

It was agreed that these points should be discussed between Washington and London prior to establishment of the program.

Colonel Sievers noted that the time element was most important inasmuch as if we were unable effectively to utilize the 30 million dollars currently appropriated by next June 30, there would be great difficulty in persuading Congress that more funds should be obligated in the future.

Mr. Daspit asked if we could not stimulate the Iraqis to more rapid action if we informed them of current discussions with Syria on military aid and leave them with the impression that their chances for obtaining desirable items in short supply would be enhanced by early signature of the agreement. The Embassy representatives said they saw no objections to trying such tactics but emphasized that Iraqis had not hitherto been noted for rapid action in such matters.

In a later discussion between Mr. Daspit and Mr. Barrow two further points were brought forward:

(1) Mr. Barrow noted that British Embassy representatives here often expressed the fear that our furnishing arms on a grant basis, while the U.K. required payment, would complicate their relationship with the Iraqis. Mr. Daspit said he believed the U.K. Government had considered this point and was reconciled to U.S. grant aid programs in the area.

(2) Mr. Daspit and Mr. Barrow discussed the possibility that Iraq, by diverting unused funds set aside for economic development, might be able to purchase military equipment on its own account. It was agreed that if we should decide to furnish grant aid we should make it clear that we were doing so in order that Iraq's own revenues could be saved for development purposes.

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#### *The Ambassador in Iraq (Berry) to the Department of State*<sup>1</sup>

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250. Prime Minister Jamali has once again raised question United States attitude toward Iraq request grant military aid submitted last March<sup>2</sup> indicating his government just as eager as the previous for favorable United States action. He told me he had instructed Foreign Minister Bakr to press question while in United States.

<sup>1</sup> Repeated to London, Rome, Cairo, and Damascus.

<sup>2</sup> Regarding the Iraq request, see footnote 3, Document 1388.