

than availability might be for 7 years and availability portions for a longer period. British agreed consider both. Eden mentioned figure of 10 to 12 years but explained he would wish leave up to Stevenson initial figure that should be presented in order obtain such results. Secretary stressed undesirability starting with excessive figure for purposes bargaining.

Separate instructions will be sent regarding para 2 of agreement. As regards Paragraph 3 Agreed Minute, one method accomplishment expressed by Secretary is that US in its aid agreements would make reference fact Egypt is providing bases for defense of area. We will continue study this problem and would welcome your thoughts.

It was agreed on highest levels that secrecy would be maintained re discussions here on Egypt so as not prejudice British negotiations. Believe we should inform Egyptians only that discussions were held on this subject, we are aware proposal which will be presented Egyptians and that we are generally optimistic that quick agreement should be reached. We could also add we expect new developments very quickly after return British London.

Convinced press articles so far from Washington based upon speculation rather than leak from conference.

DULLES

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No. 1337

641746-2854 Telegram

*The Secretary of State to the Embassy in Egypt*<sup>1</sup>

SECRET PRIORITY WASHINGTON, June 28, 1954—6:38 p. m.

1602. For Caffery. Herewith Agreed Minute on Egypt, referred to in immediately preceding Deptel.

*Verbatim Text.*

"The British stated their intention to place their new proposals as discussed in the Washington talks before the Egyptians in the immediate future. The US agreed to follow up the British approach, stressing their support for the British proposals. After the approach has been made, the British plan to make public announcement that they have taken the initiative in resuming discussions, unless it develops in their talks that greater progress can be made on a secret basis. If the British make such an announcement, the U.S. would make a statement welcoming the resumption of ne-

<sup>1</sup> Repeated priority to London as telegram 7145. Drafted and approved by Byroads.