

774.5 MSP/1-252: Telegram

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

SECRET NIACT

CAIRO, January 2, 1953—8 p. m.

1552. Following are my comments on United Kingdom paper re military assistance to Egypt contained London's 181 January 1.²

It is imperative that we comprehend situation clearly and speak frankly. British proposals are based upon mistaken premise that if United States and other potential arms suppliers will continue to accept British arms embargo policy toward Egypt United Kingdom will be able to use "phased" release of arms as effective bargaining weapon in extracting from Egypt some sort of "package" deal on evacuation and Egypt participation in MEDO. (Paragraph 8 section 4 represents obvious attempt by British to turn Department's phrase to their own uses.)

All our efforts to date in urging prompt action on interim program of military and economic assistance have been based upon the conviction that an overt gesture of confidence in Naguib and tangible support for his regime is essential to give him basis from which to move in the direction of kind of agreement we and British desire. Such a policy admittedly involves calculated risk. Every day's delay in replying to Egyptian request for aid increases that risk. Our December 5 on basis Department's 1154³ I told Naguib he should expect answer in ten days. Department therefore should choose and choose immediately whether to press on with program of interim assistance or to agree to "coordinate phasing" of United States arms supplies along lines proposed by British.

Latter alternative entails United States acceptance British premise outlined above. Old mutual suspicions reawakened by British stalling on Sudan and by somewhat exaggerated Egyptian reaction thereto have so poisoned atmosphere as to preclude successful bilateral Anglo-Egyptian bargaining. (Colonel Amin stated this morning: "Our confidence in British has sunk so low that we will not sign any agreement unless United States is also partner there".)

¹ Repeated niact to London as telegram 526.

² Printed as telegram 8610, *supra*.

³ In telegram 1154 to Cairo, Dec. 3, 1952, not printed, the Department informed Ambassador Caffery that the various agencies involved were working up an interim military assistance program for Egypt which would be both cash reimbursable and grant in nature, and that the Department expected to be able to inform Caffery in the following ten days or so just what the scope of the program would be. (774.5 MSP/12-352)