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*Memorandum by Louis E. Frechtling to the Special Assistant for
Mutual Security Affairs (Nolting)*¹

SECRET

WASHINGTON, September 8, 1954.

Subject: Extension of Military Assistance to Egypt

I discussed with William Burdett (NE) the present attitude of NEA on the extension of military assistance to Egypt. It is NEA's view that the Egyptian Government did not categorically refuse military assistance last week. Subsequent information from our Ambassador and from the Egyptian Ambassador here leads to the conclusion that Nasser intended only that there be a period of a month or two after the signature of the Suez base agreement during which time the RCC could establish a favorable atmosphere for the announcement of an Egyptian-American agreement on military assistance.

NEA believes that, if during the next several months the Egyptians indicate that they are willing to discuss a military agreement, the United States should be prepared to acknowledge military assistance is justified in view of:

1. The President's commitment to Egypt of military assistance upon signature of the Suez agreement.
2. Our present policy of encouraging the strengthening of forces in the Near East against possible Soviet aggression.
3. The impact of military assistance on the Near Eastern States leading toward their self-confidence and willingness to discuss long range settlements of the Palestine question.

William Burdett admits that the initial reaction on the 5th floor was to welcome the Egyptian rejection in view of recent Israeli protests. He says that NEA does not consider that the Secretary's approval of the extension of assistance to Egypt has been withdrawn.

Frankly I do not see that we have much room to maneuver, particularly in view of the President's commitment. The most that we might do is to make sure that on the United States side we do not give the Egyptians the impression that we are overly anxious to extend assistance. They should be given an opportunity to review their situation and approach us when they have made up their minds.

¹ Frechtling was a member of Nolting's staff.