EGYPT **ZZ**U0

aegis offered them honorable basis for resumption serious negotiations.

If however, London persists in standing pat on present position, playing the very remote possibility that Egyptians will eventually be forced to come around to accepting British terms. US should take a new look.

CAFFERY

No. 1273

141.56374/4-2154: Telegram

The Acting Secretary of State to the Embassy in Egypt 1

TOP SECRET

Washington, January 21, 1954-7:20 p. m.

816. As you know UK draft "Heads of Agreement" prepared in response our prodding. Purpose was assure ourselves and Egyptians UK wanted agreement and would not raise additional "matters of principle". We did not anticipate any change of substance UK positions "availability" and "uniforms". Egyptian Ambassador already informed this assessment (Deptel 649). We think chance agreement depends on recognition by RCC draft in principle best obtainable by Egypt present time. This does not preclude minor changes substance and presentation.

We wish avoid another "joint approach" or being placed in position supporting British language on matters detail.

Following comments given British Embassy Jan 20:

 We consider draft constructive forward step but had hoped a would reflect advance over British position Oct 21 as result informal talks Cairo.

2. Besides "availability" and "uniforms", Para 14 likely prove most troublesome. Suggest introduction sentence affirming no further "matters of principle" will be introduced.

3. At appropriate time we ready urge on Egypt again acceptance provisions regarding "availability" and "uniforms". We also now in position assert to Egyptians we have assurances UK will not raise further "matters of principle".

4. Draft served useful purpose clarify in our minds British position and permit us give assurances indicated to Egyptians. We do not consider document "joint draft" and have no thoughts at moment regarding tactical use.

UK representative then given following informal comments:

Repeated to London as telegram 3785 and by air pouch to Berlin to the U.S. High Commissioner for the U.S. Delegation to the Four-Power Conference at Berlin. Drafted by Burdett and approved by Byroade.