

741.56374/2-454: Telegram

*The Ambassador in Egypt (Caffery) to the Department of State*¹

SECRET

CAIRO, February 4, 1954—9 p. m.

871. Joint estimate completed today following outline Department's 817 January 21² except for transposition paragraphs (d) and (e) of Section II. Following summary of answers is being telegraphed by both Embassies (verbatim text) in view of urgency indicated Berlin's Secto 79 February 3.

*Begin Verbatim:**I. Internal Stability and Capabilities RCC:*

(a) Prospects maintaining power:

Very good at present provided key members not assassinated and there is no grave deterioration in economic situation.

(b) Main sources support and opposition and their effectiveness:

Main sources of support are armed forces, national guard and liberation rally. Peasantry and urban proletariat generally in sympathy. Opposition comes mainly from old political parties, upper classes, some dissatisfied elements in army, police and civil servants, some business and labor organizations and Communists. RCC forces are sufficient at present to keep opposition elements in check.

(c) Trends toward authoritarian or representative government:

Regime is at present authoritarian but majority of RCC genuinely believe in some form of democracy and the trend appears to be towards a form of representative government possibly one based on trade and occupation "corporation".

(d) Capabilities achieving announced goals in economic and social fields:

RCC is sincere in aiming at economic and social improvements in Egypt.

Achievement will depend on whether RCC can inspire sufficient confidence to attract foreign aid and investment which will also encourage internal investment and make best use of both local and foreign technical talent. Though more determined than any of their predecessors Egyptian characteristic lack of perseverance will probably prove a handicap.

(e) Evidences of long-range planning and guiding doctrines as opposed to improvisation:

RCC realizes necessity for long-range planning and has established authoritative bodies for this purpose. Plans are, however, handicapped by lack of assured finance. Consequently immediate problems have at present to be dealt with by improvisation.

¹ Repeated to London as telegram 293 and to Berlin for the Secretary of State as telegram 4.

² Not printed.