

The Secretary then recapitulated to the British Ambassador that (a) He had received message; (b) U.S. was disturbed by developments; (c) Conciliatory statement was a good idea; and (d) if King has taken strong stand we would be well advised to encourage him.

(British Ambassador expressed the view that now there is a new Government in Egypt there might be the "chance of a lifetime" to make progress on a settlement.)

No. 953

641.74/1-2852 Telegram

*The Ambassador in the United Kingdom (Gifford) to the  
Department of State*<sup>1</sup>

SECRET NIACT

LONDON, January 28, 1952--2 a. m.

3259. Fol is text of tel from Eden to Stevenson. Eden has expressed to me hope that Caffery will be able give Stevenson full support in premises.

"1. According to a press report King Farouk had dismissed Nahas and called on Ali Maher to form a govt.

"2. However the policies of the new govt may develop it must be a gain to be rid of the Wafd. We would wish to do everything in our power to reach agreement with the new govt. We are perfectly ready to undertake discussions at once on the basis of four-power proposals without any prior commitment to their acceptance. We could only do this with real hope of success if Egyptian Govt on their side would do all in their power to call a halt to terrorist activities and of course refrain from such anti-Brit measures as rupture of relations or expulsion of Brit subjects. I leave it to your judgment how to play the hand but if new Egyptian Govt will meet you on these conditions, you could indicate to them that within the above framework, the position of HMG is as stated in fol para:

"3. In present circumstances HMG must maintain their position in the Canal Zone and will continue to do so. HMG wish to make it perfectly clear, however, that they have no wish to maintain indefinitely British troops in the Canal Zone contrary to the wishes of the Egyptian Govt. It is their sincere desire to reach agreement with the Egyptian Govt on arrangements for the adequate defense of the Canal Zone which will provide for a gradual assumption of responsibilities by the Egyptian armed forces. If the Egyptian Govt wld agree to discuss matters HMG are confident that such an agreement could be reached.

"4. If Egyptian Govt were on their part prepared to refrain from the anti-Brit measures referred to and to seek to call a halt to terrorist activities, I shld be prepared publicly to state our policy in the terms set out in the preceding para.

<sup>1</sup> Sent to Cairo as telegram 148 and repeated to the Department.