

Alternatives (2) and (4) have not been reduced to texts, but (3) has and can be obtained by the Department from British Embassy Washington. <sup>2</sup>

GIFFORD

<sup>2</sup> On Jan. 19, the Department, in telegram 1450 to Cairo, not printed, reported that it had considered alternatives (1), (2), and (3) and believed it was possible for the Egyptians to agree without too much difficulty to one of them. The Department also assumed that Caffery would continue to urge the Egyptians to consider carefully the British proposals and suggested that he hint that Naguib's request for assistance would be prejudiced by the lack of a Sudan agreement based upon one of these three alternatives. (745W.00/1-1853)

No. 1080

674.2311/1-1653: Telegram

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

SECRET  
PRIORITY

WASHINGTON, January 17, 1953—4:25 p. m.

1434. Further reference Deptels 1388 and 1412 and re Embtel 1650. <sup>2</sup>

President in accordance Sect 513(b) Mutual Security Act 1952 has now formally determined Egypt eligible economic assistance in amount 10 million dollars without regard conditions eligibility specified 511(a) Mutual Security Act 1951. By letters to chairman Congressional Committees designated Sect 513(b) President has recorded this determination.

You are consequently authorized inform GOE formally that USG has approved grant assistance in amount 10 million dollars for purchase of wheat with provision that GOE make deposit of counterpart commensurate in value. You should not refer to action under 513(b). Draft program agreement follows probably Monday, covering general nature use counterpart. <sup>3</sup>

Re publicity, Department believes joint release re proposed assistance by GOE and USG desirable at early date to be mutually agreed. Draft release will follow by cable for your consideration. <sup>4</sup> Release will probably not mention use Sect 513(b), and will of

<sup>1</sup> Repeated to London as telegram 4762, to Baghdad as 724, to Tel Aviv as 691, to Amman as 546, to Beirut as 1288, to Jidda as 433, to Damascus as 417, and to Paris as 3927.

<sup>2</sup> See footnote 2, Document 1078.

<sup>3</sup> Not printed. The Department transmitted a copy of the draft program agreement in telegram 1479. (674.2311/1-2263)

<sup>4</sup> Not printed. The Department sent a copy of the draft press release in telegram 1455 (674.2311/1-1953)