

2. Members of Moslem Bros were undoubtedly among orig Army coup group and are still in position some influence. That this influence is not predominant is indicated in such programs supported by Army as (1) favoring MEC, (2) looking toward West for mil equipment and aid, (3) agreeing to Moneim as one of three regents. Bros are, of course, implacably opposed each of these.

3. Salaheddin forming new "young" Wafd in collaboration with new regime seems improb. Wafd org and money still held firmly in Serageddin, Nahas and Abboud hands and reasoning first para above wld indicate Army in any event wld be little interested so long as poss Maher-army collab's success remains.

CAFFERY

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No. 1002

774.00/8-2052: Telegram

*The Ambassador in Egypt (Caffery) to the Department of State*<sup>1</sup>

SECRET

CAIRO, August 20, 1952—2 p. m.

406. At their invitation I dined last night with Naguib and nine of his principal officers.

1. They again emphasized their desire to be particularly friendly with US; they affirmed again they hope in due course to receive "help" from US. I again assured them of our sympathy, congratulated them on the order they are maintaining and fact there was no violence or bloodshed either at time of their coup or since; also on moderation they are demonstrating all along line. They avowed they firmly intend to continue a policy of maintaining law and order and to pursue their aims of raising standards of living, cleaning out corruption in govt as well as in polit parties, reorganizing army on an efficient basis with no extravagances.

2. We discussed agrarian reforms. On one hand they say in view of pertinent popular excitement among fellahin all over Egypt they must do something about this and do it immed. On other hand, they now realize that they can spoil the whole Egypt econ picture by going too far. In other words, literally you cannot give 17 or 18 million fellahin plots of land and produce anything worthwhile. They are somewhat embarrassed at having spoken too much on the subject publicly.

3. They realize that they were too quick in releasing too many Commies and have re-arrested lot of them.

<sup>1</sup> Repeated to London as telegram 142 and unnumbered to Paris, Ankara, Rome, Moscow, the Arab capitals, Jerusalem, Tel Aviv, Tehran, Tripoli, and Tangier.