No. 1303

741.56374/3-2054: Telegram

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

TOF SECRET NIACT CAIRO, March 20, 1954-8 p. m. 1137. Reference Department telegram 1115, ² following are my comments London's 3991:

Overall, Eden's proposal seems offer hopeful possibilities. In particular, concept total withdrawal British military personnel and use civilian contract labor in certain installations suggests possible way out of present impasse over "uniforms". On other hand, Egyptians are likely take exception to number of arguments and propositions put forth by Eden, particularly if British offer is put up as completely "new deal". In such case, Egyptians will probably claim United Kingdom really just serving up "warmed-over hash" with a lot of **new** demands thrown in. Large measure of agreement already reached might be completely undone.

Egyptian reaction might be quite different, however, if United Kingdom made new proposal within framework previous bilateral discussions. It would then be proposed as series of inter-related amendments to previous positions on specific points, such as "duration" (ten years), "availability" (formula including attack on Turkey), "period for withdrawal" (two years) and "base maintenance" (civilian contractors, instead of military technicians).

As regards details Eden's proposal in present form, I anticipate Egyptians may raise objections along following lines:

1. Complete evacuation is Egypt's "national right". In compromising to extent of accepting British "technicians", Egyptians have always insisted these could not have status in Egypt of British military (hence dispute over "uniforms"). Therefore, shift to genuine civilian "technicians" will not, from Egyptian viewpoint, entail such important victory in principle as to warrant great additional concessions by Egypt on other points. Government of Egypt will also be acutely aware that within two years in which British propoevacuate, 1936 Treaty will run out.

2. In line with foregoing, I anticipate Egyptians: (a) will reject any suggestion of 20 year agreement, although they might consider 10 year, and (b) will resent and reject any attempt inject commitment regarding Sudan Governor General's commission into Suez base question and insist on dealing with Sudan question in sepa-

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¹ Repeated priority to London as telegram 375.

² The Department in telegram 1115 to Cairo, Mar. 19, not printed, requested that the Embassy comment as soon as possible on telegram 3991 from London, Document 1298. (641.74/3-1754)