obvious candidate. Mohamed Sid-Ahmed's argument, that 'Irangate' helped Egypt's image as the only reliable friend of the Gulf states, is very plausible. However, its assistance to Iraq had already been substantial and critical: during Iran's dangerous Faw offensive in February 1986, Egypt supplied Iraq with large amounts of materiel in a three-day airlift. Moreover, Mubarak and other Egyptian officials stressed that Egypt was simply fulfilling its obligations under the Joint Defence Pact of 1950, and would continue to do so.

---

92 This dependence was to be underscored by Kuwait's decision in 1987 to place much of its tanker fleet under United States flag protection, thereby drawing a superpower directly into the conflict.


An obvious sign of the importance which the Gulf states had come to attach to Egypt's role in the Gulf war was Mubarak's attendance, at the Kuwaiti emir's invitation, of the OIC summit in January 1987. Kuwait's lack of diplomatic relations with Egypt was a less pressing concern than the latest Iranian offensive against Basra. In the course of the year, Saudi Arabia grew increasingly concerned about Iran's subversive activities; together with Jordan, it mounted a concerted effort to create a unified Arab stand which would increase the pressure on Iran's inflexible leadership to accept Security Council Resolution 598 of 20 July.95 Given these Arab concerns, it is not surprising that Mubarak reminded the People's Assembly - and a wider audience - that Egypt's role was
to effectively contribute toward protecting the Arab world's national security, safeguarding its vital strategic interests, and cementing cooperation and cohesion among its people.

The Arab states, said Mubarak, should respect the Charter of the Arab League and the Joint Defence Pact, which Egypt would naturally uphold since it had 'played a major role in bringing them into existence'.96

The Amman Summit and After

Saudi and Jordanian efforts led to the convening, in November, of an extraordinary Arab summit in Amman. Even Syria, Iran's closest Arab ally, was persuaded to attend the Amman summit on condition that the Palestinian issue also be addressed. The summit unanimously condemned Iran's intransigence, its missile attacks on Kuwait and its disruption of the hajj in 1987. More importantly from Egypt's point of view, the summit resolved that the reestablishment of diplomatic relations between member-

95 On the convening of the summit, see W. 'Abd al-Magid [in Arabic], 'The Emergency Arab Summit and the Arab Regional System', al-Mustaqbal al-'Arabi, No.107 (Jan. 1988), pp.95-103. Resolution 598 called, inter alia, for an immediate ceasefire on land, sea and air, followed by a withdrawal of all forces to international boundaries. At the time, Iranian forces still occupied parts of Iraq's territory.

states of the League and Egypt was to be 'a sovereign act decided by each state in accordance with its constitution and laws and is not [within] the jurisdiction of the Arab League'. This unwonted deference to sovereignty - as opposed to the Charter's insistence on unanimity - was a device to circumvent Syria's opposition to Egypt's reentry into the League. For most Arab states, the Amman summit was a signal that they might formally acknowledge what they had long in fact accepted: that Egypt could maintain peaceful relations with Israel and still play a normal role in Arab politics. Within a week of the summit's close, nine states had restored relations, and by the end of 1987, only six states still boycotted Egypt.

In Egypt, as Abdel Moneim Said Aly notes, the prevailing view was that the Amman summit merely set the seal on an existing trend: Jordan had already resumed diplomatic relations, whilst other states carried on a range of normal inter-state contacts without the formal diplomatic cover. But Egyptian commentators were quite aware that the need to secure a consensus on Iran, even a superficial one, had not only reduced the controversiality of Egypt's politics but had also temporarily obscured the deep divisions in the Arab world. Wahid 'Abd al-Magid pointed to the strong overlap between those states - primarily Iraq, Jordan and the Gulf states - which favoured a tough stance against Iran, and the supporters of closer relations with Egypt. Conversely, Syria, Iran's closest Arab ally, had

---

98 'Abd al-Magid, 'The Emergency Arab Summit', pp.97-100.
99 ASR, 1987, p.384. Those without diplomatic relations were Syria, Libya, Algeria, Tunisia, Lebanon and the PDRY. Djibouti had discreetly restored relations in September 1986.
remained unbending in its support for a continuing diplomatic boycott of Egypt.\textsuperscript{102}

Analyses of this sort were rather more realistic than views expressed by some in Jordan and Saudi Arabia, for example: their general tenor was that the Amman summit marked a new phase in unified Arab action.\textsuperscript{103} On an entirely different note - in contrast to the generally satisfied tone of the Egyptian press - an \textit{al-Ahram} editorial immediately after the Amman summit muttered that other Arabs seemed prepared to acknowledge Egypt's 'national role' only when they found themselves in need of the manpower which Egypt alone could provide.\textsuperscript{104}

The Amman summit was the first Arab summit not to treat the Palestinian question as its primary concern. In fact, Palestine was relegated to a very lowly position, both on the summit agenda and in the final communiqué. To some, this would have come as no surprise: the Gulf states' rhetorical and economic links with the 'confrontation states' had never really been matched by a genuine political or military commitment to the Palestinian cause.\textsuperscript{105} At another level, the summit's non-treatment of Palestine seemed to confirm the view of those Western and Israeli observers who regarded Egypt's reintegration into the Arab world - especially during 1987 - as proof that the Arab-Israeli dispute was losing its primacy in Arab politics. The Arab world, wrote Aaron David Miller, had 'been forced to


\textsuperscript{103} See, for example, Riyadh SPA, 11 Nov. 1981, in FBIS, 12 Nov. 1981; and \textit{al-Ra'y} and \textit{al-Dustur} (Amman), 12 Nov. 1987 in FBIS, 13 & 16 Nov. 1987, respectively. The much-praised reconciliation between Hafez al-Asad and Saddam Hussein quickly collapsed.


\textsuperscript{105} Paraphrasing Fred Halliday; see 'The Gulf in International Affairs', in B. Pridham (ed.) \textit{The Arab Gulf and the Arab World} (London: Croom Helm, 1988), p.105.
admit that Anwar Sadat was right: Egypt could have peace with Israel and
the Arabs at the same time'.

Towards Normalcy

In January 1988, Mubarak undertook what Egyptian sources described as a
highly successful tour of the Gulf states. One of the purposes of the trip
was, as Usama al-Baz said, to enable Mubarak subsequently to visit
European capitals and Washington as a spokesman for the Arabs as a
whole. It was, in other words, a clear example of Egypt's attempting to
derive greater international negotiating strength from its heightened
regional status.

A different kind of expediency, some suggested, was also acting as a
strong catalyst of better Egyptian-Arab relations. In the Gulf and in Egypt
it was rumoured that an unstated motive behind the frequent references to
Egypt's security ties with the Gulf was to exchange military assistance for
economic aid. At the end of 1987, immediately before the Amman summit,
Egypt was reported to have sought a large loan from the GCC to help meet
the first instalment of its military debt to the United States. Allegations
of this kind were not new, even within Egypt. In early 1987, before
Mubarak's much-heralded attendance of the OIC summit in Kuwait,
Mohamed Sid-Ahmed wrote that the constant references to 'Arabism' and
'national security' could not quite disguise the fact that Egyptian logistical
and security assistance were being given 'in the hope that Egypt [would] get

Journal, Vol.41, No.3 (Summer 1987), p.355. For an Israeli view, see Ami Ayalon,
sort were a little premature, given that the Algiers summit of July 1988 was
convened solely in order to address the Palestinian question, following the outbreak
of the intifada in December 1987.


108 Al-Wafd, 1 Nov. 1987, in FBIS-NES, 4 Nov. 1987; Paris AFP 17 Nov. 1987, quoting
economic assistance from the Gulf countries', to help in its predicament, particularly as the United States was proving so niggardly.\textsuperscript{109}

The idea that Egypt was simply pursuing financial assistance was steadfastly dismissed by government sources. In March 1987, an \textit{al-Ahram} editorial denied that Egypt wished to return to the Arab world because of the potential economic benefits: which Arab state, it asked, could solve Egypt's problems?\textsuperscript{110} In October 1987, another article in \textit{al-Ahram}, bearing the imprimatur of the Center for Political and Strategic Studies, argued that there were a variety of reasons for Mubarak's policy of Egyptian-Arab cooperation, 'the least important' of which was that such cooperation was 'linked to Egypt's higher security and economic interests'.\textsuperscript{111} But Ibrahim Nafi'a revealed that such a link did exist in the minds of Egyptian policymakers, even as he attempted to rebut the argument. On 8 January\textsuperscript{112} he pointed out that those who expected Egypt to fulfil its obligations under the Joint Defence Pact seemed to forget that the Pact also had an economic aspect; surely, he added, the inter-Arab economic coordination to which the Pact referred would itself facilitate military cooperation.

Immediately before his tour of the Gulf, Mubarak was at pains to deny another rumour, to the effect that Egypt would send forces to the Gulf in return for aid. He told a Gulf journalist that Egyptians were not 'mercenaries'.\textsuperscript{113} Usama al-Baz, accompanying Mubarak, felt obliged to reiterate on several occasions that Egypt had neither begged for aid nor

\textsuperscript{109} \textit{Al-Ahali}, 11 Feb. 1987.

\textsuperscript{110} \textit{Al-Ahram}, 14 March 1987.

\textsuperscript{111} \textit{Al-Ahram}, 2 Oct. 1987.

\textsuperscript{112} \textit{Al-Ahram}, 8 Jan. 1988.

been asked to send troops.\textsuperscript{114} It is difficult to believe that no discussion between them and their counterparts in the Gulf had occurred concerning the hypothetical provision of Egyptian forces. That said, the assurances given by Mubarak and others, that this was not being planned in early 1988, seem plausible, if only because Iranian military strength had been substantially eroded by then.

The editor of \textit{al-Akhbar} wrote that Mubarak had not been asked to provide troops, and emphasised that the Iranian threat had diminished significantly. On 29 January, \textit{al-Musawwar}, citing American sources, reported that Egypt was prepared to send air cover to Kuwait if the situation deteriorated; but that the situation did not warrant grave concern.\textsuperscript{115} These reports were probably accurate. Only months later, Iran's forces began to collapse. The Gulf war ended on 20 August, when Iran abruptly accepted Resolution 598. Egypt's frequent references to its preparedness to contribute to Gulf security were not, therefore, put to the test. This was, perhaps, fortunate because Egypt's capacity and willingness to intervene in the Gulf were questionable at best.\textsuperscript{116}

Mubarak and Egyptian officials had made much of Egypt's commitment to defend 'Arab national security'. The official position was that Egypt would adhere to its pan-Arab commitments outlined in the Charter of the Arab League and in the Joint Defence Pact, as well as to its treaty obligations to Israel, and that the two sets of commitments were compatible. This was by no means self-evident. In the absence of a general Arab decision to recognise the State of Israel, there remained an obvious


\textsuperscript{116} A point well made in H. Tawfiq, 'Egypt's Role in the Arab Regional System after the Amman Summit', Paper presented to Second Political Studies Conference, Cairo, 3-5 Dec. 1988, p.35.
potential conflict between Egypt’s defence obligations to the Arabs and its obligation to Israel.\textsuperscript{117}

In March 1988, Saudi Arabia announced that it had acquired Chinese-made medium range ballistic missiles to counter those already in Iran’s possession. Israel threatened to destroy them pre-emptively. Mubarak immediately condemned Israel’s reaction - especially surprising, he said, given that Israel owned a stock of nuclear weapons - warning that any attack on Saudi Arabia would ‘torpedo’ the peace process. One Egyptian commentary later suggested - unconvincingly - that the official response had implied for the first time that Egypt might be prepared to contemplate war with Israel.\textsuperscript{118}

On 23 January 1988, Tunisia restored diplomatic relations with Egypt. The PDRY followed suit on 9 February. When Algeria announced that it, too, would reopen its embassy in Cairo on 24 November, only Syria, Libya and Lebanon - the last effectively under Syrian control - still adhered to the boycott. Relations with Libya were stormy during 1988, while Damascus remained aloof but not hostile.\textsuperscript{119} On the other hand, Egypt enjoyed very close relations with Jordan\textsuperscript{120} and Iraq, and maintained good contacts with almost all member states of the Arab League. To all intents and purposes, the boycott was redundant; and yet its complete removal remained an Egyptian priority.

On 16 February 1989, Iraq, Egypt, Jordan and the Yemen Arab Republic announced that they were collectively forming the Arab

\textsuperscript{117} Ibid. When the peace treaty was signed, Egyptian negotiators had insisted that the treaty’s terms in no way prevented Egypt from fulfilling its other international obligations, such as those to the Joint Defence Pact, and that the latter would take precedence; see Ya’akov Meron in MECS, Vol.III, 1978-79, pp.154-7.

\textsuperscript{118} ASR, 1988, p.647.

\textsuperscript{119} Ibid, pp.644-5.

\textsuperscript{120} There were eight summit meetings between King Hussein and Mubarak in 1988 alone.
Cooperation Council (ACC). The final preparations had been made during quadripartite talks during the previous weeks. This new grouping, it was said, would not supplant bilateral relations amongst its members, and would be subordinate to the Arab League.\textsuperscript{121} It was to be open to others, and was not intended to constitute a distinct political bloc. This last claim was quickly exposed: in April, King Hussein declared that Jordan would not attend the forthcoming Arab summit in Casablanca unless Egypt was invited, and then that all of the ACC’s other members would boycott the occasion failing Egypt’s presence. He was, in effect, posing a direct challenge to other Arab states, including Saudi Arabia, who had argued that the League should first convene and then discuss Egypt’s membership as a matter of urgency. The Egyptian Foreign Ministry maintained that Egypt’s attendance and reinstatement should be unconditional.\textsuperscript{122}

Egypt had in fact floated the idea of exactly such a grouping in 1986, presumably to weaken the League’s ostracism, but there had been no response.\textsuperscript{123} In the event, the realisation of the scheme was something of a mixed blessing, particularly in that it seemed certain to irritate Saudi Arabia. The Beirut newspaper \textit{al-Safir} reported on 6 February that the proposed new grouping had exacerbated a hidden crisis in Saudi-Egyptian relations. It claimed that Saudi Arabia resented Egyptian pressure to create a bloc which might threaten both the GCC and the Kingdom itself; moreover, the story continued, Egypt believed that Riyadh was behind the Gulf states’ reluctance to finance or participate in the Arab Organisation for Industrialisation (AOI), whose activities had been frozen in 1979.\textsuperscript{124}

\textsuperscript{121} See, for example, the statement by Usama al-Baz, MENA, 15 Feb. 1989, in \textit{FBIS-NES}, 15 Feb, 1989.

\textsuperscript{122} \textit{ASR}, 1989, pp. 559-60.


Notwithstanding speedy denials from Riyadh and Cairo125, there was no doubt that relations between the two had been less cordial in 1988 than might have been expected.126 Renewed Gulf participation in the AOI had been mooted at the beginning of the year, but there had been no further developments - possibly because Saudi Arabia was eager to nurture its own armaments industry.127 King Fahd visited Baghdad and Cairo in March 1989, but it was noticeable that official contacts between Egypt and Saudi Arabia remained infrequent. For all that Cairo enjoyed good relations with individual members of the GCC, there was no discernible progress in the matter of restarting the AOI.128

Political clouds of this sort could not, however, obscure the sunny prospect of Egypt's return to the Arab League. With Syria's official declaration, on 13 May, that it now saw no reason for Egypt's continued exclusion from the League, the last obstacle was removed. Egypt formally resumed its membership on 21 May 1989, and Mubarak was present at the opening session of the Casablanca summit on 23 May.129

Conclusion

In Egypt, there was a quiet sense of vindication, but the tone of much of the commentary was, like Mubarak's speech at the summit, sober and forward-looking. A Cairo radio commentator reminded his audience that 'Egypt

---

126 The Egyptian government closed the Nasserist magazine Sawt al-'Arab in August 1988, because of a series of virulently anti-Saudi articles. This was the first such action since 1981. See Rpé, No.32/33 (1988), pp.1, 14.
128 ASR, 1989, pp.566-7. It is Egypt's ambition to build a strong military-industrial complex, based in part on exports to the Gulf; interview, Dr. Michael Dunn (Editor, Defense & Foreign Affairs), 15 July 1988.
must take an equal share of the blame' for the bigotry and one-upmanship which had prevailed during the earlier part of the decade. In an article published shortly before the summit, Makram Muhammad Ahmad, editor of *al-Musawwar*, wrote that Egypt's attendance was the result of patient commitment to 'higher Arab interests', but that 'certain Arab leaders' deserved especial thanks for allowing Egypt to return in such a dignified fashion.

