

No. 1110

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*Memorandum by the Administrator of the Technical Cooperation Administration (Andrews) to the Deputy to the Director of the Mutual Security Agency for Program and Coordination (Ohly)*¹

SECRET

WASHINGTON, March 3, 1953.

Subject: Request for Program Reauthorization in the Amount of \$10,000,000 of Fiscal Year 1953 Funds for the Point 4 Program in Egypt

The Point 4 program in Egypt has never been commensurate with the magnitude of the social and economic problems of that country. One reason for this has been the attitude of the regimes in power up to July 23, 1952, which severely restricted opportunity and did not permit programs to be based on Egypt's needs or potentialities.

The assumption of power by General Naguib and his reform Government last July, however, led to a clear change in the situation, culminating in the past two weeks with the Government of Egypt's request for an expanded and balanced Point 4 program specifically designed to deal with some of Egypt's major social and economic problems. The Egyptians made their request for such a Point 4 program in preference to an earlier proposal for a special economic program involving the provision of wheat or other import commodities in a similar amount of U.S. funds. Moreover, our Embassy, having weighed the two proposals on its own, and on the basis of questions submitted by the Department, has cabled that in its judgment an expanded Point 4 program would have "an even greater political and economic impact on our policy objectives than the wheat deal" authorized under Section 503.

We wish now to seize this newly presented opportunity without delay as a decisive attempt on our part to create a stable and friendly Egypt. The decision to act affirmatively in Egypt was made at the Cabinet level in January when it was determined to allocate a further \$10,000,000 to Egypt and to waive eligibility conditions if necessary. On January 17, we authorized our Embassy to inform the Government of Egypt formally that the U.S. Government had approved assistance to Egypt in the amount of \$10,000,000. On January 20, our Ambassador cabled that he had in-

¹ According to a note attached to the record copy of this memorandum and addressed to Arthur Z. Gardiner, this memorandum was taken to the Mutual Security Agency that same day. Moreover, Johnston Avery, Assistant Administrator for Programs, Technical Cooperation Administration, had signed the document for Andrews.