

6371/108438
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JE 1192/614

FROM CAIRO TO FOREIGN OFFICE

INDEXED J

Cypher/OTP.

FOREIGN OFFICE AND
INTERNAL DISTRIBUTION

Sir R. Stevenson
No: 1502
October 13, 1954.

D: 6.44 p.m. October 13, 1954.
R: 6.58 p.m. October 13, 1954.

IMMEDIATE
CONFIDENTIAL

Addressed to Foreign Office telegram No: 1502 of October 13
Repeated for information to: B.M.E.O. (Immediate) for B.B.C.C.

Negotiations

When I called on the Egyptian Foreign Minister this morning to inform him of Mr. Nutting's proposed return, I mentioned that, in our view, Moascar would of course have to be included in the list of the installations of the base (appendix A to annex 11) so that it would be available to us as headquarters area in the event of reactivation.

2. Dr. Fawzi greeted this statement with profound dismay. It was essential, he said, that the Egyptian Army should retain Moascar, and if we were to insist upon its being reactivable, the most serious difficulties would arise. I replied that we had always made provision in the list of installations of the base for a headquarters area, and it would be ridiculous for us to agree to a list which did not contain one. What was the use of a base without a headquarters?

3. The Foreign Minister offered, after some further discussion, to make provision to insert in the agreement at an appropriate point a statement that "an adequate headquarters area will be available on reactivation". He was very vague about how this obligation would be complied with but obviously had given no previous thought to the matter.

4. It would, I am sure, be illusory to suppose that, having once let the Egyptian Army into Moascar we could ever succeed (in the event of reactivation or indeed in other circumstances) in getting them out of the parts occupied by them. An undertaking to reactivate Moascar would thus not be of much value even if the Egyptians could be induced to give it. Possible courses open to us therefore seem to be:

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(I) To accept a general assurance on the lines Fawzi proposes;

(II) To make specific provision in list X for another area (e.g. Fayid/Fanara) to be maintained by the Egyptian Government for use as a headquarters for the British forces in the event of reactivation. This course would entail considerable addition to Egyptian security and financial commitment, which they might well refuse to accept; since buildings in Fayid/^{Abaya}Fanara are largely temporary or semi-permanent the maintenance burden is likely to be heavy;

(III) To make provision for an area as in (II) but on list W i.e. accepting care and maintenance task ourselves. The Egyptians would have to agree to this, of course.

5. An additional problem is the difficulty of foreseeing size and nature of any headquarters which we might wish to establish in a future war in the Middle East: we shall find it hard to pin the Egyptians down to a commitment the extent of which we do not know ourselves.

6. General Benson points out that if we were to return to Egypt in accordance with the present agreement, we are unlikely to wish to bring in troops on anything like the present scale, and our initial requirements at least for headquarters accommodation might be small.

7. Moreover, if things work out as we hope we should be returning as allies in a war in which Egyptian interests and ours marched closely together. In such circumstances, we might expect the Egyptians to pay more attention to the needs of the moment than to the niceties of our treaty rights.

8. The matter will come to a head when Mr. Nutting comes here next week-end, and you may wish to consult the Chiefs of Staff urgently. B.D.C.C. will doubtless have views on the subject.

ADVANCE COPIES:

Private Secretary.

Sir I. Kirkpatrick.

Mr. Shuckburgh.

Head African Department.

Resident Clerk.

JJJJ

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FROM FOREIGN OFFICE TO CAIRO

Cypher/CTP.

FOREIGN OFFICE AND
INTERNAL DISTRIBUTION

No: 1770
 October 15, 1954.

D: 8.10 p.m. October 15, 1954.

IMMEDIATE
CONFIDENTIAL

Addressed to Cairo telegram No: 1770 of October 15
 Repeated for information to: B.M.E.O..

Your telegram No: 1502 [of October 13: Headquarters area].

Departments concerned are all agreed that some written provision for a headquarters area on reactivation should be included in the Agreement. It would seem desirable to include this in the undertaking given by the Egyptians to provide alternative accommodation for the contractors.

2. Headquarters M.E.A.F. (i.e. office and domestic accommodation at present occupied by the Headquarters) or office and mess accommodation at Fayid would be suitable areas for the purpose, but we are not prepared to pay money for the right to reactivate. Nor do we wish anything which is done in this respect to cut across the understanding about payment for Moascar and Headquarters M.E.A.F. reached at Mr. Nutting's meeting with the Secretary of State and the Chancellor of the Exchequer.

3. It would be extremely helpful if you can get any lien on Headquarters M.E.A.F. but if not please do the best you can so long as you can secure a written undertaking from the Egyptians to make an Headquarters area available on reactivation.

JJJJJ

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RATIFICATION OF THE ANGLO-EGYPTIAN AGREEMENT

Mr. Nutting is attempting to get a clause put in the Agreement to the effect that "The Agreement shall come into effect from the date of signature but shall be subject to ratification."

The Foreign Secretary in the debate in the House of Commons on December 17, 1953, gave an undertaking that the heads of agreement would be debated (as they since have been) and that a wise Foreign Secretary would find time to debate the Agreement when reached. This does not mean, of course, that Her Majesty's Government is giving way on the right to ratify as part of the Prerogative.

Mr. Nutting is negotiating on the assumption that H.M. Government will find time for a debate fairly soon after the House of Commons meets again.

The Egyptians have fears that any delay between signature and the Parliamentary debate which will precede ratification, might give a chance for trouble-makers to create incidents which would lead to Parliament disapproving of the Agreement. As the date of Parliament meeting gets nearer, the delay in holding the Parliamentary debate grows less.

