

774.56/2-953: Telegram

*The Secretary of State to the Embassy in Egypt*¹

SECRET

WASHINGTON, February 9, 1953—6:58 p. m.

1601. Egyptian Military Attaché Ghaleb, accompanied by Officers, Sabri and Niklawi, called at Department's request today re arms purchases. It was evident they were disillusioned by lack progress obtaining arms. Sabri announced his departure for Cairo Feb 12 with Niklawi following on 17. In course friendly discussion Egyptians were told we would be in position within few days to discuss details of program under which Egypt could purchase arms up to \$11,000,000. Egyptians also informed that Department foresaw ways and means to draw out the terms of payment in a manner which would not require immediate full payment. (See previous Deptel re this subject)²

Egyptian reaction this news, while not wildly enthusiastic, was one of pleasure and they seemed anxious to get down to details. They did not object to limit of \$11,000,000 when they were assured that depending upon developments this did not necessarily constitute a final ceiling on their purchases for this year. Sabri seemed reconciled that he would be unable to obtain aircraft and he scarcely referred to subject. Niklawi appeared concerned re the composition of the list which they would be allowed to purchase as well as to the availability of components such as spare parts and ammunition.

On the whole Department believes that conversation was reasonably successful and during week, upon receipt British comments which we anticipate by Feb 12, hopes be able to present suggested interim arms program to Egyptians and begin working out details with them.

DULLES

¹ Repeated noform to London as telegram 5235.

² In telegram 1600 to Cairo, Feb. 9, not printed, the Department told the Embassy that it might be possible to make a financial arrangement whereby the Egyptians would be able to draw out the time of payment for the interim arms program by opening an irrevocable letter of credit on an American bank which would be subject to phased drawings by the Defense Department prior to the delivery of the equipment. (774.56/2-953)