

Hussein made point (which coincides Embassy's own analysis) that unless Anglo-Egyptian agreement concluded before start electoral campaign for constituent assembly, there will be no Anglo-Egyptian settlement in foreseeable future. Once speech-making starts, "British imperialism" will again become number one political issue in Egypt and politicians will again strive to out do each other in uncompromising insistence on Egypt's full "national rights".

British may be inclined view this prospect with some complacency in belief they can successfully resume pre-revolution tactics of playing off Egyptian politicians against each other. (Commonwealth representative said last night that British Embassy officer last night told him file on Anglo-Egyptian negotiations has been "closed up and locked away".) I cannot believe, however, that Eden will fail to appreciate essential short-sightedness of any "wait-and-see" policy. Despite mistakes and weaknesses, this regime has brought new and positive approach to Egypt's problems.

If British attempt to remain by force at Suez base after expiration treaty in 1956, they will unleash forces which may devour our Middle Eastern interests as well as theirs. ²

CAFFERY

² Ambassador Caffery reported in telegram 1081, Mar. 11, not printed, that he had provided Stevenson with the contents of this conversation, and Stevenson had said that he would telegraph London immediately for authorization for meetings. (641.74/3-1154)

No. 1296

774.11/3-1054: Telegram

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

CONFIDENTIAL

CAIRO, March 10, 1954--3 p. m.

1078. Following account events leading to return of Naguib as Prime Minister (my telegram 1069) given to Embassy officer by reliable source in close touch RCC: On March 7 Naguib sent RCC list of demands which included all his original demands prior his resignation (Embtel 953) ² in addition to insistence on direct plebiscite

¹ This telegram was repeated to London as telegram 356 and unnumbered to Paris, Rome, the Arab capitals, and Khartoum.

² In telegram 953 from Cairo, Feb. 25, not printed, Caffery reported that Naguib had demanded the right to veto any decision of the RCC, the power to appoint and dismiss Ministers, and to pass on promotions, dismissals, and transfers of officers. (774.11/2-2554)