## No. 1123

774.5/3-1653; Telegram'

The Secretary of State to the Embassy in Egypt 1

TOP SECRET PRIORITY WASHINGTON, March 16, 1953—5:16 p. m. 1827. Following statement of US views re current Egyptian situation was handed British Embassy today.

Verbatim text. General Naguib stated that Egypt cannot agree to the participation of United States in the proposed negotiations regarding the Suez Canal base. According to the report from the British Ambassador in Cairo, Naguib said that: "The Egyptian Government have come to this decision on the grounds that United States participation in the talks from the beginning would be interpreted in Egypt as involving the country in the negotiations for Middle East Defense. This, Egypt is not prepared to contemplate unless and until the question of withdrawal of British troops has been settled".

This raises two questions:

One. Whether the participation of American representatives in the talks should be insisted upon, and

Two. Whether agreement to discuss Middle East Defense shall be made a prerequisite to discussion of other parts of the package proposal.

Mr. Eden has telegraphed the British Embassy in Washington as follows: "I propose to instruct HM Ambassador at Cairo to inform the Egyptians that we are not prepared to proceed any further so long as they maintain this attitude. We must insist that the United States representatives participate from the outset in any talks, and our negotiator must be free to put forward our proposals in their entirety."

As has been made clear in previous conversations, the United States Government would not participate in the proposed Anglo-Egyptian negotiations unless there was clear agreement on the part of the Egyptian Government. It seems evident that the Egyptian Prime Minister has definitely rejected the suggestion of American participation. Therefore, the United States does not concur in Mr. Eden's suggestion that Ambassador Stevenson be instructed to insist on United States participation from the outset of negotiations. In the light of the developments of the past few days, the United States believes that its role must be limited to one of activi-

Repeated priority to London as telegram 6152. Drafted and approved by Jernegan.