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Memorandum of Conversation, by the Secretary of State

TOP SECRET

WASHINGTON, January 7, 1953.

Subject: Grant Military Aid for Egypt

Participants: The President
Mr. Harriman
Mr. Acheson

Following my conference with Mr. Harriman yesterday afternoon, he and I called upon the President at 10:45 to present the problem and our recommendations to him. At his request, I outlined the problem and made my recommendations, and Mr. Harriman then added his observations and his recommendation. I sketched for the President the present situation in Egypt, the great importance of supporting and strengthening Naguib and his régime as the best hope for a western orientation of Egypt, the solution of the Sudan and base problems with the British, the creation of the Middle East Defense Organization and the establishment of peace and an increased degree of stability and security in the Middle East. I referred to Mr. Caffery's cables and stressed the critical nature at the present time and the succeeding two or three weeks of the discussions which were going on with the British in London. I recognized quite frankly the difficulty of an outgoing administration taking an initial step of considerable importance without the ability to carry this step through or to work out in sufficient detail and make public the subsequent steps, of which this may be a part. I recognized the legitimate concern of the Israeli Government, but pointed out that the best hope for peace in the Middle East depended upon the Naguib régime, which was in difficulties, and that all chances of peace and the security of Israel would be greatly threatened by a collapse of the Naguib régime and the rise of uncontrollable nationalism in Egypt.

Mr. Harriman stressed, as he had last night, the importance of doing what I had suggested and said he would unhesitatingly support the recommendation if this Government had sufficient time to carry the whole program through. He thought that, under the circumstances, it would be unwise to act at this time and that we should leave the matter with our thoughts upon it for the incoming administration. He said that he would recommend to the President the immediate granting of economic assistance to Egypt, and if the President would work at once with officers of the State Department in making this available without delay, he thought that up to