

## No. 1402

787.3 MSP/1-1554

*The Under Secretary of State (Smith) to the Director of the Foreign Operations Administration (Stassen)*<sup>1</sup>

TOP SECRET

[WASHINGTON,] January 15, 1954.

MY DEAR MR. STASSEN: The Acting Secretary of State in a letter addressed to the Secretary of Defense September 21, 1953<sup>2</sup> requested that the Department of Defense concur in a recommendation to the President that, in accordance with the procedures established by subsection 202(b) of the Mutual Security Act of 1951 as amended, he determine that Iraq is "of direct importance to the defense of the area" and that its "increased ability to defend itself is important to the security of the United States", thereby making it possible to extend grant military assistance to that country.

In a letter to the Secretary of State dated January 4, 1954,<sup>3</sup> the Assistant Secretary of Defense for International Security Affairs reported the judgment of the Joint Chiefs of Staff, in which he concurred, that a worthwhile military advantage could result if Iraq should be declared eligible for aid under the terms specified in subsection 202(b). The Department of Defense has suggested that approximately \$10 million of Fiscal Year 1954 MDAP funds might be used for Iraq.

It will be remembered that in submitting to the Congress the request for the authority contained in sub-section 202(b), Executive Branch witnesses urged that in the absence of a regional defense arrangement, the United States should be in a position to undertake bi-lateral programs of military assistance with certain of the countries in the area. Iraq, which is strategically placed athwart the line of a possible Soviet thrust toward the Mediterranean and which has manifested a greater consciousness of the Soviet danger than other Arab states, was specifically mentioned as a probable candidate for such assistance. These views were formalized in NSC 155/1<sup>4</sup> which provides in paragraph 16-d:

"The United States should: Provide limited military assistance to promote United States security interests, to increase confidence in the United States, and to help in developing indigenous forces

<sup>1</sup> Drafted by Daspit on Jan. 12 and cleared by NE, S/MSA, and BNA.

<sup>2</sup> Not found in Department of State files.

<sup>3</sup> Not printed. The JCS reported that it would prefer not to recommend specific apportionment of funds until after survey teams and military assistance advisory groups had determined country needs for the various countries to receive assistance. (780.5/1-454)

<sup>4</sup> Document 145.