

We are aware political situation in London may not leave this degree of flexibility to British. Consequences of failure (which might result in even Sudan Agreement coming unstuck) are so great however that we must do all we can to prevent either British or Egyptian positions from solidifying. Request Caffery therefore do all possible keep matters fluid in anticipation British may be induced start talks immediately without us, and to facilitate on Egyptian side such an eventuality.

DULLES

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 No. 1125

774.5/3-1753: Telegram

*The Ambassador in Egypt (Caffery) to the Department of State*<sup>1</sup>

TOP SECRET

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2076. Position taken by Department (Deptels 1827 and 1829) is clearly the only constructive line of approach which remains.

Regardless of press speculation on United States participation, fact is that the adverse reaction was set off by my joint call with Stevenson. Public is still not sure what we called about, but terrified by a joint approach.

I should like to invite Department's attention to fact that MEDO was originally conceived as means of assuring continued availability of Suez base to West following British withdrawal. It now seems that by insisting on particular mechanism openly the Western powers run grave risk of losing the desired end (continued availability of the base) which might actually be achieved by other means, i.e., direct agreement.

Subsequent to my March 15 meeting with Naguib and Fawzi, Colonel Abd al Nasir reiterated to Embassy officer, in most explicit terms Egyptians have yet used, that if British will agree to withdraw, Egyptians are prepared to discuss arrangements for maintaining the base and, in connection with agreement on evacuation and maintenance of base, to guarantee its availability to the West in the event of future hostilities. Nasir also said he understood that any substantial military assistance to Egypt would be conditional upon Egyptian cooperation in Middle East area defense plans. He saw no reason why that could not be worked out following agreement on Suez base.

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<sup>1</sup> Repeated to London as telegram 694.