

favor quietly dropping embargo on broad second category mentioned above, reserving first category for consideration after signature agreement. Release first category items would of course not be made definitely conditional on signature. He also favors some prompt British gesture, such as immediate resumption deliveries on long-standing Egyptian order for [Meteors]. He assumes British will definitely wish to be considered as traditional supplier of certain equipment and states Belgians have also asserted claim as traditional suppliers some items.

Shuckburgh agrees with comments contained Cairo's 154 August 3³ to Department and believes Her Majesty's Government will be effectively helpful and forthcoming vis-à-vis Egyptians. ⁴

ALDRICH

³ Not printed.

⁴ In telegram 860 from London, Aug. 19, not printed, the Embassy informed the Department that the British were having a great deal of difficulty developing a firm policy on giving arms to Egypt, and that the matter was at that time before Prime Minister Churchill. (874.00/8-1954) The Embassy reported further on Aug. 30 in despatch 631, not printed, that the British Government had given very little consideration to the matter of granting Egypt economic aid as well, the reason being that the British were waiting until the financial aspects of the Suez base agreement had been settled and the agreement had been signed. (874.00/8-3054)

No. 1354

714.5 MSP/8-554: Telegram

The Ambassador in Egypt (Caffery) to the Department of State

TOP SECRET

CAIRO, August 5, 1954—6 p. m.

167: Although we have in no way encouraged Egyptians to expect huge aid either economic or military they very definitely do expect considerable aid. They have particularly in mind following statement in President Eisenhower's letter to Naguib: ¹

"As part of an over-all solution, I am prepared to see firm commitments entered into between our governments to assist you in your plans for Egypt's economic development and in the strengthening of your armed forces to discharge their increased responsibilities."

Fawzi took occasion to emphasize to me yesterday that whereas they would welcome any aid British might care to give, they wanted it definitely understood that it is our aid they are counting

¹ The President's letter was transmitted in telegram 69 to Cairo, Document 1206.