

"4. Our officers en route will be unable discuss alternatives to \$5 million arrangements. If Nasir would like conversation with them for purpose of understanding US procedures and general discussion of politico-military character, we will have them proceed. This entirely at his discretion and we await his answer."

No. 1373

Editorial Note

The document in this editorial note is located in Department of State file 774.5 MSP. It is not a ribbon copy. It was typed on a plain sheet of paper and was sent to Assistant Secretary of State Byroade from Colonel Harrison A. Gerhardt, USA, in Cairo. The document's date is November 17, 1954, and it reads as follows:

"1. Have seen Paul's message recounting discussion with Nasr. With regard to 3,000,000 dollar deal, understand that Nasr has not settled down on amount which he would release for discussion of items, prices, etc. This may be resolved in the next few days with a little pressure from people here, in which case we can go ahead on this one.

"2. Paul's message indicates that \$5,000,000 of economic aid would not be available unless other funds are tapped. Until this is resolved in Washington, no basis for approach this subject to Nasr or Egyptian military. Assume we will get prompt answer on this one from you.

"3. There remains question of further exploration possibility of MDAP and general discussions Nasr's views on regional defense arrangements. As to first, although unfeasibility of MDAP at present time seems clear, a clear negative answer with some estimate by Nasr of timetable for overcoming present internal obstacles might be helpful. If Presidential determination waiving formal agreement requirements under 401 is obtained, as suggested by Paul, explanatory discussions, with Nasr might be helpful in paving way to later negotiations. I understand defense position, and my instructions so state, is to speak of MDAP only in terms of open formal arguments. Difficulties which secret agreement presents, in terms of U.S. and Egyptian explaining sharp increase in flow of arms into Egypt without formal basis is obvious. To go further than explanatory discussions on MDAP agreement provisions, without Washington instructions not possible. Final point of discussion re Nasr's views regional defense arrangements remain as a profitable area of exploration. However would be preferable to have clarification on other subjects mentioned above if possible. In view OCB meeting on 17 Nov and possibility consideration and clarification as result thereof have decided to remain Beirut additional day to receive any instructions you may have.

"4. If no clarification on \$5,000,000 and MDAP possible in terms available suggest that discussions be limited to general points we discussed, MDAP explanatory talks, emphasizing no U.S. pressure,