

position to decide best manner of identifying United States more openly and formally with agreement. On one hand, we may find that Egyptians want United States to appear soon in picture openly, as guarantor of honest British execution; on other hand, RCC may find it easier to deal with their opponents if United States moves gradually into the picture by succession of steps, i.e., economic aid followed by military aid.

3. Regarding civilian contractors, I can only reiterate (my telegram 1137, March 20) that while Egyptians in practice are fairly reasonable about employment foreign technicians (e.g. Aswan electrification) they are highly sensitive about policy acknowledging need for foreigners. This makes useful idea Egyptian company coupled with program of personnel reduction as Egyptians trained.

CAFFERY

No. 1318

741,56374/4-254: Telegram

*The Secretary of State to the Embassy in the United Kingdom*¹

TOP SECRET PRIORITY WASHINGTON, April 3, 1954—1:41 p. m.

5163. We agree in general with UK proposals on basis information submitted London's 4342 and in context of principles set forth Deptel 4863. Embassy should inform Foreign Office stressing again importance we attach to making initial approach to Egyptians soonest.

We believe proposals could be presented most effectively by parallel representations. We wish to have Caffery's suggestions on tactics soonest.

Regarding document 1—separate exchange of notes between Egyptians and US making base available to US appears preferable.

Although unable comment fully in absence details we regard favorably British plan for future maintenance and operations. Particularly encouraging is emphasis on need for Egyptian cooperation and willingness place control authority clearly under Egyptian Government. We have some doubts regarding suggested numbers foreign supervisory personnel and inspectors.

We hope it will not be necessary to wait until technical details are ironed out before making initial approach to Egyptians. In first instance Egyptians could be given outline British proposals. Main-

¹ Repeated to Cairo as telegram 1224. Drafted by Burdett and approved by Byroade.