

I appreciate importance of our responding affirmatively to Naguib's request for aid from West. At time of recent US-United Kingdom conversations on forthcoming defense negotiations with Egypt, I understood that one reason why Department felt it necessary that this response would take form of arms assistance was that we had not found it possible to be forthcoming with economic assistance. Apparently, however, that difficulty has now been overcome, since I now note from Deptel 4762, January 17<sup>2</sup> that we are in a position to render \$10 million worth of economic aid to Egypt. It seems to me that this constitutes a not inconsiderable response to Naguib's appeal and I would sincerely hope that a re-examination of this whole question would result, in view of the strong British feelings about arms assistance, in our regarding economic as a sufficient initial response in itself.

I should add that Eden spoke to me again yesterday (prior to the receipt of Deptel 4805) of his concern over this question and of his hope that we could extend any interim assistance in the form of economic rather than military aid.

In the light of the foregoing considerations, I am refraining from acting on Deptels 4805 and 4806<sup>3</sup> pending the Department's further instructions.

GIFFORD

<sup>2</sup> Printed as telegram 1434, Document 1080.

<sup>3</sup> See footnote 2, *supra*.

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No. 1085

774.56/1-2253: Telegram

*The Ambassador in Egypt (Caffery) to the Department of State*<sup>1</sup>

SECRET NIACT

CAIRO, January 22, 1953—8 p. m.

1703. I fully sympathize with my colleague's concern over what he anticipates will be British reaction to interim arms program (London's 4001 to Department repeated Cairo 212).<sup>2</sup> However, again London Foreign Office completely misjudges situation in Egypt.

If after encouragement we have given Naguib about arms, aid program is now scrapped, Egyptians will surely lose their present perhaps exaggerated faith in us.

<sup>1</sup> Repeated to London as telegram 585.

<sup>2</sup> *Supra*.