

tian agreement. Thus RCC's decision to stand fast on availability and uniforms was taken in expectation that it meant no aid.

(3) In light of above it is most unlikely that continuing to hold back economic assistance will induce change in Egyptian position. On other hand if we fail to do anything positive at this juncture (particularly since possibility of early economic aid has been mentioned to Badawi and Egyptian Ambassador) we will be a long time convincing Egyptians that US foreign policy is not "made in Downing Street".

(4) It is my impression that both sides are content to let present situation continue until outcome of Sudan elections are known. Furthermore, Stevenson has let me know he is returning end of the month. Stevenson is more realistic than Robertson and Hankey who probably will be leaving. Hankey is ill and Robertson goes to his new job. There will probably, therefore, be few more quiet weeks in which to try to lay ground work for possible resumption of talks. I believe announcement of US economic assistance during this period would be much less difficult from viewpoint US-UK relations than afterwards. I also believe it would have maximum beneficial effect on both Egyptians and British (assuming base agreement remains our goal).

(5) Prompt announcement of significant economic assistance to Egypt while it might not necessarily please other Arab League States might help to counteract adverse effect of recent \$26 million release to Israel. It would also set hopeful example for Arab countries and increase Egyptian disposition to be helpful with them on Jordan Valley scheme.<sup>3</sup>

CAFFERY

<sup>3</sup> For documentation regarding the Jordan Valley project, see Documents 381 ff.

## No. 1242

874.00 TA/11-1053: Telegram

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

SECRET

LONDON, November 10, 1953—noon.

2030. We believe British would regard it as gross breach of faith if we went ahead with economic aid Egypt (Deptel 2473)<sup>2</sup> without prior consultation UK. Our thinking based on specific statements

<sup>1</sup> Repeated to Cairo as telegram 50.

<sup>2</sup> Printed as telegram 519 to Cairo, Document 1240.