

faith to present Egyptian regime. This all more important because of military character that regime. Egyptians some time ago presented us with list arms and equipment they required. Thus far, we have failed respond their appeal. As condition precedent establishment proper atmosphere for productive negotiations, we have been examining possibility interim military assistance of magnitude of approximately \$10,000,000 of which part might be grant assistance. Our inability thus far extend substantial economic aid gives added importance our being forthcoming military assistance.

British reacted strongly to this suggestion. They argued supply of arms now would (1) reduce bargaining effect of arms assistance in negotiations, (2) stimulate supply of arms to Egypt from other countries, (3) have had psychological effect on UK troops in Canal Zone, (4) present difficulties with Parliament, (5) cause difficulties with Israel, and (6) past experience (release of jets and sterling) indicated such attempt improve atmosphere unrewarding.

Byroade emphasized that risks involved offset by facts (1) deliveries would be slow and (2) if the Egyptians prove uncooperative supply of arms could be cut off at any time.

Bowker said Eden had strong views this point and matter would have to be further explored. British military appeared take less concerned view this problem than FonOff, although military wish know what types equipment US had in mind.

GIFFORD

No. 1065

774.5 MRP/1-353: Telegram

*The Secretary of State to the Embassy in the United Kingdom*¹

SECRET PRIORITY WASHINGTON, January 3, 1953—4:38 p. m.

4399. Further re London's 3610 Jan 1, and re Cairo's 1552 Jan 2. Fol represents present Dept views re interim arms program for Egypt. These views should not be considered as final since interim arms list itself (Deptel 4374 Jan 2)² still subj discussions in De-

¹ Repeated priority to Cairo as telegram 1324.

² In telegram 4374 to London, Jan. 2, not printed, the Department provided Assistant Secretary of State Byroade with a tentative arms list which was serving as the basis of discussions in Washington with two Egyptian officers representing General Naguib. The Department informed Byroade that the Egyptians had indicated a preference for the United States, as opposed to the United Kingdom, as their major source of arms. The Department, however, also told Byroade that the substantive American positions on the British conception of arms assistance as reported in telegram 3610 from London, Document 1062, still had to await the receipt of further