I said that I felt confident that the Foreign Secretary would wish to debate the Agreement in the House of Commons and that it was in our interests as much as in those of the Egyptians to do this as soon after the meeting of Parliament as is reasonably possible.

we are not bound to have a debate

There was some feeling that an agreement to have such a debate might mean handing over the right of ratification to Parliament. I said this was not so.

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There was some feeling that it might be best to lay the Agreement, and see if there was any demand for a debate. I said I felt there was sure to be; that the Foreign Secretary would, I believed, wish to debate the Agreement, and that failure to do so would make our Delegation look rather silly, as they have stressed the necessity of introducing a ratification clause, the purpose of which was to give H.M. Government a chance to redeem their undertakings to refer to Parliament. (Lord Reading and Lord Salisbury made certain undertakings in the House of Lords in March, 1954).

It was decided that the Delegation's instructions should stand, and that it might be put to the Egyptians verbally that a debate would be held as soon as possible, in any case within a few weeks and that the formal act of ratification could then follow.

It will be necessary to check with the Leader of the House and the Chief Whip that if a Foreign Affairs Debate is to be held in the week beginning October 25, one day could be available for a debate on the Anglo-Egyptian Agreement.

Daphne D. W. ...
October 6, 1954.

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Liter

Mr Dodge
Mr Sturtevant
Mr Miller
Office Dept
seen by Nutter
Oct 12/54
Cal 2/5

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It is not indispensable to hold a Debate on the Anglo-Egyptian Agreement and it is not in our interests to trail our coats to get one. If, however, the Opposition want one clearly we could not refuse it.

The parliamentary position is simply that the Treaty can be ratified after it has been laid for 21 parliamentary days whether there has been a debate or whether there has not. I had understood that this latter point had been explained to the Egyptians already and that ~~therefore the delay would not be~~ more than 21 parliamentary days after October 10.

HR

October 6, 1954.

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13th October 1954.

Dear Powell,

... I enclose a copy of a note prepared here after yesterday's meeting between the Foreign Secretary, the Chancellor of the Exchequer, the Financial Secretary and Mr Nutting, together with Shuckburgh and myself, about the Egyptian claims for accommodation at Hoescor and M.E.F. Headquarters. It takes account also of a subsequent meeting between Mr Nutting, Shuckburgh, Bromley and myself. This note has been agreed with Bromley (to whom I am copying this letter) but I understand it has not yet been seen by Mr Nutting. I am, however, with Bromley's approval, circulating it forthwith, in order that the other departments concerned may know what has been going on. Bromley tells me that the contractors have agreed in principle to accepting alternative accommodation and that one of their representatives may accompany Mr Nutting on the latter's return to Cairo in order to look at possible sites.

I am copying this letter to Verry and Drew.

Yours sincerely,

D. R. Serpell.

Sir Richard Powell, K.B.E., C.B., C.M.G.,
Ministry of Defence,

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ACCOMMODATION AT MOASCAR AND M.E.A.F. HEADQUARTERS

1. Ministers agreed that the British contractors should be told that H.M.G. did not feel they could insist on retaining the Moascar accommodation claimed by the Egyptians but would ensure that suitable accommodation was provided for the contractors elsewhere in the Moascar area. Assuming that the contractors accepted this situation, Mr. Nutting would then tell the Egyptian Government of H.M.G.'s readiness to quit the Moascar accommodation and M.E.A.F. Headquarters. It would be necessary however for political and financial reasons here that the Egyptians on their side should agree to give:-

- (a) proper value for the accommodation which H.M.G. are giving up,
- (b) satisfactory assurances as to H.M.G.'s future ability to dispose, on satisfactory terms of any new accommodation erected at U.K. expense as a result of our agreement to leave Moascar etc.

2. The most satisfactory way of achieving (a) of these desiderata would be for the Egyptian Government to purchase forthwith at a reasonable price the accommodation which we are being asked to vacate. Such an arrangement would:-

- (i) effect the cost of any new accommodation which had to be built, or the rents which had to be paid by or for the contractors' employees as a result of the Moascar and M.E.A.F. H.Q. accommodation ceasing to be available.
- (ii) furnish a useful precedent for the disposal to the Egyptian Government of other U.K.-built installations on land to which our title is not clear.

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3. In view of the Egyptian Government's apparent reluctance to make any cash payments to H.M.G. at this stage (although they seem to contemplate purchasing surplus British equipment once the Treaty is signed) it may be necessary for our negotiators to agree to some device such as a short postponement of the actual payment for the Messner accommodation; or the payment by the Egyptian Government of the rentals for contractors' accommodation provided elsewhere; or the building of alternative accommodation by the Egyptian Government at their own expense (these buildings to be occupied rent-free by the contractors but to revert to Egypt at the conclusion of the Treaty period); or suitable adjustments in the other financial provisions of the Treaty which would yield the sums desired (e.g. by Egypt purchasing equipment which would otherwise have been handed across under the "makeweight" arrangements).

4. As regards (b) in paragraph 1 above, the need for this condition may not arise, e.g. if the Egyptians were to agree to provide rent-free accommodation in return for a free handover of the Messner houses, etc. It is however important that any new accommodation built by H.M.G. for the contractors within the base perimeter should be leaseable by H.M.G. in the future on terms no worse than those attaching to other fixed installations of which we may wish to dispose from time to time. If the new accommodation were outside the perimeter of the Base as defined in the Agreement, there will be a case for asking the Egyptian Government to hand over the freehold of the land as part of settlement under condition (a).