

\$10,000,000 could properly under the existing law be made available for wheat purchases with the counterpart going to the Point IV programs in the field of irrigation.

The President, after discussing the matter thoroughly with us, concluded that it would not be wise for him to make the finding of eligibility for Egypt for military grant assistance. He recognized that the step should be taken as a part of the program which I had outlined and hoped and trusted that his successor would take it. He approved Mr. Harriman's recommendation for economic assistance and said that he would support us both in carrying this through promptly. I recalled to the President that he had found Egypt eligible for reimbursable military assistance and that we were proceeding under that authorization within the limits of what Egypt could afford. He expressed approval of our actions in this regard. He did not believe that their modest purchase program would raise security problems unless the Egyptians wished to get extensively into the airfield, which might require some further consideration.¹

Mr. Harriman is ready to proceed along the lines authorized by the President, and Mr. Jernegan should get in touch with him at once.

¹ The Department informed Cairo and London in telegrams 1369 and 4556, respectively, Jan. 9, neither printed, that the President had decided not to find Egypt eligible for grant military aid at that time, but that the Department was urgently considering a program of immediate economic assistance. (774.5 MSP/1-953)

On Jan. 15, Edwin M. Martin, Special Assistant to the Secretary for Mutual Security Affairs, informed General Olmsted of the President's decision of Jan. 7 regarding grant military aid for Egypt. (774.5 MSP/12-2952)

No. 1073

774.5 MSP/1-753: Telegram

The Ambassador in the United Kingdom (Gifford) to the Department of State¹

SECRET

LONDON, January 7, 1953—7 p. m.

3720. From Byroade. Reference: Embtel 3691, January 6.

Final US-UK meeting re Egypt today confined largely to preparing position papers in final form. Copies will be air-pouched Friday. Other points covered in meeting as follows:

1. US interim military aid.

Bowker said he did not think meeting could carry matter much further and that he would have to refer problem to Eden. He

¹ Repeated to Cairo as telegram 175.