

by Foreign Office officials as well as attitude consistently maintained by British throughout course of Suez talks to effect that although we not actual participants, they regard us as enjoying very special relationship within framework talks.

Therefore, if, as would appear, US is considering extending economic aid to Egypt at this time, it would, in our view, be essential for UK to be consulted in advance. Nature of British reaction (paragraph a, Department's reference telegram) would undoubtedly depend on timing of proposed extension aid although we would not expect British to oppose aid in principle unless it appeared we were trying use it to encourage Naguib resist some given British proposal. We believe foregoing to considerable extent answers queries contained paragraph b, Department's reference telegram. We are inclined minimize effect on negotiations one way or the other of our withholding aid, always provided UK consulted first and no evidence we seeking apply pressure. British reaction in event breakdown negotiations more difficult to assess but not necessarily adverse provided it clear we not attempting reward Naguib for causing breakdown.

Our view of UK's real intentions re Egypt at this stage (last paragraph Department's reference telegram) is that British most desirous of reaching agreement with Egypt in spite of domestic political pressure (Embassy's telegram 1830, October 28)² which will undoubtedly continue to play important role in determining extent to which British can make concessions re two main outstanding issues of uniforms and availability.

PENFIELD

² Not printed.

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*Memorandum by the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Byroade) to the Secretary of State*¹

SECRET

WASHINGTON, November 12, 1953.

Subject: Economic Aid to Egypt

¹ This memorandum was drafted by Burdett.