In a sense, the Casablanca summit was, as *The Times* put it, 'a posthumous vindication for...Sadat, who correctly predicted, having made his own peace with Israel ten years [before], that the rest of the Arab world would eventually follow suit'. But, as the paper also reminded its readers, the process of reintegration had taken far longer than the Egyptians initially expected: 'A mere two months after Mr Sadat's assassination in 1981, the old Arab League building was refurbished in readiness for the League's return.'

We have seen that a combination of favourable regional developments and Egyptian persistence eventually removed the obstacles to Egypt's rehabilitation. On the one hand, the Arab Gulf states felt able to overlook one set of Arabist principles because of the exigencies of 'Arab national security'; on the other, Mubarak and other Egyptian officials made it clear from the outset that Egypt wished formally to be readmitted into Arab society.

In a grim way, the Iran-Iraq war offered Egypt an excellent opportunity to emphasise its usefulness by helping, materially and psychologically, to

---

allay the Gulf states' fear of Iran. This was admitted in Cairo.\textsuperscript{134} Certainly, Mubarak's defence of Palestinian interests in general, and his championing of Yasser Arafat and the PLO, had paid dividends - which is not to say that it was an exercise in cynicism - but regime security in Baghdad and the Gulf was a more compelling incentive for other Arabs to deal publicly with Egypt. Cairo's pro-Palestinian policy may be said to have been a necessary, but not a sufficient condition for the ending of Egypt's official ostracism. The general feeling of crisis in the Gulf during 1987, cloaked in appeals to 'Arab national security', acted as the real catalyst.\textsuperscript{135} Egypt's return to the mainstream of Arab politics served to restore its damaged sense of national self-esteem, to demonstrate that it was not merely the client of a superpower but an active and vital member of the Arab world. But the enhanced influence and prestige which Egypt derived from its 'mainstream' Arab diplomacy did not extend to its more troubled dealings with Sudan. These are the subject of the next chapter.


\textsuperscript{135} Ali Dessouki disagrees. He argues that the Palestinian issue was the real catalyst of Egypt's Arab rehabilitation. See 'Egypt and the peace process', \textit{International Journal}, Vol.xlv, No.3 (Summer 1990), pp.45-53.
Chapter 5

SUDAN AND THE NILE: FOCUS OF EGYPT'S AFRICAN DIPLOMACY

Egypt's relations with Sudan are unlike those it has with any other Arab state. The central fact of Egypt's dependence on the Nile has imbued the relationship with an almost mystical quality and has long caused Egyptians to regard Sudan as their 'strategic depth', their natural hinterland. 'The unity of the Nile Valley' is a potent image in Egypt. This image, it is fair to say, is based as much on a continuing preoccupation with the security of the Nile waters as it is on affection for 'sisterly Sudan' (al-Sudan al-shaqiqa). In the past, Egyptians displayed an almost proprietorial attitude to Sudan; indeed, at the end of the 1980s, many Sudanese still felt that their country was no more than a security issue for Egypt.¹

This chapter illustrates some of the diplomatic consequences of Sadat's policy towards Sudan, which in large measure reflected his desire to minimise the effects of Egypt's diplomatic isolation. The Egyptian-Sudanese relationship - affected by internal Sudanese developments and bound up in a matrix of regional political disputes - became progressively more difficult to manage during the 1980s. The decade illustrates only too well John Waterbury's observation that

[a]s far as the Nile is concerned, Egypt's stability is relatively meaningless while the Sudan's instability is of incalculable importance, for it is the mid- not the downstream state.²

¹ This feeling was expressed at a Sudanese-Egyptian seminar in Cairo in May 1989; Prof Ali Dessouki, in conversation. S. Ibrahim (al-Gumhuriyya, 20 May 1989) made the same point. See also C. Wendell, The Evolution of the Egyptian National Image: From its Origins to Ahmad Lutfi al-Sayyid (Berkeley, etc.: U.C.L.A. Press, 1972), pp.260ff.

Declaratory politics might work in the Arab world at large, but they were of limited value when dealing with the problems to Egypt's south.

**The Nimeiri Period**

Until 1979, Sudan was effectively the preserve of the Egyptian military. From the mid-1950s onwards, Egypt had overwhelmingly focussed its diplomatic attentions on the Arab East, with Sudan ranking low on the Foreign Ministry's list of priorities. Consequently, there was a loss of Sudan-related expertise in the bureaucracy. A security-based mentality dominated Egypt's view of the Sudan, from which sprang the simplifying tendency to divide Sudanese political forces into pro- and anti-Egyptian groups, such as the *Khatmiyya* and the *Ansar* sects respectively. Egyptian aid was traditionally confined to the North and the Nile valley; Egyptian policymakers took almost no account of the heterogeneity of the Sudan, regarding it as no more than an extension of the unitary, riverine Egyptian state.

Superficially, there existed a congruence of world-views at the level of the state leaderships. In particular, Anwar Sadat and Jaafar Nimeiri - who became president of Sudan following his 1969 coup - came to share a common outlook on the chief threats to their region. Both, for example, feared and disliked Libya's leader, Muammar Qaddafi. Nimeiri earned Qaddafi's disfavour by withdrawing from the fledgling 'Federation of Arab Republics' in 1971, whilst Sadat infuriated him by resisting the idea of union with Libya and by not pursuing the October 1973 war to what Qaddafi saw as its logical conclusion. Ties between Sadat and Nimeiri grew steadily closer. Nimeiri was, for example, the only Arab leader to support

---

3 Interview, Dr Gehad Auda (Al-Ahram Center for Political and Strategic Studies), 30 Dec. 1989.

the Sinai II disengagement agreement. In July 1976, Sadat intervened to thwart a coup attempt in Khartoum; as a result, Egypt and Sudan entered into a Joint Defence Agreement that same month. By the mid-1970s, Sadat believed that the communist regimes in South Yemen and Ethiopia, and the pro-Soviet regime in Libya, formed an axis which might well destabilise the region. Nimeiri echoed this belief.5

In the period after the oil price rise, it became popular to argue that Sudan could, with the addition of Arab capital and Egyptian manpower and expertise, become the 'breadbasket' of the Arab world.6 It was this vision which underlay the Programme of Political Action and Integration which Egypt and Sudan signed in 1974. Sudan's agricultural potential could not but be attractive to Egypt, a state with a burgeoning population and an acute sense of the dangers of its dependence on the outside world for food. But, as Waterbury has observed, the propagandists in both Egypt and Sudan who dwelt upon supposed economic complementarities ignored the fact that 'the socioeconomic differences between the two countries far outweigh their similarities'.7 The starkest of these differences lies in the contrast between Sudan's ethno-political disunity and Egypt's homogeneity. In addition, Egypt's population density and dependence on irrigated agriculture are far higher, and its industry more developed.

Before long, Sadat's peace policy began to put an increasing strain on his relationship with Nimeiri. Though at first an open supporter of the Jerusalem initiative, Nimeiri came under pressure from Saudi Arabia -

whose financial support and oil Sudan badly needed - to distance himself from Egypt. Following the peace treaty, all Arab funds to Egypt and to Sudanese-Egyptian integration projects dried up. By November 1979, Nimeiri felt compelled to change his stance: he added Sudan's voice to the joint Arab condemnation of the peace treaty issued by the Tunis summit, and Sudanese newspapers began to criticise Egyptian policy.

For his part, Sadat refrained from lashing out verbally at Nimeiri as he did at all other Arab leaders. In April 1980 he hinted that Nimeiri had succumbed to Arab financial blandishments in withdrawing the Sudanese ambassador to Egypt in protest at the establishment, in February, of an Israeli embassy in Cairo. The following month, however, he declared that the Sudanese ambassador was free to return at any time. It was Libya which acted as the catalyst of a diplomatic rapprochement. In the wake of the Egyptian-Israeli peace treaty, the propaganda war between Tripoli and Cairo had intensified. Sadat declared a state of emergency along the Egyptian-Libyan frontier in June 1980, following Qaddafi's call for the Egyptian armed forces to revolt and topple their president. Qaddafi's intervention on behalf of Goukouni Oueddei's forces in the Chadian civil war, in November 1980, and his announcement of a Libya-Chad political union in January 1981 confirmed Sadat in his view that Libya was part of a communist-inspired plan to encircle Egypt; the union, he said, was a direct threat to Sudan, and therefore also to Egypt.

Nimeiri, even more alarmed by the Libyan intervention, agreed. On 21 March 1981, Sudan's ambassador returned to Cairo, an event which was

---

9 Al-Ahram, 1 April 1980.
greeted there as Egypt's first diplomatic success since the peace treaty; the
defence minister, Kamal Hasan Ali, promised Sudan full support against
any Libyan aggression.\textsuperscript{12} During Sadat's heavily-publicised visit to
Khartoum in May 1981, Nimeiri called for the convening of an Arab
summit, with Egypt's participation, to resolve inter-Arab differences. He
was profusely thanked by Sadat - and studiously ignored by the Arab world
at large.\textsuperscript{13}

It clearly suited Cairo to have an ally in the Arab world. But Sadat's
shock and anger at Egypt's isolation in the Arab world, and his eagerness to
raise the profile of Cairo-Khartoum relations to compensate, allowed
Nimeiri to exploit the relationship in a manner which would soon harm
Egyptian interests. For purposes of strengthening Egypt's strategic ties to
the United States, Sadat emphasised the anti-communist element of
Egypt's national strategy; Nimeiri was only too happy to fall into the
pattern, benefiting from the sudden American military largesse.\textsuperscript{14} Nimeiri
was the only Arab leader who attended Sadat's funeral; he also participated
symbolically in the election of Husni Mubarak, who subsequently made his
first state visit after the transfer of Sinai to Khartoum.\textsuperscript{15} Once again,
Nimeiri called for the convening of an Arab summit in Cairo and an end to
the Arab boycott of Egypt; his first vice-president, `Umar al-Tayyib, said
that Khartoum was holding discussions with friendly Arab capitals in order
to promote a summit of reconciliation.\textsuperscript{16} This call fell on deaf ears.
Nevertheless, Egypt and Sudan continued to coordinate their policies

\textsuperscript{13} \textit{Al-Ahram}, 25 May 1981.
\textsuperscript{14} Interview, Dr Gehad Auda, 30 Dec. 1989; and B. Malwal, \textit{The Sudan: A Second
\textsuperscript{15} \textit{Al-Ahram}, 7 May 1982, and Warburg, \textit{Egypt}, p.178.
\textsuperscript{16} MENA, quoting \textit{Akhir Sa'a}, 19 May 1982, in \textit{FBIS-MEA}, 19 May 1982; and MENA,
against Libya, and were instrumental in bringing about an African boycott of the OAU summit scheduled to be held in Tripoli in November 1982. Neither state, said Butros-Ghali, would attend a summit in a state which supported terrorism against sovereign African governments.\(^{17}\)

Beneath the veneer of public solidarity, however, there was little substantive cooperation between Egypt and Sudan. The 1974 integration agreement had been notably unsuccessful; even Egypt's official press occasionally acknowledged this fact.\(^{18}\) It had failed for a number of reasons. Its major institutions had lacked any real decision-making authority, and the joint technical committees were starved of development capital, partly as a consequence of the Arab reaction to the peace treaty. Turgid bureaucracies in both countries hindered a task commitment to which was in any case overwhelmingly rhetorical in nature, with little concrete planning. All efforts to implement schemes foundered on the rocks of Sudan’s appalling public transport and communications infrastructure, and the virtual absence of managerial skills and private sector participation. To compound these problems, the public in both countries remained almost entirely unaware of the Programme.\(^{19}\)

In an attempt to make a fresh start, Mubarak and Nimeiri signed a 'Charter of Integration' on 12 October, 1982.\(^{20}\) This was ostensibly drawn up with an awareness of its predecessor’s shortcomings. Its aims were bold: not only the two countries’ economies, but all other aspects of government were to be coordinated. Full economic union was to take place within ten

\(^{17}\) For Boutros-Ghali's statement, see *al-Ahram*, 10 Nov. 1982; and see also *al-Sha'b*, 22 Nov. 1982, for an angry opposition view of this treatment of a 'friendly Arab state'. In March 1982, Cairo had the minor satisfaction of seeing the anti-Libyan faction in Chad led by Hissène Habré defeat Goukouni Oueddei's forces.

\(^{18}\) See, for example, Ibrahim Nawwar in *al-Ahram*, 29 May 1981.


years, though the practicalities were not spelled out. During the first of three phases (1983-84), the institutional groundwork would be laid; in Phase 2 (1985-88), the institutions would begin to function; and in the last phase (1989-92), Egypt and the Sudan would be unified. In the event, the entire scheme collapsed before Phase 1 had ended.

The text of the Charter was, in the words of a senior Egyptian diplomat, marked by a 'constructive ambiguity': Cairo, sceptical of the chances of fulfilling so ambitious an exercise and wary of Nimeiri's policies, had opted for language which was vague but sounded purposeful. This policy, based on a lack of alternatives, soon began to encounter problems. Egyptian-Sudanese relations fell victim to Nimeiri's vicissitudes, his repressiveness and his growing tendency to blame all internal troubles on outside - usually Libyan - interference.

In September 1983, Nimeiri decided, without informing Cairo, to introduce Islamic law, or sharia, into Sudan. The immediate result was a resurgence of civil strife of the kind Sudan had last experienced in the early 1970s, as non-Muslim southerners under the leadership of Colonel John Garang de Mabior rebelled against this latest dictate. The rebellion quickly affected Egyptian interests. Work on the the joint Jonglei canal project, whose purpose was to increase the Nile's flow by bypassing the Sudd swamps in southern Sudan, and which had begun in 1980, was halted in late 1983 when Garang's Sudanese People's Liberation Army (SPLA) kidnapped a group of construction workers. Some 280 kilometers of the planned 360 kilometres had by then been excavated.

As Sudan's economic problems and the opposition to Nimeiri grew, the Egyptian-Sudanese relationship was distorted by Nimeiri's security

---

21 Director of Diplomatic Institute, Cairo, quoted in Malak, 'Al-Takamul', p.169.
concerns. Mansour Khaled, a former Sudanese foreign minister, observed that Nimeiri’s speeches on integration with Egypt were used
to serve notice to the Ethiopians and Libyans by rattling the Egyptian sabre. In the process Nimeiri...often embarrassed Egypt, for example, by his references to an Egyptian-Sudanese military role in Chad, to which Egypt always reacted by asserting that its actions in that country would only be guided by the resolutions of the OAU.23

This is not to suggest that Cairo was indifferent to the continuing Libyan threat. A Libyan aircraft bombed an anti-Libyan radio transmitter in Omdurman on 16 March 1984, only two days - Mubarak claimed - after Qaddafi had, for the fourth time in the space of a year, proposed that Libya and Egypt reopen their common border and unify.24 In July 1984, a mysterious series of explosions damaged some ships in the Red Sea. Mubarak called upon the United States, Britain and France to assist in a minesweeping operation, and publicly pointed the finger of accusation at Libya.25

Nevertheless, Mubarak was embarrassed not only by Nimeiri’s domestic repression, but also by his foreign policy. In 1985, it was revealed that Nimeiri had cooperated with Israel in ‘Operation Moses’, the covert evacuation (during the period October 1984-January 1985) of Falasha Jews from Ethiopia to Israel, through Sudan. Egyptian sources stressed that Cairo had had no foreknowledge of the plan, and had played no part in it.26

It is clear that, by 1985, the political relationship upon which Sadat had seized to underscore his regional stature, had become a liability.

24 ‘Every time I hear this’, said Mubarak, ‘I realise something is being prepared.’ MENA, 17 March 1984, in FBIS-MEA, 19 March 1984. Al-Ahram (6 Sept. 1984) reported that Mubarak had refused to meet a Libyan envoy carrying a cheque for $5 billion, as an inducement for Egypt to abandon the peace treaty and hand over a pilot who had defected in 1983.
Perversely, Egyptian diplomacy in the rest of the Arab world had begun to yield fruit.

