

connection, I await also information on Agricultural Trade Development Assistance Act 1954.)⁴

CAFFERY

⁴ The Agricultural Trade Development Assistance Act was signed into law on July 10, 1954, as Public Law 490. (68 Stat. 454)

No. 1351

774.5 MSP/7-3054

*The Secretary of State to the Director of the Foreign Operations
Administration (Stassen)*

SECRET

WASHINGTON, August 2, 1954.

DEAR MR. STASSEN: United States policy as set forth in NSC 155/1¹ contemplates the granting of military assistance to Egypt when developments in the Suez Base problem merit it.

The President on March 14, 1953, determined that Egypt met the criterion set out in Section 202(a) of the Mutual Security Act for the purposes of military assistance in the form of training only. On July 15, 1953, in a letter to the President of Egypt the President promised to provide military assistance upon the conclusion of a Suez Base agreement. It is now recommended that the President make a determination that Egypt is eligible for both grant end-items and training military assistance. The Secretary of Defense concurs in this recommendation.² During the course of the recent visit of the British Prime Minister this Government agreed to initiate negotiation of economic or military assistance agreements only after the then new British proposals regarding the Suez Base had been presented to the Egyptians and the Egyptian Government had reacted favorably. Now that a British-Egyptian agreement has been concluded this Government is beginning negotiations with the Egyptian Government.

In order to meet legislative requirements it is requested that you seek Presidential determination that:

1. the strategic location of Egypt makes it of direct importance to the defense of the Near East area,
2. the plans and arrangements agreed to between Egypt and the United Kingdom regarding the Suez Base are important to the defense of the Near East area and require Egypt to take an important part therein,

¹ For text, see Document 145.

² See footnote 3, Document 1341.