EGYPT

Naguib as "Savior of the Nation," but it is not yet known how much of a savior he will be to the Wafd Party, which is obviously more important to them.

## No. 998

641.74/8-452: Telegram

## The Acting Secretary of State to the Embassy in the United - Kingdom <sup>1</sup>

SECRET

WASHINGTON, August 4, 1952-6:50 p.m.

811. 1. Future course events Egypt still remains sufficiently unclear to prevent formulation any firm policy re possible coop with present Egypt regime.

2. Such signs as decision not convoke Wafd Parl, statements by Egypt mil officials re desire coop with West, gen restrained atmosphere and continuance constit monarchy (when radical change was possible) are encouraging.

3. On other hand, possibility of dissension among junta surrounding Naguib, complications and difficulties in formulating and executing anti-graft and corruption program, Wafd attitude as revealed in Party manifesto, civilian versus mil stresses and strains, and other uncertainties wild seem to pt to probable future difficulties tending to make structure present regime shaky.

4. Notwithstanding question marks and obscurities re Egypt future, we believe there is possibility that Egypt mil may wish to come to understanding with UK on Canal Base. While polit shibboleths "unity and evacuation" are standard among all groups, there is some reason to believe that Egypt mil coopn with the West involving West mil assistance wild have sufficient appeal so that " Sudan problem might be handled separately from Base issue.

5. In view potentialities (altho we admit not necessarily probabilities)<sup>\*</sup> new sit created by coup, we think UK wild do well lose no time in formulating in detail settlement they wild like achieve with respect to CZ Base, i.e., technicians, phasing of evacuation, etc.

6. Reason we make this suggestion is that if new Egypt regime shid appear ready resume negots and adopt reasonable line, UK wild be in position move quickly take advantage favorable atmosphere.

7. We hope UK in formulating detailed settlement wid be as forthcoming as possible since important in discussion with Egypt

<sup>&</sup>lt;sup>1</sup> Repeated to Cairo as telegram 236. Drafted by Stabler and approved by Byroade.