

problem will change to one of not having enough money to keep the present productive facilities going.

Admiral Duncan: We still have to face the question of how to fit in this Middle East program with other programs.

Mr. Nitze: We had hoped that the NSC 135 exercise might give some guidance in answering that question.

Mr. Matthews: Schuman and Eden will be coming over and will be talking with our Secretary very shortly. They may raise questions having to do with the recent 5-Power Military talks on South-east Asia.⁵ We were wondering when we could hear what the results of those talks were.

General Bradley: There is a report which hasn't been approved by the JCS, but we can give you copies of that right away.

⁵ For documentation on the Five-Power Military Conference on Southeast Asia, which met in Washington from Oct. 6 to Oct. 17, 1952, see vol. xii, Part 1, pp. 230 ff.

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799.5/10-3152: Telegram

*The Acting Secretary of State to the Embassy in Egypt*¹

SECRET
PRIORITY

WASHINGTON, October 31, 1952—7:22 p. m.

911. Dept has now been officially informed of Anglo-Turk talks reported London's 2304 to Dept Oct 20 and their decision Iraq shld be approached first re MEDO. Dept's tentative view re this proposal fol reasoning Baghdad's 520 Oct 22 and 531 Oct 24 is that we shld concentrate on key to common defense planning; i.e., Egypt, since if we can obtain Egypt adherence to MEDO concept, other Arab states more apt follow suit. Replies from missions in Arab states to Depcirtels 449 and 450 indicate that other Arab states will not be willing join common defense planning prior settlement outstanding issues between UK and Egypt.

Having in mind comments Cairo's 1007 Oct 21 to Dept Amin's comments reported Cairo's 886 Oct 8 to Dept² and public statements Egypt policy, we concur approach to Naguib re MEDO wld be useless and wld stand more than fair chance summary rejection without settlement base issue, based on evacuation to agreed

¹ Repeated as telegram 3072 to London, 337 to Amman, 599 to Ankara, 495 to Baghdad, 843 to Beirut, 282 to Damascus, 269 to Jidda, 2545 to Paris, and 455 to Tel Aviv. Drafted by Hart, Stabler, and Ortiz and cleared by NEA, BNA, EUR, G, S/P, and S/S-CR.

² Not printed. (611.74/10-852)