The Anti-Nimeiri Backlash

Mansur Khaled, writing in late 1984, noted that Nimeiri's constant reiteration of the Libyan threat was no longer taken at face value in Cairo. He added:

There is abundant evidence to show that Egypt has decided not to go to Nimeiri's help if an internal attempt is made by a Sudanese group to oust him. They have also refused to be drawn into the war in the South. Only in the case of foreign intervention could Egypt be expected to come to Sudan's (not Nimeiri's) rescue.27

Even if Khaled's assessment contained an element of wishful thinking, it was essentially accurate. On 7 April 1985, against a backdrop of continuing civil unrest in Khartoum, a group of officers led by General 'Abd al-Rahman Siwar al-Thahab seized power. Nimeiri, passing through Cairo on his way back to Khartoum from Washington, was detained in Egypt. Egypt had reportedly been notified in advance of the coup, and the Transitional Military Council quickly reassured Cairo that Egyptian-Sudanese relations would not be affected.28 Nevertheless, the new government's behaviour, particularly Siwar al-Thahab's apparent embrace of Libya, caused misgivings in Cairo.

Libya was the first state to recognise the new government; Qaddafi hailed the Nimeiri's overthrow, referring in the same speech to 'the traitor Husni Mubarak'.29 Qaddafi visited Khartoum in April, and promised to suspend all aid to the SPLA.30 During his second visit in May, Libyan

27 Khaled, Nimeiri, p.369.
28 See al-Ahram, 7 & 11 April, 1985. The Egyptian opposition press was gleeful at the demise of 'America's friend', the 'dictatorial' Nimeiri; see al-Sha'b, 16 April and al-Wafd, 17 April 1985.
aircraft began to arrive with drought relief; Qaddafi opined that Mubarak would meet the same fate as Nimeiri.31

Officially, Egypt was indifferent to the new Sudanese government's policy of improved relations with Tripoli. But Khartoum's friendliness towards the Libyans and its acceptance in July of Libya's offer of military equipment, training, and logistical support caused considerable apprehension in Cairo, which led Siwar al-Thahab to declare that Sudan would do nothing to harm its relationship with Egypt.32 But al-Thahab's voice was only one amongst many within the Transitional Military Council, some of which were extremely hostile towards Egypt. One Arab newspaper, citing Sudanese sources, said that the defence agreement with Libya was an attempt to pressure Egypt, which had refused Sudanese requests for arms.33 Some months later, Egypt and Sudan signed a 'working paper' which covered arms supplies, training and maintenance, and stated that the Joint Defence Agreement was 'still valid'.34 During Siwar al-Thahab's first visit to Cairo in late October, Mubarak declared, rather implausibly, that he did not object to better Libyan-Sudanese relations.35

For his part, Siwar al-Thahab declared that he had accepted the Egyptian government's position regarding ex-president Nimeiri's status as a political refugee. This statement could not disguise the fact that Nimeiri's presence in Cairo was a source of great resentment in Sudan. Egypt's official position was that it had initially detained him at the request of the military government, to smoothe the process of takeover; and that he

35 MENA, 27 Oct. 1985, in FBIS-MEA, 28 Oct. 1985. It should be remembered that Libya had expelled some 30,000 Egyptian workers some months before.
was a political refugee, and therefore guaranteed a safe haven in Egypt under Article 53 of the Constitution.\(^{36}\)

During the last months of Nimeiri's presidency, Mubarak is said constantly to have urged him to improve the human rights situation in Sudan; nevertheless, Egypt's refusal publicly to deal with opposition groups and its apparently unwavering support for Nimeiri's policies caused Egypt's name to be tarnished by association.\(^{37}\) The Integration Charter, for example, was identified with Nimeiri, and deeply unpopular. On 9 October 1985, Siwar al-Thahab announced the temporary 'freezing' of the Charter.

Politically, this was a significant gesture; in fact, there was nothing much to be 'frozen', for the integration experiment had been largely a facade. The Supreme Council of Integration met only three times, as did the Nile Valley Parliament; and the Integration Fund had managed by 1985 to attract only $33 million in capital, instead of the $165 million established as the target for that date.\(^{38}\) Trade between the two countries had not notably increased: in 1983, Egyptian exports to the Sudan amounted to 1 per cent of its total exports, and the corresponding figure for imports was 0.9 per cent.\(^{39}\) Despite the plethora of 'successes' claimed and

\(^{36}\) The Sudanese prime minister, al-Jazuli Daf'Allah, was reported (\emph{al-Ahram}, 10 August 1985) as having asked for Nimeiri's extradition. But \textit{ASR}, 1985, p.372, says no official extradition request was made. See also \textit{ASR}, 1986, p.454, for details of Egypt's official position on Nimeiri's status.

\(^{37}\) Khaled, \textit{Nimeiri}, p.386. Egypt's semi-official press had given virtually no coverage to Nimeiri's domestic troubles; the opposition press, by contrast, had attacked him, and supported calls for his extradition. See, for example, S. Ibrahim in \emph{al-Ahali}, 2 May 1984, and \emph{al-Ahali}, 6 Nov. 1985.

\(^{38}\) Malak, 'Al-Takamul', pp.182-7.

\(^{39}\) H. Ayeb, 'Le bassin du Nil: un espace conflictuel', \emph{Bulletin du CEDEJ}, No.22 (1987-2), p.46. The figures have not improved since: in 1987 only 2.65% of Egyptian exports went to Sudan, and 0.9% of imports originated there. The corresponding figures for Sudan were 15.9% and 4.5%. See \textit{Direction of Trade Statistics Yearbook 1990} (Washington, D.C.: I.M.F., 1990), pp.165, 364.
the volume of press coverage given to the relationship, the period 1974-85 had witnessed exceedingly limited achievements.40

The victory of Sadiq al-Mahdi's *Umma* party in the Sudanese elections of April 1986 brought about a marked deterioration in bilateral relations. Anti-Egyptian sentiment had been a feature of the election campaign; at the very least, most participants in the debate wished to see the integration process and the Joint Defence Agreement reconsidered.41 Only days before the vote, Siwar al-Thahab bowed to popular pressure and declared that all plans for political integration were to be scrapped, pending reconsideration of the entire process by the new Constitutional Assembly.42 Usama al-Baz said that Egypt had taken no final decision on the integration process; but Cairo's general response was that only the 'essence' of the relationship, not its formal shape, really mattered.43

The presence of Nimeiri in Cairo continued to be an irritant. The Sudanese government - and public opinion in Sudan - clearly wished for his handover, to enable him to be tried as a criminal. The Sudanese Lawyers' Syndicate, rejecting the argument that he was a political refugee, lodged an appeal with the Egyptian courts for his extradition on criminal charges. Following a meeting between Mubarak and Ahmad al-Mirghani, chairman of the State Council, Sudan's collective presidency, on 7 July 1986, it was agreed that both parties would abide by the decision of the Egyptian courts.44

40 Harb, 'Egypt's Foreign Policy', p.85. The author notes that this lack of success is reflected in the extreme paucity of Egyptian academic studies of the relationship.
41 Mahmoud Murad in *al-Ahram*, 8 April 1986.
42 SUNA, 30 March 1986, in *FBIS-MEA*, 1 April 1986.
44 *ASR*, 1986, p.454. But *al-Sha'b* (19 August 1986) claimed that Sudan had again asked for Nimeiri's extradition. The Egyptian Council of State decided in March 1987 that the matter was beyond its competence, being one of Egyptian sovereignty.
Sadeq al-Mahdi's party was hostile to the 1976 Joint Defence Agreement. He and many others in Sudan regarded this as an instrument through which Nimeiri had, with Cairo's assistance, managed to prolong his grasp on power. During the 1986 election campaign, Egypt began - in an obviously politically-motivated move- to deliver arms worth $6 million to Sudan, making it clear that they came under the rubric of military aid, not the Joint Defence Agreement.\(^45\) This gesture did not have much effect. On 8 July, al-Mahdi announced that the Sudan wished to 'reconsider' the Agreement, prompting the acerbic response from Cairo that it had in any case been established at the request of the Sudan and that its demise would not trouble Cairo.\(^46\) On 2 August, after a meeting with Mubarak in Addis Ababa, al-Mahdi also declared that the Sudan would be drawing up a new framework for integration. He told an Egyptian journalist that the 'productive' elements of the integration would be retained, but those which 'simply meant paying large salaries for people who did nothing' would be dropped.\(^47\)

To add to Cairo's discomfiture, al-Mahdi appeared to enjoy good relations with Tripoli at a time when Qaddafi was accusing Egypt of directly collaborating in American military actions against Libya.\(^48\) Sadiq al-Mahdi was careful to deny that tensions had arisen between Tripoli and Khartoum over the stationing of Libyan forces on Sudanese territory\(^49\); his

\(^{45}\) MENA, 5 April 1986 in FBIS-MEA, 8 April 1986. More arms, worth $12 million, were to follow in July; see ASR, 1987, p.456.

\(^{46}\) Al-Ahram, 9 July 1986.

\(^{47}\) In an interview with 'Adil Hussein, al-Sha'b, 21 October 1986.

\(^{48}\) American aircraft attacked Tripoli, in a punitive raid, on 15 April 1986. Prior to the raid, Egypt had denied all charges of involvement in joint planning with the United States (al-Ahram, 31 March 1986). Afterwards, Egypt expressed displeasure with the United States, but also condemned Libyan terrorism; see Butros-Ghali to EL Pais, cited by AFP, 29 April 1986, in FBIS-MEA, 30 April 1986.

\(^{49}\) See AFP, 11 August 1986, in FBIS-MEA, 12 August 1986. AFP (30 Sept.) was sceptical of subsequent claims by the Sudanese military that the Libyan troops had been withdrawn; FBIS-MEA, 30 Sept. 1986.
politeness was probably connected to Qaddafi's recent economic support for Khartoum.\textsuperscript{50} In September, Qaddafi used the occasion of a visit to Khartoum to propose a union of the two countries and to attack the Egyptian government.\textsuperscript{51} Al-Mahdi attempted to reassure Cairo on 21 September, maintaining that the visit would not be allowed to affect his country's relations with Egypt.\textsuperscript{52}

When al-Mahdi finally visited Cairo in February 1987, the visit produced only disappointing results, which were testimony to the continuing distrust on the part of the Umma party. The 'Brotherhood Charter' (\textit{mithaq al-ikha'}) signed by Mubarak and al-Mahdi on 21 February reflected Sudanese apprehensions regarding integration with Egypt; and as such, it was a very bland document. It referred to 'principles' governing the relationship; to shared strategic interests; to the bases of joint political action; and to the methods of implementing the Charter. But apart from references to common positions on regional and international issues - such as South Africa and Palestine - there was almost nothing which seriously treated concrete areas like transport and communications.\textsuperscript{53} The new Charter was seen to reflect Khartoum's desire for a new start; it was notably short on detail, and contained no references to defence cooperation and no mechanisms for ensuring compliance.\textsuperscript{54}

Nor did al-Mahdi publicly settle the final status of the Joint Defence Agreement; he was evasive, though other members of the government - from different coalition parties - subsequently accused him of having unilaterally scrapped it. They emphasised the importance for Sudan of the

\textsuperscript{50} In April, Libya reportedly donated 300,000 tonnes of oil; \textit{New York Times}, 29 April 1986.


\textsuperscript{52} \textit{ASR}, 1986, p.455.

\textsuperscript{53} \textit{Al-Ahram}, 22 February 1987.

Agreement, whose scrapping, they said, would only encourage the southern rebels. In August 1987, *al-Wafd* argued that the continuing crisis in Egyptian-Sudanese relations reflected disagreements within the ruling coalition over Egypt's importance; al-Mahdi was thought to resent Egypt's neutrality in the civil war and its improved relations with Ethiopia. As a consequence of this less-than-cordial atmosphere, the planned visit of the Egyptian prime minister, Atef Sidqi, and Husni Mubarak's state visit were postponed indefinitely.

**The Egypt-Sudan-Ethiopia Triangle**

The difficulties of dealing with Sadiq al-Mahdi's regime, as well as the need to face the reality of other actors' involvement in Sudanese politics, obliged Egypt to adopt a somewhat more sophisticated approach to its southern neighbour. Consequently, Cairo sought to mediate more actively between Ethiopia and Sudan, and between Khartoum and the southern insurgents.

The long-standing dispute between Sudan and Ethiopia revolved around Ethiopian assistance to the southern rebels, and Sudanese backing for the Eritrean secessionists. Initially, the Ethiopian regime of Col Hailemariam Mengistu rejected mediation, saying that the civil war was a purely Sudanese affair, and implicitly denying involvement. But it privately contacted Cairo in early 1987, as a result of which Egypt informed Sudan on 13 February of its willingness to mediate. Mengistu publicly called for Egypt's help in this regard during his visit to Cairo in April, and al-Mahdi endorsed the idea.

A meeting between Mengistu and al-Mahdi at the OAU summit in Addis Ababa in July was, said the Sudanese foreign minister, the result of

---

55 See, for example, Hasan al-Turabi (of the National Islamic Front) to *Akhir Sa'a*, 8 July 1987, and the DUP's statement on the importance of the Agreement cited by MENA, 30 April 1987 in *FBIS-NES*, 5 May 1987.

Mubarak's efforts.\textsuperscript{57} These efforts were soon frustrated: an attack on the Ethiopian-Sudanese border town of Kurmuk on 27 November, which Khartoum loudly declared to have been the work of Ethiopian forces, dissipated the momentum. The Egyptian prime minister, Atef Sidqi's, long-delayed visit to Khartoum was taken up by mediation efforts, rather than bilateral affairs.\textsuperscript{58}

Despite the publicly expressed gratitude of Sudanese officials for Egypt's mediation\textsuperscript{59}, Khartoum and Cairo obviously differed over the appropriate Egyptian response to the southern rebellion. It may have been irritation over this matter which caused Sadiq al-Mahdi to state in December 1987 that the Joint Defence Agreement did not exist; there was only the 'Brotherhood Charter'.\textsuperscript{60} Sudan was reported to have asked for the Joint Defence Agreement to be implemented in view of the deteriorating situation in the south, only to meet with the Egyptian response that this was an internal Sudanese matter, and that Egypt would ask Ethiopia not to interfere.\textsuperscript{61}

During 1988, there was a slightly higher level of bilateral cooperation: Cairo was evidently using the opportunity of Sudan's deteriorating economic and political situation to demonstrate Egypt's importance as a source of aid. In March, Mubarak made a surprise visit to Khartoum, his first since 1985, taking Abu Ghazala with him for consultations with Sudanese military commanders; the two sides evidently reached some form of arms agreement.\textsuperscript{62} In April, during a visit to Khartoum by Atef Sidqi,

\textsuperscript{59} See, for example, the comments of Sudan's ambasador to Cairo, SUNA, 23 Dec. 1987, in \textit{FBIS-NES}, 24 Dec. 1987.
\textsuperscript{62} \textit{Al-Ahram}, 2 March 1987. Two opposition papers both reported on military aspects of the meetings, and that supplies had been sent to Sudan immediately afterwards;
the Joint Sudanese-Egyptian Higher Committee chaired by the prime ministers signed three documents on cooperation which covered not only common positions on foreign policy issues but a wide range of agricultural, industrial and social fields. Following severe flooding in the north and east of Sudan in August, Egypt rushed aid to Sudan. This aid was well-received, and Mubarak himself pointed out that, despite its straitened circumstances, Egypt was the third largest aid donor.

Throughout 1987, Cairo had attempted to mediate between the southern insurgents and Khartoum. These efforts continued during 1988, with Khartoum's approval; Boutros-Ghali established good contacts with the SPLA leader, John Garang, and urged him to deal with the central government. Usefully, Egyptian policies in 1988 won the thanks of southern politicians: Eliaba James Surur, of the opposition Progressive People's Party, thanked Egypt for its assistance and declared his rejection of any ties with Libya. In general, however, Egyptian efforts to bring about a reconciliation between the insurgents and the central government were frustrated by Sudanese politics. In late December 1988, the Democratic Unionist Party (DUP) withdrew from the ruling coalition after Sadiq al-Mahdi had failed fully to endorse a peace agreement worked out in November between the DUP and the Sudanese People's Liberation Movement (SPLM), at talks hosted by the Ethiopian government.

