

6. Re military aid amount will depend findings military survey group which will be sent Egypt promptly after signature agreements.

Military assistance which will be provided during fiscal year 1955 following conclusion agreement represents initial increment in program which United States Government expects will enhance ability Egypt participate defense its area, but subsequent increments contingent Congressional authorization additional funds on annual basis.

Provisions and procedures reflected proposed MDAP agreements are standard, applying with few variations to similar agreements with approximately thirty other countries.

CAFFERY

No. 1353

874.00/8-454: Telegram

*The Ambassador in the United Kingdom (Aldrich) to the
Department of State*¹

SECRET

LONDON, August 4, 1954—4 p. m.

609. Re Cairo's 145 August 2² to Department, Foreign Office says Egyptians have raised in very off hand matter with Stevenson (possibly via Ambassador Caffery) questions of UK economic aid to Egypt and lifting arms embargo and referred to establishment joint committee to study UK economic and military aid.

While Her Majesty's Government has been unable give much thought in past weeks to these questions they now being studied by Foreign Office, Treasury and War Office. Working level of Foreign Office unable predict what final outcome will be but thinks UK should for political reasons offer some economic aid.

Re military aid Shuckburgh this morning confidentially and personally informed Embassy Office that he hopes for governmental decision by end of week at latest. He personally favors reclassifying arms into two categories, one including only tanks and other heavy combat equipment and the other, all other arms and military supplies. He feels it would be undesirable from viewpoint over-all NE policy to lift arms embargo publicly and ostentatiously but is in

¹ Repeated to Cairo as telegram 12.

² In telegram 145 from Cairo, Aug. 2, not printed, Ambassador Caffery reported that the Egyptian Foreign Minister inquired if the United States knew what the British intentions were with regard to providing Egypt with economic and military aid. (874.00/8-254)