

Re London's tel 3164, Dec 5, <sup>2</sup> Brit EmbOff today pointed out that GovGen's special responsibility towards south is only real stumbling block remaining. He remarked that Naguib himself appeared appreciate force of Brit position re south and Egypts are prepared to agree to GovGen's special powers but insist that no public mention thereof be made.

Brit plan leave question of south until last, meanwhile tying up on other points still at issue.

CAFFERY

<sup>2</sup> Not printed.

## No. 1044

7745 MSP/12-852: Telegram

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

SECRET

WASHINGTON, December 9, 1952—3:14 p. m.

3860. 1. Dept appreciates points made Embtel 2970 Nov 25 and recognizes that close attention must be given econ side Egypt problem. This connection it is hoped some immed assistance can be given both by US and UK to relieve pressure created by failure cotton to move. However, permanent solution cotton situation lies in resumption purchases on world wide scale which cotton marketing experts believe will occur in near future. Meanwhile, Dept awaits with interest Egypt formulation its requirements for econ assistance. We feel such formulation necessary in order nature Egypt econ problem can be more precisely defined and we can decide scope our assistance.

2. Dept believes it impracticable and undesirable give priority econ aid at expense mil assistance. As Cairo points out in its 1300 Nov 26 present regime is mil one and came into power on basis reform Egypt Armed Forces. Since regime attaches great importance mil aid from West, it will be inclined measure success or failure relationship with West in terms mil aid recd. We now know nature mil assistance desired and we are therefore in position work on mil aid program. This we feel must be done without delay if Naguib and his regime are to continue in power. This connection we are encouraged by fact UK considering what mil equipment it might supply Egypt (Deptel 3802 Dec 5 to London). We reaffirm it always been US intention encourage Egypt continue look UK as habitual source supply. Moreover whatever US program may be de-

<sup>1</sup> Repeated to Cairo as telegram 1180 and to Khartoum as telegram 15.