---

Mahdi's lack of support for the agreement, which specified that religion be separated from Sudanese politics, led John Garang to break off contacts.67

The failure of this latest agreement, in which Egypt had been actively involved, and al-Mahdi's continuing attacks on Egypt's 'even-handed' policy caused an open crisis in relations by February 1989.68 In an unusually blunt interview, Mubarak said that Egypt had not taken a 'neutral' stand in the civil war, and al-Mahdi should stop blaming Egypt and others for the problem. The 'Brotherhood Charter', said Mubarak, may have been intended to draw Egypt into the Sudanese conflict, but why should Egypt fight Ethiopia?69 Boutros-Ghali stated that Egypt was not seeking better relations with Ethiopia at the expense of its ties with Sudan. To be able to mediate between the parties, he said, Cairo obviously needed 'an outstanding three-way relationship between Egypt, Sudan and Ethiopia'.70

The Sudanese link had become the weakest in Boutros-Ghali's 'three-way' relationship. In April, al-Mahdi said openly that the Joint Defence Agreement had effectively ceased to exist after the 1985 coup (though Cairo still considered it operative).71 To Cairo's evident relief, Sadiq al-Mahdi's government was removed from office on 30 June 1989 by a coup under the leadership of Brig.-General Osman Hassan al-Bashir, a former associate of General Siwar al-Thahab. There was little doubt that the new government was a welcome change from the hostility and inefficiency of al-Mahdi's coalition. Ibrahim Nafi'a's *al-Ahram* editorial on the day after the coup

67 Al-Mahdi was hampered by the insistence of his coalition partners, the National Islamic Front, that *sharia* be the basis of Sudanese law. For details, see *ASR, 1988*, p.642.


echoed the official view: al-Mahdi had constantly sought to blame Egypt for his own failures.72

But there was no evidence that al-Bashir would succeed with the southern rebellion where his predecessor had failed. Garang, who opposed secession, naturally rejected al-Bashir's suggestion that the south secede; and he remained opposed to sharia and the close links to Egypt and Libya which al-Bashir supported. The demise of al-Mahdi did not, therefore, solve Egypt's fundamental problem. As Jean-Claude Vatin has observed, '[t]he future of the Nile Valley depends on the kind of relationship the South comes to have with the rest of Sudan, and on the way in which the North-South rift is healed'.73 Not surprisingly, this wider question, the future of the Nile Valley, increasingly occupied the attention of Egyptian decisionmakers during the 1980s. It was all the more worrying in view of the fact that the Egyptian-Sudanese relationship, long taken for granted, had become so difficult to manage, at a time when Egypt's hydrological security seemed to be increasingly uncertain.

Nile Valley Cooperation?

No other major river valley is shared by so many autonomous actors, and no other downstream state is so utterly dependent for its livelihood as Egypt is upon its river. The acute awareness of the juxtaposition of these geopolitical factors is at the heart of Egypt's psychological response to all that goes on upstream.74

The High Dam at Aswan was built in order that Egypt should have control over, and storage capacity for, the annual Nile flood on its own territory.75 Its strategic value was underlined during the 1980s: Egypt was hardly affected by the prolonged African drought, from 1979-83, whose

72 Al-Ahram, 1 July 1989.
74 Waterbury, Hydropolitics, p.63.
75 Ibid., esp. Ch.4, pp.84-115.
consequences were so disastrous for the inhabitants of parts of the Sudan and Ethiopia. But the margin of safety was a narrow one. In 1984, the annual flood brought only 33 billion cubic metres (bcm) at Aswan, the lowest discharge since 1611. Between 1979 and 1987, Egypt only once obtained more than the 55.5 bcm which were its share of the mean annual discharge under the 'Full Utilisation of the Nile Waters Agreement', signed with Sudan in 1959. Successive low floods during the drought reduced the electricity generated by the Dam's turbines from 48.7 per cent of Egypt's electrical output in a normal year, to 20 per cent in 1986.76

Nevertheless, the notion of hydrological 'independence' which underpinned the construction of the High Dam was shown to be relative. Events in the 1980s - both political and climatic - demonstrated that if Egypt wished to be assured of sufficient water for development (or even survival), it would have no choice but to reach accommodation with its neighbours or to impose its will by force. The use of force to settle so complex a problem was hardly an option, given Egypt's limited means.77

Egypt's diplomacy showed that the government was aware that the country's vital interests would best be served by a twin strategy: working to diminish regional tensions at the same time as attempting to defuse future problems of water allocation by encouraging development cooperation among the Nile valley states.78 As a former minister for irrigation told the Upper House in 1988, Egypt had 'to exploit the opportunity to weave together [the Nile states'] destinies before too much time passes...and each state embarks on its own plans, or the Basin is divided into a number of

---

76 Ayeb, 'Le Haut Barrage', p.25. In 1988 alone, there were 96 articles in the Egyptian press on Egypt’s water problem; see ASR, 1988, p.583.

77 Ayeb, 'Le Haut Barrage', p.35. Both inside and outside Egypt, it was accepted that Egypt might, as a last resort, intervene forcibly to prevent the interdiction of its water supply. (Interviews with Lt.-Gen. Ahmad Fakhr, 18 Jan. 1989, and Dr Michael van Düsen, 1 Aug. 1988)

78 These states are Egypt, Sudan, Ethiopia, Kenya, Uganda, Rwanda, Burundi, Tanzania and Zaire.
scattered basins...'\(^79\) The Egyptian government emphasised the importance of the 'Undugu' group, under whose aegis ministers from the riparian states (minus Ethiopia and Kenya, but with the addition of the Central African Republic) began to meet in 1983, to discuss questions of Nile water use. Apart from regular meetings, there is little evidence that the group achieved anything more than programmatic statements.\(^80\)

It is not too cynical to suggest that Egypt had - and has - a strong interest in promoting the common benefits of integrated development, whilst de-emphasising its own national concerns. Multilateral cooperation would, for example, reduce the risk of Sudan and Ethiopia agreeing to a mutually-beneficial scheme on the Blue Nile which might not be in Egypt's interests. Moreover, it was clear that Egypt hoped to persuade international donors, and particularly Arab donors, to make funding available for multinational schemes.\(^81\)

Some commentators in Egypt have described the idea of Basin-wide cooperation as a little premature, or simply wildly optimistic.\(^82\) The concept of the Nile Basin as a distinct zone is essentially an intellectual construct. In reality, the countries thus grouped together have very little in common. However logical the principle of cooperation may be, the economic complementarity of the Basin states is a myth. Sudan and Egypt are the primary users of the Nile for agricultural, energy and a range of other purposes; Ethiopia and Uganda are the sources of the Blue and White Nile, respectively, but do not yet make much use of the river for agricultural

\(^{79}\) ASR, 1988, p.448.

\(^{80}\) A member of Boutros-Ghali's staff conceded in 1990 that Egypt had rather little to show for its Nile diplomacy; interview, 'Ala al-Hadidy. The statements are listed in Twelve Years of Egyptian Diplomacy in Africa, 1977-88 (Cairo: Ministry of Foreign Affairs, 1989), pp.431-452.\(\text{[In Arabic]}\)


\(^{82}\) For example, Ayeb, 'Le bassin du Nil', pp.42ff., and Rushdi Sa'id, quoted in ASR, 1988, pp.448-9.
purposes; and the remainder have insufficient common interests to warrant grouping them together economically or politically. Almost all the riparian states have unresolved territorial disputes with one another.83

It may be a false comfort to point to political upheaval upstream - particularly in the Sudan, whose agricultural development has been seriously disrupted - as a de facto guarantor of Egypt's quota.84 Ahmad Rashidi has observed, for example, that most of the states of the Nile basin use minimal amounts of the Nile waters; that they have neither the capacity nor the intention of interrupting supplies; and that the Egyptian Foreign Ministry has consistently overreacted to this (hitherto never implemented) threat.85 But whatever current consumption patterns may be, they are likely to grow as the population of the riparian states grows, at rates in excess of 3 per cent annually, and as agricultural, industrial and urban demand expands. Moreover, countries like Uganda and Kenya are not sure of their future water needs, and not content with old colonial agreements which state that no hydrological projects may be built on the Nile, its sources or tributaries, without Egyptian approval.86

Even in Sudan the occasional voice has called - particularly during Sadiq al-Mahdi's government - for the renegotiation of the 1959 Agreement, under which Sudan was allocated 18.5 bcm as against Egypt's 55.5 bcm. Ethiopia, where 60 percent of Egypt's share of the Nile's discharge originates, has still not recognised the validity of the 1959 Agreement, and demands a renegotiation of the allocation of waters originating on its soil -

---

83 Ayeb, 'Le bassin', pp.42ff..
84 Waterbury, 'National sovereignty', p.17.
86 See The Middle East, August 1990, pp.44-5. There are also the unpredictable effects of climatic change, which might increase the already enormous evaporation losses from Lake Nasser, for example.
that is, the Blue Nile and Atbara and Sobat rivers - before it will enter into any collective scheme to manage the water resources of the Basin.\textsuperscript{87}

On the other hand, political and economic turmoil in the countries of the Nile Valley is, in a grim way, a guarantor of sorts that Egypt will not suddenly lose a significant part of its water supply. Egypt has long feared Ethiopia's potential to interdict or reduce the Blue Nile's flow. In Sadat's time, Egyptian-Ethiopian relations were soured by rumours of Ethiopian plans to develop dams and irrigation projects, and Egyptian warnings that such actions could mean war.\textsuperscript{88} But the realities of civil war, and the sheer scale of the necessary engineering projects, lend credibility to the Ethiopian foreign minister's statement, in January 1990, that his country did not have the resources to finance projects on the Blue Nile. Yet despite Mubarak's and Boutros-Ghali's diplomatic efforts\textsuperscript{89}, there remained those in Egypt who believed that Ethiopia's reluctance to join or cooperate with the 'Undugu' group stemmed from a desire to use the river as political leverage in return for Arab assistance against secessionist forces in Eritrea.\textsuperscript{90}

**Implications**

Egypt's water resources and their allocation and management are an emotive and technically complex issue. It is generally admitted that reliable and consistent facts of Egypt's present and anticipated requirements are hard to come by, perhaps because the issue is so sensitive. But Egypt's

\textsuperscript{87} Ayeb, 'Le bassin du Nil', p.51.

\textsuperscript{88} Sadat threatened war when Ethiopia announced extensive irrigation schemes on the Nile and Baro rivers in 1977, and warned Ethiopia not to interfere with the Nile after it protested at his plans to divert Nile water to Israel in 1980. See ASR, 1988, p.448.

\textsuperscript{89} Mubarak made five state visits to Ethiopia in the period 1985-8; Boutros-Ghali visited Addis Ababa ten times in the period 1983-8. See Twelve Years of Egyptian Diplomacy in Africa, pp.641ff.

\textsuperscript{90} The Middle East, August 1990, p.45. As of 1990, Egyptian efforts to persuade Ethiopia and Kenya to join 'Undugu' had not borne fruit; ASR, 1989, p.581.
water requirements are certain to grow and, because of the range of agricultural and land reclamation projects which its planners envisage, might place an impossible strain on the country's resources.

In 1979, before the signing of the peace treaty, John Waterbury gloomily predicted that, after a decade, planning in both Egypt and the Sudan would still remain fragmented and uncoordinated. No effective scheme for water management, embracing all the riparian states, would have been devised.\(^{91}\) His assessment has been vindicated, though it is a moot point whether Nile valley cooperation was helped or hindered by the diplomatic consequences of the 1979 peace treaty.

Given the regional political landscape and the dearth of international financing, Waterbury is also likely to be proven correct in his assessment that completion of projects on the Upper Nile, which could yield up to 20 bcm for Egypt and Sudan, 'appears almost wildly improbable' in the next two decades.\(^{92}\) Waterbury notes that the interrupted Jonglei canal could be completed quickly, providing an extra 2.3 bcm at Khartoum and 1.9 bcm at Aswan. But the parallel Jonglei II would, if constructed, seriously affect the livelihoods of southern Sudanese, and would require a storage capacity upstream at Lake Albert, which would in turn involve Uganda, Zaire, Kenya, Rwanda and Burundi. Similarly, any scheme to increase the flow of the Sobat, one of the Nile's tributaries, would ideally require a dam to be built at Gambella in Ethiopia.\(^{93}\) It is worth noting the implicit optimism of the Ministry of Irrigation which, in its 1987 projection of Egypt's water

\(^{92}\) Waterbury, 'National sovereignty', p.20.
\(^{93}\) Ibid., pp.18-20.
resources for the year 2000, included not only 2 bcm from the Jonglei I project but also 7.5 bcm from Upper Nile dams.  

Sadat's embrace of Sudan in the 1970s, combined with Nimeiri's own capriciousness, demonstrated that Egypt could no longer take Sudan, or its own Sudanese policy, for granted. Just as Cairo had to grope to restore and redefine its place in the Arab world, so too it had to rethink its approach to Sudan. Egyptian policy towards the Sudan illustrates, this time in Egypt's own 'backyard', and not in the wider international context, just how limited are the material resources of the Egyptian state. There is very little that Egypt can do by itself to develop - or unify - Sudan, given the latter's chronic problems. An understanding of this awkward truth lay behind Cairo's adoption of a strategy of non-intervention in Sudanese civil disputes, and of doing as much as possible to settle intra-regional disputes through multilateral efforts.

The protection of the Nile is officially a high priority for Egypt's armed forces. It is difficult to see how Egypt could undertake the 'protection' of the Nile, except by destroying other riparians' hydrological schemes. Mubarak's cautious handling of Sudanese requests for assistance against the southern rebels testifies to an awareness of the risks of becoming involved on the ground. To keep the possibility of any such intervention remote, and to increase the amount of water it receives from the Nile, Egypt must continue to exert diplomatic efforts in the Nile Valley. But it is not hard to imagine that diplomatic methods will be frustrated, or bear stunted fruit, given the parlous state of the East African economies.

94 H. Ayeb, introductory essay, Revue de la presse égyptienne, No.27 (2e trimestre, 1987), pp.103-6. Current consumption in 1987 was 60.7 bcm annually; estimated supplies in 2000 were 85 bcm.

95 See, for example, ASR, 1986, p.486, where Abu Ghazala lists the defence of the Nile headwaters and the territorial integrity of the Sudan as the two main, specific tasks of the armed forces. The commentator, Brig. Tal'at Musallam, notes that the necessary security coordination with African states was not even embryonic.
If Egypt were to attempt to mobilise Arab resources to help develop Sudan's agricultural potential, it would have to appeal to common Arab interests. This task is easier in theory than in practice. Quite apart from the fact that a large section of Sudan's southern population rejects an 'Arab' identity, there is the problem of persuading other Arab states to cooperate. It is clear that, despite the intrinsic importance of Egyptian-Sudanese relations, they were in fact marginal to Egypt's Arab diplomacy during the 1980s. As the next chapter argues, much of the logic behind the common interests supposedly underpinning an 'Arab regional system' - to which we have already referred in Chapter 4 - is tenuous.
Chapter 6

EGYPT AND THE 'ARAB REGIONAL SYSTEM'

Thus far, we have examined the conduct of Egypt's principal foreign relationships - or sets of relationships - during the 1980s. The underlying tension, and occasional fractiousness, between Cairo and Washington may be compared with the ever-friendlier tone between Cairo and most Arab capitals. On a different level, Egypt's ability to 'manage' its once-embarrassing relationship with Israel, whilst forgoing none of the advantages of peace, stands in contrast to the difficulties it faced in dealing with Sudan, a neighbour long taken for granted.

How was this process viewed from Cairo? More particularly, how was the significance of the Egyptian-Arab rapprochement, for Egypt as well as for inter-Arab politics, assessed by Egyptian academic commentators? By way of illustration, this chapter will consider an Egyptian 'Arabist' perspective on the functioning of the inter-Arab system and Egypt's place in it. The examining of these neo-Nasserist views is not intended simply to provide the opportunity for a reiteration of the 'end of pan-Arabism' argument popularised by Fouad Ajami: it would be difficult to find an Egyptian academic who seriously believed in Egypt's resuming its former role as locomotive of Arab political unity. Nevertheless, one can concede that pan-Arab issues like Palestine and economic cooperation have retained their political resonance, without

---

1 That is to say, Arab nationalist: suspicious of, or hostile to, the United States' involvement in the region, and in favour of a greater degree of Arab cooperation as well as coordination against Israel.

at the same time having to accept the slightly artificial conception of Arab politics contained in writings on the 'Arab regional system'.

**The Idea of the 'Arab regional system'**

In the Introduction, we referred to a 'dominant discourse', a preferred mode of interpreting the Arab world and Egypt's role in it. We have seen how many of those who opposed Egypt's dealings with the United States and Israel, and who encouraged stronger ties between Egypt and other Arab states, did so from an Arab nationalist vantage-point.

