

If becomes definite assurances impossible termination Gen Agreement wld be on three months notice consistent with Art VIII para 1 said Agreement.

If Emb deems useful argument in answering contention US unilaterally violating Gen Agreement might point out that under its terms aid to be extended pursuant separate written agreements or understandings. Memoranda of Understanding for two projects state expressly they are subj to availability of appropriations. Since US appropriation not available for expenditure until assurances are recd US not in violation Gen Agreement or Memoranda Understanding entered into pursuant to Gen Agreement in suspending these. Memo of Understanding for development low cost housing and materials is conducted under lump sum contract with private contractor which will not be renewed or extended unless assurances are recd but which does not provide for immed cancellation by TCA and such cancellation is not now planned.

Assume Egyptians now clear that Jan 8 was deadline for Sec 511 (b) of Mutual Security Act (Deptel 996) whereas Jan 24 is deadline for Mutual Defense Assistance Control Act, known as Battle Act, ⁴ which requires that US mil econ and fin be cut if assurances not given that certain arms and commodities of primary strategic significance not including cotton (see Depcirins of Dec 17 ⁵ entitled "Battle Act Lists") will not knowingly be shipped to Soviet bloc. After prelim look at Battle Act lists Egypt Emb told Dept Egypt not shipping any Battle Act items to Soviet countries. Memo that conversation sent Emb by air about Jan 3.

ACHESON

⁴ Signed into law on Oct. 26, 1951, as Public Law 213. (65 Stat. 644)

⁵ Not printed.

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Memorandum of Conversation, by the Acting Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Berry)

SECRET

[WASHINGTON,] January 25, 1952.

Subject: Visit of the British Minister and First Secretary

Participants: Sir Christopher Steel, K.C.M.G., M.V.O., British Minister
 Mr. Greenhill, O.B.E., First Secretary of British Embassy
 NEA—Mr. Berry