

probably try to use Russian offer as bargaining weapon vis-à-vis US and UK is, moreover, no grounds for assuming they will do nothing more if such tactics fail to produce results they desire.

It would appear unwise for us to give any public hint of concern over reports of Soviet offer. Only effective counter-action open to US is to convince London that prompt settlement of Anglo-Egyptian dispute is imperative. If domestic British political considerations continue to make settlement impossible, US should move with unilateral aid before situation develops to point where such action on our part appears to be direct result of Soviet "competition".⁴

CAFFERY

⁴ In telegram 3507 from London, Feb. 15, not printed, the Embassy in London reported that the Foreign Office had no particular comment regarding the Egyptian-Russian negotiations except that the British thought it to be a maneuver designed to get the United States to put pressure on the United Kingdom with regard to the Suez base talks. (461.7431/2-1554)

No. 1284

741.66374/2-1554: Telegram

*The Acting Secretary of State to the Secretary of State, at Berlin*¹

TOP SECRET
PRIORITY

WASHINGTON, February 15, 1954--7:36 p. m.

Tedul 52. Assume Secretary has had opportunity see copy joint estimate Egyptian situation by US and UK Embassies Cairo which we understand pouched to arrive Berlin Feb 10. Realize efforts he has been making with Eden, but believe he may wish consider usefulness one further approach along following lines:

1. Refer to joint estimate and indicate our assumption Eden and British Cabinet would be as reluctant as we are to go against judgment men on spot.

2. Express hope therefore that this will strengthen HMG against internal political opposition and make possible development of amended proposals which in judgment our two Embassies could be sold to Egyptians.

3. Indicate that if HMG unable seize present opportunity reach full agreement we would conclude UK believed price too high. We

¹ Repeated to Cairo as telegram 934 and to London as telegram 4209. Drafted by Burdett and Raynor and approved by Robert D. Murphy, the Deputy Under Secretary of State, after being cleared with Byroade and Bonbright.