and Records; S/S-NEA files, lot 61 D 417, "Alpha Volume 1") On December 21, Scott also approved the transmittal of instructions to the Chiefs of Mission at Amman, Ankara, Baghdad, Beirut, Cairo, Damascus, Jerusalem, Jidda, London, and Tel Aviv informing them that thenceforth any communications regarding the Arab-Israel settlement should be classified Top Secret, captioned Limit Distribution, given the code word "Alpha", and should receive minimal circulation within their missions. (Circular telegram 319, December 21; 684A.86/12-2154)

No. 940

984A.53/12-2154; Telegram

The Secretary of State to the Embassy in Egypt 1

SECRET

Washington, December 21, 1954.

932. Murphy called in Egyptian Ambassador morning Dec 20 stating US concerned situation it will face when SC resumes consideration Bat Galim case and seeking by friendly means solution which will remove embarrassment in US-Egyptian relations. Suggested sending Bat Galim through Canal under guard (on some pretext such as need for further examination) before releasing it. Said US has reason believe if Bat Galim allowed transit Canal we could be reasonably assured long period lull without other test cases.

Ambassador Hussein replied had anticipated subject of conversation and telephoned Nasir explaining US difficulties including commitment to 1951 resolution. He had strongly advocated release of ship. Believed could assure US Nasir will be able within relatively short time effect release of ship to return to original point of departure. Hoped action would remove reason for US support Israeli case by US and other powers. Emphasized in view current public feeling impossible permit ship transit Canal. Said propaganda leaflets have accused Nasir carrying out secret peace negotiations with Israelis.

Department commented release ship a step in right direction but questioned whether sufficient prevent Israel pressing issue SC. Israelis interested in principle freedom of Canal. Freedom of seas always been basic in US policy.

Repeated to Tel Aviv and London.