One idea which won broad acceptance during the 1980s, especially amongst Egyptian academics and commentators, was that of the 'Arab regional system'. The 'Arab regional system' can be seen as part of the dominant Nasserist discourse; it was explicitly contrasted with 'the Middle East' or the 'Middle Eastern system', both of which were seen as western politico-geographic constructs, embracing all or some of the countries from Morocco to Afghanistan. The most sustained and coherent treatment of the 'Arab regional system' is that provided by Gamil Matar and 'Ali Hilal. Their ideas, which effectively illustrate mainstream academic Arab nationalist thought in Egypt, can be summarised as follows.

---

3 It was first used officially at an inter-Arab level at the Amman summit of November 1987. (Prof Ali Hilal Dessouki, in conversation, March 1988)


5 Their work on this idea was first published in 1979. All references here are to G. Matar & A. Hilal [in Arabic], *The Arab Regional System: A Study in Arab Political Relations*, 3rd ed. (Beirut: C.A.U.S., 1983). Note that 'Ali Hilal publishes in English as Ali Dessouki.

6 Each issue of the Al-Ahram Center's *Arab Strategic Report* devotes a section to the 'Arab regional system'. It has also been partially adopted by, for example, Paul Noble; see 'The Arab System: Opportunities, Constraints and Pressures', in Korany & Dessouki (eds.), *The Foreign Policies of Arab States*, pp.41-77.
Matar and Hilal argue that the Middle East in western analyses has three main features. First, it defines and treats the area on the basis of its ties with the outside world, and the latter's interests, not according to its indigenous characteristics. Second - and following from the first - the Middle East is a political construct, which is both a symptom and a cause of outside intervention in the area. Someone analysing 'the Middle East' may, for example, arbitrarily exclude the Arab North African states from the domain of study. Third, the area is treated as a mosaic of religious and ethnic affiliations, whose hallmark is diversity and not unity. From this follows the conclusion, common in the West, that the Middle East is made up of a collection of minorities without a unifying history to bind them together. The reasons behind this emphasis on diversity are, say Matar and Hilal, twofold. It is based, first, on a conscious rejection of the unifying claims of Arab nationalism, on the grounds either because they are a 'myth' or that it they have only socio-cultural, and no political meaning. Second, it provides a measure of added legitimacy for Israel's presence since, according to this interpretation, Israel is just one more among other groups in the region.

Matar and Hilal prefer to concentrate on the 'Arab regional system' as the primary domain in which Arab politics should be examined. This system extends from Mauretania to the Gulf, which is not to say that all of its Arab members participate to the same degree in its interactions; clearly, some Arab states are not as involved as others. Nevertheless, the 'Arab regional system' has four distinct attributes. First, the members are, with the exception of Somalia and Djibouti, geographically contiguous. Second, they resemble one another across a range of historical, linguistic, economic and social characteristics. Third, they are bound together by a net of political, social and economic
interactions which is growing ever denser. The authors cannot escape the fact that the system has been plagued by tensions and divisions, which have diverted it from what they see as its common interests: effective, non-dependent economic development and the struggle on behalf of the Palestinians. The chief threats to the system are those which weaken its resources and precipitate intra-Arab conflict: the Arab-Israeli problem; the divisive effects of external - principally superpower - involvement; and the increasing interference by peripheral states like Iran, Ethiopia and Turkey in the affairs of the system.

Others have pursued the logic of Matar and Hilal. At the first Arab Strategic Conference, held in Amman in September 1987, it was argued that the 'Arab regional system' had failed to confront the threats facing it because of the split between Egypt and the other members; the increasing tendency of individual states to put local (qutri) above national (qawmi) interests; and the negative social and economic effects of the oil revolution. It is noteworthy that Matar and Hilal are representatives of the school of thought which believes that the Arab

---

7 This phenomenon was lucidly and persuasively examined by Saadeddin Ibrahim in The New Arab Social Order: A Study of the Social Impact of Oil Wealth (London & Boulder: Croom Helm & Westview, 1982).


9 Which is not to imply that all who employ the concept are optimists. Jawwad al-'Inani has offered a distinctly pessimistic view of Arab cohesion and commonality of purpose; see [in Arabic] 'Describing the Contemporary Arab System', Paper presented to Arab Research Centre (London) conference on 'Viewing the Arab System', Cairo, 6-7 March 1988.

10 Usama al-Ghazaly Harb, of the Al-Ahram Center, as quoted in al-Ahram al-Iqtisadi, 28 Sept. 1987.
Gulf states have misused their oil wealth. Instead of investing the proceeds of (what Arabists perceive to be) an Arab resource for the common good, they have devoted their wealth to selfish, local projects, or simply frittered it away.11 Some Egyptian writers have gone further, excoriating Saudi Arabia for its pro-Western policies, and for its failure to help deserving Arab states - particularly Egypt - to develop.12

For anyone espousing this particular worldview, the Egyptian-Israeli peace treaty can be seen as the successful American-Israeli neutralisation of Egypt, and the strategic weakening of the Arab front.13 Moreover, the removal of Egypt from the Arab camp and the foreclosing of the military option against Israel was thought further to have crippled the Arab system, because it encouraged other Arab states to pursue their own controversial ambitions. Among these were Libya, which became involved in Chad - thereby alarming Egypt and Sudan - and Iraq, whose attack on Iran in 1980 was said to have been motivated largely by a desire for regional pre-eminence. The Iran-Iraq war, according to Matar and Hilal, in turn exposed the 'depth and extent of the cracks in the Arab nationalist movement', in that both Syria and Libya backed the non-Arab belligerent. Tragically, the Arab

12 Mohamed Sid-Ahmed has written scathingly of Saudi selfishness, and of the common Arab stance in the Iran-Iraq war being no more than enshrining the 'Arab monarchical order'; see, for example, al-Ahali, 13 Dec. 1982 and 5 Jan. 1983. See also Ahmed 'Izz al-Din in Saut al-'Arab, 25 Jan. 1987. (This Nasserist periodical was closed by the government in 1988 because of it anti-Saudi line.) For a milder statement of this view, see also W. 'Abd al-Magid [in Arabic], 'Egypt and the Arab Regional System in the 1990s', Paper presented to the 3rd Political Studies Conference, Cairo, 2-3 Dec. 1990, p.26.
13 Matar & Hilal, Arab Regional System, esp. Ch.4. It has been argued that Egypt was itself compelled to make peace because of the then prevailing discord in the Arab world; see S. Ibrahim [in Arabic] in 'The Inter-Arab Dialogue', al-Mustaqbal al-'Arabi, No.46 (Dec. 1982), p.141.
regional system found itself in conflict with a state whose interests were not necessarily at odds with its own.\textsuperscript{14}

On the other hand - and here the authors' logic becomes a little tortuous - the threat posed by Iran eventually had a beneficial effect. It caused a crystallisation of nationalist interests, as other Arab states supported the Iraqi-Arab cause. Amongst them was Egypt, still officially isolated. Egypt's stance was appreciated because it strengthened 'Arab national security'. This last is a theoretical corollary of the 'Arab regional system'. The following definition was offered by 'Ali Hilal in 1980:

The term 'Arab national security' means, first, the protection of Arab assets, and the development towards the end of achieving the higher national goals, the most important of which is the goal of Arab unity; [it means their protection] against all existing and expected national threats. It should be emphasised here that Arab national security is not simply a military or a geographical issue, but a flexible concept which embraces a set of political, economic, geographical, military and other factors.\textsuperscript{15}

In other words, though there are numerous Arab regimes, with different societies, foreign policies and interests, they are ineluctably tied together: 'Anyone who believes that any Arab state can guarantee its security in isolation from that of the others, is making a mistake'.\textsuperscript{16}

Some years later, Hilal conceded that Arab national security was not an existing, but a desired state of affairs.\textsuperscript{17}

\textsuperscript{14} Matar & Hilal, \textit{Arab Regional System}, p.130. This is a point echoed in Abdel Moneim Said [in Arabic], \textit{The Arabs and the Future of the World System} (Beirut: C.A.U.S.,1987), p.212.


\textsuperscript{16} Matar & Hilal, \textit{Arab Regional System}, p.208.

\textsuperscript{17} Hilal, \textit{Threats to Arab National Security}, p.26.
'Arab national security': fatally flawed?

It is useful to remember that ideologies - including Arab nationalism - are, or appear to be, directed against a specific 'Enemy'. The 'Arab regional system' as a concept is an intellectual offshoot of the Arab nationalist worldview. As such, it shares the same demonology: Israel, the West, and those Arab regimes which serve 'external' interests. Because it is so closely related to Arab nationalist precepts, it is open to many of the criticisms that have repeatedly been levelled at the latter.

Arab nationalist thought of this sort is particularly vulnerable to the charge that it confuses description with prescriptive, or normative, analysis, or that it chooses to ignore unpleasant evidence - evidence which sceptics are only too quick to point out. For example, the trend towards sub-regional bodies like the Gulf Cooperation Council (GCC) was acknowledged to pose a threat to any wider notion of systemic interests. Abdel Moneim Said observed that the various parts of the Arab world, such as the Fertile Crescent, could form sub-regional groupings, possibly including Iran and Israel. 'If all this happens', he wrote, 'and there are indicators in the present situation that it could happen, then the notion of taking the Arab system as the focus for research will be meaningless'. And still he preferred to take a doggedly optimistic view.

Moreover, the thinking behind the 'Arab regional system' and 'Arab national security' assumes that there exists a 'higher' Arab interest. At the most general level, this notion is problematic. It takes for granted, as one Egyptian writer has pointed out, that the achievement of Arab unity would be an unmixed blessing. Might there not be civil war or

---

secessionist movements in a 'unified' Arab state? Abdel Moneim Said would counter with the assertion that conflict does not invalidate the existence of the 'system', and may even act as a catalyst of integration and unity, as it did in Europe.

More specifically, the notion of 'Arab national security' contains internal contradictions. The Arab response to the Iran-Iraq war illustrates these well. Which was the more important, the (unwelcome) fact that Syria and Libya supported Iran, or the (welcome) fact that the security concerns of the Gulf states smoothed the way for the effective Amman summit of November 1987? One Arabist response was to gloss over the different positions on Iran by emphasising common concerns. Muhammad al-Sayyid Sa'id argued in early 1987 that, since Libya and Syria were threatened by Israel, and the Gulf states were menaced by Iran which was being helped by Israel, Israel was, after all, the common enemy.

The Iran-Iraq war created another problem. Kuwait felt obliged to invite the United States to protect its tanker fleet, and this move had the open support of the Gulf Cooperation Council and the implicit support of all those who voted to condemn Iran at the Amman summit. Was this a good example of 'Arab national security' in operation? We have already seen that the motives of the Gulf states were suspect among Arab nationalists. One writer argued that those "'conservative" or "moderate" states [which] consider it necessary to build an Arab-American alliance' would learn to think differently, in view of the United States' behaviour in the region and towards its supposed friends. He

also maintained that developments in the Iran-Iraq war might cause the United States to become directly involved in order to protect the flow of oil, and that this was itself a threat to the region.\footnote{Said, \textit{The Arabs}, pp.214-5.} It is not, perhaps, surprising that Mohamed Heikal, an almost-unreconstructed Nasserist, should have argued that the Amman summit merely agreed on the lowest common denominator - the Iranian threat - rather than on real Arab issues.\footnote{Interview in \textit{al-Musawwar}, 27 Nov. 1987.} Heikal's scepticism illustrates the traditional Arab nationalist mistrust of the interests of the Arab 'status quo powers', particularly when they are seen to intersect with western interests. Any such cooperation - or collaboration - could be seen to be strengthening the 'Middle Eastern', rather than the 'Arab' regional system.

A more fundamental problem, which directly implicates Egypt, is that the 'Arab regional system' is essentially a conflictual idea. This has two aspects. First, the continued exclusion of Israel from the region is part of the definition of that region. It follows, as Wahid 'Abd al-Magid has argued, that the 'Arab regional system' dissolves in direct proportion to the degree of cooperation between its members and Israel. Though the system may theoretically be able to accommodate Egypt's peace with Israel, yet the peace process is destructive of the system's own logic.\footnote{See 'Abd al-Magid, 'Egypt and the Arab Regional System', \textit{passim}.} As we have seen, Egypt steadfastly maintained that it could fulfil its Arab obligations whilst remaining at peace with Israel. The very fact that most Arab states had overlooked Egypt's original transgression proves, at a minimum, that there are different conceptions of what should constitute the 'Arab regional system'.
Second, the model assumes the continuation of, for example, the tensions between Ethiopia qua peripheral state and its (notionally) Arab neighbours. Abdel Moneim Said has written that 'the Ethiopian-Arab [sic] conflict in the Horn of Africa' is 'one of the chief sources of conflict facing the Arab nation'. According to Said's logic, the 'Arab regional system' cannot readily accommodate - indeed, it must be threatened by - the possibility that Egypt may have closer ties with Ethiopia, for example, than with Libya or Syria, or that the Gulf states might enjoy better working relations with Iran than with other Arab states. We have already seen that Egypt attached increasing value to good relations with Ethiopia during the 1980s.

A fatal flaw in the concept of 'Arab national security' - and, by extension, in that of the 'Arab regional system' - is, therefore, the assumption that there is a definable, collective sense of security in the Arab world. This has always been a doubtful proposition in practice, that is, in the world of sovereign Arab states. Egyptian national interests illustrate this point well.

In 1988, Saadeddin Ibrahim approvingly repeated King Hussein's comment, that the Arab system without Egypt could be compared to NATO without the United States or the Warsaw Pact without the Soviet Union. The analogy was inappropriate: it overstated the degree of inter-Arab consensus on security matters, and it exaggerated Egypt's military capacity. Moreover, it ignored the fact that Egypt's ability to defend the system against the chief threat, Israel, was vitiated by the

---

26 Said, *The Arabs*, p.216. It is simplistic to refer to the Eritreans as 'Arab Muslims'.

27 This logic has been completely undermined by the Iraqi invasion of Kuwait in August 1990 unless one accepts Saddam Hussein's argument that he was acting in the interests of the Arab nation by overthrowing the corrupt, pro-western Al-Sabah. Many in the Arab world did seem to accept this argument.

1979 peace treaty and by Egypt's dependence on peace-related economic support.

This highlights a problem one encounters in applying the model of the 'Arab regional system' to Egypt's foreign policy: its Arab policy can only partly be explained by Arab nationalist dictates. One cannot ignore the fact that Egyptian policy-makers must, for economic reasons, take into account the nexus between regional political dynamics and the real - if occasionally frustrating - interests of outside powers. This nexus subsumes the interests of the pro-western states of the Arab Gulf, to which Egypt consistently sought to appeal during the 1980s.

**Egypt and the Arab Order**

In 1983, Saadeddin Ibrahim observed that, as a result of Sadat's 'pragmatic' pursuit of narrow Egyptian interests, Egypt had been separated from the Arab world. Consequently, both Egypt and the other Arab states had grown weaker and more dependent. Furthermore, Ibrahim wrote, 'with the removal of Egypt from its nationalist leadership of the Arab nation, both superpowers moved to fill the leadership vacuum, directly and indirectly'.

