

FonOff considering instructing Stevenson alter foregoing before discussion with Naguib by specifying Indian member for election comm in para 4 and Pakistani on advisory comm in para 5.

GIFFORD

No. 1031

611.74/11-1952

*The Secretary of State to the Secretary of Defense (Lovett)*¹

SECRET

WASHINGTON, November 21, 1952.

MY DEAR MR. SECRETARY: The situation in Egypt has now developed to a point which makes it necessary for the United States to define more specifically the measures it is prepared to take to assist in promoting a favorable settlement of the Anglo-Egyptian dispute.

You will recall that in mid-September representatives of General Naguib, in a secret approach to the United States Embassy Cairo, stated the willingness of the Egyptian Government to cooperate with the United States and to undertake certain commitments, including participation in a Middle East Defense Organization, in return for military and economic assistance. In replying to this overture, the United States declared its willingness to enter into discussions to determine the scope and nature of cooperation between the two Governments and requested the Egyptian Government to define more clearly its views concerning military and economic assistance. We emphasized the importance we attach to Egyptian willingness to participate with the United States, United Kingdom and other free world powers in planning for the common defense of the area and to a settlement of the Canal Zone problem on a basis that would assure the effective maintenance of strategic facilities in the Zone.

While the Egyptians were formulating their reply to this message, we carried on an exchange of views with the United Kingdom concerning the problem of the Egyptian settlement in relation to the establishment of the Middle East Defense Organization. In an *aide-mémoire* presented to the British Ambassador November 5, 1952,² we urged that the United Kingdom Government formulate the terms of a base settlement which would be strategically acceptable to the Western powers and at the same time stand a chance of

¹ Drafted by Alex. B. Daspit, Politico-Military Adviser in the Bureau of Near Eastern, South Asian, and African Affairs.

² For text, see Document 105.