

741.56374/1-1954: Telegram

*The Ambassador in Egypt (Caffery) to the Department of State*¹

TOP SECRET

CAIRO, January 18, 1954—3 p. m.

808. Noforn. Re my telegram 792.² After careful review with British Embassy of text draft heads of agreement (Deptel 765 and annexes I and II), it is our understanding that these generally agreed to subject to following exceptions:

1. Paragraphs 4-c (unavailability clause) and 10 (uniforms) are British positions which have been rejected by Egyptians.

2. No firm agreement has been reached on timetable for reducing technicians (paragraph 9) but serious difficulty on this score is not expected.

3. Present wording of paragraph 11 unacceptable to Egyptians. British have orally insisted they are not seeking "open-end" agreement (Embassy 716 December 28) and mutually acceptable redraft should therefore be achievable if London backs up categorical oral statement to this effect made by Stevenson to Egyptians.

It is not clear what is meant by including "defense of the base" among questions, enumerated in paragraph 14, on which detailed agreement remains to be reached (according British Embassy, which not informed on this point, phrase originated with British military).

Re annex I,³ Egyptians reject title "assistant base commander" because of its military implications and have suggested something like "chief British technician". Egyptians also asked right to approve British appointee. Present reference to mutual consultation is counterproposal of British. Egyptians also refuse accord British right to inspect installations maintained by Egyptians (paragraph 3-b) (British say inspection necessary to assure power stations and filtration plants adequately run).

Although Egyptians have never said anything contrary substance annex II,⁴ (aid) they deny any need for such an annex, or even any

¹ Repeated to London as telegram 276.

² In telegram 792 from Cairo, Jan. 16, 1954, not printed, Caffery reported that British Embassy officials in Cairo were unhappy with the draft Heads of Agreement because it did not take into account the evolution of substantive issues since Oct. 21, 1953; that the British Cabinet seemingly had decided to reaffirm its position of the previous October; and Caffery believed that as long as London was insisting on standing pat on its October position, there was little the United States could do. (741.56374/1-1654)

³ See footnote 3, Document 1270.

⁴ See footnote 4, *ibid.*