The implicit assumption behind this kind of analysis is that Egypt's return to Arab ranks would alleviate if not solve the Arabs' leadership dilemma, or at least their lack of cohesion. Ahmad Yusuf Ahmad finds nothing intrinsically wrong with this:

> Put plainly, anyone who talks of the idea of the leading state or leading region is deemed to be calling for the return of Egypt's leading, or hegemonic role, or a return to the pattern of the

---

1950s and 1960s. But all social movements have leaders, and there is no harm in talking of leadership in the Arab system.\textsuperscript{30}

It is only fair to note that Saadeedin Ibrahim doubted Egypt’s capacity to 'lead' the Arab world\textsuperscript{31}; but there was no shortage, during the 1980s, of statements by other writers and politicians which simply repeated the accepted wisdom about Egypt’s status in the Arab world. Egypt’s centrality, its 'natural role dictated by its weight in the Arab world', its function as 'backbone' of the Arab world; all this was standard fare.\textsuperscript{32}

So too were articles or pronouncements about the miserable condition of the Arab League when deprived of its 'natural leading force'.\textsuperscript{33} The popular image of Egypt was, as \textit{al-Gumhuriyya} editorialised immediately before the 1987 OIC summit in Kuwait, of a country constrained by 'geographical and political realities...to defend national liberation in the Third World in general, and in the Arab, Islamic and African world in particular'.\textsuperscript{34}

Official Egyptian pronouncements contained more than a hint of such sentiments. As observed earlier\textsuperscript{35}, there was a mixture of earnest self-justification and bravado when contemplating the diplomatic effects of the peace policy: Egypt would not beg to be readmitted to polite Arab society, being convinced of the soundness of its strategy, the lack of alternatives, and the feebleness of the Arab League in its absence. Thus Boutros-Ghali might say, on one occasion, that Egypt's absence from the League was 'one of the reasons for the fragmentation

\textsuperscript{31} See, for example, Ibrahim, \textit{Egypt Reconsiders}, pp.218-9.
\textsuperscript{33} See, for example, the report on a debate by the Committee on Arab and Foreign Affairs of the Egyptian Upper House, in \textit{al-Gumhuriyya}, 11 & 12 May 1986. See also \textit{al-Ahram International}, 13 May 1986, in \textit{FBIS-MEA}, 13 May 1986.
\textsuperscript{34} \textit{Al-Gumhuriyya}, 9 Jan. 1987.
\textsuperscript{35} See above, Chapter 4.
and division in the Arab world'; and, on another, that the divisions in the Arab world predated Camp David, and would remain entirely unaffected by the abrogation of the accords.36

Nevertheless, it cannot be shown that Egypt's most senior politicians harboured any illusions about the resources of their country, even if they, too, frequently reminded their audiences of Egypt's centrality. Mubarak himself told Kuwaiti journalists on one occasion that

the Arab world is in need of Egyptian leadership, not a military or political leadership, but leadership in freedom of opinion and viewpoints.37

Egypt could simply not afford to pursue the military option against Israel, Mubarak said on this occasion. Immediately before the Casablanca summit which marked Egypt's triumphal return to the Arab League, a close journalistic confidant of Mubarak's emphasised that the age of a dominant Arab state had passed.38 Cultural and demographic factors, and the brute fact of geography, would, he argued, ensure that Egypt preserved its status; but Egypt could no longer shoulder the burdens which once it had borne, and these would have to be redistributed according to the new balance of power in the Arab world.

We have seen that Egypt did not seem especially eager to have its oft-stated commitment to Gulf security put to the test, beyond the provision of advice and some weaponry. The attitude of Mubarak and those around him can best be described as prudent. 'We do in fact adhere to the Joint Arab Defence Pact', said Mubarak in late 1986,

'but] Egypt will not enter a war without being convinced of its necessity'. What if others saw it as necessary? The commitment of forces, came the cautious (and entirely sensible) response, was a complicated matter, requiring coordination and defined objectives. Mubarak's caution probably reflected a realisation of Egypt's limitations - limitations which went beyond the constraint of its peace treaty with Israel and its dependence on American aid and weaponry.

Egypt's success at the 1987 Amman summit did nothing to alleviate fundamental problems which were obvious to local observers: the country faced the twin problem of a rapidly-growing population, which it could only feed at great expense, and a mounting external debt. Its military capacity had declined in absolute terms, and certainly in comparison to some other Arab states. Moreover, Ghassan Salamé could not have been alone in doubting the other Arabs' ability, or their basic desire, seriously to assist in solving Egypt's economic problems.

Certainly, Egypt had begun to lose relative status in Nasser's time; but the brute reality of its decline was underscored during the 1980s, whatever the self-image still cherished in Egypt. Mohammad al-Sayyid Sa'id, an Egyptian leftist, has argued that the idea of a 'leading' Arab state is a 'passing' one. Even if one accepts assertions to the effect that Egypt has the most powerful Arab military establishment, the largest industrial base and the largest population, it cannot mobilise these resources without the financial help of others:

40 Ibid. See also Usama al-Baz to Al-Yaum (Dammam), 13 March 1988, in FBIS-NES, 16 March 1988, and Chapter 5 above.
41 Tawfiq, 'Egypt's Role in the Arab Regional System after the Amman Summit', passim.
42 Salamé, 'Multipolarity and Mutual Neutralisation', pp.115ff. Mubarak reportedly told Shimon Peres in September 1986 that he had no illusions about the willingness of other Arab states to rebuild Egypt; see Golan, The Road to Peace: A Biography of Shimon Peres, p.319.
If you add all the indicators of power together, the result is that Egypt is the strongest [Arab state]; but when seen from a practical standpoint, it is the weakest.43

The familiar indices of 'power' are, he rightly suggests, an anachronism.

This paradox of Egyptian 'power' has been succinctly expressed by two American observers:

Even though Egypt's regional horizons have retreated from the ambitious activities and schemes of the Nasser years, the strength and 'naturally' predominant role of Egypt is recognized and accepted not only by Egyptians but by its neighbours as well.44

But, they go on to say:

Ironically, current domestic constraints seem likely to limit Egypt's regional military role to little more than rhetoric unless there is some major non-Egyptian pressure and funding for such a role - and even that role would be less than its proponents hoped.45

This assessment calls to mind comments made by Field Marshal Abu Ghazala to a German interviewer in late 1983. He said then that Egypt could intervene in the Gulf only if there was a real danger - to, for example, the Straits of Hormuz - and it was asked to do so; and only if its forces were acting 'jointly and in coordination with units of Western powers'.46 Abu Ghazala was probably tailoring his words to suit the audience; nevertheless, they contained more than a little truth.

What, then was Egypt's role in the Arab world at the end of the 1980s? Essentially, it had become tied to the preservation of the status quo. As Mustafa 'Ilwi suggested, Egypt could no longer play an interventionist, ideological role in Arab politics, as once it had done. It was more suited to lead the 'moderate' forces against extremist

---

43 M. Sa'id, in 'Colloquium: The Arabs and the World', p.140.
tendencies, not only in the Arab-Israeli conflict but also in the Gulf.\textsuperscript{47} To the extent that it was dependent on outside sources of income, whether as peace-related aid or remittances from the Gulf, its options had become severely circumscribed.

During the Iran-Iraq war, Egypt supported the status quo because it had no real choice. On the one hand, an Iranian victory might have encouraged radical Islamist tendencies within Egypt itself. On the other, and more crucially, the war provided Sadat and then Mubarak with the chance to appeal to the mainstream of Arab opinion. In so doing, Egypt would protect its income from migrant labour and, perhaps, secure more direct Arab aid. Furthermore, by making itself useful in this fashion, it would increase its regional prestige and therefore also its international influence.

It would be simplistic to assert that Egypt benefited from regional instability, except in a perverse sense. Clearly, such instability was (and is) a double-edged sword, because it negatively affects the willingness of outsiders to invest in or visit Egypt, and can weaken economies upon whose vitality Egypt is dependent. And yet, in the absence of regional stability, the fears of others can be turned into an asset. When Ali Hilal remarked that Egypt's geographic location gave it 'the power of the weak'\textsuperscript{48}, he was referring to western reluctance to exert excessive financial pressure on Cairo because of the possible regional implications of domestic upheaval in Egypt. He might equally have said that Egypt has the power of other Arab states' weaknesses. The members of the GCC, for example, knew only too well that their costly arsenals alone could not stem an Iranian breakthrough; they simply

\textsuperscript{47} M. 'Ilwi [in Arabic], 'Egypt and the Superpowers in the 1990s', Paper presented to the 3rd Political Studies Conference, Cairo, 2-4 Dec. 1989), p.23. By extremists in the Gulf, he meant Iran, not Iraq; nevertheless, the point remains valid.

\textsuperscript{48} A. Hilal, in 'Colloquium: The Arabs and the World', p.143.
lacked the manpower. Thus, despite Egypt's comparatively limited military assistance to the Gulf states during the Iran-Iraq war, its declared readiness to contribute acted as psychological reassurance to them.49

It does not follow, however, that Egypt can be 'regional watchdog' for the West. Paul Jabber remarked in 1988 that

Egypt is better suited to the role of regional watchdog and potential interventionist force than the shah ever could have been. Its traditional stature within the Arab world and the legitimizing agency of pan-Arabism provide it with foils for the exercising of a regional policing function denied any non-Arab power such as Iran.50

This is an oversimplification; a better analogy, given the experience of the 1980s, might be that of local 'fireman'. Sadat, tainted with the 'separate' peace, tried to force a stridently pro-western conception of regional security upon other Arabs, and in so doing further eroded Egypt's regional standing. Evidently, Mubarak realised that Egypt could not behave in this fashion without alienating both significant areas of domestic opinion and other Arab states. It could only play a more active role if that role were sanctioned by key Arab states. In the case of the Iran-Iraq war, this was indeed the case; and it so happened that the interests of the conservative Gulf states and those of the West were congruent.

If it is true that Egypt cannot be a creature of the West, then it is equally true that Egypt cannot, as some Arab nationalists in Egypt have continued to maintain, pursue exclusively 'Arab' agenda in the nationalist sense of the word. In so far as Egypt depends on non-Arab sources of economic assistance, it must bend its behaviour to their

49 Tahsin Bashir suggested that the smaller Gulf states may well have wanted not only reassurance against Iran, but also an Egyptian 'balance' against the size and influence of Iraq and Saudi Arabia. (Interview, 12 Jan. 1990)
standards. In the political lexicon of Western capitals, Egypt's stability and 'centrality' are of use chiefly as guarantors of regional stability. Egypt is, therefore, caught between the opposing forces of what may be called the 'Arab' and the 'Western' imperatives. The lesson of the 1980s is that Egypt's regional role can only be analysed and understood in conjunction with its international posture. It is the shifting relationship between the region and the world that best explains Egypt's behaviour, not the one-dimensional, normative analysis of Arab nationalists.

The Invasion of Kuwait: end of an idea?

On 2 August 1990, after massing troops on the Iraq-Kuwait frontier and alleging that Kuwait had been 'stealing' Iraqi oil from a jointly-owned oilfield, Iraq invaded Kuwait. One month later, following futile efforts to provide some semblance of a unified Arab response, the Arab League's secretary-general, Chedli Klibi, and the League's observer at the United Nations, Clovis Maksoud, resigned. The invasion had, said Maksoud, fundamentally divided the Arab world; and, he said,

[these deep splits have dealt a grievous blow to the prevailing legitimacy of the Arab order. Our sense of national unity has been fragmented and its first casualty is a common national discourse].

Maksoud was among those who had welcomed the 1987 Amman summit as an indicator of a new sense of 'Arab national security'. Now, as he implied, the familiar concept of 'Arab security' no longer had rhetorical credibility: it had been rendered meaningless by the state which only several years before had been seen as one of its main pillars. The idea of 'Arab national security' had not allowed for such an

---

attack. As Maksoud concluded: 'Unable to rationalise or analyse these developments, I am no longer able to cope with them'.

In and of itself, the Iraqi invasion cannot be said to have caused the fragmentation or polarisation of the Arab world: these tendencies were, as we have seen, already marked. The Arab League had been emasculated almost to the point of irrelevance. Whatever the merits or demerits of the argument that the Arab political and territorial is an artificial one, many Arab states would, as a result of the invasion, guard their fragile sovereignty still more jealously. The prospects of cooperation between any but a select few Arab states were slim; those who had been, or were perceived to have been, ungenerous in their financial help would now have even less inclination to distribute largesse. Most probably, the conservative states would cling to a political standpoint which preserved the worst of all worlds: wishing to maintain the appearance of all-Arab solutions, unable to recognise Israel, yet with no genuine sense of purpose save that of preserving the status quo.

There could be no doubt that parts of the Arab world after 2 August 1990 had become more explicitly dependent on the United States and the West. At a sub-regional level, the invasion only underlined the fact that the GCC was as militarily vulnerable organisation as sceptics had thought it to be, and that its members had to rely on others for their defence. In Arabist terminology, the logic of the 'Middle Eastern system' - as opposed to the 'Arab regional system' - was in the ascendant. Moreover, the invasion sealed the fate of the Arab Cooperation Council, which had been hastily formed in January 1989:

---

52 Ibid.
53 The return of the League to Cairo on 31 October 1990 was nevertheless a symbolic victory for Egypt.
Jordan and Yemen attempted to maintain an awkward and much-maligned neutrality, while Egypt flatly opposed the military action of its Council partner. Indeed, the invasion served graphically to illustrate the regional and international pressures on Egypt.

Egypt's decision to commit forces\(^{54}\) to the western coalition could be partly be explained by anti-Iraqi feeling in Egypt. Public resentment of Iraq, stemming from the maltreatment of Egyptian migrant workers in late 1989, still lingered, despite the Egyptian government's efforts to smooth over the affair; and many more workers were reported killed during 1990.\(^{55}\) In addition, Mubarak had himself been embarrassed: on the eve of the invasion, he claimed to have been reassured by Saddam Hussein that there would be a peaceful solution. Egypt officially deplored the invasion, particularly as it seemed to endorse the acquisition of territory by force. Yet a compelling reason for Egypt to join in the defence of the \textit{status quo} lay in the politico-economic benefits of doing so.

It is remarkable how quickly Egypt obtained a promise of debt remission from the United States, relief which it had unsuccessfully requested for at least five years. Official American objections - such as the danger of setting a precedent - were forgotten, and $6.7 billion in military debts forgiven.\(^{56}\) Thus, a readiness to assist in American strategic objectives had produced the result which earlier appeals to economic reasoning had failed to do. In this context, it is worth recalling that, throughout the 1980s, Egypt had frequently attempted publicly to dissociate itself from American military actions and

\(^{54}\) By late 1990, Egypt had 27,000 troops in Saudi Arabia; \textit{The Economist}, 5 Jan. 1991, p.34.


objectives in the Middle East. Now, however, it could legitimately claim to be acting in defence of Arab interests.

Of course, Egypt’s condemnation of, and opposition to, Iraq earned it the tangible gratitude of Saudi Arabia and its GCC colleagues. Saudi Arabia alone was reported to have pledged $1.5 billion in balance of payments assistance and development aid; collectively, the Gulf states were said to have written off some $6.5 billion in Egyptian debts.⁵⁷ There were good prospects, too, that large numbers of Egyptian workers would be required in Kuwait after the war, particularly in view of the moral taint attaching to Palestinians and to certain states whose citizens had always been well-represented in the Gulf.

Moreover, Europe and Japan promised to compensate Egypt for the economic side-effects of regional upheaval⁵⁸, and the finance minister of the G7 industrialised states agreed to waive more than one third of Egyptian debts - that is, up to $10 billion.⁵⁹ The reason was clear: Egypt’s western benefactors needed it not only as a bastion of stability, but as a vital Arab member of the anti-Iraq coalition.

Again, the Kuwaiti crisis proved not that regional instability is a blessing for Egypt - in some ways, it proved the opposite⁶⁰ - but that it is very much a case of faute de mieux. In the absence of regional peace, Egypt can at least appeal to the fears of others. In this case, there was a clear political price attached to all the Arab and international largesse: Egypt would have to throw its weight behind the status quo.

⁵⁸ Arab News (Riyadh), 5 Sept. 1990.
⁵⁹ Financial Times, 24 January 1991. The exact amount was uncertain.
⁶⁰ The World Bank estimated that by October 1990, the loss of remittances and tourist income had cost Egypt some 5% of GNP, or $4.5 billion, a figure which the Egyptian government thought too low; see The Economist, 20 Oct. 1990, p.45. Egypt’s situation remained none too hopeful, despite the debt relief; see The Middle East, Dec. 1990, pp.32-3, and Galal Amin in Arab Times (Riyadh), 13 Nov. 1990.
Fortunately, the unpleasant and potentially awkward connotations of siding with the West and the existing order were offset by other factors. The involvement of potential and actual paymasters on the side of Kuwait made it virtually impossible for Egypt to stand aside. Moreover, Iraq and its supporters could no longer count on powerful backers like the Soviet Union. By contrast, Sadat's position in the late 1970s had been triply complicated: he had had to contend with Arab opposition to his dealings with Israel; his advocacy of a pro-western strategic posture had caused irritation and embarrassment in the Arab world; and his most vocal critics had been able to call on Soviet assistance, material as well as rhetorical.

In short, a neutral or 'nonaligned' stance towards the Kuwait crisis would yield no dividends, whilst active involvement would, literally, pay. Not only would Egypt emerge with its debt burden greatly reduced, and its economic prospects correspondingly enhanced, but it would be able to exercise greater moral authority in inter-Arab counsels. Certainly its size and demographic weight enabled it to exploit this opportunity; and yet it is arguable that Egypt had no real alternative.

