

ceived from him this has had extremely favorable reaction. Foreign Office tells us some consideration was given to making release conditional on relaxation Egyptian trade restrictions but it finally decided not make this absolute condition, although Stevenson was instructed to ask for, and received, oral assurances on this score.

ALDRICH

No. 1339

641.74/7-1134: Telegram

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

SECRET

CAIRO, July 11, 1954--2 p. m.

40. 1. Stevenson has just given me a full account of his meeting with Nasir last night. Somewhat to British surprise (Stevenson had his full team on hand) Nasir came alone directly from Alexandria. Stevenson led off by expressing hope that the arrangements which UK now prepared to offer Egypt would presage a new era of Egyptian alignment with the free world. Stevenson then gave Nasir draft heads of agreement (approximately 480 words) and draft "organization of the base" annex (240 words). After reading these, and listening to supplementary oral explanation Nasir remarked that "with amendments" the drafts "might be basis for agreement." Only point of substance discussed at length was duration. British draft leaves figure blank; Nasir commented "I agreed to seven years; why change?"

2. Nasir remarked also "I did not agree to Persia."

3. Stevenson told me he has authority if Egyptians raise the question to go beyond present paragraph 8 re termination.

4. There will be another meeting tonight at Benson's house. This time Nasir plans bring Fawzi, Amir, Salah Salim and Baghdadi.

5. I shall recommend at once to Egyptians favorable consideration of the British proposals.

6. I am not telegraphing texts as Stevenson says British Embassy Washington has copies.

CAFFERY

¹ Repeated to London as telegram 6.