

## No. 1360

774.5 MSP/8-3154: Telegram

*The Secretary of State to the Embassy in Egypt*<sup>1</sup>

SECRET PRIORITY WASHINGTON, August 31, 1954—3:40 p. m.

354. We informed by Egyptian Ambassador on basis telephone conversation Nasir and by another source that contrary statement by Fawzi (Embtels 268 and 271) Nasir has not made firm decision re request for grant US military aid. Nasir wishes hold matter abeyance pending resolution his current internal difficulties and may request grant assistance later. Ambassador added Saleh Salem has made public statement to effect question still under consideration. We agreed Department would volunteer no statement re military aid and if queried would reply matter still under consideration. If release subsequently decided upon we will coordinate with Egyptians (Embtel 275).<sup>2</sup>

Advise urgently whether your information indicates Nasir now wishes only postpone decision and may present request later.<sup>3</sup>

DULLES

<sup>1</sup> Drafted by Burdett and approved by Jernegan.

<sup>2</sup> In telegram 275 from Cairo, Aug. 31, not printed, Ambassador Caffery strongly recommended that before the news was released that Egypt was not going to receive grant military aid from the United States, the Department should come to an accord with the Egyptians as to the manner and timing of such an announcement. Otherwise, Caffery feared that the effect in Egypt could be disastrous to American interests. (774.5 MSP/8-3154)

<sup>3</sup> Ambassador Caffery replied in telegram 281, Sept. 1, not printed, that the Egyptian Government had come to the conclusion that it could not sign an agreement at that time, and that therefore Egypt has given up the idea of obtaining grant military aid at that time from the United States. Moreover, Caffery reported that Nasir had not come to any definite conclusion as to whether or not he would be able to present a military aid request later. (774.5 MSP/9-154)

## No. 1361

774.5 MSP/8-3054: Telegram

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

SECRET WASHINGTON, September 4, 1954—2:57 p. m.

382. Joint State-FOA Message. Re Embtels 268 and 271. Magnitude of Egyptian program considered September 2 with Stassen, who is prepared authorize program \$20 million now and likewise prepared consider up to further \$20 million for economic assistance, but for this purpose needs persuasive documentation in terms