It is not a new idea to suggest that the generosity of outsiders depends on Egypt's compliance with their broad goals. As Gehad Auda wrote in 1978, in an analysis of the Nasser period,

the great powers do not provide assistance to Egypt on the basis of its innate strength but according to the pattern of its interactions at the regional level.61

Similarly, it is not novel to suggest that an important foreign-policy challenge for Egypt has long been - in the face of external pressures - to

---

61 G. Auda, 'Egypt's Arab Role and International Influence', in Ibrahim (ed.), *Egypt's Arabism*, p.80. See also Galal Kishk in *Al-Wafd*, 29 Jan. 1987: 'The world is not interested in Egypt for its own sake - no one wants to reoccupy Egypt or befriend its populace as such, or indeed exploit them - but in its regional role...'.

preserve as much of its decision-making independence as possible by exploiting the competing interests of its benefactors. What was new in the 1980s, as compared to most of the postwar period, was Egypt's inability plausibly to claim to be playing the superpowers against each other. Friendly relations with the Soviet Union could not disguise the fact that Egypt depended disproportionately on American support and that it no longer had a credible alternative in Moscow. Nor was Cairo in a position to rely on a European 'pole' in international affairs, despite the willingness of individual European states to help alleviate Egypt's economic burden.

The fact that Egypt found itself, at the end of the 1980s, one more in a position to play a 'leading role' in the Arab world, whilst simultaneously serving the interests of outside actors, might be interpreted, bleakly, as signifying the ascendancy - even if only temporary - of the logic of the 'Middle East' over the 'Arab system'. But the fact that Egypt could play such a role at all can be seen as a testament, not only to patient Egyptian diplomacy, but more particularly to the intangible power of nation-statehood as against material resources.
CONCLUSIONS

Much of Egypt's diplomacy of the 1980s revolved around the repair and management of the consequences of Sadat's policy revolution. Sadat had bequeathed to his successor an economy opened-up to the uncertain benefits of foreign investment and private enterprise; a foreign policy in which the United States loomed large, and the role of the Soviet Union had been sharply restricted; and the peace with Israel. This last had brought upon Sadat the odium of most of the Arab world and, in combination with the others, earned him the hostility of significant sections of the Egyptian population.

Mubarak immediately set about rebuilding the domestic consensus, and adopted a softer tone for his foreign policy pronouncements. But he did not change the basic structure of his inheritance. The broad principles of the infitah were left untouched - indeed, it can be said that Egypt was far more exposed to the consequences of economic rationalism as a result of reforms - such as those to the exchange rate policy - reluctantly undertaken in the latter part of the 1980s. The relationship to the United States, for all that it was less enthusiastically embraced, was not abandoned. And the peace with Israel remained inviolate.

These concluding pages will address two broad, related questions. First, to what extent did Mubarak succeed in managing the Sadat legacy, and what does 'success' mean in this context? Second, what inferences can be drawn from the diplomatic record of the 1980s about Egypt's role in the Middle East, and about the nexus between this role and Egypt's relationship with the international system?

1 For a succinct analysis of Egypt's experience of infitah, see A. Richards & J. Waterbury, A Political Economy of the Middle East: State, Class, and Economic Development (Boulder: Westview, 1990), pp.240-44.
The 1980s: an evaluation

Mubarak's task, in his dealings with the United States, Israel and, increasingly, Sudan, might loosely be described as damage-control. In the case of the Arab world, it was more purely one of repair. How one judges Egypt's success is very much a matter of perspective; from a Palestinian standpoint, for example, the overall record of the 1980s was a cheerless one. In 1989, the Palestinian academic Walid Khalidi observed, with thinly-concealed distaste, that

the Egyptian-Israeli peace treaty has survived the Israeli raids on Iraq (1981) and Tunis (1985), the annexation of the Golan (1981), the carnage of Lebanon (1982) and the smashing of countless bones in the occupied territories since December 1987. Not only has the peace treaty survived, but Egypt has been readmitted to the Arab League, is a founding member of the recently formed quadripartite Arab Cooperation Council, and has resumed diplomatic relations with Syria.²

And yet, from the perspective of Egypt's regional position, the glass was, to continue Khalidi's metaphor, half-full. In the course of the 1980s, Mubarak did exactly what Sadat had promised to do. He deployed Egypt's resources in defence of Arab interests, but with the beneficiaries' assent; as a result, the stain of peace with Israel was, in time, overlooked. The Al Ahram Center for Political and Strategic Studies saw the unfolding process of Egypt's readmission to the Arab fold and its distancing from Israel as encouraging, from an Egyptian and, by extension, from an Arab view. Successive issues of the Center's annual Arab Strategic Report dwelt in increasing detail on Egypt's Arab diplomacy; conversely, Egypt's relations with Israel were, from the 1988 issue onwards - that is, following the November 1987 Amman summit - no longer treated separately but subsumed under the heading of 'the Arab-Israeli conflict'.³

---


In hindsight, there is little doubt that Mubarak effectively reconciled the ostensibly conflicting imperatives of strengthening relations with the Arab world, and keeping ties with Israel correct. Egypt recovered the Sinai, and eventually Taba; the domestically unpopular concept of 'normalisation' was reduced to a marginal issue; and official contacts with Israel were kept to a bare minimum. At the same time, Cairo's public commitment to the peace process could be used to impress American as well as Arab audiences of Egypt's sincerity. Moreover, Mubarak's rejection of Israeli overtures and the steady improvement in Egyptian-Arab relations - together with Egypt's rapprochement with Moscow - did much to reduce the domestic salience of the peace and the disaffection of the intellectuals whom Sadat had so enraged.

The restoration of Egypt's standing in the Arab world was a deliberate strategy on Mubarak's part from the outset of his presidency. It involved simultaneous appeals to the 'Palestinian' and 'national security' factors in Arab politics. By championing the PLO - at a time when it was politically weakened - and by responding to the military needs of Iraq during its war with Iran, and the fears of the Arab Gulf states, Cairo steadily eroded the diplomatic strictures imposed upon Egypt in 1979. Of Egypt's pro-Palestinian efforts, the 1985 Arab Strategic Report commented that they surfaced in all Egypt's diplomatic activities and were intended to persuade a wider Arab audience that the reasons for the 1979 boycott were no longer valid.4 We have also seen that Egyptian political and military support for Iraq, and Egypt's solidarity with the Arab Gulf states, was the main catalyst - as distinct from sole cause - for Egypt's de facto readmission into the Arab League in November 1987.

---

4 ASR, 1985, p.491.
The fact that the Iran-Iraq war helped, in a grimly fortuitous way, to facilitate Egypt's return should not, perhaps, be allowed to detract from the persistence and skill with which Cairo positioned itself to exploit all bilateral openings. Here, the use of multilateral forums, particularly the corridors of NAM and OIC summits, was effective. Nevertheless, the evident eagerness of many Arab states to relax their boycott against Egypt does suggest that reconciliation was more or less inevitable - peace treaty or no peace treaty - providing the right explanatory formulae could be found. This proposition is difficult to refute; but, as shown in Chapter 4, the pace of the process was anything but predictable, and it required constant effort on Cairo's part.

If the Arab world was one 'pole' of Egyptian diplomacy during the 1980s, the other was the United States. Mubarak was constrained to maintain a continuous dialogue with Washington, both because of Egypt's economic distress and because he knew that no progress was possible in the peace process without Washington's cooperation. The nature of this dialogue, which yielded scant and grudging concessions, could not but appear to Mubarak's domestic critics as anything but begging. At the same time, the government's own frustration at what it saw as a lack of American empathy led Mubarak to attempt to distance himself from aspects of the United States' regional strategy - even as he defended the essential soundness of the bilateral relationship.

To an extent, the United States took Egypt for granted. For much of the 1980s, the Reagan administration was more concerned with European issues; it appeared to regard the control of 'international terrorism' and its own close relationship with Israel as the main priorities in the Middle East. Although Egypt was thought to be somewhat marginal to the peace process, it received economic and military support because it was, after all, a vital
element in the Reagan administration's preferred Middle Eastern order. Nevertheless, Egypt could not really expect to be treated like an ally, given that its military and political relationship with the United States was more lukewarm than Israel's. For their part, many Egyptian intellectuals and journalists believed that Egypt was being treated cavalierly, and that the modalities of the American aid relationship, with its attendant development philosophy, were pernicious.

To focus exclusively on the irritants in the relationship is, however, to ignore the fact that American aid underwrote unspectacular but necessary infrastructural projects, that the Egyptian armed forces were eager for American materiel, and that Egypt had no alternative source of such large-scale funds. The Egyptian government's declaratory behaviour indicates that it understood well the limited range of Egypt's options. Some of the government's critics, on the other hand, were especially reluctant to accept that any good might come of a relationship with the Reagan administration, and resented the triangular relationship between Cairo, Washington and Tel Aviv. One of Mohamed Sid-Ahmed's objections to the peace treaty revolved around what he saw as an unequal exchange: Israel would evacuate the Sinai - an official, military operation to be undertaken in a given time-frame - in return for the normalisation of Egyptian-Israeli relations, which was not only an official matter but contingent upon popular acceptance, and not susceptible of a time-frame. This was, strictly speaking, true; but it ignored the fact that Egypt derived considerable sums of American money from the arrangement, an essential but unstated part of the equation.

---

5 See Quandt, *The United States and Egypt*, pp.2-3.
Cairo's restored relationship with the Soviet Union was probably more valuable for its perceived diluent effect on American influence than as a source of economic wellbeing. Here, too, Sid-Ahmed seems to have been reluctant to accept that American aid to Egypt sprang not so much from a desire to exclude the Soviets, as from Washington's interest in reinforcing Egypt's peaceful inclinations and political stability. Writing in 1987, Sid-Ahmed argued\(^7\) that the American-Egyptian relationship upon which Sadat had placed so much emphasis, and which had proved such an embarrassment, would become even more barren, now that the Soviet Union had moderated its foreign policy and was no longer determined to carve out a Middle Eastern sphere of interest. An obvious response is that Mubarak would not have pursued his predecessor's policies if he had felt that the Soviet Union - or some other power - was in a position to provide Egypt with equally attractive material and symbolic gains. Mubarak can in fact be said to have benefited from the Soviet Union's diminished willingness to intervene in the Middle East: radical Arab states, like Syria, were less able to resist the pro-Egyptian inclinations of the Arab mainstream.

It is implicit in the arguments of those Egyptians who resented the Egyptian-American relationship that Egypt would have been better off, economically and politically, had Sadat not accepted a bilateral peace on the terms he did. There is no way of proving or disproving the proposition, but one is entitled to wonder - as Sadat surely did - whether Egypt would have profited by remaining in a state of war with Israel and dependent upon the Arab Gulf states for economic assistance.

Clearly, Mubarak felt that the most efficient way of increasing Egypt's international leverage lay in the pursuit of a successful Arab diplomacy

rather than in confrontation with Washington. This is not to imply that Egypt’s return to Arab respectability was seen simply as an antidote to its perceived dependence on the United States; it was also, and more fundamentally, vital to Egypt’s self-image. Even if Egypt was never fully ‘cut off’, economically or politically, one cannot ignore the psychological effect of having Egypt’s contribution to the Arab cause impugned.

The manner and significance of Egypt’s reconciliation with the Arab states has been variously interpreted. To some, it signified simple expedience; to others, a self-healing process in the Arab system; and yet others saw it as proof that the anathema on peace with Israel had completely lost its force.8 Was the rapprochement inevitable? Yes, because, as both opposition and government in Egypt maintained, the Arab world could not do without Egypt, nor Egypt without the Arab world. But this simple affirmation of interdependence should not conceal the underlying logic behind the rapprochement, which was more complex than Egyptian ‘Arabists’ would wish to admit. Essentially, it can be argued that Egypt has an interest in playing an Arab role that goes beyond ‘Arabist’ criteria - beyond supporting the rights of Palestinians qua Arabs, and strengthening collective Arab resources - to embrace the interests of extra-regional actors. In other words, Egyptian policy may or may not strengthen the Arab system, but any influence Egypt is perceived to have accrued bolsters its case in western states - states whose imputed regional goals are deeply unpopular with Arab nationalists.

When Ali Dessouki contrasted Nasser’s ‘activism’ with Sadat’s emphasis on ‘patriotism’, this was something of an oversimplification.9 Sadat may have wished to concentrate on Egypt’s development, but he was

---

nevertheless quite willing to pursue foreign involvement, albeit in a way
grounded to appeal to the United States. Sadat drew Sudan into his regional
strategy, whereas Nasser had neglected it. Yet by Arabist criteria, Sadat
turned 'inwards' - appearing to spurn the legitimating cloak of collective
Arab sanction - and this undermined his regional standing and the
effectiveness of his strategy. It was obvious to Mubarak that Sadat's policy
was deeply unpopular in Egypt and in the Arab world, and required
modification; but its foundations remained substantially unchanged.

**Egypt and Region**

It is hardly surprising that Egyptian politicians, in the face of the Arab
boycott, publicly maintained a confident tone when discussing their
country's position. For example, Usama al-Baz said, in September 1980,
that '[w]hen the chips are down, Egypt is uniquely qualified to come to the
assistance of any Arab country whenever the need arises'.\(^{10}\) Similarly,
Mubarak told a group of Kuwaiti editors:

> In fact, whether we accept it or not, Egypt is the biggest Arab
country with regard to population, capability, materials, and the
true wealth of manpower. We are accustomed to seeing Egypt as
the pioneer in all fields, whether economic, political, or military.\(^{11}\)

As cracks began to appear in the Arab diplomatic fence, Cairo's tone grew
more relaxed and less defensive of Egypt's centrality in the Arab world.
Egypt, said spokesmen, did not feel that being readmitted to the moribund
Arab League was particularly urgent or desirable; their country's
commitment to Arab security was in any case evident.

This confidence was increasingly well-founded for two reasons. First,
the Arab League was indeed so crippled that it managed to convene only
one feeble parody of a summit, in 1985, in the five year-period between


1982 and 1987. Two of the League's members, Syria and Libya, openly supported the non-Arab party in the Iran-Iraq war. In other words, the very weakness of the Arab system - a weakness which could for purposes of publicity be ascribed to Egypt's absence - gave Egypt greater leverage. Second, Egypt was able to respond to a basic fear on the part of the Arab Gulf states. Egyptian support for Iraq under the rubric of 'Arab national security' was a potent solvent of Arab inhibitions. The fact that Egypt was less than enthusiastic to spell out how it might more actively confront the Iranian threat, did not reduce the psychological value of its oft-repeated willingness to do so - especially in view of Washington's apparent fickleness. By the same token, the rumours in 1987 and 1988 of an 'arms-for-aid' exchange between Egypt and the Gulf states, even if unfounded, are indicative of a realisation in Egypt and in the Gulf that Egypt had a strong financial incentive to strengthen its relations with the oil-rich states. It might be said that Egypt's working together with the Gulf Cooperation Council in this fashion was an example of the potential long-term benefits of the pooling of Arab resources. Such benefits there would probably be; but the evidence here suggests that expedience was at work.

As suggested above, Egypt must tailor its regional role to suit not only the wishes and priorities of its Arab benefactors, but also those of actors further afield. The Kuwait crisis of August 1990 illustrates a neat overlap between these two sets of concerns. Following Egypt's decision to commit troops, Senator Claiborne Pell - then visiting Egypt - declared:

"Egypt is being totally cooperative. They have sent troops on the ground, which very few nations have done. They are being very brave and courageous, and President Mubarak has taken the leadership of the Arab world in a very effective way."

12 As noted in Chapter 4, this financial incentive involved not only official loans and aid, but also remittances from migrant labour in the Gulf.

We have seen that Egypt's decision openly to support the American-led operation to expel Iraqi forces from Kuwait yielded economic benefits that years of bargaining with Washington had failed to produce. In addition, the grateful Saudi and Kuwaiti regimes granted Egypt sizeable debt remissions. It might be countered that Egyptian intervention - or support for Iraq during its war with Iran - was not dictated by outsiders, but was an Egyptian national interest. This is a slightly circular argument. Kuwait's sovereignty may have been worth defending in and of itself, but it was surely not unimportant that the Arab Gulf states and the United States were in favour of Egyptian participation in the liberation and in post-war regional security arrangements.

The Benefits of Instability?

