

No. 1314

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

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1213. Following observations may be of use to Department in attempting to assay events of last few days culminating in decisions announced last night (Embtels 1208 and 1209).

1. Organized labor has been deliberately and effectively used for political purposes on nation-wide scale for first time in Egyptian history and must henceforth be expected to make its voice increasingly heard. Coordination and control of labor movement by RCC through liberation rally surprised observers and had definite "Peronist" overtones.

2. Armed forces have made it clear they stand solidly with RCC in showdown with Naguib.

3. RCC, probably wisely, chose to make return of old political parties the public issue and not their dispute with Naguib. RCC appear to realize they have thus received public mandate only in negative sense—i.e., against return of former political corruption and party strife.

4. Naguib has been weakened in his own eyes and eyes of elements who were seeking to work through him. His reputation has been damaged, particularly among literate classes, by evidence of his furling with Wafdi politicians. At same time, he undoubtedly retains great deal of personal sympathy among rural masses and "disinterested" elements of general public.

5. Although main opposition elements (that is, Wafdi; Muslim Brotherhood and Communists) remain, they will not have opportunity for open attempts to exploit general discontent and sway "uncommitted" public opinion. Government remains under pressure to produce results, but good deal of accumulated steam has been let off.

If situation takes no unforeseen turns for worse, government should be able to look forward to period of calm in which to turn its attention once again to substantive problems of domestic and foreign policy.

CAFFERY

¹ Repeated to London as telegram 403 and unnumbered to Paris, Rome, Bonn, the Arab capitals, Tel Aviv, Tripoli, and Khartoum.