At the beginning of this thesis, we referred to Boutros Boutros-Ghali's formulation that history and geography had imposed 'burdens' on Egypt, which often required it to undertake foreign ventures beyond its means. Certainly, Egypt cannot avoid playing a role in the Arab world, for reasons of propinquity, size, and historical pre-eminence. Paradoxically, however, it must also play a regional role because demographic pressures and its lack of resources compel it to seek outside assistance, the quantities and terms of which are in proportion to its perceived regional influence.14

This creates an obvious dilemma. The Al-Ahram Center for Political and Strategic Studies observed that, by 1986, the search for aid and debt-relief had become central to Egyptian foreign policy. It went on to say:

The guaranteeing of Egypt's free-will [irada] and independence will remain conditional upon Egypt's progressive liberation from the burden of its external debt, and from economic assistance from the great powers and international organisations. As long as the need

---

14 Ali Dessouki maintains that all regimes since Farouk have been aware of the influence/prestige connection; see 'Egypt and the peace process', International Journal, Vol.xlv, No.3 (Summer 1990), p.557.
for foreign support remains, independent decision-making [in Egypt] will always face significant challenges; occasionally, these challenges may be overcome, but at other times they will prevail.\textsuperscript{15}

'Adil Hussein, editor of \textit{al-Sha'\textquoteright b}, might well fulminate about Egypt's preoccupation with debt relief and aid:

\begin{quote}
The truth is that all our diplomatic missions in the Western states now operate along these lines, making the question of loans, grants and repayment facilities the core of their operations. How terrible!\textsuperscript{16}
\end{quote}

But the government realised that the precondition for this dilemma, the need for foreign aid, was inescapable. Mustafa 'Ilwi has noted that, though the main focus of the ruling National Democratic Party's (NDP's) foreign policy platform was on the Arab domain - especially the Palestinian question, Sudan, the Iran-Iraq war - it was increasingly accompanied by the goal of 'mobilising foreign policy to serve the goals of internal development in Egypt'.\textsuperscript{17} Senior ministers confirmed this during interviews conducted by 'Ilwi in October 1988.\textsuperscript{18} Boutros-Ghali believed that 'the treatment of Egypt's [economic] problems will, for the next twenty years, be tied to the international system'. Egypt, said Butros-Ghali, would need technology, aid, opportunities for its labour force; and all of this would require intensive official and unofficial involvement. Ismat Abdel Meguid echoed this view, adding that development was closely linked to the achievement of regional peace and stability. Yusuf Wali, minister of agriculture and secretary-general of the NDP, went so far as to say that economic development was a more important priority for Egyptian diplomacy than the Palestinian question, for all that this last was 'the primary inter-Arab concern'.

The policy implications of this dependence may be difficult to acknowledge openly. Still more difficult to admit would be the notion that

\textsuperscript{15} ASR, 1989, p.581.
\textsuperscript{17} 'Ilwi, 'Egyptian Political Parties', p.22.
\textsuperscript{18} Interviews cited in 'Ilwi, 'Egyptian Political Parties', pp.23-25.
Egypt may actually depend for its access to Arab and international aid upon a degree of instability, or political weakness, in its Arab hinterland. This is not to suggest that regional peace and stability are in themselves undesirable: Egypt would benefit from the resulting economic development, increased trade and tourism, and cooperation with its neighbours. But in the absence of solutions to the Palestinian problem, to territorial disputes and to regime insecurity in, for example, the Gulf states - none of which Egypt is in a position to effect - Egypt can nevertheless derive some material benefits from the region's crises.

Even in its own 'backyard', Sudan, Egypt was not really able or willing to solve internal crises; still less could Cairo hope to engineer effective regional cooperation in the Nile Basin as a whole. Yet, in the absence of constructive solutions, it is still possible, in the short term, to talk of the benefits of others' weaknesses: in this instance, African states, crippled by famine, civil war or lack of finances, could not make greater use of the Nile's flow for their own hydrological projects. One might add, too, that Cairo's chances of persuading other Arab states to invest in Sudan are slim; as a consequence, Egypt's best strategy must be to continue to emphasise the value of its own stability, and to divert such surplus funds as it is able to other purposes.

There is no denying Egypt's vulnerability to regional political and economic upheaval: during the 1980s, terrorist incidents and the economic downturn in the Gulf had a marked effect on Egypt's finances. However, Egypt was able to earn countervailing profit from the anxieties of its Arab neighbours and international benefactors. Regional stability might well be a better guarantor of long-term economic development in Egypt but, faute de mieux, the fears of others can perforce be relied upon. Official voices in Egypt will, therefore, continue to assert - in the words of al-Ahram - that 'a
strong and stable Egypt, by virtue of its location, role and capabilities, is a guarantor for stability in the region.\textsuperscript{19} There is little \textit{prima facie} evidence that a stable Egypt can 'guarantee' regional stability\textsuperscript{20}, but it is important that others believe this to be true.

Of course, there is nothing new in the suggestion that Egypt is more firmly established as a state than most of its Arab neighbours - neighbours whom Tahsin Bashir has glibly called 'tribes with flags'.\textsuperscript{21} For all that, Egypt is still a resource-starved state. If one takes these two propositions together, the result is an Egyptian foreign policy such as we have seen during the 1980s, one which is of necessity pragmatic, and shaped by the need to rebuild and then maintain Egypt's centrality in regional affairs. Since the United States and conservative Arab states were interested chiefly in upholding the regional status quo, it followed that Egypt would itself cleave to the existing order.

Influence in Arab capitals was and is a higher priority for Cairo than a close relationship with an extra-regional sponsor, or group of sponsors. It is the Arab domain with which Egypt's intellectuals and public identify, believing it to be something akin to Egypt's 'manifest destiny'; and the acquisition of influence in this arena acts itself to strengthen Egypt's voice in international forums. That said, it is doubtful that the Arab Gulf states could or would provide aid in sufficient quantities to underwrite a stronger Egyptian economy - particularly as their own budgets were drastically affected by the slump in the oil-market and the need to support Iraq, and now face still further demands. For this reason, Egypt must continue to portray itself as the bulwark of a Middle Eastern order, in order that

\textsuperscript{19} \textit{Al-Ahram} editorial, 10 August 1986, in \textit{FBIS-MEA}, 14 August 1989.
\textsuperscript{20} A sceptic might say that propositions of this sort merely betray an Egyptian desire to be able to act more forcefully in the region.
\textsuperscript{21} Repeated in conversation with the author, Cairo, 12 Jan. 1990.
benefactors like the United States do not succumb to the parsimonious urge.\textsuperscript{22}

**Alternatives**

In April 1990, Butros-Ghali declared himself pessimistic about the end of the Cold War in Europe, and the creation of a 'new iron curtain' in world politics:

> The old one was based on ideology but the new one will be based on economic facts. This is not in the interests of peace, and it is not in the interest of stability.\textsuperscript{23}

His pessimism was understandable: Egypt would probably have to press its case for aid in competition with other needy states, and in a capital-starved international financial system. At the end of the decade, then, Egypt faced the somewhat unsettling prospect of remaining trapped within the dependent relationships outlined above. The chances of radically altering Egypt's policy-orientation seemed slim because, for the first time since World War II, there was no obvious suitor with the resources and will to underwrite such a shift.

By playing a regional role which suited the interests of third parties, Mubarak could secure reasonably generous terms from foreign creditors. But, as the Egyptian economist Galal Amin has written\textsuperscript{24}, even the large debt relief obtained after August 1990 might only be a palliative, and without increased exports, debt repayments could once again become too heavy a burden for Egypt. There remained the option of strengthening Egypt's own economy - which Egypt's creditors, by their insistence on

---

\textsuperscript{22} In 1988, Congressional circles were prepared to allow inflation to erode the value of American aid contributions (van Dusen interview, 1 Aug. 1988). As late as July 1990, Congress was talking of reducing military aid to Egypt; *Arab News* (Riyadh), 12 July 1990.

\textsuperscript{23} Quoted in *South*, April 1990, p.16.

\textsuperscript{24} *Arab News*, 13 Nov. 1990.
economic reform, have sought to encourage, and which the Egyptian government, for fear of the socio-economic consequences, has sought to slow down.

At the end of a discussion of Egypt's foreign policy during the 1980s, we are therefore drawn back to the imponderable of future domestic change. If it is true that, notwithstanding Egypt's much-enhanced regional standing, the country's prospects of attracting substantial inflows of capital through diplomatic manoeuvre are limited, then the development of indigenous resources is all the more critical.

Egypt has already entered what Rashid Khalidi in 1988 called 'a phase of retrenchment, austerity and investment', as a consequence of its developmental problems. This has important implications for the already slow process of democratisation in Egypt. Unless the government is able to create a greater degree of domestic consensus on the direction and pace of economic change - by addressing the demands of its articulate but marginalised critics, for example - then domestic discontent might rise to a level which would probably only hinder democratisation. Faced with mounting dissent, the government might feel increasingly compelled to resort to firmer methods of control. Although the spectre of unrest in Egypt might, in the short term, prompt outside interests to be slightly more generous in their assistance, it would hardly be a stimulus to the kind of productive investment which Egypt needs. The most reliable - and, one might add, least undignified - means of increasing Egypt's net wealth is the mobilisation of local capital.

No matter how uncertain the direction of domestic change in Egypt, it can at least be said that one of the main diplomatic burdens of Sadat's legacy has been lifted. Egypt is in a position to exercise a greater degree of

influence in Arab diplomatic corridors than at any time since 1977, *despite*
its own straitened circumstances. This is a significant accomplishment. In
the face of international system's vicissitudes, Egypt's Arab role - for all
that it depends to some extent on sustaining a myth - is its most reliable
asset.
BIBLIOGRAPHY

1. Official Publications

Egypt, Ministry of Foreign Affairs, *White Paper on Treaty between Egypt and Israel* (Cairo, 1979); English version.

Egypt, Ministry of Foreign Affairs, *The Normalisation of Relations between the Arab Republic of Egypt and the State of Israel* (Cairo, 1983); Arabic version.

Egypt, Ministry of Foreign Affairs, *The Egyptian Fund for Technical Cooperation with Africa* (Cairo, 1981-88); Arabic version.


Egypt, Ministry of Foreign Affairs, *White Paper on the Taba Question* (Cairo, 1989); Arabic version.

Embassy of Japan, Egypt, *Economic Relations Between Japan and Egypt* (Cairo, October 1987, mimeo.).


United States Congress, House, Committee on Foreign Affairs, Subcommittee on Europe and the Middle East, *Developments in the Middle East, July 1987*, 100th Congress, 1st session (Washington: USGPO, 1987).


United States Embassy, Egypt, 'Egyptian Economic Trends' (Cairo, March 1989, mimeo.).

2. Newspapers, Periodicals, News Translation Services

*Foreign Broadcast Information Service, Daily Report, Middle East and North Africa* (until end-May 1987); __, *Near East and South Asia* (from June 1987).

Al-Ahali (Cairo).

Al-Ahram (Cairo).

Al-Ahram al-Iqtisadi (Cairo).

Al-Akhbar (Cairo).

Al-Gumhuriyya (Cairo).

Al-Musawwar (Cairo).

Al-Sa’ib (Cairo).

Al-Siyasi (Cairo).

Al-Wafd (Cairo).

Sawt al-'Arab (Cairo).

Revue de la presse égyptienne (CEDEJ, Cairo).

Arab News (Riyadh).


Washington Post.

Jeune Afrique (Paris).

Le Monde (Paris).

The Economist (London).

Financial Times (London).

The Middle East (London).

Middle East Economic Digest (London).

The Times (London).
3. Interviews


Dr Michael van Dusen, Staff director, House Subcommittee on Europe and the Near East; Washington, 1 August 1988.

Prof Hermann Eilts, Boston University; former U.S. ambassador to Egypt; Washington, 7 July 1988.


Dr Aaron David Miller, Policy Planning Staff, U.S. State Department; Washington, 12 July 1988.

Dr Gehad Auda, Al-Ahram Center for Political and Strategic Studies; Cairo, 30 December, 1989.

Mr Tahsin Bashir, political commentator and former Egyptian representative at the UN; Cairo, 12 January 1990.

M. Yvan-Jacques Canet, Commercial attaché, French Embassy, Cairo; Cairo, 23 Jan 1990.

Lt-Gen Ahmad Fakhr, Director, National Center for Middle East Studies, Cairo, and adviser to the prime minister; Cairo, 18 January 1990.

Dr 'Alaa al-Hadidy, Egyptian Ministry of Foreign Affairs (African section); Cairo, 10 December 1989.

Dr Wahid 'Abd al-Magid, Director, Centre for Arab Unity Studies, Cairo; Cairo, 31 December, 1989.

Brig Tal'at Musallam, military specialist, Al-Ahram Center for Political and Strategic Studies; Cairo, 2 January 1990.

Mohamed Sid-Ahmed, journalist; Cairo, 11 January 1990.


4. Books, Monographs and Yearbooks

(a) Arabic

*The Arab Strategic Report, 1985* and all subsequent years (Cairo: Al-Ahram Center for Political and Strategic Studies, 1986-90).


________, *Israel’s Strategy for the Normalisation of Relations with the Arab States* (Beirut: Centre for Arab Unity Studies [C.A.U.S.], 1988).


________ (ed.), *Studies in Egyptian Foreign Policy from Ibn Tulun to Anwar Sadat* (Cairo: Maktabat al-Nahda al-Misriyya, 1987).


________, *Egypt Reconsiders* (Cairo: Dar al-Mustaqbal al-'Arabi, 1983).


Nafi'a, I., *We and the World, We and Ourselves* (Cairo: Al-Ahram Translating and Publishing Centre, 1986).

________, *Horizons of the 1980s* (Cairo: Al-Ahram Translating & Publishing Centre, 1988).


(b) **English, French & German**


__________(ed.), *The Middle East after the Invasion of Lebanon* (New York: Syracuse U. P., 1986).


———, Hydropolitics of the Nile Valley (Syracuse: Syracuse U.P., 1979).


5. Articles

(a) Arabic


Ahmad, A. Yusuf, 'Continuity and Change in President Mubarak's Foreign Policy', al-Siyasa al-Duwaliyya, No.70 (July 1982), pp.105-32.


(b) English, French & German


________, 'The Struggle for Egypt's Soul', Foreign Policy, No.35 (Summer 1979), pp.3-30.


Kemp, G., 'Middle East Opportunities', Foreign Affairs, Vol.68, No.1 (America and the World 1988/9), pp.139-158.


Lesch, A., 'Democracy in Doses: Mubarak Launches His Second Term As President', Arab Studies Quarterly, Vol.11, No.4 (Fall 1989), pp.87-107.


4. Unpublished materials

(a) Papers in Arabic presented to conference on 'Viewing the Arab System...Reality and Aspiration', Arab Research Centre (London), Cairo, 6-7 March 1988:

Hilal, 'Ali, 'The International System and its Effects on the Arab System'.

al-'Inani, Jawwad, 'Describing the Contemporary Arab System'.
Ibrahim, Saadeddin, 'Commentary: Describing the Contemporary Arab System'.

(b) Papers in Arabic presented to the 2nd Political Studies Conference, Center for Pol. Research and Studies, Cairo Uni., 3-5 Dec. 1988:

Abu Talib, Hasan, 'Egypt's Foreign Policy in the Arab Arena, 1970-1987'.
Abu Zaid, 'Alaa A., 'Islam and Foreign Policy during Mubarak's Presidency'.
Ilwi, Mustafa, 'Egyptian Political Parties and Foreign Policy, October 1981-October 1987'.
Nafa'a, Hasan, 'Egypt's Foreign Policy towards the United States: The Difficult Search for an Equilibrium'.
Qandil, Amani, 'Interest Groups and Foreign Policy: A Study of the Role of Businessmen in Egypt'.
Rashidi, Ahmad, 'The Nile in Egypt's Foreign Policy: A Study in Contemporay History'.
Tawfiq, Hasanein, 'Egypt's Role in the Arab Regional System after the Amman Summit (Nov. 1987)'.

(c) Papers in Arabic presented to the 3rd Political Studies Conference, Center for Pol. Research and Studies, Cairo Uni., 2-4 Dec. 1989:

'Abd al-Magid, Wahid, 'Egypt and the Arab Regional System in the 1990s'.
'Abd al-Mun'im Mus'ad, Nayvin, 'The Regional Dimension of Egyptian Policy in the 1990s'.
Ilwi, Mustafa, 'Egypt and the Two Superpowers in the 1990s'.

(d) Miscellaneous: