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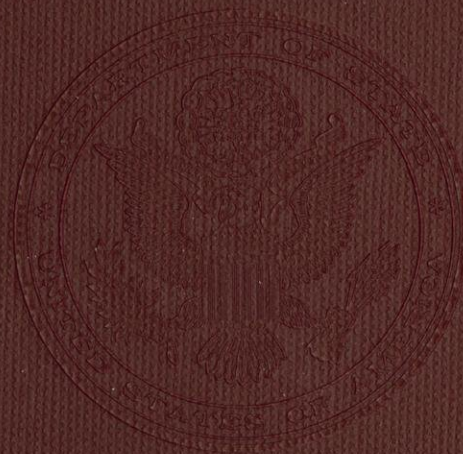
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Foreign Relations of the United States, 1955-1957

Volume XVII

Arab-Israeli Dispute 1957

Editor in Chief John P. Glennon

Editor Nina J. Noring

DEPARTMENT OF STATE PUBLICATION 9741

OFFICE OF THE HISTORIAN

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Preface

The publication *Foreign Relations of the United States* constitutes the official record of the foreign policy of the United States. The importance of publishing the complete and comprehensive documentary record of U.S. diplomacy was set forth in an order by Secretary of State Frank B. Kellogg on March 26, 1925, and supplemented and revised by Department of State regulations in the *Foreign Affairs Manual*. (2 FAM 1350-1353)

The Office of the Historian, Bureau of Public Affairs, is directed by the *Foreign Affairs Manual* to collect, edit, and publish the authoritative diplomatic record, including papers from other concerned government agencies. (1 FAM 857) Official historians of the Department of State seek out relevant official foreign affairs documentation in other agencies and documentary repositories bearing on subjects documented in the volumes of the series. The topics to be documented are determined by the Editor in Chief of the series in concert with the compilers of individual volumes.

Secretary of State Kellogg's order, as codified in the *Foreign Affairs Manual*, remains the official guidance for editorial preparation of the series:

"The editing of the record is guided by the principles of historical objectivity. There may be no alteration of the text, no deletions without indicating the place in the text where the deletion is made, and no omission of facts which were of major importance in reaching a decision. Nothing may be omitted for the purpose of concealing or glossing over what might be regarded by some as a defect of policy." (2 FAM 1352)

Principles of Selection for Foreign Relations, 1955-1957, Volume XVII

The documentation in this particular volume was selected by Dr. Nina J. Noring of the Office of the Historian from the Department of State's centralized and decentralized files and the records of the Dwight D. Eisenhower Presidential Library. For a complete listing of particular collections consulted, see the List of Sources.

In selecting documents for inclusion, the editors placed primary emphasis on high-level discussions within the U.S. Government, National Security Council and Department of State policy papers, and high-level exchanges with Egypt and Israel. Documentation is also presented on the full range of Arab-Israeli issues under consideration during this period as well as related Anglo-American discussions.

Editorial Methodology

The documents are presented chronologically according to Washington time. Incoming telegrams from U.S. missions are placed according to the time of receipt in the Department of State, rather than the time of transmission; memoranda of conversations are placed according to the time and date of the conversation, rather than the date the memorandum was drafted. When a source text does not indicate a particular date or time of day, the editors have used the President's and the Secretary of State's daily appointment records, internal and other documentary evidence, and at times the logic of events to determine, as closely as possible, the precise placement of the document.

Editorial treatment of the documents published in the *Foreign Relations* series follows Office style guidelines, supplemented by guidance from the Editor in Chief and the chief technical editor. The source text is reproduced as exactly as possible, including marginalia or other notations, which are described in footnotes. Obvious typographical errors are corrected, but other mistakes and omissions in the source text are corrected by bracketed insertions: a correction is set in italic type; an omission in roman type. Brackets are also used to indicate text that has been omitted by the compiler because it deals with an unrelated subject. Ellipses are inserted to replace material that remained classified after the declassification review process. Ellipses of three or four periods identify excisions of less than a paragraph; ellipses of seven periods spread across the page identify excisions of an entire paragraph or more. All ellipses and brackets that appear in the source text are so identified by footnotes.

The first footnote to each document indicates the document's source, original classification, distribution, drafting information, and, in the case of telegrams, the time of receipt in the Department of State. The source footnote also provides the background of important documents and policies, indicates if the President or Secretary of State read the document, and records its ultimate disposition.

Editorial notes and additional annotation summarize pertinent material not printed in this volume, indicate the location of additional documentary sources, describe diplomatic reportage and key events, and provide summaries of and citations to public statements that supplement and elucidate the printed documents. Information derived

from memoirs of participants and other first-hand accounts, available when this volume was originally compiled in 1979, has been used where possible to supplement the official record.

Declassification Review Procedures

Declassification review of the documents selected for publication is conducted by the Division of Historical Documents Review, Bureau of Diplomatic Security, Department of State. The review is made in accordance with the Freedom of Information Act, the Privacy Act, and the criteria established in Executive Order 12356 regarding:

- 1) military plans, weapons, or operations;
- 2) the vulnerabilities or capabilities of systems, installations, projects, or plans relating to the national security;
- 3) foreign government information;
- 4) intelligence activities (including special activities), or intelligence sources or methods;
- 5) foreign relations or foreign activities of the United States;
- 6) scientific, technological, or economic matters relating to national security;
- 7) U.S. Government programs for safeguarding nuclear materials or facilities;
- 8) cryptology; and
- 9) a confidential source.

Declassification decisions entailed concurrence of the appropriate geographic and functional bureaus in the Department of State and of other concerned agencies of the U.S. Government, and communication with foreign governments regarding documents or information of those governments. The principle of declassification review is to release as much information as is consistent with contemporary requirements of national security and sound foreign relations; some documents or portions of documents are necessarily withheld.

Dr. Noring compiled this volume under the supervision of Editor in Chief John P. Glennon. M. Paul Claussen provided initial planning and direction. Lynn Chase and Bret D. Bellamy of the Historian's Office prepared the lists of sources, names, and abbreviations. Rita M. Baker, Chief of the Editing Division of the Historian's Office, performed the technical editing. Barbara Ann Bacon of the Publishing Services Division (Paul M. Washington, Chief) oversaw production of the volume. Max Franke prepared the index.

William Z. Slany
The Historian
Bureau of Public Affairs

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List of Sources

Unpublished Sources

Department of State

1. *Indexed Central Files.* The main source of documentation for this volume and for other volumes on the Middle East in the 1955-1957 triennium of *Foreign Relations of the United States* was the Department of State's indexed central files. Documents in classes 200 (protection of interests), 400 (trade relations), 500 (cultural relations), 600 (international relations), 700 (internal political and national defense affairs), 800 (internal economic and social affairs), and 900 (communication, transportation, science) were searched for decimal combinations involving all countries in the Middle East (country nos. 74, 80, and 83 through 88) and for the Middle Eastern relationships of the United States (no. 11), Western Europe (no. 40), the United Kingdom (no. 41), France (no. 51), the Soviet Union (no. 61), and Turkey (no. 82).

Other files and related subfiles searched for Middle East related materials include: 033 (official visits); 110.11-17 (Department of State senior officials files); 120.15 (special missions); 123 (Department of State personnel files); various files in class 300 (international organizations and conferences); and 601 (diplomatic representation). Other documents were located through pursuing cross-references and referenced telegrams.

Documentation on the major and some of the minor themes covered in this volume are located in the following files:

- 674.84A: Egyptian-Israeli relations, main file Israeli withdrawal question
- 974.7301: Suez Canal question, main file
- 684A.86: Israeli-Arab relations
- 320.51, 320.511, and 884.411: Palestinian Refugee Question
- 980.74 and 986.7301: Gulf of Aqaba question
- 114.2: Congressional requests for Department records
- 123-Hare, Raymond A.: Ambassador's conversations with Nasser
- 320.5780: U.N. Emergency Force
- 398.14: International Bank for Reconstruction and Development
- 611.74: U.S. relations with Egypt
- 611.80: U.S. policy in Middle East
- 611.84A: U.S. relations with Israel
- 674.00: General Egyptian international relations
- 683.84A: Syrian-Israeli relations
- 684A.85: Israeli-Jordanian relations
- 711.5280: U.S. intelligence activities in the Middle East
- 780.00: General Political Conditions in the Middle East
- 784A.5 through 784A.5622: Israeli National Defense, military assistance and supply
- 874.2614: Aswan High Dam Question
- 874.411: Treatment of minorities (particularly Jews) in Egypt

X List of Sources

884A.10: Israeli financial matters, especially interest in Export-Import Bank loan

884A.18: Jewish emigration into Israel

2. *Lot Files.* Documents from the Department's central files were supplemented by collections of records originally maintained in decentralized operating areas in the Department and retired as "lots" to the Department's centralized recordkeeping authority. Information relevant to this volume can be found in the following lot files:

Conference Files: Lot 62 D 181

See entry under Washington National Records Center.

Current Economic Developments: Lot 70 D 467

See entry under Washington National Records Center.

INR-NIE Files

Files retained by the Bureau of Intelligence and Research.

INR Files: Lot 62 D 42

Selected documents from country and subject files for the years 1957-1960, including Intelligence Advisory Committee and National Security Council papers, as maintained by the Office of the Director, Bureau of Intelligence and Research.

INR Files: Lot 58 D 776

Miscellaneous files of the Bureau of Intelligence and Research for the years 1946-1957.

IO Files

Master files of the Reference and Documents Section of the Bureau of International Organization Affairs of the Department of State, comprising the official U.N. documentation and classified Department of State records on U.S. policy in the U.N. Security Council, Trusteeship Council, Economic and Social Council, and various special and ad hoc committees for the period from 1946 to currency.

IO Files: Lot 60 D 113

Consolidated files of the Assistant Secretary of State for International Organization Affairs for the years 1955-1957.

IO Files: Lot 71 D 440

Master files of classified records and correspondence of U.S. delegations to sessions of the U.N. General Assembly for the years 1945-1965, as maintained by the Bureau of International Organization Affairs.

L/NEA Files: Lot 64 D 290

Miscellaneous country and subject files maintained by the Assistant Legal Adviser for Near Eastern, South Asian, and African Affairs for the years 1948-1961.

NEA Files: Lot 59 D 518

Top Secret records pertaining to the Near East, and in particular to Project Alpha and the Anderson Mission, for the years 1954-1957, as maintained by the Office of Near Eastern Affairs of the Bureau of Near Eastern, South Asian, and African Affairs.

NEA Files: Lot 59 D 582

Files on Lebanon and Israel for the years 1953-1958, including reports, memoranda, and correspondence, as maintained by the Office of Near Eastern Affairs of the Bureau of Near Eastern, South Asian, and African Affairs.

NEA/IAI Files: Lot 69 D 488

Documentation on the Suez Canal and related topics for the year 1957, as maintained by the Office of Israel and Arab-Israel Affairs of the Bureau of Near Eastern, South Asian, and African Affairs.

NEA/IAI Files: Lot 70 D 229

Political and refugee files on the Middle East for the years 1950-1964, as maintained by the Office of Israel and Arab-Israel Affairs of the Bureau of Near Eastern, South Asian, and African Affairs.

NEA/IAI Files: Lot 72 D 438

Miscellaneous Top Secret records concerning the Middle East for the years 1955-1964, as maintained by the Office of Israel and Arab-Israel Affairs.

NEA/NE Files: Lot 59 D 38

Files maintained by the Office of Near Eastern Affairs for the years 1956-1957, including documentation on Syria, Egypt, and the Sudan.

NEA/NE Files: Lot 60 D 48

Multi-topics subject files for Sudan, Syria, and Egypt for the years 1954-1957.

NEA/NE Files: Lot 61 D 59

Miscellaneous files maintained by the Office of Near Eastern Affairs for the years 1953-1960, including documentation on Syria, Egypt, and the United Arab Republic.

Phleger Files: Lot 58 D 517

Miscellaneous files of Herman Phleger, Legal Adviser of the Department of State, concerning the Middle East, Latin America, and the Far East for the years 1953-1957.

Presidential Correspondence: Lot 66 D 204

Exchanges of correspondence between the President and heads of foreign governments for the years 1953-1964, as maintained by the Executive Secretariat of the Department of State.

Presidential Memoranda of Conversation: Lot 66 D 149

Chronological record of memoranda of conversation with foreign visitors for the years 1956-1964, as maintained by the Executive Secretariat.

Secretary's Memoranda of Conversation: Lot 64 D 199

Chronological collection of the Secretary of State's memoranda of conversation for the years 1953-1960, as maintained by the Executive Secretariat.

XII List of Sources

Secretary's Staff Meetings: Lot 63 D 75

Chronological collections of the minutes of the Secretary of State's Staff Meetings during the years 1952-1960, as maintained by the Executive Secretariat.

S/S Files: Lot 66 D 123

Records pertaining to the Middle East for the period August 1957 to February 1958, as maintained by the Executive Secretariat.

S/S-NEA Files: Lot 61 D 417

See State-JCS Meetings.

S/P-NSC Files: 61 D 167

Serial file of memoranda relating to National Security Council questions for the years 1950-1961, as maintained by the Policy Planning Staff of the Department of State.

S/S-NSC (Miscellaneous) Files: Lot 66 D 95

Administrative and miscellaneous National Security Council documentation, including NSC Records of Action, as maintained by the Executive Secretariat for the years 1947-1963.

S/S-NSC Files: Lot 66 D 148

Miscellaneous files concerning subjects considered by the National Security Council during the years 1949-1962, as maintained by the Executive Secretariat.

State-JCS Meetings: Lot 61 D 417

Top Secret records of meetings between the Joint Chiefs of Staff and representatives of the Department of State for the years 1951-1959 and selected problem files on the Middle East for the years 1954-1956, as maintained by the Executive Secretariat.

Tel Aviv Embassy Files

See entry under Washington National Records Center.

United States Mission to the United Nations, New York

USUN Files

Files of the United States Mission to the United Nations, 1950 to date.

Department of Defense

Naval Historical Center

Papers of Admiral Arthur W. Radford, Chairman of the Joint Chiefs of Staff, 1953-1957.

Dwight D. Eisenhower Library, Abilene, Kansas

Dulles Papers

Records of John Foster Dulles, 1952-1959, including General Memoranda of Conversation, Meetings with the President, General Telephone Conversations, White House Telephone Conversations, and file "Israel Relations 1951-1957."

President's Daily Appointments Record

Records of Dwight D. Eisenhower as President, Daily Appointments, 1953-1961.

White House Central Files

Records of Dwight D. Eisenhower as President, 1953-1961. Documents cited in this volume are from the confidential file, "Suez Canal Crisis."

Whitman File

Papers of Dwight D. Eisenhower as President of the United States, 1953-1961, maintained by his personal secretary, Ann C. Whitman. The Whitman File includes the following elements: the Name Series, the Dulles-Herter Series, Eisenhower (DDE) Diaries, Ann Whitman (ACW) Diaries, National Security Council Records, Miscellaneous Records, Cabinet Papers, Legislative Meetings, International Meetings, the Administration Series, and the International File.

Princeton University Library, Princeton, New Jersey

Dulles Papers, Dulles' Daily Appointment Book

Daily log of the meetings and appointments of Secretary of State John Foster Dulles for the years 1953-1959.

Washington National Records Center, Suitland, Maryland

Conference Files: FRC 59-83-0066

Lot 62 D 181: Collection of documentation on official visits by heads of government and foreign ministers to the United States and on major international conferences attended by the Secretary of State for the years 1956-1958, as maintained by the Executive Secretariat.

Current Economic Developments: FRC 72 A 6248

Lot 70 D 467: Master set of the Department of State classified internal publication *Current Economic Developments* for the years 1945-1969, as maintained in the Bureau of Economic Affairs.

Tel Aviv Embassy Files: FRC 66 A 335

Lot 65 F 51: Subject files for 1956-1958, as maintained by the Embassy in Tel Aviv.

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U.S. Government Documentary Collections

U.S. Congress. Senate. *Executive Sessions of the Senate Foreign Relations Committee (Historical Series)*, Vol. IX, Eighty-fifth Congress, First Session, 1956 (Washington: U.S. Government Printing Office, 1978)

_____. *The President's Proposal on the Middle East: Hearings Before the Committee on Foreign Relations and the Committee on Armed Services, United States Senate, Eighty-fifth Congress, First Session, on S.J. Res. 19 and H.J. 117, Part I* (Washington: U.S. Government Printing Office, 1957)

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XIV List of Sources

- _____. *United States Policy in the Middle East, September 1956-June 1957* (Washington: U.S. Government Printing Office, 1957)
- U.S. National Archives and Records Administration. *Public Papers of the Presidents of the United States: Dwight D. Eisenhower, 1957* (Washington: U.S. Government Printing Office, 1958)

Memoirs

Note: The following memoirs which contain information on the Arab-Israeli dispute during 1957 were consulted at the time this volume was prepared in 1979. The Department of State takes no responsibility for their accuracy nor endorses their interpretation of the events.

- Adams, Sherman. *First Hand Report* (New York: Harper & Brothers, 1961)
- Ben Gurion, David. *Israel. A Personal History* (New York: Funk & Wagnalls, 1971)
- _____. *Israel: Years of Challenge* (New York: Holt, Rinehart and Winston, 1963)
- Burns, Lt. Gen. E.L.M. *Between Arab and Israeli* (New York: Obolensky, 1963)
- Eban, Abba. *Abba Eban: An Autobiography* (New York: Random House, 1977)
- Eisenhower, Dwight D. *The White House Years. Waging Peace, 1956-1961* (New York: Doubleday and Company, 1965)
- Georges-Picot, Jacques. *The Real Suez Canal Crisis: The End of a Great Nineteenth Century Work* (New York: Harcourt Brace Jovanovich, 1978).
- Macmillan, Harold R. *Riding the Storm, 1956-1959* (New York: Harper & Row, 1971)
- Meir, Golda. *My Life* (New York: G.P. Putnam's Sons, 1975)
- Moncrieff, Anthony (ed.). *Suez. Ten Years After* (London: British Broadcasting Corporation, 1967)
- Pineau, Christian. *Suez/1956* (Paris: Robert Laffont, 1976)

List of Abbreviations

Editor's Note: This list does not include standard abbreviations in common usage; unusual abbreviations of rare occurrence which are clarified at appropriate points; and those abbreviations and contractions which, although uncommon, are understandable from the context.

- A**, airgram
AA, anti-aircraft
ACSP, Arab Collective Security Pact
AFSC, American Friends Service Committee
AKA, Attack Cargo Vessel
AL, Arab League or Arab Legion (Trans-jordan)
ALCSP, Arab League Collective Security Pact
ALO, series indicator for military telegrams
AmEmb, American Embassy
AMS, Agricultural Marketing Services, Department of Agriculture
AP, Associated Press; Atlantic Pact
ARA, Bureau of Inter-American Affairs, Department of State
ARAMCO, Arabian-American Oil Company
ARMATT, Army Attaché
ASRP, Arab Socialist Resurrectionist Party (Syrian)
AWD, Allen W. Dulles
B/D, barrels of oil per day
BG, David Ben Gurion
BIS, Bank of International Settlements
BJSM, British Joint Services Mission or British Joint Staff Mission
BMEO, British Middle East Office
BNA, Office of British Commonwealth and Northern European Affairs, Department of State
BCFMC, Bilateral San Francisco Memorandum of Conversation
CA, circular airgram
CARE, Cooperative for American Remittances to Everywhere
CASU, Cooperative Association of Suez Canal Users
CCS, Combined Chiefs of Staff
CF, Conference File
CHMAAG, Chief, Military Assistance Advisory Group
CIA, Central Intelligence Agency
CIA/LC, Central Intelligence Agency, Legislative Counsel
CINCARIB, Commander in Chief, Caribbean
CINCFE, Commander in Chief, Far East
CINCLANT, Commander in Chief, Armed Forces, Atlantic
CINCNELM, Commander in Chief, U.S. Naval Forces, Eastern Atlantic and Mediterranean
CINCPAC, Commander in Chief, Pacific
CINCSAC, Commander in Chief, Strategic Air Command
CINCUSAFE, Commander in Chief, United States Air Force, Europe
CINCUSAREUR, Commander in Chief, United States Army in Europe
circ, circular telegram
cirtel, circular telegram
COM, communications
comite, committee

XVI List of Abbreviations

- CONAD**, Continental Air Defense Command
- CONADR**, Continental Air Defense Command Regulation
- ConGen**, Consulate General
- Contel**, Consulate telegram
- CRO**, Commonwealth Relations Office
- CS**, Chief of Staff
- CSA**, Chief of Staff, U.S. Army
- CSAFM**, Chief of Staff, Air Force Memorandum
- CSS**, Commodity Stabilization Service, Department of Agriculture
- CVA**, Attack Aircraft Carrier
- CVS**, Anti-Submarine Warfare Aircraft Carrier
- CX**, Army telegram designator
- CZ**, Canal Zone
- DA**, Development Assistance
- DCI**, Director of Central Intelligence
- DEFREPARMA**, Defense Representative Army Attaché
- Del**, Delegation
- Delga**, series indicator for telegrams from the U.S. Delegation at the United Nations General Assembly; also used to refer to the U.S. Delegation at the United Nations General Assembly
- Dento**, series indicator for telegrams sent from the Denver White House
- Depcirgram**, Department of State circular airgram
- Depcirtel**, Department of State circular telegram
- Deptel**, Department of State telegram
- desp**, despatch
- DIB**, Defense Intelligence Briefing
- DirGen**, Director General
- DL**, Demarcation Line
- DRN**, Division of Research for the Near East, South Asia, and Africa, Department of State
- DRS**, Division of Research for the Soviet Union and Eastern Europe, Department of State
- DRW**, Division of Research for Western Europe, Department of State
- Dulte**, series indicator for telegrams from Secretary of State Dulles while away from Washington
- DZ**, Demilitarized Zone
- E**, Bureau of Economic Affairs, Department of State
- EARIS**, Egyptian-American Rural Improvement Service
- ECA**, Economic Cooperation Administration
- E-I**, Egyptian-Israeli
- EIMAC**, Egyptian-Israeli Mixed Armistice Commission
- E.J.**, Eric Johnston
- Embdesp**, Embassy despatch
- Embtel**, Embassy telegram
- ES**, Emergency Session of the United Nations General Assembly
- ES-I**, First Emergency Session of the United Nations General Assembly
- ESS**, Egyptian-Syrian-Saudi Pact
- ETW**, Eden Talks, Washington
- EUR**, Bureau of European Affairs, Department of State
- EUR/RA**, Office of European Regional Affairs, Bureau of European Affairs, Department of State
- EURATOM**, European Atomic Energy Community
- EXIM Bank/EX-IM**, Export-Import Bank
- FAF**, French Air Force
- FAO**, Food and Agricultural Organization of the United Nations
- FAS**, Foreign Agricultural Service, Department of Agriculture
- FBI**, Federal Bureau of Investigation
- FBIS**, Foreign Broadcast Information Service
- FE**, Bureau of Far Eastern Affairs, Department of State
- FinAtt**, Financial Attaché
- FLO**, Foreign Liaison Office
- FN**, Division of Financial Affairs, Department of State
- F.O.**, Foreign Office
- FOA**, Foreign Operations Administration
- FonMin**, Foreign Minister; Foreign Ministry
- FonOff**, Foreign Office
- FPSC**, Foreign Petroleum Supply Committee
- FRC**, Foreign Relations Committee of the U.S. Senate
- FSD**, Division of Fuels, Department of State
- FTC**, Federal Trade Commission
- FY**, fiscal year
- FYI**, for your information
- G**, Office of the Deputy Under Secretary of State

- G-2**, Army (or Marine) general staff section dealing with intelligence at the divisional level or higher
- GA**, United Nations General Assembly
- GAA**, General Armistice Agreement
- Gadel**, series indicator for telegrams to the U.S. Delegation at the United Nations General Assembly
- GHQ**, General Headquarters
- GMT**, Greenwich mean time
- GOE**, Government of Egypt
- GOI**, Government of Israel; Government of India
- GOL**, Government of Lebanon
- GOS**, Government of Syria
- GSA**, General Services Administration
- H**, Office of the Assistant Secretary of State for Congressional Relations
- HICOM**, High Commission(er)
- Histradut**, General Federation of Jewish Labor in Israel
- HJK**, Hashemite Jordanian Kingdom
- HJK-IMAC**, Jordanian-Israeli Mixed Armistice Commission
- HKJ**, Hashemite Kingdom of Jordan
- HM**, His/Her Majesty
- HMG**, His/Her Majesty's Government
- HQ**, Headquarters
- IAC**, Intelligence Advisory Committee
- IBRD**, International Bank for Reconstruction and Development
- IC**, Division of International Conferences, Department of State
- ICA**, International Cooperation Administration
- ICA/W**, International Cooperation Administration, Washington
- ICAO**, International Civil Aviation Organization
- ICJ**, International Court of Justice
- IDAB**, International Development Advisory Board
- IDF**, Israeli Defense Forces
- IDF-FLO**, Israel Defense Forces-Foreign Liaison Office
- I-E**, Israeli-Egyptian
- IEG**, Imperial Ethiopian Government
- IFC**, International Finance Corporation
- IG**, Israeli Government
- IIS**, Israeli Intelligence Service
- IMF**, International Monetary Fund
- INR**, Bureau of Intelligence and Research, Department of State
- INS**, International News Service
- IO**, Bureau of International Organization Affairs, Department of State
- IO/OES**, Office of International Economic and Social Affairs, Department of State
- IO/OIA**, Office of International Administration, Department of State
- IPC**, Iraq Petroleum Company
- IRD**, International Resources Division, Department of State
- ISA**, Office of the Assistant Secretary of Defense for International Security Affairs or the Assistant Secretary of Defense for International Security Affairs; also Office of International Security Affairs, Department of Defense
- ISMAC**, Israeli-Syrian Mixed Armistice Commission
- JCS**, Joint Chiefs of Staff
- Jlem**, Jerusalem
- JSPC**, Joint Strategic Plans Committee of the Joint Chiefs of Staff
- JSSC**, Joint Strategic Survey Committee
- Jugs**, Yugoslavs
- JVP**, Jordan Valley Plan; Jordan Valley Proposal
- K**, kilometer
- kw**, kilowatt
- L**, Office of the Legal Adviser, Department of State
- L/E**, Office of the Assistant Legal Adviser for Economic Affairs, Department of State
- L/NEA**, Office of the Assistant Legal Adviser for Near Eastern, South Asian, and African Affairs, Department of State
- LE**, Egyptian pounds
- Leb**, Lebanon
- Lon**, London
- MA**, Military Attaché
- MAAC**, Mutual Assistance Advisory Committee
- MAAG**, Military Assistance Advisory Group
- MAC**, Mixed Armistice Commission
- MAG**, Military Advisory Group
- Mapai**, Israeli Labor Party
- Mapam**, Israeli United Workers' Party
- MATS**, Military Air Transport Service
- MC**, Memorandum of Conversation; Office of Munitions Control, Department of State
- MCM**, Milliard Cubic Meters
- MDA**, Mutual Defense Assistance

XVIII List of Abbreviations

- MDAP**, Mutual Defense Assistance Program
ME, Middle East
MEEC, Middle East Emergency Committee
MEPPG, Middle East Policy Planning Group
MilAtt, Military Attaché
MinDef, Minister or Ministry of Defense
MinFonAff, Minister or Ministry of Foreign Affairs
MP, Member of Parliament (United Kingdom)
MSA, Mutual Security Agency/Act/Assistance
MSP, Mutual Security Program
MSTS, Military Sea Transport Service
mytel, my telegram
NAC, North Atlantic Council; National Advisory Council
NATO, North Atlantic Treaty Organization
NE, Near East; Office of Near Eastern Affairs, Department of State
NEA, Near East and Africa; Bureau of Near Eastern, South Asian, and African Affairs, Department of State
NEACC, Near East Arms Coordinating Committee
NH, Note to Holders
Niact, communications indicator requiring attention by the recipient at any hour of the day or night
NIC, National Indications Center
NIE, National Intelligence Estimate
Noform, not releasable to foreign nationals
NSC, National Security Council
NZ, New Zealand
O, Office of the Deputy Under Secretary of State for Administration
OCB, Operations Coordinating Board
ODM, Office of Defense Mobilization
OEEC, Organization for European Economic Cooperation
OFD, Office of Financial and Development Policy, Department of State
ONE, Office of National Estimates
ORM, Office of Refugee and Migration Affairs, Department of State
OSD, Office of the Secretary of Defense
OSP, Offshore Procurement
PAO, Public Affairs Officer
PCC, Palestine Conciliation Commission
PIO, Public Information Officer
PL, Public Law
PLG, Paris Liaison Group
PM, Prime Minister
PMCG (NY), preparations for the Meeting of the Chiefs of Government (New York)
POL, petroleum, oil, and lubricants
Polto, series indicator for telegrams from the Office of the United States Permanent Representative to the North Atlantic Council to the Department of State
POM (NY) MC, preparations for the October Meetings (of the Foreign Ministers) (New York), Memorandum of Conversation
PPS, Parti Populaire Syrien, Syrian National Party
PrMin, Prime Minister
PTS, proposed talks with the Soviets
R, Office of the Special Assistant for Intelligence, Department of State
R&D, Research and Development
RA, Office of European Regional Affairs, Department of State
RAF, Royal Air Force
RCC, Revolutionary Command Council of Egypt
RCT, Regimental Combat Team
reftel, reference telegram
Res, Resolution
RGT, Army Regimental Combat Team
RLG, Rome Liaison Group
RMA, Reimbursable Military Assistance
RO, Reports and Operations Staff of the Executive Secretariat, Department of State
S, Office of the Secretary of State
S/P, Policy Planning Staff, Department of State
S/PV, Security Council/Procès-Verbal
S/S, Executive Secretariat, Department of State
S/S-RO, Reports and Operations Staff, Executive Secretariat, Department of State
SA, Saudi Arabia
SAC, Strategic Air Command
SAG, Saudi Arabian Government
SC, United Nations Security Council
SCUA, Suez Canal Users Association
SEA, Southeast Asia
SEATO, Southeast Asia Treaty Organization
Sec, Secretary

- Secto**, series indicator for telegrams from the Secretary of State (or his delegation) at international conferences
- Secy**, Secretary
- SFIO**, Société Française de l'Internationale Ouvrière (French Society of International Socialists)
- SHAPE**, Supreme Headquarters, Allied Powers, Europe
- SNIE**, Special National Intelligence Estimate
- SOCONY**, Standard Oil Company of New York
- SOSUS**, Sound Surveillance Underwater System
- SPC**, Special Political Committee of the U.N. General Assembly
- SPD**, Sozialdemokratische Partei Deutschlands (German Social Democratic Party)
- SS**, submarine
- SY**, Division of Security, Department of State
- SYG**, Secretary-General
- T/O & E**, Table of Organization and Equipment
- TAPLINE**, Trans-Arabian Pipeline Company
- TC**, Truce Commission (in Palestine); United Nations Trusteeship Council
- Tedul**, series indicator for telegrams to Secretary of State Dulles while away from Washington
- Toden**, series indicator for telegrams sent to the Denver White House
- Tosec**, series indicator for telegrams from the Department of State to the Secretary of State (or his delegation) at international conferences
- TS**, Top Secret
- TSO**, Truce Supervisory Organization (United Nations)
- TVA**, Tennessee Valley Authority
- TWA**, Trans World Airlines
- U**, Office of the Under Secretary of State
- U/MSA**, Office of the Special Assistant for Mutual Security Affairs, Department of State
- U/PR**, Office of the Chief of Protocol, Department of State
- UJA**, United Jewish Appeal
- UK**, United Kingdom
- UKG**, United Kingdom Government
- UN**, United Nations
- UNA**, Office of United Nations Affairs, Department of State
- UNGA**, United Nations General Assembly
- UNMIS**, United Nations Mission
- UNP**, Office of United Nations Political and Security Affairs, Department of State
- UNRRA**, United Nations Relief and Rehabilitation Administration
- UNRWA**, United Nations Relief and Works Agency for Palestine and the Near East
- UNSC**, United Nations Security Council
- UNSCOP**, U.N. Special Committee on Palestine
- UNTS**, United Nations Truce Supervisor; United Nations Treaty Series
- UNTSO**, United Nations Truce Supervisory Organization
- UNSYG**, Secretary-General of the United Nations
- UP**, United Press
- urtel**, your telegram
- USA**, United States Army
- USAF**, United States Air Force
- USAREUR**, United States Army, Europe
- USARMA**, United States Army Attaché
- USCINCEUR**, United States Commander in Chief, Europe
- USDel**, United States delegation
- USG**, United States Government
- USGADel**, United States Delegation at the United Nations General Assembly
- USIA**, United States Information Agency
- USIS**, United States Information Service
- USLO**, United States Liaison Officer
- USMC**, United States Marine Corps
- USNMR**, United States National Military Representative to Supreme Headquarters, Allied Powers, Europe
- USOM**, United States Operations Mission
- USRO**, United States Mission to the North Atlantic Treaty Organization and European Regional Organizations
- USSR**, Union of Soviet Socialist Republics
- USUN**, United States Mission at the United Nations
- Wafd**, Egypt's principal political party
- WE**, Western Europe; Office of Western European Affairs, Bureau of European Affairs, Department of State
- WFTU (WFTCU)**, World Federation of Trade Unions
- WH**, White House
- ZI**, Zone of Interior



List of Persons

Editor's Note: The identification of persons in this list is limited to circumstances and positions under reference in this volume. Historical personages alluded to in the volume and certain minor officials are not identified in this list. All titles and positions are American unless there is an indication to the contrary.

In this and in other editorial material throughout the volume (document headings, footnotes, and editorial notes), every effort has been made to provide recognizable and consistent transliterations of names of individuals from countries using non-Roman alphabets. The transliterations adopted for proper names were those commonly used by the Department of State at the time, or in documents or official publications of the countries concerned. (In the case of Arabic names, differences arise in the transliteration of vowels. The editors have generally rendered the definite article as al- rather than el-, and have omitted diacritical marks.)

Abramov, Alexander N., Soviet Ambassador to Israel

Adams, Sherman, Assistant to the President

Adams, Ware, Director of the Office of United Nations Political and Security Affairs, Department of State, from September 1956

Alphand, Hervé, Permanent Representative of France at the United Nations until August 24, 1956; Ambassador to the United States from September 10, 1956

Amer, Gen. Abdel Hakim, Egyptian Commander in Chief of the Armed Forces; Minister of War and Marine; Chief Commander of the Egyptian-Syrian Joint Command from October 23, 1956

Amin, Moustafa, Egyptian publisher and special emissary of Nasser

Anderson, Robert B., Special Emissary for the President to the Middle East, January-March 1956, and again in August 1956; Secretary of the Treasury from July 29, 1957

Armstrong, W. Park, Special Assistant to the Secretary of State for Intelligence, Department of State, until June 16, 1957

Asbjornson, Mildred, Secretary of State Dulles' secretary

Bailey, Ronald W., First Secretary of the British Embassy in the United States until October 25, 1957

Barbour, Walworth, Minister-Counselor of the Embassy in the United Kingdom after February 23, 1956

XXII List of Persons

- Barco, James W.**, Counselor of the Mission to the United Nations from June 16, 1955; also Deputy Representative to the U.N. Security Council from April 12, 1956; also Counselor of the Delegation to the U.N. General Assembly at the 10th, 11th, and 12th Sessions
- Barnes, Robert G.**, Special Assistant to the Under Secretary of State for Mutual Security Affairs from March 11, 1956
- Beckett, John A.**, Assistant Secretary of the British Ministry of Fuel and Power
- Beam, Jacob D.**, Deputy Assistant Secretary of State for European Affairs, October 23, 1955-June 27, 1957; Ambassador to Poland after August 9, 1957
- Becker, Loftus**, Legal Adviser, Department of State, from June 13, 1957
- Beeley, Harold**, British Ambassador to Saudi Arabia, May 1955-June 1956; thereafter Assistant Under Secretary in the British Foreign Office
- Ben Gurion, David**, Israeli Minister of Defense from February 17, 1955; also Prime Minister from November 3, 1955
- Bennike, Maj. Gen. Vagn**, former Chief of Staff, U.N. Truce Supervisory Organization until September 2, 1954
- Berding, Andrew H.**, Assistant Director for Policies and Programs, United States Information Agency, until March 22, 1957; Assistant Secretary of State for Public Affairs from March 28, 1957
- Bergus, Donald C.**, Officer in Charge of Israel-Jordan Affairs, Office of Near Eastern Affairs, Department of State
- Bernau, Phyllis D.**, Secretary of State Dulles' Personal Assistant
- Berry, J. Lampton**, Special Assistant to the Deputy Under Secretary of State for Administration, October 21, 1955-August 30, 1956; thereafter Deputy Assistant Secretary of State for Near Eastern, South Asian, and African Affairs
- Bizri, Gen. Afif**, Syrian Army Chief of Staff from August 1957
- Black, Eugene**, President of the International Bank for Reconstruction and Development
- Blackiston, Slator C., Jr.**, Office of Near Eastern Affairs, Department of State, April 8, 1956-March 10, 1957; thereafter Attaché of the Embassy in Lebanon
- Boggs, Marion W.**, Coordinator, National Security Council Board of Assistants, until 1957; Director of the National Security Council Secretariat from 1957
- Bourgès-Maunoury, Maurice**, French Minister of Defense, January 31, 1956-June 11, 1957
- Bowie, Robert**, Director, Policy Planning Staff, Department of State, until October 18, 1957; Department of State member of the National Security Council Planning Board, August 28, 1955-October 18, 1957
- Bulganin, Nikolai A.**, Soviet Minister of Defense until February 1955; Chairman, Council of Ministers, Presidium Member of the Soviet Communist Party, and Head of Government
- Bunche, Ralph J.**, Under Secretary in the United Nations Secretariat
- Burdett, William C., Jr.**, Special Assistant to the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs, October 7, 1956-August 11, 1957; Acting Deputy Director, Office of Near Eastern Affairs, August 11, 1957-August 28, 1957; First Secretary of the Embassy in the United Kingdom from November 3, 1957
- Burgess, W. Randolph**, Under Secretary of the Treasury for Monetary Affairs until July 1957; Permanent Representative to NATO with personal rank of Ambassador from July 3, 1957
- Burke, Adm. Arleigh A.**, USN, Chief of Naval Operations and member of the Joint Chiefs of Staff from August 17, 1955
- Burns, Maj. Gen. Eedson L.M.**, Canadian Army Officer; Chief of Staff of the United Nations Truce Supervisory Organization until November 1956; Commander, United Nations Emergency Force, from November 1956
- Byroade, Henry A.**, Ambassador to Egypt, March 10, 1955-September 10, 1956; Ambassador to the Union of South Africa from October 9, 1956

- Caccia, Sir Harold**, Ambassador to the United States from November 9, 1956
- Chamoun, Camille**, President of Lebanon
- Chipperfield, Robert B.**, Democratic Congressman from Illinois and member of the House Foreign Affairs Committee
- Comay, Michael S.**, Israeli Ambassador to Canada until April 1957
- Corbett, Jack C.**, Director, Office of Finance and Development Policy, Department of State
- Cordier, Andrew W.**, Executive Assistant to the Secretary-General of the United Nations since 1946
- Coulson, Sir John E.**, Minister of the British Embassy in the United States from October 27, 1955
- Crosthwaite, Ponsonby Moore**, Deputy Permanent Representative of the United Kingdom at the U.N. Security Council; Alternate Representative at the General Assembly
- Cumming, Hugh S., Jr.**, Special Assistant to the Secretary of State for Intelligence, Department of State, May 5, 1957-October 10, 1957; thereafter Director of Intelligence and Research
- Dale, William N.**, Officer in Charge of United Kingdom and Ireland Affairs, Office of British Commonwealth and Northern European Affairs, Department of State, from July 29, 1956
- Daridan, Jean Henri**, Assistant Director of the Cabinet of the Minister, French Foreign Ministry, February-July 1956; Director General of Political and Economic Affairs from July 5, 1956
- Dayan, Maj. Gen. Moshe**, Chief of General Staff, Israeli Defense Forces
- De Palma, Samuel**, Deputy Director, Office of United Nations Political and Security Affairs, April 8, 1956-August 25, 1957
- Dean, Arthur H.**, lawyer in private practice
- Dean, Sir Patrick Henry**, Assistant Under Secretary of State in the British Foreign Office, until August 29, 1956; thereafter Deputy Under Secretary of State
- Dillon, C. Douglas**, Ambassador to France until January 28, 1957; Deputy Under Secretary of State for Economic Affairs from March 15, 1957
- Dixon, Sir Pierson**, Permanent Representative of the United Kingdom at the United Nations
- Dorman, John**, First Secretary and Consul at the Embassy in the United Kingdom, October 22, 1955-August 1957; Deputy Director, Office of Near Eastern Affairs, Department of State, from August 28, 1957
- Drain, Richard D.**, Secretary of State Dulles' Special Assistant, March 11, 1957-August 9, 1957
- Dulles, Allen W.**, Director of Central Intelligence
- Dulles, John Foster**, Secretary of State
- Eban, Abba**, Israeli Ambassador to the United States and Permanent Representative at the United Nations
- Eden, Rt. Hon. Sir Anthony**, British Prime Minister and First Lord of the Treasury, April 6, 1955-January 10, 1957
- Eisenhower, Dwight D.**, President of the United States
- Elbrick, C. Burke**, Deputy Assistant Secretary of State for European Affairs until February 14, 1957; thereafter Assistant Secretary of State for European Affairs
- Engen, Hans**, Permanent Representative of Norway at the United Nations
- Eshkol, Levi**, Israeli Minister of Finance
- Faisal ibn abd al-Aziz**, Crown Prince of Saudi Arabia; Saudi Prime Minister and Minister of Foreign Affairs

XXIV List of Persons

Faisal II, King of Iraq

Fawzi, Mahmoud, Egyptian Minister of Foreign Affairs; Chairman of the Egyptian Delegation at the United Nations and Representative at the General Assembly

FitzGerald, Dennis A., Deputy Director for Operations, International Cooperation Administration

Flemming, Arthur S., Director, Office of Defense Mobilization, until February 1957

Fobes, John E., Director, Office of International Administration, Department of State, from September 25, 1955

Frost, Rear Adm. Lawrence H., USN, Assistant Chief of Naval Operations (Intelligence) and Director of Naval Intelligence

Fulbright, J. William, Democratic Senator from Arkansas and member of the Senate Foreign Relations Committee

Furnas, Clifford C., Assistant Secretary of Defense (Research and Development), December 1, 1955-February 15, 1957

Gaitskell, Hugh, British Member of Parliament and Leader of the Labour Party since December 1955

Gamon, David L., Office of United Nations Political and Security Affairs, Department of State, from November 4, 1956

George, Walter F., Democratic Senator from Georgia until January 3, 1957; Chairman, Senate Foreign Relations Committee, until January 3, 1957; Special Ambassador to NATO, January 3-August 4, 1957; died August 4, 1957

Gleason, S. Everett, Deputy Executive Secretary of the National Security Council

Gohar, Lt. Col. Salah, Egyptian Army; head of the Palestine Department, Egyptian Ministry of War

Goodpaster, Brig. Gen. Andrew J., USA, Staff Secretary and Defense Liaison Officer to the President; became Brigadier General on January 1, 1957

Gray, Gordon, Assistant Secretary of Defense for International Security Affairs, July 14, 1955-February 27, 1957; Director of the Office of Defense Mobilization from March 14, 1957

Green, Theodore F., Democratic Senator from Rhode Island; Chairman, Senate Foreign Relations Committee, from January 3, 1957

Greene, Joseph N., Jr., Deputy Director of the Executive Secretariat, Department of State, September 9, 1956-October 1957

Gromyko, Andrei A., First Deputy Soviet Foreign Minister and Ambassador to the United Kingdom until February 14, 1957; thereafter Foreign Minister; Representative to the 12th Session of the U.N. General Assembly

Gruenther, Gen. Alfred M., USA, Supreme Allied Commander, NATO, until November 1956

Hagerty, James C., Press Secretary to the President

Haikal (Heikal), Mohammed, Egyptian journalist and confidant of President Nasser; editor of *Al Ahram* from 1957

Hamarskjöld, Dag, Secretary-General of the United Nations

Hanes, John W., Jr., Special Assistant to the Secretary of State until April 1957

Hare, Raymond A., Ambassador to Egypt from September 25, 1956

Harlow, Bryce N., Administrative Assistant to the President

Hayter, Sir William, British Ambassador to the Soviet Union until January 1957; thereafter Deputy Under Secretary in the Foreign Office

Heath, Donald R., Ambassador to Lebanon from March 9, 1955

Heeney, Arnold D.P., Canadian Ambassador to the United States until April 1957

Henderson, Loy W., Deputy Under Secretary of State for Administration from January 26, 1955; Officer in Charge of Hungarian Refugee Operations from December 31, 1956

- Herter, Christian A.**, Consultant to Secretary of State Dulles, January 14, 1957-February 20, 1957; Under Secretary of State from February 21, 1957; Chairman of the Operations Coordinating Board from February 25, 1957
- Hill, Robert C.**, Assistant Secretary of State for Congressional Relations, March 7, 1956-May 1957; Ambassador to Mexico from May 20, 1957
- Hoffacker, Lewis**, Bureau of Near Eastern, South Asian, and African Affairs, Department of State, from December 16, 1956
- Home, Earl of (Alexander Frederick Douglas-Home)**, British Secretary of State for Commonwealth Relations since April 1955
- Hood, Viscount Samuel**, Assistant Under Secretary of State in the British Foreign Ministry, September 1956-September 1957; thereafter Minister at the Embassy in the United States
- Hoover, Herbert, Jr.**, Under Secretary of State until February 21, 1957
- Houghton, Amory**, Ambassador to France from April 17, 1957
- Howe, Fisher**, Deputy Special Assistant for Intelligence, Department of State, until March 12, 1956; thereafter Director of the Executive Secretariat
- Humphrey, George M.**, Secretary of the Treasury
- Hussein, Ahmad**, Egyptian Ambassador to the United States
- Hussein, King**, King of Jordan
- Johnson, Lyndon B.**, Democratic Senator from Texas; Senate Majority Leader from January 3, 1955
- Johnston, Eric A.**, Chairman of the International Development Advisory Board, International Cooperation Administration
- Jones, John Wesley**, Director, Office of Western European Affairs, Department of State, until February 14, 1957; Deputy Assistant Secretary of State for European Affairs from February 14, 1957
- Joxe, Louis**, Secretary General of the French Foreign Ministry from July 5, 1956
- al-Kaisouni, Abdelmoneim**, Egyptian Minister of Finance
- Kalijarvi, Thorsten V.**, Deputy Assistant Secretary of State for Economic Affairs until March 14, 1957; Assistant Secretary of State for Economic Affairs thereafter
- al-Khayyal, Sheikh Abdullah**, Saudi Arabian Ambassador to the United States from August 11, 1955
- Khouri, Victor A.**, Lebanese Ambassador to the United States from November 8, 1955
- Khrushchev, Nikita S.**, First Secretary of the Central Committee of the Soviet Communist Party
- Kidron, Mordecai R.**, Israeli Deputy Representative to the United Nations
- Kiselev, Yevgeniy Dmitrievich**, Soviet Ambassador to Egypt from February 13, 1956
- Knowland, William F.**, Republican Senator from California; Senate Minority Leader and member of the Senate Foreign Relations Committee
- Kollek, Theodore (Teddy)**, Director General of the Israeli Prime Minister's Office
- Labouisse, Henry R.**, Director, United Nations Relief and Works Agency for Palestine Refugees in the Near East
- Laboulaye, François de**, Second Counselor of the French Embassy in the United States
- Lall, Arthur S.**, Permanent Representative of India to the United Nations
- Laskey, Denis S.**, Head of the Economic Relations Department, British Foreign Office, from May 9, 1955; Counselor of the Foreign Office; Private Secretary to the Foreign Secretary from 1956
- Lawson, Edward B.**, Ambassador to Israel
- Leary, Col. Byron V.**, USA, Acting Chief of Staff of the United Nations Truce Supervisory Organization after November 1956
- Lloyd, Selwyn**, British Secretary of State for Foreign Affairs from December 12, 1955

XXVI List of Persons

- Lodge, Henry Cabot, Jr.**, Permanent Representative at the United Nations
- Loutfi, Omar**, Permanent Representative of Egypt at the United Nations
- Lucet, Charles E.**, Minister-Counselor of the French Embassy in the United States from June 1955
- Ludlow, James M.**, Office of United Nations Political and Security Affairs, Department of State, until November 4, 1956; thereafter Acting United Nations Adviser, Bureau of Near Eastern, South Asian, and African Affairs
- McAfee, William**, Office of the Special Assistant for Intelligence, Department of State, winter 1956–October 1957; Assistant to the Special Assistant to the Director of the Bureau of Intelligence and Research from October 10, 1957
- McCardle, Carl W.**, Assistant Secretary of State for Public Affairs until March 1, 1957
- McCloy, John J.**, Chairman of the Board of the Chase Manhattan Bank
- McCollum, Robert J.**, Deputy Administrator for Refugee Relief, Department of State, from February 1, 1957
- Macmillan, Harold**, British Chancellor of the Exchequer, December 20, 1955–January 10, 1957; thereafter Prime Minister and First Lord of the Treasury
- Macomber, William B.**, Special Assistant to the Secretary of State, November 16, 1955–August 15, 1957
- Malik, Charles**, Permanent Representative of Lebanon at the United Nations, 1956–1957; Minister of Foreign Affairs and Minister of Education from November 19, 1956
- Mallory, Lester D.**, Ambassador to Jordan
- Mansfield, Mike**, Democratic Senator from Montana; member of the Senate Foreign Relations Committee; Senate Majority Whip from January 3, 1957
- Mathews, Elbert G.**, Member of the Policy Planning Staff, Department of State, March 13, 1955–November 13, 1957; Deputy Assistant Secretary of State for Policy Planning from November 3, 1957
- Meeker, Leonard C.**, Assistant Legal Adviser for United Nations Affairs, January 1951–April 1957; Acting Deputy Legal Adviser from April 3, 1957
- Meir, Golda**, Israeli Minister of Labor until June 1956; Foreign Minister from June 18, 1956
- Menon, V.K. Krishna**, Representative of India at the United Nations and Representative on the Trusteeship Council; Minister without Portfolio, 1956; Minister of Defense, 1957
- Menzies, Robert G.**, Australian Prime Minister
- Merchant, Livingston T.**, Ambassador to Canada from May 23, 1956
- Minnich, L. Arthur, Jr.**, Assistant Staff Secretary to the President
- Moline, Edwin G.**, Officer in Charge of Economic Organization Affairs, Office of European Regional Affairs, Department of State, from May 6, 1956
- Mollet, Guy**, French Prime Minister, January 31, 1956–June 11, 1957
- Moose, James S., Jr.**, Ambassador to Syria until June 30, 1957
- Morris, Willie**, First Secretary of the British Embassy in the United States from August 1, 1955
- Murphy, Robert D.**, Deputy Under Secretary of State for Political Affairs
- Nasser (Nasr, Nassir), Gamal Abd'ul**, Egyptian Head of Government; President and Head of State from June 24, 1956
- Nehru, Jawaharlal**, Indian Prime Minister and Minister for External Affairs; Head of the Department of Atomic Energy
- Newsom, David D.**, Office of Arabian Peninsula and Iraqi Affairs, Bureau of Near Eastern, South Asian, and African Affairs, Department of State, from June 27, 1956

- O'Connor, Roderic L.**, Deputy Assistant Secretary of State for Congressional Relations, December 1, 1955-May 1957; Administrator, Bureau of Security and Consular Affairs, from May 28, 1957
- Pearson, Lester**, Canadian Secretary of State for External Affairs until June 21, 1957; Representative to the 11th Session of the U.N. General Assembly, November 1956-March 1957
- Pella, Giuseppe**, Italian Foreign Minister from May 20, 1957
- Persons, Maj. Gen. Wilton B. (Jerry)**, USA, Deputy Assistant to the President
- Phleger, Herman**, Legal Adviser of the Department of State until April 1, 1957
- Pineau, Christian**, French Foreign Minister from February 1, 1956; Head of the French Delegation at the United Nations, 1956 and 1957
- Proctor, Carolyn**, Secretary of State Dulles' secretary
- al-Quwatli (Quwaitli, Quwatly, Kuwatly), Shukri**, President of Syria from August 18, 1955
- Radford, Adm. Arthur W.**, USN, Chairman of the Joint Chiefs of Staff until August 14, 1957
- Rafael, Gideon**, Counselor, Department of Middle Eastern and United Nations Affairs, Israeli Ministry of Foreign Affairs
- Rayburn, Sam**, Democratic Congressman from Texas; Speaker of the House of Representatives
- Raymond, John M.**, Office of the Legal Adviser, Department of State, until February 1957; Deputy Legal Adviser, March 1-April 2, 1957; Acting Legal Adviser from April 3, 1957
- Reinhardt, G. Frederick**, Counselor of the Department of State from March 14, 1957
- Riad, Gen. Mahmoud**, Egyptian Army; Egyptian Ambassador to Syria
- Richards, James P.**, Special Assistant to the President with the personal rank of Ambassador from January 7, 1957
- al-Rifai, Abdul Monem**, Jordanian Ambassador to the United States until August 2, 1957
- al-Rifai, Samir**, Jordanian Foreign Minister from April 25, 1957
- Roberts, Randolph**, Office of Near Eastern Affairs, Department of State, after January 29, 1956
- Rockwell, Stuart W.**, Deputy Director, Office of Near Eastern Affairs, Department of State, July 1, 1956-August 11, 1957; thereafter Director
- Rountree, William M.**, Deputy Assistant Secretary of State for Near Eastern, South Asian, and African Affairs, October 9, 1955-July 26, 1956; thereafter Assistant Secretary of State for Near Eastern, South Asian, and African Affairs
- Russell, Richard B.**, Democratic Senator from Georgia; Chairman of the Senate Armed Services Committee; Member of the Senate Appropriations Committee
- Sabry, Ali**, Egyptian Director of Intelligence for External Activities, June 1956-May 1957; Minister of State for Presidential Affairs from May 1957
- al-Said, General Nuri**, Iraqi Prime Minister, August 3, 1954-June 20, 1957
- Salisbury, Lord**, Leader of the British House of Lords
- Sandys, Duncan**, British Minister of Defense from January 13, 1957
- Saud ibn Abd al-Aziz**, King of Saudi Arabia
- Shaw, John F.**, Office of Near Eastern Affairs, Department of State, July 3, 1955-September 23, 1956; thereafter Officer in Charge of Economic Affairs
- Sherman, Meir**, Economic Minister of the Israeli Embassy in the United States
- Sherwood, Robert K.**, Office of Near Eastern Affairs, Department of State, until October 6, 1957
- Shiloah, Reuven**, Minister of the Israeli Embassy in the United States

XXVIII List of Persons

- Sisco, Joseph J.**, Officer in Charge of General Assembly and Security Council Affairs, Department of State, July 1, 1956–January 27, 1957; thereafter Officer in Charge of United Nations Political and Security Affairs
- Smith, H. Alexander**, Republican Senator from New Jersey; member of the Senate Foreign Relations Committee
- Spender, Sir Percy**, Australian Ambassador to the United States
- Taylor, Gen. Maxwell D.**, USA, Chief of Staff, U.S. Army, from June 30, 1955
- Tyler, William R.**, Deputy Director, Office of Western European Affairs, Department of State, until February 14, 1957; thereafter Director
- Vorys, John M.**, Republican Congressman from Ohio; Member of the House Foreign Affairs Committee
- Wadsworth, George E.**, Ambassador to Saudi Arabia
- Wadsworth, James J.**, Alternate Representative to the 10th, 11th, and 12th Sessions of the United Nations General Assembly
- Walmsley, Walter N., Jr.**, Deputy Assistant Secretary of State for International Organization Affairs after October 8, 1956
- Wagh, Samuel C.**, President and Chairman of the Board of the Export-Import Bank from October 4, 1955
- Wentworth, Brig. Gen. Richard D.**, USAF, Secretary to the Joint Chiefs of Staff from summer 1956
- White, Paul Lincoln (Linc)**, Acting Chief of the News Division, Department of State, December 1955–July 1957; thereafter Chief
- Whitman, Ann**, President Eisenhower's personal secretary
- Whitney, John Hay**, Ambassador to the United Kingdom from February 28, 1957
- Wilcox, Francis O.**, Assistant Secretary of State for International Organization Affairs after September 6, 1955
- Wiley, Alexander**, Republican Senator from Wisconsin; member of the Senate Foreign Relations Committee and the Senate Judiciary Committee; ranking Republican member of those Committees
- Wilkins, Fraser**, Director of the Office of Near Eastern Affairs, Department of State, July 3, 1955–September 1957; Minister-Counselor at the Embassy in Iran from September 16, 1957
- Wilson, Charles E.**, Secretary of Defense until October 8, 1957
- Yassin (Yasin), Shaikh Yusuf**, Saudi Royal Counselor; Deputy Minister of Foreign Affairs; Secretary to King Saud
- Yost, Charles W.**, Minister-Counselor of the Embassy in France, October 2, 1956–December 1957; Ambassador to Syria from December 24, 1957
- Zeineddine, Farid**, Syrian Ambassador to the United States until August 1957; Vice Chairman of the Syrian Delegation to the 11th and 12th Sessions of the United Nations General Assembly, 1956 and 1957

Arab-Israeli Dispute

United States Efforts To Obtain an Israeli Withdrawal From Occupied Territory, January 1–March 8, 1957

U.S.-ISRAELI DISCUSSIONS CONCERNING THE DISPOSITION OF GAZA AND ISRAELI ACCESS THROUGH THE STRAITS OF TIRAN; CONSIDERATION OF ARAB-ISRAELI PROBLEMS DURING THE SAUD VISIT; MOVEMENT TOWARD SANCTIONS IN THE GENERAL ASSEMBLY; CONGRESSIONAL INTEREST IN THE ISRAELI WITHDRAWAL QUESTION; ISRAELI DECISION TO WITHDRAW FORCES FROM THE SINAI PENINSULA AND THE GAZA STRIP, JANUARY 1–MARCH 8

1. **Memorandum of a Conversation Between Secretary of State Dulles and Secretary-General Hammarskjöld, Ambassador Lodge's Apartment, Waldorf Astoria, New York, December 31, 1956, 1–3 p.m.**¹

Mr. Hammarskjöld said that it was a day with some good news from him. He had gotten word that the clearing of the Canal was under full way and that a UN mission, ostensibly for UN social organizations, would be received in Budapest.

We discussed the Suez Canal matter and its financial aspects. I showed Mr. Hammarskjöld a copy of a note I was prepared to send him pledging the US contribution² and also an informal memorandum outlining certain understandings as to his policy with respect to getting a permanent settlement and also providing for repayment of the ad-

¹ Source: Department of State, Central Files, 674.84A/1–257. Drafted by Dulles on January 2. The source text indicates that Ambassador Lodge was also present.

² The note was sent on January 2. For text, see Department of State *Bulletin*, January 21, 1957, pp. 105–106; or *United States Policy in the Middle East, September 1956–June 1957*, pp. 363–364.

vances. Mr. Hammarskjold looked over both and thanked me for the prospective note with reference to advances. He made one or two minor suggestions as to the phraseology of the informal memorandum which I thought were acceptable and which I indicated in pencil.³

We discussed the basic problem of the permanent settlement of the Suez which he thought could probably be worked out on an acceptable basis but probably not by direct negotiations between the Egyptians, the French and the British as the feeling was still too intense.

We discussed the Israeli ship problems as being probably the most difficult, i.e., (1) the passage of Israeli ships through the Canal, (2) the internationalizing of the Gulf of Aqaba, and (3) the status of Gaza. Mr. Hammarskjold said he had just had a talk this morning with Mrs. Meir and that she had been somewhat less belligerent than theretofore. I said perhaps this was a result of the talk she had had with me on Friday. He said he suspected that something like that might have happened.

Mr. Hammarskjold said that he saw as a solution for the Israeli ships through the Suez a possible World Court opinion which he thought, if it supported the Israeli contention, the Egyptians might then respect. He and they did not consider that the UN Council decision of 1950 was really a judicial construction of the 1888 Treaty.

With respect to the Gulf of Aqaba, Mr. Hammarskjold agreed that it was an international waterway and thought that perhaps a provisional solution might be found through some occupation by the UNEF if this was necessary as it might well be to prevent a renewed outbreak of fighting between the Israelis and the Egyptians.

With respect to Gaza, he was rather barren of any basis for solution except that he did not find it acceptable that the Israeli should stay on to administer the area. Perhaps again UNEF would have to be resorted to.

I outlined briefly the US thinking with reference to the Middle East. He was somewhat cautious in his response saying that he would need to know more detail and study the matter more carefully. He felt that some move by the US could be helpful if it did not lead to an open contest for power in the area between the US and the USSR. He felt that some of the Arabs were sensitive to receiving aid from the US lest it put them under political obligations. He thought that some multilateral form of aid would be best. He indicated that our action could

³ No copy of the original version of the informal memorandum has been found in Department of State files. For text of the final version, see *infra*.

create a better environment for the solution of the Palestine matter, but felt that until this matter could be solved, the possibilities of unrest and of Soviet activity would persist.

John Foster Dulles⁴

⁴ Macomber initialed for Dulles.

2. **Note From Secretary of State Dulles to Secretary-General Hammarskjöld¹**

New York, December 31, 1956.

MY DEAR HAMMARSKJÖLD: I enclose herewith a copy of the informal memorandum which I used as a sort of a talking paper with you this afternoon in relation to the putting up of funds to help finance the reopening of the Suez Canal.

It was a very great pleasure to have seen you and to have had the good talk with you.

With best wishes for a good New Year.

Sincerely yours,

John Foster Dulles²

[Enclosure]

Washington, December 31, 1956.

MEMORANDUM³

This memorandum is written to cover certain points which it did not seem desirable to include in the formal reply made by the United States to the Secretary General's note of December 25th.⁴ These points

¹ Source: USUN Files, Unnumbered Files, Suez Canal. According to the notes of the Secretary's Staff Meeting for January 3, this note and the enclosure were not delivered to Hammarskjöld until January 2. (Department of State, Secretary's Staff Meetings: Lot 63 D 75)

² Printed from a copy that bears this typed signature.

³ Confidential.

⁴ Dated December 25, not printed. The text was transmitted to the Department of State in Delga 403 from USUN, December 27. Delga 403 indicated that the note had been received by the U.S. Delegation at 1:14 p.m., December 27, although according to the U.N. Secretariat it had been prepared and ready for distribution late on December 25. (Department of State, Central Files, 974.7301/12-2756) Hammarskjöld included the

Continued

are considered by the United States Government to be important in the working out and implementation of any plan for clearing the Suez Canal. They relate to assurances from some of the Governments most directly concerned with the Suez Canal problem.

In the Secretary General's note of December 25th it was stated that "the Government of Egypt has given its assurance that the United Nations will have the full cooperation of that Government in the execution of its part in the Canal clearing operations". It was also emphasized that the funds being solicited for initial work in Canal clearance were in the nature of an advance. It is the understanding of the United States that the Secretary General will make earnest efforts to secure assurances: (1) that negotiations, under the auspices of the United Nations, will be pursued rapidly for an over-all agreement on the Suez Canal problem in accordance with the six principles approved by the Security Council in its resolution of October 13, 1956, and (2) that there will be included in the over-all agreement provisions for the repayment of all advances made by United Nations Members, to the extent that repayment is not otherwise provided for, in order to facilitate the clearance of the Canal and the restoration of its ancillary facilities. It is also the understanding of the United States that assurance will be sought from the Government of Egypt that, pending a final settlement of the Suez Canal problem, any interim operation of the Canal will be in accordance with the six principles set forth in the Security Council's resolution.

The above points are of importance in laying the foundation for a satisfactory financing of the total cost of clearing the Suez Canal. They are also important in regard to the actual reopening of the Suez Canal and its serving as a secure international waterway open at all times to the ships of all nations.

The United States is prepared to make an advance of funds, as indicated in the reply to the Secretary General's note of December 25, under arrangements taking account of the points summarized in this memorandum. The United States understands that the International Bank for Reconstruction and Development has agreed to act as fiscal agent in the handling of all funds advanced.

note contained in Delga 403 as Annex III to his second report on the clearing of the Suez Canal. (January 10; U.N. document A/3492) In Annex III, the document is described as a note dated December 23.

Regarding the formal U.S. response to the December 25 note see footnote 2, *supra*.

3. Telegram From the Embassy in Israel to the Department of State¹

Tel Aviv, December 31, 1956—3 p.m.

786. Ben-Gurion received me at his Jerusalem residence at 8:30 last night, only ten hours after I received Deptel 661,² which although cabled December 28 did not reach me until mid-morning 30th. Due to continued Fedayeen activity on Tel Aviv-Jerusalem road at night, he insisted I have 10-man armed police convoy. I delivered Department's views on invalidation Israel-Egyptian GAA fully in aide-mémoire to which he said GOI would reply formally. Ninety minute soliloquy ensued which I succeeded in interrupting only infrequently and briefly.

His major points follow: one addressed to invalidation GAA; others to Secretary's Friday meeting with Meir and Eban³ which he elatedly regards as harbinger improved US-Israel understanding.

1. GOI firmly holds Egypt's eight years willful, flagrant violations various GAA articles as well as specific SC resolutions invalidates GAA. For instance, while one article November 2 resolution calls for evacuation occupied areas, another proclaims right of free transit Suez which Nasser defies in Israel's case. However, GOI does not claim such invalidation establishes juridical state of belligerency thus implying, I gathered, GOI does not feel it has same unhampered liberty of action vis-à-vis Egypt as if state of war existed between them. (Ben-Gurion did not make this point explicitly, but Herzog after consulting him at conclusion of our talk, told Embassy officer who accompanied me he had meant to stress it, adding Prime Minister hoped very much Secretary would have it in mind along with the other principal points our conversation when Secretary sees Hammarskjold in meeting GOI thinks is scheduled for today).

2. He said repeatedly and emphatically he was determined Gaza which had never been Egyptian, should not revert to Nasser. It would be "fatal mistake if UN because of existence political anomaly which had no moral validity whatsoever" should insist on restoring status quo ante by reinstating Egyptian control. Egyptians controlled Gaza, he said, only because at moment in history when Israelis, having expelled Egyptian armies from all other invaded areas, were about to expel them from Gaza as well, US ambassador had come to him saying "this must stop", and Israelis had complied. He also objected,

¹ Source: Department of State, Central Files, 674.84A/12-3156. Received at 8:36 a.m., January 1. Repeated to Cairo, Amman, Damascus, Beirut, Paris, London, and USUN.

² Vol. XVI, p. 1338.

³ The conversation took place on December 28; see *ibid.*, p. 1341.

although less vehemently, to idea of Gaza strip's occupation by UNEF which he said would only provide cover for renewed Egyptian Fedayeen activity. He then read paragraph from Meir-Eban account their conversation with Secretary reporting acknowledgment by Secretary that Gaza had never been Egyptian and purported statement by Secretary to effect USG did not know exactly what would be equitable disposition, strip being neither in Israel nor in Egypt. Ben-Gurion admittedly regarded statement as one of most significant developments in US-Israel relations since President's November 9 letter.⁴ He returned again and again to hour and one-half Secretary gave Meir and to theme of "Secretary's generosity with all cares of troubled world on his shoulders, in giving time and thought to problems tiny Israel", and several times remarked on USG's understandable difficulty fully appreciating intensity problems affecting Israel.

3. In regard to question ultimate disposition Straits of Tiran, he was almost as pleased with Secretary's avowal (again as reported by Meir-Eban) that he is "immutably committed" to freedom of transit international waters without discrimination. Ben-Gurion did not suggest Israel forces must stay at Straits, but he did insist they remain until there are effective guarantees Straits are international waterway available to all. Nasser he said does not respect international law, treaties, GA resolutions or SC resolutions. In blocking Suez Canal, first to Israel and then to world in recent crisis, he had defied all of these.

When I asked him what he would consider effective guarantee, he replied as example "US undertaking that it would move against any attempt to block Eilat as with case of Formosa". He added, "theoretically UN guarantee should be enough, standing above even one by US but unfortunately it does not".

Straits of Eilat area had never been settled in all history for any purpose but controlling Straits. (Only permanent settlement ever established there, he said with broad grin, was small Jewish kingdom—a band of robbers—which 1300 years ago had inhabited Isle of Tiran and from there preyed on shipping until destroyed by Byzantines). Nothing there except waterless desert. Egyptian garrison had been established for sole purpose manning battery denying Straits to Israeli commerce.

4. He said he was reluctant to say it in connection Secretary's meeting with Secretary General, "and I would of course never say it in public", but he felt Hammarskjold's good faith and impartiality were in question. He recalled meeting with Hammarskjold last spring in presence Burns, Vigier and eight GOI officials. He had asked why five years after SC resolution opposing Egypt's blockade of Canal to Israel, Hammarskjold acquiesced in Egypt's justifying its defiance by claim-

⁴ For text, see *ibid.*, p. 1096, footnote 4.

ing state of war with Israel. Hammarskjold had replied "for Nasser to concede no state of war existed would be fatal to his position". "I asked him," said Ben-Gurion, "are you representing UN or Nasser? You are here to see agreements are carried out, not to protect Nasser's position". He recalled stormy occasion when Hammarskjold from Cairo sent him message through me (Cairo's 249, April 13 to Department)⁵ saying Secretary General convinced Nasser wanted peace and Secretary General felt question war or peace was in Israel's hands, making no suggestion Egypt had any responsibilities. "I refused to accept message" he said, "Then I received long cable in which he excused himself with lot of sophistries".

5. Defending Israel's Sinai-Gaza campaign, he said, when nation is convinced its very existence is threatened and all sources of help are ignoring its plight, then it alone can decide what course to take. Israel, convinced destruction Egyptian build-up was matter of life or death, had attempted to destroy Egyptian army before it destroyed Israel. "I am convinced US under similar conditions of life or death would take like steps. Even President Eisenhower, sincere and strong advocate of peaceful settlement, would not disagree with this thesis".

6. Summarizing, Ben-Gurion said he considered Secretary's interview with GOI representatives in New York as gracious first step which he hoped would not be last toward détente Ben-Gurion suggested in conversation I reported Embtel 774.⁶ If US could see Tiran and Gaza as imperatives of Israel position there was no other issue in mid-east complex on which GOI would not endeavor coordinate its policy with ours.

Lawson

⁵ Reference should be to telegram 2054 from Cairo, April 13, not printed. (Department of State, Central Files, 684A.86/4-1356)

⁶ Vol. XVI, p. 1326.

4. Editorial Note

Speaking before a joint session of Congress on January 5, President Eisenhower stressed the importance of the Middle East to the United States and warned of the danger which international communism posed to governments in that part of the world. Eisenhower then proposed that the United States, through joint action of the President

and the Congress, manifest its determination to help those Middle Eastern nations desiring assistance. Specifically, the President sought authority from the Congress to act in four areas:

1) to cooperate with and assist any nation or group of nations in the general area of the Middle East in the development of economic strength dedicated to the maintenance of national independence;

2) to undertake in the same region programs of military assistance and cooperation with any nation or group of nations that desired such aid;

3) to employ the armed forces of the United States to secure and protect the territorial integrity and political independence of nations requesting such aid, against overt armed aggression from any nation controlled by international communism; and

4) to employ, for economic and defensive military purposes, sums available under the Mutual Security Act of 1954 as amended, without regard to existing limitations.

That same day a joint resolution was introduced in Congress to provide the President of the United States with this authority. (Introduced as House Joint Resolution 117, 85th Congress, 1st session, January 5, by Representative Thomas S. Gordon of Illinois, Chairman of the Committee on Foreign Affairs)

For text of Eisenhower's address to Congress, see Department of State *Bulletin*, January 21, 1957, pages 83-87, or *United States Policy in the Middle East, September 1956-June 1957*, pages 15-23. For text of House Joint Resolution 117, see *ibid.*, pp. 23-24. For text of the Joint Resolution as enacted into law in Public Law 85-7, March 9, see 71 Stat. 5. Documentation on the Eisenhower Doctrine is scheduled for publication in volume XII.

5. **Telegram From the Embassy in Israel to the Department of State¹**

Tel Aviv, January 4, 1957—7 p.m.

801. Yaacov Herzog and his principal assistant, Pinhas Eliav, called Embassy political officer to Jerusalem today to hear elaboration case for United States undertaking to assure unimpeded transit Gulf of Aqaba which Ben Gurion broached to me December 30 (Embtel 786).²

¹ Source: Department of State, Central Files, 674.84A/1-457. Confidential. Repeated to Cairo, Amman, Damascus, Beirut, Paris, London, USUN, and Jerusalem.

² Document 3.

According to them, passage through Straits is one legitimate gain Gaza-Sinai campaign which Israel public will not see relinquished without violent protest. Even more than demilitarization of Gaza strip, it stands as definite improvement over their lot ante bellum, holding out hope of accelerated economic development, increased access to world commerce and natural route to establishment profitable relations with Africa and Asia counter-balancing to some extent Arab boycott. Its possession compensates in large part for continued denial of transit of Suez which they still very earnestly want but have minimum expectation of obtaining in present framework of negotiation with Egypt, United States and UN.

They told political officer they thought it significant Egypt to this point has been singularly quiet about asserting any right to renewed occupancy Sharm al Sheikh at Gulf's mouth. They profess to interpret this silence to mean that even Egyptians have not effrontery to lay territorial claim to Gulf.

They warned that continued silence of West and UN on freedom of transit will embolden Egypt to make claim rather than to let it go by default. In circumstances they urge United States take advantage Egypt's apparent state of indecision to make public statement to effect United States is pleased to see increasing traffic of truly international complexion through Straits and would view with displeasure any effort to impede this developing traffic.

Political officer asked Ministry officials if they felt there was heavy pressure on them to leave Straits and they replied negatively but said in view of Arabs' voracious appetites, they thought it was dangerous to let question slide indefinitely.

Comment: It is Embassy's view that freedom of passage through Aqaba has required tremendous political importance here that even Ben Gurion might not survive storm that would break with IDF withdrawal unless he were able to make convincing case that he had effective guarantees Straits would remain open to Israel commerce.

Lawson

6. **Telegram From the Department of State to the Embassy in Israel**¹

Washington, January 5, 1957—10:24 a.m.

675. Tel Aviv's 786.² Dept concerned that Ben Gurion may have erroneous impression of Secretary–Meir conversation of December 28. By this time you will have received Deptel 667³ which contains account that conversation; memorandum being airpouched.

At early opportunity and in manner you deem most effective, it should be made clear to Ben Gurion that point which Secretary stressed throughout conversation was need for Israel to adopt and carry out long range policies aimed at winning Arab friendship. Secretary said it was of concern to us to learn in due course about Israel's plans for its long range future. It should be made clear to Ben Gurion that despite US friendship for Israel we feel our ability cooperate with Israel dependent on Israel's own policies which, we are convinced, must stem from Israel recognition of need seek peaceful relations with Arabs. Past Israel policies have in our view left great deal to be desired on this point.

There follow comments on points raised by Ben Gurion:

1. *Armistice Agreements*. Deptel 661 to Tel Aviv⁴ gives our views. We would add that Nov. 2 UNGA resolution, which US sponsored, enjoins parties to observe terms Armistice Agreements. We are doubtful that Israel's interests are served by insistence Israel–Egypt agreement no longer valid. Agreement contains no provision for unilateral termination. In any event, Israel assertion that while Israel–Egypt agreement invalid, state of belligerency does not exist between parties does not seem soundly based.

2. *Gaza*. Dec. 28 conversation Meir maintained that Gaza had never been Egyptian. Secretary replied that neither was it encompassed by Israel armistice line. Question of ultimate disposition of Gaza remains open. We continue support UNGA resolution November 2 which calls upon parties to withdraw forces behind Armistice lines. It seems to us presence of UNEF in Gaza charged with implementation of November 2 resolution could create possibility for practical solutions of problems which have arisen in past.

¹ Source: Department of State, Central Files, 674.84A/12–3156. Confidential. Drafted by Bergus. Approved by Rountree who signed for Dulles. Repeated to Amman, Cairo, London, Paris, and USUN.

² Document 3.

³ Not printed. (Department of State, Central Files, 674.84A/1–357) The memorandum of conversation is printed in vol. xvi, p. 1341.

⁴ *Ibid.*, p. 1338.

3. *Straits of Tiran*. Secretary stated belief Straits were international waterway but cited this as example of problem where we might agree with Israel on merits of case but found it difficult work out peaceful solution view past Israel policies and actions. Conditions for Israel passage through Straits would have to be worked out with UNSYG. We believe that full compliance with November 2 resolution and presence of UNEF in area at mouth of Gulf Aqaba could open way toward practical solution of this problem.

4. *UNSYG*. It should be made clear we strongly support UNSYG in his efforts obtain compliance Nov. 2 and other applicable UNGA resolutions.

5. *Justification for Attack on Egypt*. In introducing Nov. 2 UNGA resolution Secretary said were we to agree that existence of injustices which UN had so far been unable to cure meant that principle renunciation of force could no longer be respected, that whenever a nation felt it had been subjected to injustice it should have right resort to force to correct that injustice, we would be tearing UN Charter to shreds and world would again be world of anarchy.

6. *Future US-Israel cooperation*. See Secretary's general remarks to Meir above. We feel primary imperative of Israel position is obtaining friendship neighboring Arab states. Recently Israeli policies have made this difficult objective even harder to attain.

Dulles

7. **Telegram From the Department of State to the Embassy in Egypt¹**

Washington, January 5, 1957—2:04 p.m.

2206. Embtel 2126.² We suggest following points to take up with Nasser:

1. Any of points from Deptel 1912³ which you may consider appropriate to mention. We would suggest fedayeen, operations by Egyptian agents against sovereignty and authority of neighboring states, and radio attacks upon policies and personalities these states.

¹ Source: Department of State, Central Files, 611.80/1-557. Confidential. Drafted by Rockwell. Approved for transmission by Rountree who signed for Dulles.

² In telegram 2126 from Cairo, January 3, Hare suggested that he return to Washington for consultations and requested guidance on points he might raise before leaving. (*Ibid.*, 123-Hare, Raymond A.)

³ Vol. xvi, p. 1295.

2. Points suggested by Secretary in Deptel 2046.⁴ You may wish combine these with points taken from Circular 580 of January 5⁵ and President's address to Congress same day on proposed Joint Congressional Resolution dealing with Middle East. (See Wireless File)

3. You may wish express hope that clearance of Canal and installation of UNEF will proceed smoothly and that negotiations on future Canal regime will shortly recommence.

4. We would like you to take up situation of Jews in Egypt. Say we continuing receive reports of mistreatment these people and expressions of mounting concern on part of American people, particularly Congressional circles. During hostilities it may be justifiable for states to take measures which they consider necessary to protect security in light hostilities, but once latter are terminated, as now in Egypt, efforts should be made restore normal atmosphere.

Travel orders in separate telegram.

Dulles

⁴ *Ibid.*, p. 1324.

⁵ Circular telegram 580 contained guidance on points to stress with host governments in light of the President's address. It is scheduled for publication in volume XII.

8. Editorial Note

On January 7-8, the Government of Israel announced a further troop withdrawal to a line roughly following the meridian 33 degrees 44 minutes, leaving no Israeli forces west of El Arish in the Sinai Peninsula. (Report by the Secretary-General on compliance with General Assembly resolutions calling for withdrawal of troops and other measures, January 15; U.N. doc. A/3500)

9. Telegram From the Embassy in Israel to the Department of State¹

Tel Aviv, January 8, 1957—2 p.m.

812. Re Deptel 675.² I saw Ben Gurion at his Jerusalem office Monday afternoon and made points contained reference telegram. His

¹ Source: Department of State, Central Files, 674.84A/1-857. Confidential. Repeated to Amman, Damascus, Jidda, USUN, London, Paris, and Jerusalem.

² Document 6.

response was largely repetition arguments advanced in reply our aide-mémoire last week (Embtel 786)³ but in addition, he made spirited defense of moral basis for Israel's attack on Egyptian Army and emphatically reiterated determination to resist Nasser's return Gaza or Straits of Tiran.

He said several times he could concede that UN's condemnation of attack might be "formally or legalistically correct", but "morally it was very wrong". Addressing himself to quotation from Secretary's speech (penultimate paragraph reference telegram), he said US role was especially wrong. "If your people had been in same position, your government would not have argued this way but would have acted". He said he could understand hostile vote of representatives of colored nations who voted from racial solidarity or ignorance of situation, but he thought performance of politically mature nations in GA was morally defenseless. He then repeated that Israel's circumstances of being target of Nasser's huge military build up in Sinai and kinged [ringed?] by Syrians and Jordanians avowedly bent on Israel's annihilation left him no choice but to act with advantage attack gave rather than wait and suffer destruction. UN would have been no more able to avert this murderous attack than 8 years ago at birth of state. He recognized US could apply sanctions (apparently implying Israel under sanctions now) saying "but that is matter for your judgment and whenever we believe we are right, as with our Sinai campaign, we are prepared to suffer for it and not submit to injustice".

Re Egypt-Israel Armistice Agreements: Ben Gurion wondered about great concern now expressed for their perpetuation. "What is their sanctity when Nasser violated them every day from Gaza Strip". As for invocation Article XII as suitable instrument for revision or modification, he recalled Israel's experience with Jordan when GOI had requested such meeting to modify Israel-Jordan GAA and Secretary General himself had stalemated suggestion (cf. Page 73, *UN Yearbook 1954*). He said he could see no reason for re-establishment of GAA except to provide basis for Nasser's return to Gaza. He repeated again that in GOI's view, the Armistice Agreement could not be resuscitated. (He made no further reference to view state of belligerence did not exist even if GAA invalid.)

Re Gaza Strip: He could not permit Nasser's return to Gaza because it would mean resumption Fedayeen activity. As to UNEF, he asked two questions: "How long would it remain in Gaza? How did it propose to prevent renewed Fedayeen activity?" UNEF could not, he felt, "effectively control the movement of Fedayeen from Gaza into Israel and our border settlers should be able to work in their fields without fear of attack. I pointed out while Gaza might not be Egyptian,

³ Document 3.

neither was it Israeli. He agreed but said that UNEF was not solution. He hinted vaguely he would like to see Israel police control maintained over Gaza under UN supervision if presence of UN would be useful in satisfying world opinion that Arabs were not at mercy of or had to rely on good will of Israel. He did not develop this suggestion further, however.

Re Straits of Tiran: Ben Gurion said GOI had no interest in desert wastelands bordering lower end Gulf of Aqaba, and had no territorial ambitions anywhere in Sinai, but "we do have to have this waterway. Furthermore, we have it not as need but as right. We will not again submit to blockade. No more will we be subject to Nasser's whims or charity. If he tries to re-establish blockade, then we shall have to start shooting."

He repeated several times he thought that if only he could sit down with President or Secretary for half hour, he could convince them of moral justice of Israel's actions. (He quickly made it clear, however, he had no intention visiting US.) He suggested he might write to them. I pointed out that not only had Embassy reported his position fully but his views must also have been fully conveyed by Meir and Eban in their contacts with Secretary, Department, and USUN. However, if he felt personal letter would help, he should feel free to write one.

Although some of his statements were strong, they were expressed dispassionately in unexcited tones.

Lawson

10. **Note From Secretary of State Dulles to the Israeli Ambassador (Eban)**¹

Washington, January 8, 1957.

The Secretary of State presents his compliments to His Excellency the Ambassador of Israel and has the honor to acknowledge the receipt of the Ambassador's note of December 25, 1956 on the subject of raids into Israeli territory.²

¹ Source: Department of State, Central Files, 674.84A/12-2556. Drafted by Blackiston and Rockwell and cleared with Gamon.

² Not printed. In his note to Dulles of December 25, Eban called Dulles' attention "to the renewal of Fedayeen raids against Israel under Egyptian direction from the territory of neighboring Arab States." (*Ibid.*)

These regrettable raids as described would appear to be in violation of the General Armistice Agreements between the Arab states and Israel. The Government of Israel, it is believed, should have recourse to the machinery established by the Agreements for the purpose of investigating and resolving reported violations thereof.

The United States Government holds the view that the parties should comply with all the provisions of the recent General Assembly resolutions on the hostilities in the Near East. The United States is making this attitude clear in its relations with the states concerned.

11. Editorial Note

The following conversation concerning the Israeli withdrawal question took place at the Secretary's Staff Meeting on the morning of January 10:

"Mr. Phillips reported increasing pressure by the Asian-African Bloc in the General Assembly to force an Israeli withdrawal from Sinai and the Gaza Strip. Mr. Rountree said several Arab Ambassadors had advised him that their governments planned to introduce a resolution condemning Israel for its failure to withdraw and calling for economic sanctions. Mr. Murphy said the Israeli Ambassador told him yesterday that it was impossible for his government to withdraw from Sinai until it had firm assurances that it would enjoy continued free passage through the Gulf of Aqaba. The Secretary said he would like to receive recommendations on this matter and that he wished to meet with interested officers, including Senator George and Congressman Richards, later in the day."

The notes then indicate that "NEA, in coordination with IO and other interested areas, [was] to provide the Secretary urgently with recommendations on the US position and steps to be taken by this government with respect to mounting Arab pressure that Israel withdraw from Sinai and the Gaza Strip." (Department of State, Secretary's Staff Meetings: Lot 63 D 75)

12. **Telegram From the Embassy in Egypt to the Department of State**¹

Cairo, January 10, 1957—11 p.m.

2222. In over 2-hour call on Nasser yesterday prior proceeding Washington consultation, I led off by emphasizing highlights of President's Mid East proposals on basis Circr 580.² Also reviewed Deptel 2046³ with emphasis on bad turn of events dating from Soviet intervention in area.

Nasser said had read speech ten times and still found vague. In fact his staff had feared ulterior motive but he had advised against rushing to hasty conclusions in thought lack of clarity here probably result of speech having been intended primarily for American consumption.

Nasser then launched into long and diffuse account of his problems which difficult follow but seemed center around role and manifestations of public opinion in influencing policy, especially with reference growing strength Communist movement in Egypt. Great importance, he maintained, must be given to popular emotions and reactions and particularly to those which arouse people's suspicions. He didn't want give impression of being prisoner of such forces and in fact had stood out against at times. But it was phenomenon to be taken into account in what, as previously mentioned, he regards as World War III (psychological). Main problem in area is thus internal situation in each of Arab countries in terms of its people and their reactions. His interest primarily in Egypt, secondarily in other Arab countries.

Nasser then referred to a series of "turning points" beginning with Baghdad Pact, ending with recent crisis and also covering Gaza raid (which he surprisingly interpreted as attempt force Egypt by intimidation into Baghdad Pact); Soviet arms deal, shift of Egyptian trade toward Soviet bloc (which he attributed to Western economic warfare) consequent foreign press vilification of Egypt (which he could not but compare with simultaneous articles praising Israel's military establishment and estimating its potentiality to take Cairo or Damascus in few days), Aswan Dam offer and withdrawal and nationalization of Canal. He drew conclusion that this course of events had convinced him that there was no danger from Soviet aggression and that main problem was internal, especially in respect Communists, who are now bringing USSR (as well as domestic toward problems)

¹ Source: Department of State, Central Files, 611.80/1-1057. Secret; Priority. Received at 5 a.m., January 11. Repeated to London, to Paris, Amman, Baghdad, Beirut, Damascus, Jidda, and Tel Aviv.

² See footnote 5, Document 7.

³ Vol. xvi, p. 1324.

into propaganda. [*sic*] Bulganin's letters to British, French and Israelis case in point. Also at Port Said Communists had emerged from underground and openly infiltrated National Guard and Liberation Army. Before crisis he had studied Communist problem and decided serious but manageable; now, however, they are so strong as to make inadvisable moving openly against them, although surveillance being continued. Aims of Egyptian Communist party, he said, are to liquidate colonialism, destroy "military dictatorship" and then by pretending fostering of democratic government attain political domination.

Returning to President's Mid-East proposals Nasser said he had told Malek yesterday much more could be accomplished by timely gestures than by assistance. (As illustration overwhelming power of dramatic gesture Nasser said he had referred Malek to episode of Moses and Pharaoh's magicians, Quran Sura 7:103-126: metamorphosis rods of "every skillful enchanter" into snakes "deceived the people's eyes and overawed them" but rod of Moses transformed into snake "swallowed up their lies" so truth was established and that which they did became null . . . ⁴).

Nature of struggle as he sees it is psychological; we see danger in outside aggression. We put blame on Russians; Egyptians put it on British, French and Israelis. If President had referred to aggression in general, he would have been understood. What Nasser wished emphasize was difference between immediate danger and merely prospective danger. If we know there is man with gun behind door we don't worry about another man with gun said to be lurking down the street. Egypt's immediate problems concern Israel, British and economic difficulties, including Egyptian assets frozen in US. Difficult understand our talk of assistance when Egypt's own funds withheld and when we refuse sell wheat which Russians readily furnish.

At this point I intervened to observe that Nasser had spoken at length of importance of public opinion—of its suspicions and fixations. But what about Nasser himself? After all, a head of state may have to take public opinion into account but he must see further and wider than others. That is a requirement of leadership. Furthermore, President's address clearly showed understanding of matters preoccupying Arabs, including nationalism. Why could latter not take equally comprehensive view of problem?

Nasser's only reply was to reiterate importance he attaches to people and to say he wanted to make them alive to nationalism and Arabism in order to combat communism. In this he is succeeding. West on other hand puts itself in position of opposing nationalism whereas eastern bloc appears favor. What would happen if he stood

⁴ Ellipsis in the source text.

up and said Soviets were greatest threat when the Egyptian people see them as helpful and sympathetic. People can be led but only up to point.

I replied this reaction most disappointing and hoped further study would result in more favorable appreciation and understanding President's intent. Then, thinking new approach might elicit new angle, I asked what he would suggest as one-minute summary of his views. He kept within minute but idea was same. Said: (1) proposals vague; (2) proposals not in accord with immediate problems as seen by people; (3) others work on people, why don't we?

Foregoing difficult evaluate. To begin with Nasser looked haggard, seemed distraught and his presentation verged at times on incoherent but no way know whether this result of illness, overwork, worry over recent problems within government, or what. In circumstances probably mistake seek too much clarity out of his presentation but for purpose speculation following interpretations could be considered:

(1) Take Nasser's statements at face value. In this case he would appear to be convinced that his political position is basically dependent on popular support, that such support dependent on his beating drums of nationalism and Arabism; that Russians beating same drums for own purposes; that he cannot as consequence take stand against Russians or clamp down on Communists in Egypt at this stage of what he calls World War III (psychological); that USG would be well advised use psychological approach and not put so much dependence on economic assistance.

(2) Accept foregoing as having certain basis in fact but presented in such way as arouse American apprehension re Communist threat in Egypt and thus lead to conclusion that any assistance given Egypt would not be at its request but in fulfillment American objectives, and that it should be focused directly on Egypt's internal situation. This could be useful position for Nasser maintain during period of indecision and also for bargaining purposes later.

(3) Regard Nasser's equivocal position as possibly being preparation of ground for some contemplated arrangement with Soviet bloc or similar arms deal.

On basis available information and pattern Nasser's previous behavior second alternative or some variant of it seems most likely explanation, although third alternative will bear watching.

Following telegram covers other points discussed.⁵

⁵ *Infra.*

Suggest this telegram be confined American use except as Department may otherwise indicate.

Hare

13. **Telegram From the Embassy in Egypt to the Department of State¹**

Cairo, January 10, 1957—8 p.m.

2223. Re Embtel 2222,² following are additional points discussed with Nasser yesterday:

(1) Canal negotiations: Nasser said would seem be three alternatives (it being understood no direct negotiations with Britain and France possible), i.e., through (A) Hammarskjold, (B) a negotiating body, or (C) personal contacts. Said ready cooperate but much time lost through having handle through Fawzi in New York. If Hammarskjold could make brief visit here he felt certain more could be accomplished in two days than Fawzi could achieve in two months. Nasser would also appreciate private discussions with USG. Concluded by reiterating necessity solution soonest.

(2) Canal clearance: Nasser knew of no current difficulty except minor question of responsibility for removal 13 ships blocked in Canal. Question had been one of principle to avoid giving impression Wheeler's authority extended beyond clearance to navigation under international authority. This small point and now cleared up but he could foresee serious problem arising if Israeli evacuation not completed before clearance. He also hoped settlement on Canal operation would be concluded before that time so as avoid other awkward problems, such as payment tolls which he maintained could only be paid to Canal Authority when it reopened as contrasted previous practice of some paying Authority and others Canal Company.

(3) United Nations Emergency Force: As far as he knew there were no current problems.

(4) Fedayeen: Nasser said he had sent out word that any Fedayeen action would be contrary Egyptian interest and insisted that no action should be taken except with his approval. He had also raised matter in same sense with Jordanian Government. He was convinced

¹ Source: Department of State, Central Files, 674.00/1-1057. Secret; Priority. Received at 11:38 a.m., January 11. Repeated to London, Paris, Amman, Baghdad, Beirut, and Damascus. Presumably the time of transmission indicated on the source text is incorrect.

² *Supra*.

Fedayeen action at this juncture would only help Israel by weakening Arab position in UN. As result this action, he convinced no current organized Fedayeen activity.

(5) Radio campaign: Said now determined British and French have 9 clandestine stations (*sic*) operating against Egypt; 3 in Aden, 4 in Cyprus, 2 in southern France, in addition to regular stations. He would send samples some of these broadcasts to indicate what he has to contend with. Re current broadcasts by Voice of Arabs, Nasser said no criticism being made of Pakistan; Turkey being treated on ad hoc basis depending on output Turkish Radio; radio campaign with Iraq still in full sway; British-Yemen dispute being played up. Added Cairo will have new and much improved radio station within 4 months.

(6) Activities of Egyptian representatives in neighboring countries: Military Attachés in Lebanon and Jordan had been called back and lectured. However, he still felt such stories often exaggerated.

(7) Israel: He takes very serious view of way in which Israel flouting UN resolutions and especially concerned re Gaza. If UN force unable dislodge Israelis he is prepared act unilaterally.

As regards settlement he still thinks ad hoc peace best next step and said he favored plan suggested by Menon for stationing UN force astride border in order completely isolate Arabs from Israelis. If this could be done effectively and time then allowed to cool down he could foresee tackling permanent settlement.

(8) Jews in Egypt: Being covered separate telegram.

Hare

14. Editorial Note

During his conversation with President Nasser on January 9, Ambassador Hare, acting under instructions transmitted in telegram 2169 to Cairo, January 3 (Department of State, Central Files, 874.411/1-357), raised the subject of the treatment of Jews in Egypt. Nasser responded by seeking to minimize the importance of the question and spoke of the small number who were actually deported and the relaxation of a previous directive to sequester Jewish property. Hare emphasized that reports indicating that pressure was being exerted on stateless Jews to leave was causing considerable concern in the United States and in Congress. Hare later spoke with the Egyptian Minister of the Interior, Zakaria Mohieddin, who advised that out of 7,000 stateless Jews in Egypt, 2,000 had left Egypt, and that their departure was mainly a result of the atmosphere which had prevailed during the

days following the outbreak of hostilities. Mohieddin maintained that there were no general orders requiring stateless Jews to leave the country and none were being issued. Those ordered from the country had been found guilty of acts against interests of the state or had connections with Israel which made them a security risk. He added that a total of 300 Egyptian and stateless Jews had been interned; 21 stateless and 77 Egyptian Jews continued to be held for security reasons. After reporting Mohieddin's assertions, Hare commented: "Unfortunately Zakaria's reasonableness and assurances only partly reflected in actual developments." That week, according to Hare, a number of stateless Jews had been advised by the police that they must leave the country at the earliest opportunity, and there were also reports of Jews being fired from their jobs and of Jewish businessmen having difficulty obtaining needed permits for their businesses. (*Ibid.*, 874.411/1-1157)

15. **Memorandum of a Conversation, Department of State, Washington, January 11, 1957¹**

SUBJECT

The Middle East

PARTICIPANTS

U.S. Side

The Secretary of State
 The Legal Adviser, H. Phleger
 Assistant Secretary, C. McCardle
 Assistant Secretary, Francis Wilcox
 Acting Assistant Secretary,
 C. Burke Elbrick
 Mr. Fraser Wilkins
 Mr. William R. Tyler

French Side

Mr. C. Pineau, French Foreign
 Minister
 Mr. H. Alphand, French Amb.
 Mr. C. Lucet, French Min.
 Mr. F. de Laboulaye, Counselor of
 French Embassy
 Mr. J. Beliard, Press Officer,
 French Foreign Office

A. Suez

Mr. Pineau said that the French position with regard to the procedure for negotiations with Egypt was flexible, and that he was willing to consider any arrangement which Mr. Hammarskjold might find workable. He said he thought the major factor was one of timing. There were a number of problems which should be settled by the time the Canal is again open to traffic in March. The French Government,

¹ Source: Department of State, Central Files, 684A.86/1-1157. Secret. Drafted by Tyler.

he said, had two chief concerns: 1) possible discrimination in the passage of ships by Egypt, and 2) the question of tolls which should not all be paid to Nasser without certain guarantees as to the role he would play. Mr. Pineau said he could not accept any attempt by Nasser to make a settlement of the Suez Canal problem conditional on the settlement of the problems concerning Israel. He said it was not true, as had been reported in the *N. Y. Times*, that he had come to ask the Secretary to push Mr. Hammarskjold. He did want, however, to try to reach agreement on the principles, if not the details, of a settlement, even for a temporary solution, say for the next 5 years. By then Egypt will have shown her true colors and the West will have developed alternatives to the Suez Canal if Egypt has shown herself to be unwilling to respect the terms of the settlement.

The Secretary said it was very important that we arrive at a common understanding on how we deal with the Egyptians when the Canal starts operating again, particularly on the subject of dues. He said he had always felt that if we could get all the ships passing through the Canal to pay dues to SCUA, this would provide the most effective potential sanction, which would be better than having to go to court. However, he said, we did not yet know whether Egypt was prepared to deal with SCUA and recognize it as an agent of the users.

Mr. Phleger said that Mr. Hammarskjold's letter to Dr. Fawzi of October 24, 1956, stated in detail the functions of SCUA, which included the right of visitation, and the role of SCUA as the agent of the users for the collection and disbursement of dues, and as their representative. In the meantime, until SCUA was in a position to discharge its responsibilities in these respects, it should assemble all useful and pertinent information for its tasks.

Mr. Pineau, referring to a cable from the French representative at SCUA in London concerning the session of January 10, 1957,² said it appeared as though the U.S. conception of SCUA might be undergoing a change in the direction of a less active role than what had originally been intended.

The Secretary and Mr. Phleger said this was not the case, and that there had been no change in our thinking about the role of SCUA. The whole thing amounted to a question of timing: first, SCUA should collect all the relevant information necessary for its tasks, and then become an operating agency. Mr. Pineau said that he thought there was a need now for SCUA to play an active role in establishing priorities for shipping through the Canal. The Secretary asked whether we could expect agreement between Egypt and the other interested countries by March 1st. If so, this would be fine, but we did not have

² Telegraphic reports from the Embassy in London concerning this and other meetings of the Suez Canal Users Association are *ibid.*, 974.7301.

much over six weeks before us. On the other hand, he said, if the Canal is open before there is any agreement, we would find ourselves back where we were last October. The Secretary added that we must impress Hammarskjold with the need for speed.

Mr. Pineau said he had held talks with Mr. McCloy and Mr. Hammarskjold in the preceding days, on the basis of the October 24th letter, and had told them that 1) France is prepared to let Egypt act as the day-to-day operating authority for the functioning of the Canal, 2) SCUA must exercise non-discriminatory supervision over the way the Canal was operated by Egypt, fix the tolls, and act as collecting and disbursement agent, and 3) there should be a Fiscal Agent, which would probably be the World Bank, in order to ensure that the clearing, dredging, and development of the Canal were properly provided for financially.

Mr. Pineau said he had also discussed the arbitration aspect of a settlement with Mr. Hammarskjold. He said that the idea of a permanent arbitration committee with proper national representation was acceptable to France. Such a committee should be empowered to decide whether there had been infraction of the rules under the Suez Canal agreement, and then ask the guilty party to apply the rules. If the guilty party refused to do so, the arbitration should formally establish ("constater") the delinquency of the guilty party. The question was, said Mr. Pineau, what happens then? In the October 24th letter, there was some suggestion of sanctions being applied by some kind of police action. Mr. Hammarskjold was not particularly happy about this idea, and besides said Mr. Pineau with a grin, once you start a police action it does not always end up the way you expected it to. He said he had therefore proposed to Mr. Hammarskjold on January 10 that the arbitration committee be empowered to assess damages, and impose a fine for continued violation of the rules governing the operation of the Canal. If Egypt were the guilty party, a proportion of its share of the tolls would be withheld, whereas if one of the users were guilty, a fine would be imposed in addition to the normal toll for passage through the Canal.

Mr. Phleger said there was a variety of ways in which freedom of transit could be assured, and this was most important. He said that Mr. McCloy was hopeful that more money would not be needed before the Canal is open to traffic. Then if more money were needed, Egypt would have to get it from the users and this fact would provide considerable leverage. The Secretary said that he was not in a position to subscribe to all the details of Mr. Pineau's suggestion, but he could say that he thought that in general it represented an interesting and useful contribution. He said that in the present situation the initiative lay with Mr. Hammarskjold, but that we were prepared to press him as seemed appropriate.

At this point Mr. Pineau read from a cable he had just received reporting a conversation between the Foreign Minister of Lebanon, Mr. Charles Malik, and Nasser, as told to Mr. Maurice Faure in Paris by Mr. Malik. Mr. Malik stated that Col. Nasser was a man dominated by a few simple ideas but possessing a considerable amount of shrewdness. When asked whether xenophobic hysteria being whipped up in Egypt would not get out of hand, Col. Nasser replied that he could turn it off or on as expediency dictated. Col. Nasser further stated that he was playing a cagey game with the Soviets, and that his main purpose in doing so was to get as much as possible out of the U.S.

Mr. Malik stated that the main problems confronting the Middle East were: 1) Communist infiltration in Syria; 2) Egyptian policies; the question of Israel occupied only the third place. Mr. Malik added that he was preoccupied by the possibility that France would eventually feel driven to retire within her own frontiers and decide to spend for internal French purposes the funds she was now expending in North Africa and the Near East.

B. Israel

Mr. Pineau expressed French sympathy towards Israel and stated that at least a certain minimum should be done in order to take into account the Israeli point of view. Insofar as the evacuation of the Gaza strip, of the Sinai peninsula, and of the coast of the Aqaba Gulf was concerned, these questions were tied to that of the freedom of navigation in the Aqaba Gulf and in the Canal and to that of the Fedayeen. Of the three questions, the first was the most important one, particularly as the Israelis are building a pipeline from Elath to Haifa. If the Egyptians reoccupy the islands in the Aqaba straits and if they use them again to prevent navigation in the Gulf of Aqaba, the renewal of armed conflict seems unavoidable.

It would be highly desirable if the United Nations emergency force could be used to occupy those islands. It is not certain, however, what the legal status of this force is at present. It seems that Mr. Hammarskjold is giving an exaggeratedly narrow construction to the rights of the U.N. force, subordinating anything it may do to the permission of the interested countries, in this case Egypt.

It would be highly undesirable if the General Assembly tried to act simply by voting a resolution demanding of Israel to evacuate Sinai and the Gaza strip without taking any steps in order to avoid the recurrence of the problems which have led to the present crisis.

The Secretary said we were concerned by the prospect of a resolution in the UNGA simply calling on Israel to withdraw behind her frontiers. There was a lack of equity in calling only on Israel to comply with the U.N. resolution. Egypt should have to comply, too. He said

there was evidence of renewed Fedayeen activity. He asked Mr. Pineau whether he had talked with Mr. Hammarskjold about this. Mr. Pineau said he had, but that Hammarskjold is only the Secretary General of the U.N. and does not have the authority to enforce U.N. decisions. The Secretary said that we had been able only to obtain a postponement of the resolution from the Afro-Asian powers, and that we had this matter under active study. The Secretary speculated on the possibility that the UNEF might play a role with regard to the Gulf of Aqaba. Mr. Pineau observed that the mission of the UNEF had not yet been defined. He said that France was opposed to Hammarskjold's conception of the extent of the role and of the authority of the UNEF. If the UNEF were entirely dependent on Egypt's approval of its activities, freedom of navigation in the Gulf of Aqaba could never be assured or imposed by it. He said that France was prepared to vote for an extension of the powers of the UNEF. The Secretary said that Mr. Hammarskjold had indicated that he might be disposed to instruct the UNEF to move to areas vacated by Israel. He asked Mr. Wilcox what authority the Secretary General had in the matter. Mr. Wilcox said that the Secretary General was assisted by an Advisory Committee. The Secretary concluded by saying that we were studying this whole problem intensively.

C. Syria

Mr. Pineau said that the Syrian Government was still subordinating the repairs to the IPC pipeline to full Israeli compliance with the U.N. resolution, and that this meant that the delay might go on for months. The Secretary said we were doing all we could diplomatically to influence Syria and had made representations several times.³ He said that by delaying repairs, Syria was forfeiting the payments she would otherwise receive on the oil going through, which amounted to something like \$20 million per annum. Mr. Pineau observed that this obstinacy on the part of Syria suggested that there were special pressures at work on her.

³ Documentation concerning U.S. interest in the repair of the IPC pipeline is *ibid.*, 883.2553.

16. **Telegram From the Embassy in Egypt to the Department of State**¹

Cairo, January 11, 1957—7 p.m.

2231. Frequent procedure following talks with Nasser is for Haikel or Amin to inquire how things went. This done following January 9 talk and I sent back word had been anything but happy with negativism and lack forthrightness which had characterized conversation.

Today received Nasser's reaction through same source that he surprised my reaction since he had felt conversation useful. He then made following additional observations on two points covered in talk.

1) Re my suggestion that he was not exerting sufficient constructive leadership over people, he maintained he could lead and had done so but is question of timing. As matters stand everything hinges on Israeli evacuation of Gaza. When that accomplished, he will crack down on Communists.

2) Regarding Iraq he is willing to call off feud even though Nuri remains in office provided GOE will take public position of not pressing for adherence to Baghdad Pact by other Arab states. If that could be done arrangement could be made to have delegation prominent Arabs come to Cairo to compose difference. He would welcome and arrangement could then be made for meeting of heads of Arab states in Baghdad which he would attend.

Gimmicks obvious in foregoing but also not without interest.

Hare

¹ Source: Department of State, Central Files, 674.00/1-1157. Secret; Priority. Received at 6:49 p.m. Repeated to London, Paris, Amman, Baghdad, Beirut, Damascus, and Jidda.

17. Telegram From the Department of State to the Mission at the United Nations¹

Washington, January 11, 1957—6:57 p.m.

507. Re Israeli withdrawal, Delga 458² and Delga 460.³ We believe time has come give SYG our views as to measures required bring about withdrawal Israeli forces and extent to which US will support him in carrying out these measures. You should accordingly pass on following suggestions soonest unless you perceive objections:

1. We are concerned that impending GA debate on Israel's delay in withdrawing forces may serve to harden Israeli and Arab positions and make more difficult full implementation UN resolutions relating to withdrawals and role of UNEF.

2. We suggest accordingly SYG consider following measures:

¹ Source: Department of State, Central Files, 674.84A/1-957. Confidential; Niact. Drafted by De Palma; cleared by Wilcox, Rountree, Phleger, and Greene; and approved by Dulles.

On January 11, Greene forwarded the text of telegram 507 to Dulles under cover of a note which reads: "Attached for your approval is the redraft of the telegram on Israeli withdrawal discussed at the meeting in your office yesterday. The new draft incorporates a change in paragraphs 2b and c about the strength of UNEF forces; it now provides that these are to be in a strength to be determined by General Burns. It was my understanding that at the meeting you thought the strength should be agreed between the SYG and General Burns.

"The end of the telegram, particularly paragraphs 2f and 3 have been redrafted in the light of the discussion yesterday and language has been added to indicate that we would not support the sanctions against Israel as long as Egypt is in 'default' of UN resolutions. This is somewhat more limited language than discussed yesterday along the lines that we would not apply sanctions against one party in the dispute who might be in violation of UN resolutions as long as both parties are in violation." (*Ibid.*, 674.84A/1-1157)

According to Dulles' Appointment Book, the Secretary met with Rountree, Phleger, Wilcox, and several others regarding the Israeli withdrawal, beginning at 3:50 p.m. on January 10. (Princeton University Library, Dulles Papers) No account of this meeting has been found in Department of State files.

² In Delga 458 from USUN, January 9, Lodge reported that the Arab governments were pressing for early consideration of the Israeli withdrawal question and reportedly had a preliminary text of a draft resolution which called for sanctions against Israel. Meir, however, had indicated in a series of meetings with Arabs, Asians, and Latin Americans that her government would not withdraw unless its conditions were met on freedom of transit through the Suez Canal to Elath and guarantees that the Egyptians would not reoccupy Sinai. Lodge also noted that Dixon and Australian Ambassador Percy Spender had advocated support for the Israeli position and had pressed Lodge as to the U.S. position. (*Ibid.*, 674.84A/1-957)

³ In Delga 460 from USUN, January 9, Lodge reported that Indian Representative Lall had shown him a text of a draft resolution, which the Arab representatives were strongly pressing members of the Asian-African group to sponsor, and urged that the United States obtain from Israel assurances that it would withdraw, as well as a list of the dangers feared by Israel if it withdrew. Lall hoped this would head off what he said would be an acrimonious and unhelpful debate. (*Ibid.*)

a. Bulk of UNEF forces will move to strategic positions along Israel-Egypt armistice lines as Israeli forces withdraw behind lines.

b. UNEF forces in strength to be determined by Gen Burns will be stationed in Gaza strip and no Egyptian military or para-military forces will enter strip. Egypt will assume provisional civilian administration of strip under arrangements to be worked out with Gen Burns on understanding no interference will be permitted with UNEF's security functions in strip as these functions are determined by Gen Burns.

c. UNEF forces in strength to be determined by Gen Burns will be stationed along coast in Sharm el Sheikh area and if necessary on offshore islands and no Egyptian military forces would return at this time. Thus as practical matter there will be no challenge to passage vessels through Strait of Tiran.

d. Negotiations on final Suez settlement will be pursued as matter greatest urgency and on basis Convention 1888 and agreed six principles which will guarantee all users, including Israel, right of free passage.

e. UNEF's functions along Israel-Egypt armistice lines will be exercised on understanding parties will scrupulously observe provisions of Israeli-Egyptian Armistice Agreement. (We assume functions of UNTSO along Israel-Egypt armistice lines will not conflict with UNEF's role and that appropriate liaison arrangements will be worked out.)

f. Israel should make clear to SYG its withdrawal plans in relation above phased take-over UNEF forces and should authorize SYG make these plans known in time head off proposed Arab-Asian action.

3. You may also inform SYG that after above measures taken we prepared at appropriate time state US belief Gulf Aqaba international waterway and freedom of passage should be assured.

You should also inform SYG we would not support sanctions against Israel so long as Egypt also continues in default UN resolutions.

We would appreciate SYG's comments soonest.

Dulles

18. **Memorandum of a Telephone Conversation Between the Secretary of State and the Assistant Secretary of State for Policy Planning (Bowie), Washington, January 12, 1957, 10:10 a.m.**¹

TELEPHONE CALL TO MR. BOWIE

The Secretary telephoned Mr. Bowie re the former's forthcoming statement before the Senate on Monday.² The Secretary said that Mr. Bowie believed the root of the problem was the difference between the Israelis and the Arabs and that unless that could be solved, there was no use doing anything. The Secretary said he believed that the root of the problem could not be eradicated. He said he had been reading the Old Testament and they had the same problems as we have today. He said it did not make sense to think that he could solve problems which Moses and Joshua with Divine guidance could not solve. The Secretary said of course we were going to keep on trying to solve these problems but you could not get maneuvered into a position to the effect that there is no use trying anything along the lines of this resolution. The Secretary said he did not think that we would get anywhere reasoning in this way. The Secretary said further he was not prepared to recognize that the resolution by itself held success. He thought you could keep Communism out of the area without solving all of the problems of the area. The Secretary said he thought that Mr. Bowie's views called for some form of expression but not to put it in the way he suggested.

The Secretary said he had been before the House Committee for three sessions of questioning and that so far no one had raised this point. The Secretary said he had closer contact in Congress than Mr. Bowie had.

The Secretary and Mr. Bowie then had some discussion of the wording of the present draft statement (#1).³

The Secretary asked Mr. Bowie to get in touch with Bob Barnes and ask him to get together for him some figures before the 4 o'clock mtg. today. (The material arrived in advance of the meeting.)

¹ Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Transcribed by Asbjornson.

² For text of Dulles' statement before a joint session of the Foreign Relations and Armed Services Committees of the Senate on January 14, see Department of State *Bulletin*, February 4, 1957, pp. 170-174, or *United States Policy in the Middle East, September 1956-June 1957*, pp. 30-38.

³ Not attached to the source text.

19. **Transcript of a Telephone Conversation Between the President and the Secretary of State, Washington, January 12, 1957, 10:55 a.m.**¹

Secy. Dulles.

Regarding reports on the Mid East situation. Israel is still violating the armistice. The President noticed in one report they are going close to bankruptcy; that the Communist Party is growing by leaps & bounds. Dulles said our Ambassador is on his way back, will be here Monday, & that we do want to talk to him. He said it really is a tricky situation; & that the UN wants to put in a resolution regarding Israel's not withdrawing.

On the other side, Dulles said the Egyptians also are guilty of some violations. The President does think Israel has got to get out of Sinai. The Gaza is confusing—who would want it? Dulles said Israel does not want it; it has no natural resources—on the other hand, Israel does not want the Egyptians to go back there. The President said that perhaps it should be made a UN protectorate.

Mr. Dulles said he believes a letter is in from Nehru.² The President has it. Said it is very mild. Nehru does not think there is any chance of aggression in Mid East by the Soviet Union. His slogan nowadays is "Nationalism is stronger than Communism."

Discussion on the Senate hearings for Monday. The President mentioned that Johnson, & a few others, stay on our side. But Dulles named 5 others: Fulbright, Sparkman, Mansfield, Humphrey & Morse; then on the Armed Services Committee, those like Kefauver. Dulles said the big question they pose is whether or not President has authority constitutionally to use armed forces—they say they won't give the authority, because President already has it.

The President said that, after all, we are seeking peace, & the only way to do it is to show that our hands are not tied—he feels we have to put the world on notice that we are serious about this. Secy. Dulles said a lot of the people will go along with the military authority, but refuse to deal with the economic. The President hopes we will get a victory in the House, & does think we might. Dulles said President may have to call in some of the leaders again for a private talk, to have them back him up.

¹ Source: Eisenhower Library, Whitman File, Eisenhower Diaries. Prepared in the Office of the President.

² Dated January 11, not printed. (Department of State, Presidential Correspondence: Lot 66 D 204, Prime Minister Nehru's Correspondence with Eisenhower/Dulles 1953-1961)

20. **Telegram From the Department of State to the Mission at the United Nations¹**

Washington, January 12, 1957—1:19 p.m.

511. Re Israeli Non-Compliance, Delga 490.² Confirming Lodge-Wilcox telephone conversation, please convey soonest views contained Deptel 507³ to SYG.

Re Straits Tiran, we believe SYG's basis for stationing UNEF along coastal area is precisely fact that unless he does Egyptian and Israeli forces (i.e. Israeli Naval Units now in Gulf Aqaba) will confront each other and hostile actions likely ensue and thus endanger cease-fire which UNEF under GA resolutions authorized secure and maintain.

We agree not practicable seek assurances from Egypt re free passage through Strait until after Israeli withdrawal. But we do not agree that Egyptian military reoccupation coastal area might take place in hope Egypt will not interfere freedom passage. Egyptian record affords no basis such hope and once Egyptian military forces in occupation we foresee great difficulties in later positioning UNEF there.

As indicated para 3 Deptel 507 we prepared at appropriate time after Israeli withdrawal state US belief Gulf international waterway and freedom passage should be assured. We believe would be most unwise subject this issue, which we believe covered by established international law, to political decision GA in present emotional atmosphere.

Dulles

¹ Source: Department of State, Central Files, 674.84A/1-1157. Confidential; Niact. Drafted by De Palma; cleared by Rockwell, Murphy, and Meeker (in substance); approved by Wilcox who signed for Dulles.

² Delga 490 from USUN, January 11, contained Hammarskjöld's account, as conveyed to Lodge, of his recent discussions with Israeli representatives. Hammarskjöld noted that as a result of the cool reception Meir had received from various groups, the Israeli attitude toward the withdrawal question had softened somewhat; that he expected that all Israeli forces would be out of Sinai (except for Sharm el Sheikh) by January 15. Otherwise, the Israelis had requested that UNEF be put at the Straits of Tiran, that guarantees be given ensuring free access to the Gulf of Aqaba, that Egypt guarantee an end to fedayeen raids, that Israel control administration in the Gaza strip while UNRWA continued its work with the refugees, and that guarantees be given that Egyptian forces would not return to the Sinai. (*Ibid.*)

³ Document 17.

21. Telegram From the Mission at the United Nations to the Department of State¹

New York, January 12, 1957—6 p.m.

Delga 496. Reference Israeli withdrawal. Deptels 507,² 511.³ Lodge orally and in an informal memorandum conveyed substance of Deptels 507 and 511 to Hammarskjold Saturday afternoon.

Hammarskjold said it was a "tall order". And he would have to study our views before responding to our suggestions. He was sure of one thing. He said, that what we ask to be done cannot be done in time to head off proposed Arab-Asian action. Arabs have already asked informally for meeting, and he doubted meeting would be avoided.

Hammarskjold then said he wished to make some general points. He said it was very easy to be forceful and "wreck the whole show", but it much more difficult to play it quietly as he did during his negotiations leading to the freeing of American prisoners in China.

Hammarskjold said he is in process sharpening issues with Fawzi, he has pushed Fawzi hard. And before Fawzi has exercised his influence in Cairo. He said that Egyptians are taking extremely hard position on Israeli withdrawal. Egyptians are maintaining they cannot negotiate Canal settlements until Israelis are out of Sinai. Egyptians see Israeli withdrawal as correction of a legal situation. Moreover, they do not believe settlement question is comparable to question of Israeli withdrawals. They maintain Canal settlement is not an isolated issue. They link Canal settlement. Though not as precondition, with the question of lifting of embargo on its assets and the question of war damages. Hammarskjold sees the unfreezing of assets as a consequence of settlement. Hammarskjold stressed that Egyptians want assurance that question of unfreezing assets and war damages be included as part of basic settlement Suez problem.

Hammarskjold said he asked Egyptians whether he should interpret their initiative in GA re war damages as desire on their part to have SYG take initiative in getting four parties together to discuss matter. Fawzi has refused to formalize this request because this in effect would mean writing off the resolution on war damages already submitted, though not pressed, in GA. Fawzi has confirmed orally, however, to Hammarskjold Egyptian willingness to drop GA action if SYG can make progress on war damages issues.

¹ Source: Department of State, Central Files, 674.84A/1-1257. Confidential; Priority. Received at 8:14 p.m.

² Document 17.

³ *Supra*.

During course conversation, Hammarskjold emphasized delicacy and complexity of negotiations he is pursuing. He would think over points raised in Deptels 507 and 511 and let us know.

Lodge

22. **Memorandum From Albert F. Bender, Jr., to the Representative at the United Nations (Lodge)¹**

New York, January 14, 1957.

SUBJECT

Financing of UNEF²

I am sorry that we were not able to keep you more fully informed last month concerning the financing of UNEF.

The decision taken by the Assembly on UNEF financing was, I believe, a most significant one, and can certainly be reported to the Congress as a notable victory.

The question involved was how to raise the \$10 million which the Assembly had authorized Hammarskjold to spend for UNEF. This involved, of course, the creating of a precedent as to how large-scale collective security action voted by the Assembly should be financed. It involved a question as to which there was previously much doubt, namely, whether governments voting for collective security action of this kind would give financial support to their votes.

It appeared at first as though the Assembly action in creating UNEF would be disowned on the financial level by most of the membership. The Afro-Asians, lead by the Arabs and supported by some Latin Americans and Europeans, took the position that the "aggressors" should pay. Some argued that the major powers should assume the financial responsibility. Even after considerable pressure, the Latin Americans at first announced in the Fifth Committee as a group that they would recognize collective responsibility only to the extent of \$5 million and that the balance would have to come from voluntary contributions, that is, from the United States. The Soviet bloc demanded payment by the "aggressors" and announced that they would pay no part of UNEF expenses.

¹ Source: USUN Files, Unnumbered File, IO: Emergency Force. Limited Official Use. Bender was an Adviser for Legal and International Organization Affairs, attached to the U.S. Permanent Mission at the United Nations.

² Documentation concerning the financing of UNEF is in Department of State, Central File 320.5780.

After some weeks of very difficult negotiation we were able to get the Fifth Committee and the Assembly to vote to assess \$10 million against the general membership on the basis of the regular 1957 scale of assessments (to make this possible, we, of course, had to accept the scale recommended by the Contributions Committee for 1957). The vote in the Plenary was 62-8-7, with only the Soviet bloc against and repeating that they would not pay the assessment.³

This vote was an important step forward in the *assumption by the general membership of the responsibilities involved* in belonging to the United Nations and being able to speak and vote on collective security action. It was an important step forward in the *implementation of collective security action*. The principle established should, incidentally, *save the United States many millions of dollars in the future*.

Our success on the final vote was surely due, to a large extent, to the Nehru visit to the United States. In the last few days of negotiations the Indian Delegation, which had reportedly been working against us, switched almost completely and helped us to bring the Afro-Asians into line.

This matter, to be sure, is not completely wound up. There still remains the question of how to finance any expenditure in excess of \$10 million. To get our vote on the first \$10 million, we had to agree to the establishment of a nine-government committee—including the United States—to advise on the financing of any excess above \$10 million, and we had to recognize that some other basis than the regular scale *might* have to be adopted to finance such an excess.

We believe it important to maintain the principle established by the vote on UNEF finances by doing everything possible to assure that the UNEF expenses, over and above voluntary contributions, do not exceed \$10 million. Of course, if UNEF is given an extended life or its functions are expanded by the Assembly, we will have to reconsider this approach. Meanwhile, the Department is considering what steps are desirable on the part of the United States to make it possible, by way of voluntary contributions, to keep the costs of UNEF to the general United Nations membership within the \$10 million. This sum of \$10 million will probably enable UNEF to maintain its present level of activity for another six months.

³ Reference is to U.N. General Assembly Resolution 1089 (XI), adopted at the 632d meeting of the General Assembly on December 21, 1956.

23. **Telegram From the Mission at the United Nations to the Department of State¹**

New York, January 14, 1957—9 p.m.

Delga 502. Re: Palestine: Israeli Withdrawal. Eban (Israel) called at his request, prior to seeing SYG this afternoon, to report on status of withdrawals from Sinai. Eban said by 22nd Jan Israeli forces will be entirely out of Sinai, and "UNEF will be up to Egyptian-Israeli frontier", except for Sharm el Sheikh. With regard to it and Gaza, Israel is prepared discuss with SYG a settlement establishing international interests those two areas.

Of these two remaining problems, Israel wished defer question Gaza for time being since it too intricate matter, involving population of 300,000 whereas Sharm el Sheikh had no people and involved only juridical problems.

Regarding Sharm el Sheikh, Eban said many delegations had expressed interest and concern for problems involved there particularly "shivering Europeans" whose "only jugular vein" lies in hands Nasser. Now "second lung" is becoming reality, in that eight inch pipeline will be open from Aqaba to Beersheba in matter of days, and through to Mediterranean at Ascalon in matter of weeks; sixteen inch line now being discussed and 32-inch one is ultimate "vision", which would carry 20 million tons oil annually. This development will be psychological and political relief to Europeans, according to Eban, since it gives alternative to Suez, no one state thereafter having monopoly, and principal source tension between Arabs and West thereby removed. Israel, he said, is determined not repeat mistake of 1954, and will not withdraw until there are adequate assurances which protect genuine international interests.

Eban said presence of UNEF will enable Israeli withdrawal without resumption of Arab blockade which latter Radio Cairo already threatening today in its broadcasts.

As for way in which solve Aqaba problem, Eban noted Secretary had agreed as to international character of Gulf of Aqaba, and also agreed ways and means should be sought to try to assure this. He plans give short written statement to SYG this afternoon indicating further intentions on withdrawal and stating willingness discuss arrangements for withdrawal from remaining areas. Statement would not put conditions but outline problems in connection with remaining areas.

¹ Source: Department of State, Central Files, 674.84A/1-1457. Confidential. Received at 11:06 p.m.

In response Eban's question as to what might be done, I told him it would be hard get two-thirds vote unless it was for a report by SYG, which might provide way out for them. Eban agreed but said Hammarskjold leery of taking stand on "controversial issue". Eban would point out to SYG there are precedents in this very matter for SYG's doing so, and there is plenty of authority within jurisprudence already existing.

Eban then gave me draft (contained Delga 503)² as basis for report which they hope SYG might issue for GA approval and which would bring about solution they seek. Gist would be that UNEF has, as part of its authority, to prevent resumption hostilities and further belligerent acts. It should therefore be stationed in Sharm el Sheikh "until another effective means is agreed upon between the parties concerned for ensuring permanent freedom of navigation and the absence of belligerent acts in the Straits of Tiran and the Gulf of Aqaba. Such effective means may be deemed to have been found when a peace settlement is achieved; or when secure freedom of navigation is guaranteed by international agreements." (e.g., he said, between interested maritime powers, by users of Gulf, by littoral powers, or even by US guarantee alone. There would even be possibility of agreement to demilitarize Sinai.)

Eban is not giving paper to SYG. He expressed hope US would suggest SYG adopt paper as his own and seek convince him of merits this solution. Rafael doubted Israel would accept any less specific language. Subsequent discussion revealed Israel hopes offer further plan on Gaza, but only later. They feel if GA will adopt this extension of UNEF's functions, including duration, it will be easier get GA approval for something similar involving UNEF in Gaza. We pointed out that if SYG included above suggested paragraphs in his report, this together with no action on Gaza, could well produce sufficient objections in debate to prevent anything being accomplished. Rafael argued strongly for line that it would be easier tackle Gaza later, but Eban saw some merit in our argument that in context imminent GA debate on withdrawal, they might get further if they also had something to offer on Gaza. He implied they would have something later on this week, and hoped in any event debate in GA could be held off as long as possible. I said we would study his ideas carefully.

It is clear that Israelis know they will not be able convince Hammarskjold to add this language to his report and that they hope US would put forward and convince him. This was confirmed by subsequent conversations with Kidron who said that what Hammarskjold now needs is formula or form of words. Kidron said he felt SYG was

² Dated January 14, not printed. (*Ibid.*)

shying off from accepting responsibility of proposing means for resolving these issues. Kidron pointed to urgency our presenting SYG with form of words since he plans issue report on Wednesday.

Please instruct.³

Lodge

³ No record of a response has been found.

24. Telegram From the Mission at the United Nations to the Department of State¹

New York, January 15, 1957—7 p.m.

Delga 511. Verbatim text. Re Israeli withdrawal. Fawzi (Egypt) saw me and asked for our views on following resolution which he said would be tabled at outset of plenary meeting on Thursday. Fawzi said he had an extremely difficult time keeping Cairo quiet on this matter in view of fact that destruction is continuing in Sinai, as well as killing of Egyptian people. He expressed hope there would be broad support on the GA resolution, including US.

"The GA,

Recalling its resolutions 997 (ES-1) of 2 Nov. 1956, 998 (ES-1) of 4 Nov. 1956, 999 (ES-1) of 4 Nov. 1956, 1002 (ES-1) of 7 Nov. 1956, and A/Res/410 of 24 Nov. 1956,²

Noting with grave regret and concern the failure of Israel to comply with the terms of the above-mentioned resolutions,

1. Condemns the non-compliance of Israel with the said resolutions,
2. Calls upon Israel to withdraw its forces behind the armistice demarcation lines within five days,
3. Calls upon all members to refrain from giving any military, economic or financial assistance to Israel in the light of the provisions of the aforementioned resolutions,
4. Requests the SYG to report on the implementation of this resolution as soon as possible."

With respect to Suez Canal issue, he said they were ready to talk about it but not while Egyptian territory was occupied, Egyptian people killed and installations destroyed. There were two other questions linked with this matter; namely, compensation for damages to Egypt

¹ Source: Department of State, Central Files, 674.84A/1-1557. Confidential; Priority. Received at 11:07 p.m.

² Same as U.N. General Assembly Resolution 1120 (XI).

as well as ending of economic measures taken against Egypt. He stressed that his over-all objective was to convert area from strife to constructive peace.

I cautioned Fawzi not to hurry matter with respect to res and emphasized desirability give SYG as much time as possible to work out something on Israeli withdrawals. Fawzi said that he had delayed this matter for over two weeks and that he did not feel further delay was possible.

He stressed that Assembly should not accept conditions from Israel for compliance with GA resolutions. He said Israelis should withdraw, and this would not prevent them from bringing to the attention of the Assembly other matters which interest them (i.e., Straits of Tiran, Aqaba). Fawzi indicated Egypt could wait, as they had so far, with respect to compensation question and that they planned on letting their resolution lie dormant for awhile. In response to my query, he said he expected to have support of GA for above res. He said if there was anything in res which US thought was wrong or too much to ask, he wanted to know, since he felt Egypt would lose in long run if it was not realistic. He implied there was no such defect in text. Fawzi left it open as to whether they would press to a vote the res on Thursday, suggesting vote might be put off if something was on point of being worked out.

We pointed out that in view of interest of maritime nations in assuring freedom of passage through Gulf of Aqaba, it was possible that res in present form might fail of adoption, and in this even Egypt's cause would be weakened and Israeli position strengthened. In response to our suggestion that submission of res be delayed while permitting debate, Fawzi affirmed that he intended to submit res at opening meeting.

In addition to instructions on how we would vote on above res, I request Department provide me with statement I could make in Assembly on Thursday.

I believe Egyptian res is dangerous as well as acutely embarrassing. Am considering devices to gain time, notably reference of SYG's report to advisory committee for report. Believe under proper circumstances two-thirds vote possible for language which will establish UNEF's status in Tiran and other areas. Hope Department will give me their ideas and any inducements I can hold out to Egyptians and Israelis.³

This can be a very rough ride.

Lodge

³ Lodge and Dulles discussed the Israeli withdrawal question over the telephone on January 16; see the editorial note, *infra*. The draft resolution quoted in this telegram was never formally tabled by the Government of Egypt.

25. Editorial Note

On January 16, Indian Representative Lall made available to the U.S. Delegation in New York the text of the most recent Afro-Asian draft resolution on Israeli troop withdrawal. Lall said that the draft, which recalled previous General Assembly resolutions and noted with regret Israel's failure to comply with them, would be discussed at the Asian-African meeting late that afternoon and that he had reason to believe that the text would be acceptable to Egypt. (Delga 525 from USUN, January 16; Department of State, Central Files, 684A.86/1-1657)

The Asian-African draft was discussed at the Secretary's Staff Meeting on January 17: "Mr. Phillips said the Indians have presented a very moderate draft resolution, without sanctions, calling on Israel to withdraw behind the armistice lines and asking the Secretary-General to report back to the General Assembly within five days. He said that Ambassador Lodge has recommended that we vote for this resolution, and that balloting is expected today. The Under Secretary observed that the Secretary had talked with Ambassador Lodge last night on this matter and that careful coordination was necessary. Mr. Phleger suggested that in speeches regarding this resolution mention should also be made of the situation around the Gulf of Aqaba and the difficulties in connection with the Suez Canal itself. The Under Secretary asked Mr. Murphy to coordinate: 1) the refinement of the US position on the Indian resolution; and 2) the gathering of speech suggestions." (*Ibid.*, Secretary's Staff Meetings: Lot 63 D 75) A memorandum of the telephone conversation between Dulles and Lodge, which began at 6:20 p.m. on January 16, is in the Eisenhower Library, Dulles Papers, General Telephone Conversations.

Later on January 17 in New York, Ceylonese Representative R.S.S. Gunewardene tabled this draft resolution in the General Assembly (U.N. doc. A/3501/Rev.1) on behalf of 25 Asian and African nations. The matter was discussed at the 638th through the 642d meetings of the General Assembly and adopted on January 19 as Resolution 1123 (XI) by a vote of 74 in favor, 2 opposed (Israel and France), and 2 abstentions (Costa Rica and Cuba). For texts of General Assembly Resolution 1123 (XI) and of Lodge's statement to the General Assembly on January 17, see Department of State *Bulletin*, February 18, 1957, pages 269-271, or *United States Policy in the Middle East, September 1956-June 1957*, pages 253-254.

26. **Memorandum of a Conversation Between the President and the Secretary of State, White House, Washington, January 17, 1957, 10:55 a.m.**¹

[Here follows discussion of unrelated subjects.]

I discussed with the President the Suez situation and the difficulty of bringing about a satisfactory result in view of the fact that most of the pressures and "carrots" were in our hands whereas Hammarskjold was doing the negotiation. The President wondered whether the time might not be right to ask Bob Anderson to go back again to Cairo. I said we were thinking that Hammarskjold should go and we did not want to cut across his negotiations or seem to be working behind his back. We then briefly considered the possibility that Anderson might be in Cairo on a covert basis while Hammarskjold was there and that their two efforts might be coordinated.

I said that Lodge would be here tomorrow at Cabinet meeting and that we were planning to talk with him about the Hammarskjold plans.

[Here follows discussion of unrelated subjects.]

¹ Source: Eisenhower Library, Dulles Papers, Meetings with the President. Secret; Personal and Private. Drafted by Dulles.

27. **Telegram From the Department of State to the Embassy in Syria**¹

Washington, January 18, 1957—7:09 p.m.

1275. Embtel 1700.² US has not suspended economic aid to Israel. While we are not at present discussing additional PL 480 and Ex-imbank assistance and while no new technical and development assistance projects under FY 57 programs are now being planned, projects

¹ Source: Department of State, Central Files, 784A.5-MSP/1-1857. Confidential. Drafted by Waggoner and Rockwell; approved by Wilkins who signed for Dulles. Repeated to Amman, Baghdad, Beirut, Cairo, Jidda, and Tel Aviv.

² Telegram 1700 from Damascus, January 15, noted that the U.S. standing in Syria would be considerably enhanced if the suspension of U.S. economic assistance to Israel were made known. (*Ibid.*, 611.83/1-1557)

undertaken prior November 1 are continuing to extent permitted by reduced staff. We do not believe situation is one which can usefully be exploited by Missions.

Dulles

28. **Telegram From the Department of State to the Mission at the United Nations¹**

Washington, January 19, 1957—3:07 p.m.

Gadel 112. Delga 510.² Following background information may be helpful in discussing US policy relating blocked funds with Mr. Hammarskjöld:

1) US blocking order on GOE assets in this country arose out of Egyptian nationalization of Suez Canal Company. Order applicable to assets of both Suez Canal Company and GOE was established pending clarification of then existing situation including determination of ownership of these assets.

2) So far as facts concerned, believe GOE greatly magnifying importance US blocking order since funds affected amount only about \$40 million, less 7 percent Egypt's total foreign exchange holdings. Moreover, since the time of blocking, GOE has obtained a drawing from IMF of \$15 million, which supported by US.³ Re sterling: UK blocking order immobilizes nearly 60 percent of Egypt's foreign exchange assets. Government of Egypt may have about \$30 million in freely accessible exchange in addition to about \$170 million gold used as currency cover.

¹ Source: Department of State, Central Files, 974.7301/1-1957. Confidential. Drafted by Shaw and approved by Wilkins who signed for Dulles.

² In Delga 510 from USUN, January 15, Lodge forwarded accounts of conversations which he had had with Hammarskjöld and Pearson concerning the Israeli withdrawal question. Among other points, Hammarskjöld had advised Lodge that in order to avoid an adverse turn in Egyptian policy, the United States should give Egypt the feeling that it was not "on the British horse" and that its stand during the crisis was not temporary. Hammarskjöld especially emphasized the need for the United States to indicate to Egypt that once a settlement was reached concerning Suez, there would be no reason to continue to freeze Egyptian assets in the United States. Consequently, Lodge requested that the Department of State authorize him to indicate to Fawzi some loosening in the U.S. position regarding Egyptian assets. (*Ibid.*, 684A.86/1-1557)

³ During the Secretary's Staff Meeting on January 15, Rountree explained that it had been decided not to oppose a further Egyptian withdrawal from the International Monetary Fund because the British had taken a similar action in the recent past. (Notes of the Secretary's Staff Meeting; *ibid.*, Secretary's Staff Meetings: Lot 63 D 75, Mon., Tues., Wed. Meetings)

3) US does not consider that events since issuance this order have brought clarification or resolved problems which gave rise to blocking order.⁴

Dulles

⁴ At this point in the source text, the following phrase was deleted from the original draft of the telegram: "and believes substantial progress more likely occur if assets remain blocked rather than released in hope such progress."

29. Memorandum of a Conversation Between the Deputy Under Secretary of State for Political Affairs (Murphy) and the British Ambassador (Caccia), Department of State, Washington, January 22, 1957¹

SUBJECT

Suez Negotiations

During his call on Mr. Murphy this morning Ambassador Caccia said that he had had occasion to talk to Ambassador Lodge last week-end regarding progress in the Suez negotiations. He had mentioned to Lodge his recent conversation with Secretary Dulles at which the latter had observed that, while Hammarskjold is in charge of the negotiations, the pressures that can be brought to bear on Egypt are in the hands of others. He said that Ambassador Lodge had informed him somewhat heatedly that the United States was in no position to bring pressure on the Egyptian Government and the only inducements it could employ were in the nature of a temporary withholding of certain economic benefits.

The Ambassador said that his Government felt that, unless progress is made toward a solution of the basic problem before the Canal is reopened we shall find ourselves back in the same situation we were in last year following the seizure of the Canal. He said he would like very much to discuss this matter again with Secretary Dulles at a very early date. Mr. Murphy said that this matter was receiving urgent attention now in the Department and that it may be possible very shortly for us to talk to the British regarding a course of action.

¹ Source: Department of State, Central Files, 974.7301/1-2257. Drafted by Elbrick.

30. **Memorandum of a Conversation Between the Minister of the Israeli Embassy (Shiloah) and the Deputy Under Secretary of State for Political Affairs (Murphy), Department of State, Washington, January 22, 1957¹**

SUBJECT

Israel Withdrawal

Mr. Shiloah handed Mr. Murphy the paper setting forth the Israel position on the Sharm el Sheikh area and the Gaza Strip. The original had been handed to the UN Secretary General by Ambassador Eban.² On Sharm el Sheikh, the Israelis were willing to withdraw their forces from the mouth of the Gulf of Aqaba to be replaced by the UNEF. What was required was the making precise of the function of the UNEF, the fact that its departure from the area was a matter for UNEF to decide, and the stationing of UNEF in the Sharm el Sheikh area until another effective means had been found to secure free navigation through the Gulf of Aqaba and to prevent hostilities in that area. Israel felt that the Secretary General should take some initiative along these lines but up to now he had been quite formalistic. Mr. Shiloah thought it would be helpful if the United States exerted its influence to prevent the present situation from becoming frozen or reaching an impasse.

On Gaza, Israel hoped that the United States would see the merit of Israel's proposal that Israel's services be used in the administration of the area. Israel foresaw a situation where there would be three effective elements in the administration of Gaza: the United Nations, local government, and Israel elements, particularly in the field of internal security.

Mr. Murphy said that we would look into these matters. Mr. Shiloah thought it would be useful if Mr. Eban and he had an opportunity to discuss this situation with the Secretary. What he envisaged was a private talk along the lines of previous discussions, where the press was not informed of the fact that the Israel Ambassador was calling, and the private entrance to the Secretary's office was used. Mr. Murphy said he would see if this could be worked out. He mentioned the Secretary's heavy schedule during the next few days.

¹ Source: Department of State, Central Files, 674.84A.1-2257. Confidential. Drafted by Bergus.

² On January 24, Hammarskjöld transmitted a copy of the Israeli Aide-Mémoire to members of the General Assembly. ("Note by the Secretary-General transmitting an aide-mémoire on the Israel position on the Sharm el Sheikh area and the Gaza strip," U.N. doc. A/3511) Hammarskjöld's note and the Israeli proposals are in Department of State *Bulletin*, February 18, 1957, pp. 273-275; and the Israeli proposals in *United States Policy in the Middle East, September 1956-June 1957*, pp. 255-259.

31. **Telegram From the Department of State to the Mission at the United Nations**¹

Washington, January 23, 1957—7:42 p.m.

Gadel 116. Re Israeli withdrawals.

1. Since determination our position next steps Israeli withdrawal problem depends in part on attitude SYG takes on measures suggested Deptel 507,² request you seek earliest opportunity ascertain language he intends use in next report.

2. We continue strongly prefer deal with Gaza and Strait Tiran problems by supporting actions taken and reported by SYG as logical interpretations UNEF's role, but would appreciate SYG's and your present estimate desirability and feasibility GA resolution this matter.

3. Meanwhile suggest you inform Canadian Del measures suggested Deptels 507 and 511³ and urge they seek UNEF Advisory Committee's support.

4. In view reports Arabs reviving resolution recommending sanctions against Israel also suggest you inform appropriate Asian-African delegations our view GA not in position vote sanctions against Israel alone so long as Egypt remains in default SC decisions (i.e. Fedayeen raids and Egyptian attitude toward Israeli passage through Canal). You may wish add that although we agree Israel should not profit from incursion into Egypt, we equally anxious see that appropriate steps taken deploy UNEF in manner calculated prevent recurrence hostile actions by either side.

Dulles

¹ Source: Department of State, Central Files, 674.84A/1-2357. Confidential. Drafted by De Palma; cleared by Bergus, Meeker, and Murphy; and approved by Wilcox who signed the telegram for Dulles.

² Document 17.

³ Document 20.

32. Telegram From the Mission at the United Nations to the Department of State¹

New York, January 23, 1957—11 p.m.

Delga 571. For Secretary and Wilcox from Lodge. Re Gaza and Aqaba. Hammarskjold report re above subject and Israel aide-mémoire containing Israeli proposals being sent in subsequent telegrams. Report to be made public on Friday.²

Hammarskjold report emphasizes importance broader implementation of Armistice Agreement. It contains suggestions for stationing UNEF on both sides armistice line with UNEF assuming supervisory duties of TSO in all territories where TSO now functions under armistice agreement between Egypt and Israel. SYG expresses view may be desirable in due time to have legal status of Gulf of Aqaba definitely determined. He says that with broader implementation of Armistice Agreement, parties should be asked to give assurances that they will not assert any belligerent rights, including such rights in Gulf of Aqaba and Straits of Tiran. He envisages UNEF units will enter Sharm el Sheikh area upon withdrawal of Israeli forces. He excludes United Nations acceptance Israel control over Gaza area.

Israel aide-mémoire makes following main points:

- a) UNEF forces along western coast of Gulf of Aqaba with function ensuring that freedom of navigation is maintained and that belligerent acts avoided in Gulf and Straits;
- b) UNEF to stay in Gulf area until peace settlement achieved.
- c) No Israeli military forces to remain in area of Gaza, and Israelis will supply administrative services and utilities, develop local administration and maintain law and order;
- d) Since Israelis carry on necessary security and administrative functions, entry of UNEF into Gaza area is not envisaged under Israel plan.
- e) Israel will make full contribution towards any United Nations plan for the permanent settlement of the refugees, including those in Gaza.

¹ Source: Department of State, Central Files, 674.84A/1-2357. Confidential; Niact. Received at 11:08 p.m.

² "Report of the Secretary-General in pursuance of General Assembly resolution 1123 (XI)," January 24; U.N. doc. A/3512; and "Note by the Secretary-General transmitting an aide-mémoire on the Israeli position on the Sharm el-Sheikh area and the Gaza strip," January 24; U.N. doc. A/3511. Both are printed in Department of State *Bulletin*, February 18, 1957, pp. 273-280. The text of the Israeli aide-mémoire was transmitted to the Department of State in Delga 572 from USUN, January 23. (Department of State, Central Files, 674.84A/1-2357) The text of the Secretary-General's report was transmitted to the Department in Delga 575 from USUN, January 24. (*Ibid.*, 674.84A/1-2457)

I saw Hammarskjöld and Bunche tonight at their request. Hammarskjöld said he had seen Pearson who had reacted favorably to his draft report. He had also just seen Fawzi who was critical of several of the formulations in the report but, in general, was not upset over it.

Hammarskjöld said that he believes his report is not very far from the Secretary's thinking, and that one of the firm elements in the entire picture is importance of implementing the Armistice Agreement.

Hammarskjöld described the Israeli position as unfortunate and contrary to the United Nations. He said the Israelis were trying to annex Gaza. Hammarskjöld said Israeli insistence that UNEF remain in Straits area until a peace settlement was achieved was impossible.

In his view, the Israeli position opposing UNEF in Gaza has put in serious question Israeli legal claims to the area. When the Israelis informed him that they are willing to make full contribution to any UN plan for permanent settlement refugees, including Gaza, Hammarskjöld asked whether this would include repatriation. Eban's response was "I do not wish to elaborate". When Hammarskjöld asked Eban why Israelis were against UNEF force in Gaza, Eban's response was "that it is simply a matter of opinion".

Hammarskjöld believes that if pressure can be put on the Israelis to get out, it is possible to get agreement on many of the things which Israelis desire. Hammarskjöld emphasized that Cairo cannot make concessions before Israelis have withdrawn because such concessions would appear as fruits of aggression. In this connection, he said that Fawzi did not criticize SYG's report on the basis of substance but rather from the point of view of timing. Hammarskjöld believes that the Egyptian position has been strengthened as a result of the adamant stand taken by the Israelis, and that the Israelis will lose both votes and friends in these circumstances.

Hammarskjöld put particular emphasis on the fact that the suggestions contained in his report can be implemented if the Israelis complete their withdrawals from Sinai. Hammarskjöld believes, and he reported Pearson has similar view, that there are a number of elements contained in the SYG's report which can be put into a resolution which would constitute constructive step forward. Hammarskjöld said that number of his suggestions would be acceptable to the Egyptians, if they were considered after the Israelis had withdrawn.

Hammarskjöld's impression was that the new Israeli policy was personal with Ben Gurion and was not agreed to by some of the Israeli officials here.

There is a possibility that it is a bluff—an extreme position from which they may be willing to retreat but there is no evidence to support such a belief.

They are apparently counting on American support. They have deliberately adopted a take-it-or-leave-it policy and are prepared for the worst.

This policy makes inevitable a resolution in the General Assembly imposing economic sanctions and makes it impossible to get a two-thirds vote for authorization of the UN emergency force to do all the things the Israelis want to have done.

This is a very unfortunate turn of events on a par with the invasion of Sinai on October 29 of which it is a continuation. It is of course a flagrant violation of the resolution on withdrawal.

I recommend that a high-level effort be made in Washington to persuade the Israelis that they are going against their own best interests, and that in adopting this policy they have prevented the Secretary General from working out all the things which are in their best interests. If these fail, pressure should be exerted to bring about a change of an attitude which is dangerous to world peace, to the UN and to the US. If it was justifiable to apply pressure to get them to withdraw from Sinai, it is equally justifiable to do so now.

Lodge

33. **Memorandum of Discussion at the 310th Meeting of the National Security Council, Washington, January 24, 1957, 9-11 a.m.**¹

[Here follow a paragraph listing the participants at the meeting and agenda item 1.]

2. *Significant World Developments Affecting U.S. Security*

[Here follows Allen Dulles' report on the Soviet Union's atomic weapon and guided missile programs.]

Mr. Allen Dulles then informed the Council that all the available intelligence now at hand suggests that we are facing a crisis vis-à-vis Israel with regard to the Israeli position on the Gaza Strip and access to the Gulf of Aqaba. The Israelis apparently will not withdraw their forces from these two areas unless they are provided in advance with

¹ Source: Eisenhower Library, Whitman File, NSC Records. Top Secret; Eyes Only. Drafted by Gleason on January 24. The time of the meeting is from the record of the President's Daily Appointments. (*Ibid.*)

sure-fire guarantees. Mr. Dulles did not think that in this position the Israelis were bluffing, although he said he would defer to Secretary Hoover's views on this point.

Turning briefly to the alleged agreement of Egypt, Syria and Saudi Arabia to finance the subsidy to Jordan previously provided by the United Kingdom, Mr. Dulles pointed out that the U.S. press coverage of this matter omitted one very significant point. The commitment of these Arab states to provide Jordan with a subsidy had been stated in terms of the Egyptian pound, which, as everybody knew, was on the toboggan. According to the latest quotations, the value of the Egyptian pound had dropped from about \$2.80 to \$1.60. Accordingly, if the subsidy to Jordan was provided in Egyptian pounds, Jordan would receive \$20 million a year instead of \$35 million.

Secretary Wilson remarked that Egypt was now as flat broke as it could possibly be. To this, Mr. Allen Dulles added the information that the Egyptians were now engaged, according to a reliable source, in trying to get gold from the USSR, which was to be paid for in Egyptian goods. It was not known the amount of gold which Egypt was seeking.

[Here follow Dulles' report on the Kashmir situation and discussion of subjects unrelated to the Arab-Israeli dispute.]

3. United States Objectives and Policies With Respect to the Near East

[Here follows discussion of the OCB Progress Report of December 22, 1956 (scheduled for publication in volume XII), and of NSC 5428 (for text, see *Foreign Relations, 1952-1954*, volume IX, Part 1, p. 525.)]

Turning to the situation in that area, Secretary Hoover said that it changed from day to day. The current Israeli attitude on keeping hold of the Gaza Strip and access to the Gulf of Aqaba were creating the very greatest difficulties. The fact of the matter was that clearance of the Suez Canal had proceeded a good deal faster than had been anticipated. Yet both sides in the controversy, the Israelis and the Arabs, were now engaged in using the situation in the Canal as leverage in their jockeying for position. The Israelis were stating their refusal to quit the Sinai peninsula completely unless they were guaranteed passage through the Canal. The Egyptians were threatening to halt Canal clearance until such time as the Israelis had completely quit the Sinai peninsula. Meanwhile, continued Secretary Hoover, we were urging Hammarskjöld to go to Cairo to talk with Nasser and possibly also to Tel Aviv to talk with the Israelis. We were in a position to place very considerable pressure on both parties to take a reasonable position, a power which Hammarskjöld himself did not possess. We were keeping in very close touch with Hammarskjöld, and we were also doing our best to keep completely separate the problem of the Suez Canal on the one hand and the Arab-Israeli problem on the other. It was still our belief that negotiations regarding a settlement of the

Canal problem should be based on the so-called six principles which had virtually been agreed upon last autumn before the Anglo-French invasion.

Bearing on this situation was King Saud's visit to the United States next week. Saud would arrive in this country in New York, and it was all too likely that there would be certain complications in receiving him. The municipal authorities of New York City are not inclined to provide the usual reception to a foreign sovereign and, instead, the State Department would provide a program of full military honors, which Secretary Hoover summarized. Secretary Hoover expressed himself as on the whole very hopeful of good results from King Saud's visit, on the basis of what we believe his attitude will be. So far as we can tell, he seems to wish to maintain an independent status in the Middle East. He apparently does not wish to join the Baghdad Pact, and perhaps we can end up by making Saud the senior partner of the Arab team rather than Colonel Nasser.

[Here follow Flemming's comments on the petroleum situation.]

Secretary Humphrey then asked if he might report to the Council on recent demands on the International Monetary Fund as a result of the events in the Middle East. In the first place, Egypt now wishes to withdraw \$15 million from the Fund. The economic and financial condition of Egypt was even worse, in Secretary Humphrey's view, than Mr. Allen Dulles had earlier suggested. In fact, Egypt was flat broke. Accordingly, if we do proceed to permit them to withdraw this \$15 million, they will immediately move to try to get us to unfreeze their funds in this country. Shortly thereafter they will ask us for \$18 million with which to buy equipment to operate the Suez Canal; that is, equipment without which the Canal cannot be operated even though it has been cleared. On top of all this will come further demands for funds for deepening and widening the Suez Canal in the future.

In addition to these demands from Egypt, India wishes to withdraw \$200 million from the Fund. This amount exceeds their second tranche and goes into their third tranche. The Indians are asking for immediate action on their request.

Finally, there are demands from the French. In addition to the \$250 million they have already withdrawn, they will want substantially more in the near future. Incidentally, Secretary Humphrey added that the French financial situation was deteriorating at an alarming rate.

Secretary Humphrey indicated that a prompt decision must be reached with respect to Egypt's request to withdraw the \$15 million, and that the decision must be made in full realization that if we support this Egyptian request a flock of other demands will be sure to come, beginning first with India.

Secretary Hoover said that there was no present intention of freeing Egyptian funds frozen in this country, until Egypt had reached an agreement on an acceptable Suez settlement. Secretary Hoover added that he thought it would be useful if Secretary Humphrey would briefly inform the National Security Council of the practices and procedures of the International Monetary Fund. Secretary Humphrey agreed to do so, and pointed out initially that over past years the International Monetary Fund had worked very well, and that the Fund was at present in very good shape. He was, nevertheless, worried about the forthcoming demands for dollars, which he had listed earlier. On the other hand, the Directors of the Fund were by and large very responsible men, and they invariably demanded very clear commitments before they let their dollars go.

With respect to the Egyptian request, Secretary Humphrey said he could see no clear reason or excuse for withholding approval. He predicted, however, that this \$15 million would melt away in no time at all, in view of Egypt's desperate economic and financial condition. Accordingly, they will be right back at us for additional money, and they will have to be financed either by us or by the USSR. Whether Russia can afford to finance the Egyptians was something which Secretary Humphrey said he could not know. All he was sure of was that to date the Russians had never actually given any foreign country a dime. The notion of a Russian gift of money was completely phoney. The best they would do was to offer loans at 2% interest, the money to be used to finance purchases in the Soviet Union. Nevertheless, all we can do at the present time is to let the Egyptians have their \$15 million and see what happens after that.

The President commented that if we provide any additional funds to Egypt we should certainly use the occasion to exact a commitment from Egypt that it will follow reasonable policies. Secretary Humphrey asked the President if he agreed that the \$15 million should be provided from the International Monetary Fund to Egypt. The President indicated his agreement, and Secretary Humphrey said that while we did not need a decision with respect to the request of India right away, we should have to have such a decision within a few days.

Secretary Hoover observed that in the past, when nations drew money from the International Monetary Fund, it was expected that they would use the funds withdrawn only as a means of supporting and strengthening their own local currency. Things were very different today, because many of these countries take no measures whatsoever designed to stabilize their foreign exchange position. Indeed in some cases, as, for example, India, they make it perfectly clear that they propose to use money withdrawn from the International Monetary Fund for capital investment.

Mr. Allen Dulles expressed the view that financial assistance was now the most powerful weapon in the hands of the United States in its dealings with Egypt.

The discussion closed with a statement by Secretary Humphrey as to the need, in a relatively short time, to firm up the U.S. policy and program vis-à-vis Egypt, difficult as this task was bound to be.

*The National Security Council:*²

a. Noted the reference Progress Report on the subject by the Operations Coordinating Board; but that it was the view of the Secretary of State that conditions were not yet appropriate for the development by the NSC Planning Board of a revised long-term policy toward the Near East.

b. Discussed the situation in the Near East in the light of:

(1) An oral report by the Under Secretary of State on recent developments with regard to the Near East.

(2) An oral report by the Director, Office of Defense Mobilization, on recent developments affecting the European oil supply position.

(3) An oral report by the Secretary of the Treasury summarizing recent requests by foreign countries for the withdrawal of funds from the International Monetary Fund.

c. Noted the President's agreement that the United States should support approval of the current Egyptian request for the withdrawal of \$15 million from the International Monetary Fund.

Note: The action in c above, as approved by the President, subsequently transmitted to the Secretary of the Treasury for appropriate implementation.

[Here follows agenda item 4 concerning NSC 5401, entitled "Denial and Conservation of Middle East Oil Resources in the Event of War", approved by the President on January 2, 1957.]

S. Everett Gleason

² Paragraphs a-c and the Note that follow constitute NSC Action No. 1658, approved by the President on January 28. (Department of State, S/S-NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council, 1957)

34. Telegram From the Department of State to the Mission at the United Nations¹

Washington, January 24, 1957—3:45 p.m.

558. For Lodge. At Secretary's suggestion Wadsworth made engagement for you and Phleger to see SYG at 11:30 a.m. Monday January 28 to inquire as to plans for Suez settlement. Phleger would like to meet you in your UN office at 11 a.m. that day. Secy's thinking is along these lines:

1. Navy reports Canal will probably be cleared to a 25-foot depth by February 15, certainly by March 1.

2. Problem will then arise as to priority for shipping, payment of dues, operations, etc.

3. Problem of obtaining further advances for clearance, restoration shore and operational facilities, and permanent improvements also pressing.

4. If Canal opened before temporary or permanent agreement on operations reached with GOE implementing six principles user nations will be at an almost impossible disadvantage in negotiating reasonable agreement. GOE will then undoubtedly require all ships to pay dues to it, including UK and France and other nations previously paying into blocked accounts.

5. McCloy says further funds for clearance rehabilitation and improvements cannot be obtained unless GOE credit reestablished which he believes requires agreement that tolls be paid to International Bank, to be disbursed by it pursuant agreement with GOE.

6. We have no information as to any progress by SYG in obtaining temporary or permanent agreement by GOE covering operation, since his letter to Fawzi October 25 and Fawzi's response November 2 SYG² in asking for our advance toward clearing said he would use best efforts to obtain such agreement.

7. US, UK, France and others becoming increasingly concerned. US feels necessary to determine at earliest from SYG (a) his report of progress to date toward agreement, (b) his plans for obtaining such agreement and estimate of success, (c) his concrete views as to terms of such agreement, and (d) his progress in securing Egyptian assurances as to interim operation of Canal.

¹ Source: Department of State, Central Files, 974.7301/1-2457. Secret. Drafted by Phleger; cleared by Jernegan and Wilkins; approved by Wilcox who signed for Dulles.

² Circulated as U.N. doc. S/3728.

8. In light of this information US would then be in a position to make suggestions to SYG if it thought either his plans for procedure or his ideas of terms of agreement could be improved. If SYG plans acceptable US could then help in consummation.

9. If no substantial progress has been made, US contemplates suggesting SYG go to Cairo at earliest to see Nasser and ascertain promptly if agreement can be made and on what terms.

10. On basis of this information US could then make plans (a) to facilitate consummation of agreement envisaged by SYG if acceptable or (b) to take such other action as may be appropriate if no such agreement seems obtainable. Under latter circumstances and in addition other action, it is believed that individual ship-owners should not be left to fend for themselves, but arrangements should be made for payment of dues through Users Association which should act for users to protect users interest.

Dulles

35. Message From the Representative at the United Nations (Lodge) to the Assistant Secretary of State for International Organization Affairs (Wilcox)¹

New York, January 24, 1957.

Gadel 116² received after despatch Delga 571,³ 572, and 575.⁴ Believe Department should reconsider view expressed in paragraph 4 Gadel 116 which means that we would be treating sanctions against Israel as a quid pro quo for enforcing Security Council decisions regarding Egyptian attitude towards Israeli passage through canal.

¹ Source: Department of State, Central Files, 684A.86/1-2457. Confidential. A covering memorandum from Wilcox to Dulles reads: "The attached message came by telephone from Ambassador Lodge this afternoon. He apparently feels very strongly that the Arab-Asian group will either put forth a resolution calling for sanctions against Israel, or else will attempt to amend any resolution that we might put in so as to include such a proviso. In such an event he believes that the sentiment in New York is such that we would have a great deal of difficulty defeating a move to impose sanctions." The covering memorandum bears the notation: "Sec Saw".

Lodge repeated his message in a letter to Wilcox, dated January 24, which arrived in the Department of State on January 30.

² Document 31.

³ Document 32.

⁴ See footnote 2, *ibid.*, regarding Delgas 572 and 575.

The clear implication of this is that a country (in this case Israel) is entitled to take the law into its own hands, unilaterally violating the Charter, and violating a General Assembly resolution overwhelmingly calling for withdrawal of forces in order to implement a previous decision of the Security Council.

The argument that we have not supported sanctions against USSR in case of Hungary cannot be used to support decision not to invoke sanctions against Israel, since it is clear that sanctions against USSR would be ineffective whereas sanctions against Israel would be effective.

Present outlook is that resolution on sanctions will pass, even with our opposition or abstention. We will then be confronted with a decision far harder and more difficult than we confront now and will possibly have to support the United Nations.

Israel should, therefore, be told now that she must change her present policy which is so much against her own best interests and that United States, in view of our consistent policy since October 29 would feel constrained to support a proper resolution on sanctions. A change in Israeli policy may bring about a change in Egyptian policy (Fedayeen raids and freedom of transit), but I very much doubt any of the things Israel desires can be achieved if we take the position suggested in paragraph 4 of Gadel 116 which is very close to the present Israeli position.

36. Telegram From the Mission at the United Nations to the Department of State¹

New York, January 24, 1957—8 p.m.

Delga 583. Re Gaza, Aqaba. Fawzi came in to see Lodge and said that his first reaction to Israeli unwillingness to withdraw is that this is a matter which concerns entire GA since it endangers peace and puts UN in difficult position. Fawzi's intention, pending consultations with Cairo and other dels here, is not to rush matters by presenting res. He said it was important to establish facts before GA and try to get reactions so that GA can work as a team. He expressed hope that GA meeting on Monday² would not be violent or partisan and that GA would act with full awareness its responsibilities.

¹ Source: Department of State, Central Files, 674.84A/1-2457. Limited Official Use; Priority. Received at 10:32 p.m.

² January 28.

He emphasized, as in previous conversations, that economic measures continue to be maintained against Egypt and that war damages are still outstanding, while at same time economic aid is being given to UK, France and Israel. He said Egypt could not understand how restrictions could be maintained against her when her economy was being ruined as a result of aggression against her which UN had condemned.

He said that good progress is being made on clearance of Canal and that in his view choice for Egypt and others is whether Suez Canal is to be link of cooperation or bone of contention. Fawzi expressed hope that first alternative would prevail. He made statement that any ship which paid its tolls to Egypt will be allowed to pass. In response to our query as to whether this included Israeli ships, Fawzi was non-committal and repeated that Egypt could not accept any conditions prior to Israeli compliance. Fawzi said Egypt was ready to reach agreement re Suez settlement including compensation for Suez Canal Company. He informed us that he will tell SYG today orally that as soon as Israeli withdrawals have been completed, Egypt is ready to discuss Suez Canal settlement in a positive, constructive and expeditious way.

In response to our question, Fawzi said he believes the SYG's report is generally good. He commented on question of legal status of Aqaba mentioned in SYG report. Fawzi said that Egypt would not oppose any suggestion for advisory opinion from ICJ.

We inquired of Fawzi whether he had considered advantages from Egypt's point of view of not linking withdrawal of Israeli forces with question of resumption discussions re basic Suez Canal settlement. Fawzi said he understood the advantage this might give them, but there was another side to the coin and quoted Briand's statement that there would be no problems in foreign affairs if it weren't for problems of internal affairs.

Lodge later saw Pearson to get their ideas re possible GA action.³ Pearson said Canada cannot support any resolution imposing sanctions against Israelis. He does not believe resolution with sanctions could get two-thirds vote.

³ On January 23, Canadian officials in Ottawa and Washington delivered to U.S. representatives an aide-mémoire suggesting that the United States use its influence with Israel and at the General Assembly to obtain an Israeli withdrawal without prior conditions, but with assurances that the United Nations would take action as soon as they withdrew. According to the aide-mémoire, this would mean that Israel would be obligated to lean on the good faith of the Assembly and more particularly on the ability of the Secretary-General to negotiate and the Assembly to ratify an acceptable solution to Israel's problems. The aide-mémoire is in Department of State, Central Files, 320.5780/1-2357; it is quoted in full in telegram 354 from Ottawa, January 23; *ibid.*, 674.84A/1-2357.

As indicated in Lodge-Wilcox telecon, Pearson said they had in mind resolution which should contain 4 elements: (a) condemnation of Israel; (b) authorization of UNEF to be deployed on both sides of armistice line, including El Auja area; (c) UNEF positioned in Aqaba area with possible use of observers and some form of air inspection, and (d) UNEF positioned both sides demarcation line in Gaza area with Egyptians taking over civil administration of Gaza.

Pearson stressed desirability US-Canadian initiative in light of fact that some dels are working on a punitive resolution and others are working on resolution which would in effect have UN take over entire Sinai, which in Pearson's view was totally unrealistic. Among those he mentioned ready to take initiative and whose ideas and sponsorship he thought undesirable, was Australia. Pearson believes we must move quickly, and that we must be careful in the choice of sponsors so that resolution can achieve what we desire. Feeling was that following might be included: US, Canada, Norway, India, Yugoslavia, Colombia and Brazil.

We agreed to consult further Friday⁴ on basis of specific text. I feel US early initiative is most important, as I told Wilcox this evening, and urge Department provide me with draft resolution on which I can consult again with Pearson immediately in the morning.

Lodge

⁴ January 25.

37. Telegram From the Mission at the United Nations to the Department of State¹

New York, January 24, 1957—8 p.m.

Delga 581. Re Suez. In luncheon meeting with Hare, Wadsworth and Barco today, SYG Hammarskjold made following points:

Hammarskjold said that, if Israelis are not required to withdraw from Sinai, he fears Egyptians will move in their forces (which until now they have in agreement with him refrained from doing), and they will turn towards USSR which in his opinion Nasser is not doing at present and which he does not want to do. According to SYG, based on his talks with Fawzi and Nasser, Nasser's first reaction when the UK, French, Israeli invasion began was definitely against relying on

¹ Source: Department of State, Central Files, 974.7301/1-2457. Secret; Priority. Received at 12:44 a.m., January 25.

UN. He was persuaded, however, to do so and was pleasantly surprised at what had happened. If, however, after the actions which UN had taken and which encouraged Arab reliance on UN, it now turned out that UN could not implement its decisions as far as Israel was concerned, he, Hammarskjold, greatly feared they would turn away from UN Hammarskjold felt that this would really mean great deterioration in the UN's influence. In addition, it would be much more difficult to get UNEF forces along the demarcation lines, in Sharm el-Sheikh and Gaza, and to get basic Suez settlement. Hammarskjold hoped discussions on Suez Canal settlement will start shortly in New York, and he hoped to go to Cairo in fortnight for further extended discussions. On January 20 he gave letter . . . to Fawzi asking that Suez settlement discussions begin. He expected a response from Fawzi today.

SYG said he believed that we will inevitably be confronted with resolution condemning Israelis and calling for sanctions against them if they do not withdraw along lines first draft of recent Arab-Asian resolution based on US resolution in SC which UK and French vetoed. He feels there should be a second resolution introduced and pending during consideration of first which would pick up the suggestions on stationing of UNEF on armistice lines, in Tiran, and Gaza made in his report, and deal with these suggestions in context of the Armistice Agreement. This resolution should also include: (a) a statement that above steps would be taken once withdrawal of Israeli forces has been completed; and (b) a request that SYG negotiate with parties with view making such arrangements. Hammarskjold said in his opinion Suez negotiations should not be connected with the matters to be dealt with in this resolution. In this connection he said Egypt had accepted the idea of a surtax to pay for the Canal clearance operations.

SYG said he thought Canada, US, India, Norway and one LA country should co-sponsor this resolution with Canada taking lead. He believes there is a good chance Egypt will not oppose such a resolution and thereby ensure its passage. He believed the first resolution would have to be passed before taking up the second and that the one should not publicly at least be made dependent on the other.

SYG also reported Dixon (UK) reacted very favorably to SYG's report.

Lodge

38. **Telegram From the Department of State to the Mission at the United Nations¹**

Washington, January 25, 1957—2:04 p.m.

Gadel 119. Re SYG Report on Israeli Withdrawal,² Delgas 571,³ 572, 575,⁴ 581,⁵ 583.⁶ You are authorized seek cosponsors for following draft resolution:

"The General Assembly,

Recalling its resolutions of November 2, November 4, November 5, November 7, November 24, 1956, and January 19, 1957,

Having received the report of the Secretary General contained in Document A/

Noting with grave concern the failure of Israel to withdraw all of its forces behind the armistice lines despite the repeated requests of the General Assembly,

Calls upon Israel to complete the withdrawal of its armed forces behind the armistice lines without further delay;

Calls upon the Governments of Egypt and Israel scrupulously to observe the provisions of the 1949 armistice agreement;

Approves the recommendations and measures proposed by the Secretary General in his report, which are to be implemented upon the withdrawal of Israeli forces and

Urges all Members to observe and respect these recommendations and measures and to extend their full cooperation in giving them effect."

If necessary to obtain two-thirds majority, or if you think it tactically wise, you may substitute following for third preambular paragraph: "Condemning the failure of Israel to comply with the repeated requests of the General Assembly that it withdraw all of its forces behind the armistice lines."

Separate telegram follows concerning SYG's comments and Pearson's suggestions.⁷

Dulles

¹ Source: Department of State, Central Files, 674.84A/1-2457. Confidential; Niact. Drafted by De Palma; cleared by Wilcox, Meeker, and Rountree; approved by Hoover; and signed by Wilcox for Dulles.

² January 24; U.N. doc. A/3512.

³ Document 32.

⁴ Regarding Delgas 572 and 575, see footnote 2, *ibid.*

⁵ *Supra.*

⁶ Document 36.

⁷ Not found.

39. Telegram From the Mission at the United Nations to the Department of State¹

New York, January 25, 1957—8 p.m.

Delga 590. Verbatim text. Re SYG Report on Israeli Withdrawals. Lodge and staff discussed US resolution (Gadel 119)² with SYG and Pearson. Since Canadians had also drafted resolution, and both US and Canadian drafts had been shown to SYG and found generally acceptable to him, it was decided to combine certain provisions from both resolutions. Draft also takes into account suggestions made by SYG.

Following draft resolution worked out by Canadian and US staff as basis for consultations between Lodge and Pearson about noon Saturday.³ Would appreciate any comments Department may have soonest.

"The General Assembly,

Recalling its resolutions of November 2, 4, 5, 7, 24, 1956 and January 19, 1957,

Having received the report of the Secretary General of January 24, 1957 (A/3512),

1. Deplores the non-compliance of Israel with the resolutions of the General Assembly regarding the withdrawal of its forces behind the armistice demarcation lines and demands that Israel complete that withdrawal without further delay;

2. Notes with satisfaction the Secretary General's report and approves the recommendations and measures proposed by the Secretary General therein, which are to be carried out upon the withdrawal of Israeli forces;

3. Recognizes that withdrawal of forces must be followed by action which would represent real progress towards the creation of peaceful conditions in the region;

4. Urges the Governments of Israel and Egypt to reaffirm their undertakings under the General Armistice Agreement between them of February 24, 1949, and to take all necessary measures to return to full implementation of that Agreement;

5. Calls upon the Governments of Egypt and Israel scrupulously to observe the provisions of the 1949 Armistice Agreement;

6. Instructs the Secretary General to make arrangements after consultations with the parties concerned for the deployment of the UNEF on both sides of the Armistice demarcation line, and in the Gaza Strip, so that it may be in a position to assume the supervisory duties of the Truce Supervision Organization in all the areas where the organization now functions under the Armistice Agreement between

¹ Source: Department of State, Central Files, 674.84A/1-2557. Confidential; Priority. Received at 10:52 p.m.

² *Supra.*

³ January 26.

Egypt and Israel; to prevent incursions and raids across the Armistice demarcation line; and to maintain quiet and peaceful conditions along the line;

7. Requests the Israeli and Egyptian Governments to remove military forces from these areas of deployment;

8. Authorizes the Secretary General, through a civil and military mission to be selected by him, to assist in and supervise the replacement of the present civil administration of Gaza, and to take steps to ensure that the Gaza Strip shall not be used as a base for incursions in and raids against Israel;

9. Recommends that determination of the legal status of the Gulf of Aqaba and the Straits of Tiran should be sought from the International Court of Justice, which should be accepted by the countries concerned, and pending this determination calls upon the parties to the Armistice Agreement to give assurances that they will not assert or exercise any belligerent rights in these waters, or interfere in any way with the right of innocent passage therein;

10. Authorizes the Secretary General to arrange for air and ground units of UNEF, on the withdrawal of Israel forces from the Gulf of Aqaba area, and through arrangements with and in cooperation with the Egyptian authorities, to assist in the establishment and maintenance of peaceful conditions in the area, based on mutual restraint and non-interference, and in the prevention of acts in contravention of the preceding paragraph;

11. Urges all members to observe and respect these recommendations and measures and to extend their full cooperation in giving them effect;

12. Requests the Secretary General to report as appropriate to the General Assembly."⁴

With respect to operative paragraph 8, Dept will note that there is no specific reference to Egyptian administration of Gaza even though this is what Canadians and SYG both envisage. When we raised question as to whether specific reference should be made to Egyptian administration to make resolution more acceptable to latter, Canadians said this formulation (without specific reference to Egyptian administration) might be more acceptable to Israelis in that it would make it easier for them to retreat from the position they have taken in their Aide-Mémoire with respect to Gaza.

Assuming US-Canadian agreement on satisfactory draft at Saturday meeting, we plan tentatively seek co-sponsors of following:

Norway, Colombia, Peru, India, Burma and Yugoslavia. Lodge called Fawzi tonight and informed him we were formulating some ideas as to possible action in the GA and that before we moved ahead we would wish to consult with him. Lodge intends give Fawzi general lines of resolution Saturday if we have achieved agreed text.

⁴ The Department of State transmitted to USUN several proposed changes to this draft resolution in Gadels 123 and 125, January 29. (Department of State, Central Files, 674.84A/1-2757)

Earlier in the day when SYG had been informed our view favoring early initiative in General Assembly, he informed us that Fawzi had expressed preferences for debate on Monday without any resolution on the table. SYG had in mind debate could then be delayed for couple of days in order give him opportunity to discuss situation further with Egyptians and Israelis. GADel officer reminded SYG that others were working on more extreme proposals, and in light of this, our view was that early initiative was desirable. This evening when Lodge discussed US resolution with Hammarskjold and emphasized desirability initiative in order to avoid extreme proposals, SYG did not disagree and said that there would be many grateful for such an initiative. SYG was pleased that we intended seek other co-sponsors and urged US to work with Indians who, in his view, have been and can be most helpful. Lall (India) earlier had expressed strong interest in Indian participation and stressed importance of no resolution being tabled without fullest consultation so as to assure two-thirds vote. He said this was most crucial period for UN and that it was of utmost importance that Assembly work as team.

Lodge

40. Memorandum of a Conversation, Department of State,
Washington, January 26, 1957¹

SUBJECT

Gaza and the Straits of Tiran

PARTICIPANTS

Mr. Abba Eban, Ambassador of Israel
Mr. Reuven Shiloah, Minister, Embassy of Israel
G—Mr. Murphy
NE—Mr. Bergus

Mr. Eban was critical of the Secretary General's report,² stating that it had been difficult to understand. Mr. Hammarskjold had narrowed the opening to a solution of the Aqaba problem, he seemed to have closed all the doors to a solution in Gaza.

¹ Source: Department of State, Central Files, 674.84A/1-2657. Confidential. Drafted on January 28 by Bergus.

² "Report of the Secretary-General in pursuance of General Assembly resolution 1123 (XI)," January 24; U.N. doc. A/3512.

As for Aqaba there were a number of factors, including Israel's willingness to withdraw and the interest of a good many maritime nations in free passage through the Straits of Tiran. In previous conversations, the Secretary General had indicated to the Israelis a United Nations interest in keeping open this international waterway. Hammarskjöld had also expressed the view that the UNEF could be posted at Sharm el Sheikh and remain there as long as necessary to prevent hostilities. It was on this basis that Israel had formulated its position. Hammarskjöld's report now appeared to be a retreat from his previous statements. The Secretary General had attempted to explain his present views on the Straits on the basis of the fact that the International Law Commission was meeting on the problem of international straits during 1957.

It seemed to Mr. Eban that if Hammarskjöld's interest was in preventing belligerency that the way to do it was through the use of the UNEF. Israel's continued occupation of Sharm el Sheikh could be considered as an act of belligerency; Egypt's resumption of the blockade of the Straits would be an act of belligerency; posting of the UNEF at Sharm el Sheikh could forestall either of these belligerent situations.

Mr. Eban reported that an eight inch pipeline from Eilat would reach Beersheba by the end of March and the Mediterranean coast two weeks later. Israel was sure of a source of oil (which he hinted was Iran) to ship through the pipeline. This line would handle 700,000 tons of oil per year. Plans were in advanced stage for a sixteen inch pipeline. While there would be little exportable surplus of oil from the eight inch line, still it was important that this link be in being prior to the full opening of the Suez Canal. Shippers were also showing interest in sending general cargo overland from Haifa to Eilat. This was an expensive arrangement, using presently available transit facilities, but it was cheaper than the Cape route.

Mr. Eban said that he had been discussing with the Canadian Foreign Minister a draft resolution which would assign to the UNEF the task of keeping open the Straits of Tiran. Mr. Eban speculated that Mr. Hammarskjöld's shift of position on the Straits may have arisen from his desire not to irritate the Soviet bloc. Mr. Shiloah thought that this might be too charitable an analysis, since he believed that Hammarskjöld had made certain commitments to Nasser. Mr. Murphy said that we knew of no such commitments.

Mr. Eban continued that Gaza was a more difficult problem because people were involved. The proposed Israel control of the Gaza Strip would be limited by Israel's declaration of non-annexation of the Strip and acknowledgment of UN suzerainty over it. There would not be an outright take-over From the viewpoint of security and the welfare of the Gaza inhabitants, Israel's proposal had much more to offer. The local government councils in Gaza liked the Israelis. If the

Israel proposal ran into juridical difficulties at the UN, Israel hoped that some formula could be worked out, based either on a temporary Israel role in the Strip, or the UN's calling on Israel, as a neighboring state, to assist in administering Gaza. Mr. Eban was thinking in terms of an enabling resolution to authorize the Secretary General to pursue further his discussions on Gaza.

Mr. Eban hoped that the U.S. would oppose a campaign of denunciation and condemnation in the General Assembly. He also asked that Israel be consulted on the text of any resolution which the U.S. intended to table.

Mr. Murphy asked what Israel would do in the face of a UNGA resolution unsatisfactory to it. Mr. Eban replied that he would not continue to act as a servant of his Government if it took the frivolous course of leaving Sharm el Sheikh without arrangements for the UNEF's replacing it and firm assurances that freedom of navigation would be maintained. Mr. Shiloah said that Israel would not accept suicidal recommendations.

Mr. Murphy said that the U.S. wanted a resolution which would be acceptable to Israel and to others. It would be something based on Mr. Hammarskjold's report although the report had not been exactly what we had expected. We understood the Israel viewpoint on these matters. He felt that Aqaba was the more important of the two issues. The question was how to get the UNEF there. Mr. Shiloah felt that the U.S. should take the initiative and not join in railroading any resolution through at the initiative of Krishna Menon. He was afraid that other countries were pressuring the United States. Mr. Murphy said that no such process was going on.

41. **Memorandum of a Conversation, Secretary Dulles'
Residence, Washington, January 27, 1957, 6 p.m.¹**

PARTICIPANTS

The Secretary

British Defense Minister,
Duncan Sandys
Ambassador Caccia

We discussed generally the problem of creating better relations. Caccia said that the beginning of disillusionment with US policy came when we put a different interpretation upon the Users Association

¹ Source: Department of State, Central Files, 974.7301/1-3057. Secret. Drafted by Dulles.

than that which had been put upon it by the British, and when I said that we would not "shoot our way" through the Canal. The British had assumed that it was implicit in the Users Association that if the Egyptians did not accept the Users Association, we would in fact "shoot our way" through the Canal.

I said that the difficulty, it seemed to me, arose from the fact that there had perhaps been an honest difference of opinion with respect to the problem of the Users Association but that one of the difficulties was that the British and French had never themselves been willing to have their ships pay tolls to the Users Association. They wanted to go on paying to the account of the old Suez Canal Company in London. This would mean that the United States alone of the major powers would be working through the Users Association and it would mean that our boats alone would be stopped and we alone would have to carry the entire burden of the operation. Mr. Sandys made no comment on this phase of the matter. He did say that he thought it was good to get some of these things "off his chest", as a basis for a future understanding.

We discussed the problem of getting ready to meet the re-opening of the Suez Canal. I read to Sandys and Caccia the draft of a cable to Lodge for presentation to Hammarskjold.² This suggested *inter alia* that Hammarskjold should, as rapidly as possible, resume talks with the Egyptians and with the UK and France as representatives of the users, thus following the pre-November pattern. Both Caccia and Sandys expressed themselves as very much pleased with the proposed telegram.

We discussed briefly the proposed UK armament cuts and I expressed the hope that this could be worked out in a way which would minimize the shock to NATO. Mr. Sandys said he hoped so, but that the cut had to come irrespective of NATO.

JF Dulles³

² *Infra.*

³ Macomber initialed for Dulles.

42. Telegram From the Department of State to the Mission at the United Nations¹

Washington, January 28, 1957—11:32 a.m.

Gadel 121. For Ambassador Lodge from the Secretary. Please deliver following to SYG from Secretary.

Quite understand why owing to GA Plenary Session Monday it is not possible for you to receive Ambassador Lodge and Legal Adviser Phleger to discuss progress of Suez Canal settlement. Because of urgency of matter I therefore take this opportunity to convey my views.

1. It is of the utmost importance to Egypt and to all users of the Canal that the Canal be opened at the earliest moment. I understand that rapid progress is being made in physical aspect of this, in which the UN is assisting the Government of Egypt at its request. The US has joined with other members of the UN in advancing funds for this purpose.

These may be deemed appropriate implementations of the resolution of the GA of November 2, 1956 which urged that "upon the cease-fire being effective, steps be taken to reopen the Suez Canal and restore and secure freedom of navigation."

2. I understand that it is estimated that the Canal will be open for navigation by ships of 25 ft. draft about March 1 or earlier, and for vessels of maximum draft by early May.

This makes it of extreme importance that there be effected at the earliest moment agreements to implement the six requirements which the Security Council with the concurrence of Egypt unanimously agreed on October 13, 1956 should be met in any settlement of the Suez problem.

3. In view of the anticipated early opening of the Canal, contemplating partial traffic while the work of clearing is still in progress, there should also be arrangements which would include, in addition to the implementation of the six requirements, arrangements for priorities as necessary and appropriate, assumption of risks by transiting vessels, provision for additional funds for clearance, new equipment and rehabilitation, repayment of funds advanced, and other pertinent matters including the matter of tolls.

This indicates the desirability of arrangements covering financial matters which would insure that the necessary funds would in fact be made available for all requirements. Consultation with the International Bank on these and other fiscal aspects seems appropriate.

¹ Source: Department of State, Central Files, 974.7301/1-2857. Official Use Only; Niact. Approved by Greene who signed for Dulles.

4. You will recall that on November 3, 1956 the US tabled a resolution in the GA. This resolution, after noting the SC resolution of October 13, 1956 adopting the six principles, and recognizing that the situation calls for a permanent solution consistent with the principles of justice and international law, the sovereignty of Egypt and the rights of international users of the Suez Canal as guaranteed by the Treaty of 1888, called for the appointment of a committee to assist in achieving this objective.

This resolution has not been pressed because of the progress that had been made toward such a solution in discussion between yourself, the representatives of Egypt, France and the UK, as reported by you to the Security Council on October 13, 1956 and in your communication to the members of the Security Council of November 3, 1956 quoting your letter of October 24, 1956 to Foreign Minister Fawzi and his reply of November 2, 1956 and our feeling that perhaps this same procedure might best produce the desired results. We understand that recently you have continued your informal discussions with Foreign Minister Fawzi to that end.

5. We consider it most important that these discussions proceed at the earliest moment for the purpose of arriving at a just solution taking account of the progress already made. It is our thought that your discussions might well follow the general pattern which was being followed in October and which involved consultation with representatives of the UK and France, who expressed the interests of the users. Thereafter, broader consultation can be had with a larger representation of the users looking to a formal and permanent arrangement.

6. We wish to be helpful and will hold ourselves available to assist as you may think desirable. We cannot overemphasize our view of the necessity of rapid progress so that agreement can be reached before the Canal is reopened.

Dulles

43. Telegram From the Mission at the United Nations to the Department of State¹

New York, January 28, 1978—8 p.m.

Delga 598. Re: Suez.

1. Lodge made available substance of Delga 590² to Hammarskjöld in informal memo. SYG promised to study matter carefully.

Hammarskjöld said that on Saturday he sent a pointed message to Nasser not to link discussion on basic Suez settlement with Israeli withdrawals, requesting formally that Egypt agree to begin discussions now on Suez settlement.

He informed us that on January 24 all British and French clearance units had left Port Said area.

2. In discussing possible tactics in GA re his report on withdrawals SYG said he himself could not take initiative regarding res. SYG believed that fact Arab-Asians have not taken initiative re sanctions res showed a will towards negotiation on part of Egypt. He believes that initiative through UNEF advisory committee states and several others would be good way proceed since it would have appearance of "UN initiative" and therefore be easier for Egyptians to accept. It was left that US would seek to work out draft res or resolutions, and Hammarskjöld would then call advisory committee group and others together. Hammarskjöld agreed meeting should focus on draft worked out by us in first instance and then made available to several members of committee who could carry forward. Hammarskjöld thought control by us and himself important; that Engen (Norway) would probably be good man to put things forward at the advisory committee stage.

3. Spender (Australia) informed Lodge Australia believes that res contained in Delga 590 which spells out specific steps which should be taken with respect to Sharm el-Sheikh and Gaza is minimum from Australia's point of view. Should a res along these lines not be submitted, Spender would feel obligated to put in such a res to amend it to go along with ideas which he suggested in GA.

4. Following Lodge discussion with Fawzi, Pearson, and SYG we drafted following two resolutions to obtain Fawzi's reactions. Lodge gave these resolutions to Fawzi this afternoon. Resolutions follow:

I. "The GA,

"Recalling its resolutions of November 2, 4, 5, 7, 25, 1956 and January 19, 1957,

¹ Source: Department of State, Central Files, 974.7301/1-2857. Confidential; Priority. Received at 9:16 a.m.

² Document 39.

"Deplores the non-compliance of Israel to withdraw all of its forces behind the armistice line despite the repeated requests of the GA,

"Calls upon Israel to complete the withdrawal of its armed forces behind the armistice line without further delay."

II. "The GA,

"Having received the report of the SYG of January 24, 1957 (A/3512),

"Recognizing that withdrawal of forces must be followed by action which would assure progress towards the creation of peaceful conditions in the region,

"(1) Notes with appreciation the SYG's report and approves the recommendations and measures proposed by the SYG therein, to be carried out upon the withdrawal of Israeli forces;

"(2) Calls upon the governments of Egypt and Israel scrupulously to observe the provisions of the 1949 Armistice Agreement; and accordingly

"(3) Urges that, subject to final determination of the legal status of the Gulf of Aqaba by recourse to the International Court of Justice or otherwise, the parties to the Armistice Agreement refrain from asserting or exercising any belligerent rights in these waters, or from interfering in any way with the right of innocent passage therein;

"(4) Urges all members to observe and respect the recommendations and measures contained in the SYG's report and to extend their full cooperation in giving them effect;

"(5) Requests the SYG to report as appropriate to the GA."

Lodge explained that he wished to have Fawzi's reaction to resolutions on understanding that resolutions would be put to vote successfully without interval.

Fawzi had several preliminary reactions. He said that SYG did not want his report approved. In response to this statement, we pointed out that paragraph 1 notes with appreciation SYG's report, and that it is recommendations and measures in report, not entire report, which are approved. Fawzi then said that paragraphs 1 and 4 in effect meant approval of SYG's report. Fawzi asked us to confirm whether our resolution meant that UNEF would move into Sharm el-Sheikh and Egypt would be expected not to interfere with Israeli shipment. Lodge responded affirmatively. Fawzi also emphasized that the adoption of these two resolutions together would mean that Egypt and UN were "putting in the laps of Israel something which Israel wants while the aggression is being maintained." Lodge pointed out that while two resolutions would be expected to be voted upon one after another, that recommendations and measures contained in our second resolution would not go into effect until Israeli forces were withdrawn.

In closing Fawzi said these were only preliminary reactions and he would consult with Cairo.

44. Editorial Note

On January 29, the Senate Committee on Foreign Relations and the Senate Committee on Armed Services, sitting jointly to consider President Eisenhower's proposals for the Middle East (Senate Joint Resolution 19), adopted by a vote of 30 to 0 a resolution which requested the Department of State to "provide a chronological statement, together with classified and unclassified supporting documents, telegrams, and the like, of all the events that have contributed significantly to the present situation in the Middle East, with particular reference to the period beginning January 1946." The resolution also affirmed that "the committees desire such information as soon as possible, but they will not delay action on S.J. Res. 19 pending receipt of such information. The Committee on Foreign Relations will undertake to provide suitable storage for classified material and access to such material will be restricted to the members and staff of the two committees. Matter furnished to the committees will be returned to the executive branch within a reasonable time." Senator Theodore Green conveyed the text of the resolution to Secretary Dulles in a letter on January 29. (Department of State, Central Files, 114.2/1-2957; the text of the resolution is printed in the *Congressional Record*, volume 103, part 11, page 14702; see also *Executive Sessions of the Senate Foreign Relations Committee Together with Joint Sessions with the Senate Armed Services Committee (Historical Series)*, Volume IX, Eighty-Fifth Congress, First Session, 1957 (Washington, 1979), pages 101-127). In order to provide a point of contact with the Department of State on this matter, a subcommittee consisting of Senators Fulbright (chairman), Mansfield, Wiley, Knowland, Byrd, and Saltonstall was appointed.

Pursuant to this request, the Department of State assigned its Historical Division the task of reviewing what Secretary Dulles estimated would involve several hundred thousand documents. (Transcript of Secretary Dulles' press conference of February 5; Department of State *Bulletin*, February 25, 1957, page 300) On April 12, Deputy Under Secretary Murphy transmitted to Senator Fulbright the first installment—a chronological statement with supporting documents concerning United States policy and the Aswan High Dam, which Fulbright's subcommittee had asked be given priority. (Letter from Murphy to Fulbright, April 12; Department of State, Central Files, 874.2614/4-1257)

During the next 4 months, the Department of State forwarded to the subcommittee in a series of installments additional documentation dealing with the Aswan High Dam and chronological statements with supporting documents covering United States policy in the Middle East for the years 1946-1948. (Documentation concerning the response to the Senate request is in the project folder for Office of the Historian Research Project 396.) Finally on July 30, the special subcommittee met and decided to abandon its inquiry. Afterward, Fulbright told the press that the decision to discontinue had been made in view of the size of the task, and the fact that events since adoption of the Eisenhower Doctrine had made many of the questions obsolete. (Reported in the *Washington Post*, July 31, 1957)

The chronological statements with supporting documents sent to the subcommittee for 1946, 1947, 1948, as well as an unsent chronological statement for 1949 (Office of the Historian Research Projects 397, 398, and 399; Lot 79 D 251) are at the National Archives and Records Administration, Civil Reference Branch. The collection on the Aswan Dam (Research Project 396) is in Department of State, PA/HO Files: Lot 89 D 263.

45. Telegram From the Mission at the United Nations to the Department of State¹

New York, January 29, 1957—8 p.m.

Delga 611. Re Suez—withdrawal of forces. Fawzi called at his request to give us Cairo's reaction to two resolutions which we gave him informally yesterday (Delga 598).² Fawzi said he appreciated U.S. efforts. He said there was no trouble with Resolution I, and directed his remarks to Resolution II. Without going into any detail, he said Aqaba matter still worries Cairo great deal. He said they found difficulty with operative paragraph 3 of our second resolution, and particularly with phrases which call upon "parties to the Armistice Agreement to refrain from asserting or exercising any belligerent rights in these areas, or from interfering in any way with the right of innocent passage therein". Fawzi made no reference to our intention put both resolutions to vote consecutively, a point which Lodge had made three times to Fawzi yesterday.

¹ Source: Department of State, Central Files, 974.7301/1-2957. Confidential; Priority. Received at 8:52 p.m.

² Document 43.

Lodge asked whether remainder our second resolution was acceptable to Egyptians, and Fawzi responded favorably.

Fawzi suggested Friday might be good time for debate to be resumed we pointed out this would delay matters unduly in light of fact that others were working on other proposals. Fawzi acknowledged this and agreed GA should meet Thursday with view to getting resolution "equally distasteful" to all.

Lodge saw Pearson this evening. He gave him Resolution I and Resolution II with operative paragraph 3 deleted. He explained to Pearson objections which Egyptians made to operative paragraph 3. Lodge said we wanted to go ahead without operative paragraph 3, since, in our view, operative paragraph 1, which approves recommendations and measures proposed by SYG, gives us what we want. Pearson noted our second resolution does not spell out specific steps which SYG should take (UNEF in Gaza, Sharm el Sheikh and along both sides of demarcation lines) and said we must make sure SYG interprets operative paragraph 1 to mean he should take these steps. He said it was important we see SYG to make sure of his interpretation. We suggested possibility SYG or others making interpretive statements in GA so there will be no misunderstanding re operative paragraph 1.

Lodge will see SYG Wednesday morning. Assuming SYG goes along, U.S., Canada, Norway and Colombia will meet about noon on our two texts with view to then seeking additional cosponsors, including India, Brazil, Burma and Yugoslavia.

We have noted Department's preference for single resolution which would call for withdrawal of forces and endorse recommendations and measures contained in SYG's report. Fawzi has now acquiesced in submission two resolutions on clear understanding each will be put to vote in succession and without any interval between them. We believe two resolutions instead of one has made it possible for Fawzi to go along. We will be achieving in two resolutions what we sought to achieve in one. We assume Department would not desire us to shift back to one resolution which could provide Fawzi with opportunity to object. We, of course, are aware of importance ensuring both resolutions receive required two thirds vote. We believe Fawzi acquiescence important in getting required two thirds.

Lodge

46. **Telegram From the Mission at the United Nations to the Department of State**¹

New York, January 30, 1957—8 p.m.

Delga 618. Verbatim text. Re SYG Report on Israeli Withdrawals. Following draft resolution developed in order meet points made to us by SYG, Egyptians, Canadians and Norwegians. Both Canadians and Egyptians are consulting their governments.

"The GA,

Having received the report of the SYG of January 24, 1957 (A/3512),

Recognizing that withdrawal of forces must be followed by action which would assure progress towards the creation of peaceful conditions in the region,

(1) Notes with appreciation the SYG's report and approves the measures proposed by the SYG therein, to be carried out upon the withdrawal of Israeli forces;

(2) Calls upon the Governments of Egypt and Israel scrupulously to observe the provisions of the 1949 Armistice Agreement; and accordingly

(3) Urges that the measures contained in the SYG's report be observed, respected and given effect to after full withdrawal of Israeli forces from the Sharm el-Sheikh and Gaza areas, so that the SYG will be thus assisted to achieve situations envisaged in his report conducive to the maintenance of quiet and peaceful conditions there;

(4) Requests the SYG, after consultation with the parties concerned, to take steps to carry out these measures and to report, as appropriate, to the GA."

Principal difficulty has been operative paragraph 3, which was originally drafted pursuant suggestions received from Hammarskjold. He felt that language in paragraph 3 would strengthen his hand to achieve deployment of UNEF envisaged in his report without jeopardizing 2/3 vote in GA. While Fawzi has accepted above resolution including paragraph 3, subject to hearing from Cairo, Pearson still not satisfied. Principal weakness in resolution from Pearson's point of view is that no explicit references are made to deployment of UNEF. Moreover, he is still clinging to position that resolution should state categorically that UNEF should be deployed in Sharm el-Sheikh, Gaza and on both sides of the demarcation line. We pointed out that operative paragraphs 1 and 3 give us what Pearson wants without going into specifics. We also read to him first sentence in paragraph 29 of

¹ Source: Department of State, Central Files, 674.84A/1-3057. Confidential; Priority. Received at 9:06 p.m.

SYG's report which states: "Israel troops, on their withdrawal from the Sharm el-Sheikh area, would be followed by the UNEF in the same way as in other parts of Sinai."

We are not certain whether Pearson will agree to cosponsor. He said Cabinet was discussing this matter and he would have to consult Ottawa tonight. As Lodge said to Secretary tonight, believe it might be helpful if Department consult with Canadians along above lines. We are making available above text to Menon tonight and Lodge will consult with him and Eban Thursday a.m. Our aim is to try to get a resolution submitted by the end of the day Thursday so that we can push ahead with debate on Friday and week-end, if necessary, to complete action.

If Pearson continues to insist, we intend suggest addition of the phrase "including the suggested deployment of UNEF" after the word "therein" in operative paragraph 1. We, of course, will have to consult with others on this phrasing and do not want to provide Fawzi with pretext to turn from his acquiescence to above resolution.

Department will also note that word "recommendation" has been deleted from operative paragraphs 1 and 4. We dropped reference to this word in deference to Pearson's view that nowhere in the SYG's report does he make a specific recommendation even though a number of the proposals or suggestions he makes are, in effect, recommendations. Pearson felt use of this word might give rise to questions in GA.

Lodge

47. **Telegram From the Department of State to the Embassy in Israel¹**

Washington, January 30, 1957—11:29 p.m.

749. Re Delga 606 rptd Tel Aviv 1.² Ambassador authorized approach PriMin at earliest opportunity and point out fact US continuing

¹ Source: Department of State, Central Files, 684A.86/1-2957. Confidential; Priority. Drafted by Bergus; cleared by Wilkins; and approved by Wilcox who signed for Dulles. Repeated to Cairo and USUN.

² In Delga 606 from USUN, January 29, Lodge requested that the Department of State convey to Ben Gurion a message which emphasized that the United States was making every effort to obtain a two-thirds vote in the General Assembly regarding the stationing of U.N. forces as desired by Israel, but that as time passed it was becoming more likely that the Assembly would pass by two-thirds a resolution imposing economic sanctions on Israel. Lodge also requested that Ben Gurion be told that if Israeli leaders

Continued

give strongest support to UN efforts achieve implementation by all parties UNGA resolution of November 2, 1956. We feel UNSYG's report and recommendations provide sound basis for further constructive UN action to maintain cease-fire and prevent further risk of hostilities. We urge GOI cooperation in working with UNSYG in carrying out UN resolutions.

Cairo should express similar views re GOE cooperation to GOE officials as opportunity offers.

USUN should express similar views to Israeli representatives in New York.

Dulles

ceased making emotional statements, there was a chance of working out a satisfactory solution. (*Ibid.*)

48. Editorial Note

At the 311th meeting of the National Security Council on January 31, Allen Dulles made the following remarks concerning the situation in Egypt during his review of significant world developments affecting United States security:

"In Egypt, said Mr. Dulles, internal pressures against Nasser were rising—especially economic pressures. There had also been reports of bickering in the Revolutionary Council and rumors of plots to destroy Nasser. Mr. Dulles thought that none of these plots was likely to succeed at this time. He then provided the Council with an analysis of the status of Nasser's external position vis-à-vis the various countries of the Middle East. The majority of the governments in the area are opposed to Nasser or are lukewarm. The people, on the other hand, are sympathetic." (Memorandum of discussion; Eisenhower Library, Whitman File, NSC Records)

**49. Memorandum of a Conversation, Department of State,
Washington, February 1, 1957¹****SUBJECT**

Israeli Views Concerning Secretary General's Report on the Question of the
Withdrawal of Israeli Forces

PARTICIPANTS

Mr. Reuven Shiloah, Minister, Embassy of Israel
IO—Francis O. Wilcox
NEA—James M. Ludlow
UNP—Samuel DePalma

Mr. Shiloah called at his request to discuss the pending action in New York on the Secretary General's report. He began by expressing Israel's appreciation for the general tenor of the discussion in the General Assembly which he attributed largely to the statements of Ambassador Lodge. These statements, he thought, had injected a realistic note into the debate. He went on, however, to say that Israel is deeply concerned over the tendency to water down our resolution in order to obtain maximum support. He wondered if any constructive purpose would be achieved by a very general resolution which did not give the Secretary General any specific mandate even if it obtains the support of two-thirds of the Assembly. Israel feels that the Secretary General will not be able to overcome Egyptian objections if he is not given a very specific mandate from the Assembly. He added that it is the view of the Israeli Delegation that certain members of the Asian-African bloc could be induced to follow our lead if they were confronted with a more specific resolution.

Mr. Wilcox expressed the belief that the language now being considered for the resolution will accomplish the purpose we have in mind provided we follow it up persistently with such further action as may be necessary. He explained that we had preferred a resolution which, after calling for a complete Israeli withdrawal, would have gone on to specify the measures required to restore peace and stability in the area, but we are convinced that the situation in New York precludes this approach. We are also inclined to believe that more progress can be made with Egypt by a general endorsement of the Secretary General's recommendations which would not confront Nasser with the necessity of having to take a public position on the specific measures envisaged. Mr. Wilcox suggested that Israel might also wish to avoid being confronted with very specific recommenda-

¹ Source: Department of State, Central Files, 684A.86/2-157. Confidential. Drafted by De Palma.

tions at this time. He added that we are inclined to the view that a general endorsement of the Secretary General's proposed measures by an overwhelming majority of the General Assembly would be preferable to a specific resolution which could not obtain a decisive majority.

Mr. Shiloah questioned the tendency of the United States to work out compromises with certain leaders of the Arab-Asian group, particularly Mr. Menon, because this tends to solidify the bloc and to make it impossible for those members of the bloc who wish to support us on certain occasions to disagree with the leaders of the bloc.

Mr. Shiloah went on at some length to indicate that Israel has no confidence whatever in the Secretary General's ability to obtain the necessary cooperation from Nasser. They believe the Secretary General has progressively watered down his own mandate under the Assembly resolutions and they are convinced they cannot rely on him to achieve any concrete results in the area unless he is able to rely on a very clear-cut mandate from the General Assembly.

Mr. Shiloah expressed the fear that Israel will again find itself in the position of having to defy the General Assembly, which is something his Government does not wish to do. However, although Israel has no illusions as to its ability to defy the entire General Assembly, it may have to persist in attempting to do so as long as such action appears necessary in the interest of its national security.

Mr. Wilcox summed up the General Assembly debate on this matter as having indicated an overwhelming census in favor of an immediate withdrawal of Israeli forces, but also an awareness of the need to take the necessary measures to prevent a return to the state of affairs which helped bring about the recent hostilities. He indicated he was convinced that by a continued refusal to comply with the General Assembly's recommendations, Israel would incur far more disadvantages than it would by prompt compliance and support for the measures set forth in the Secretary General's report. These measures, he added, if promptly and effectively implemented, would have the effect of giving Israel a large measure of the assurances she has been seeking.

Mr. Shiloah at this point expressed Israel's complete disagreement with the Secretary General's report which, he said, did not contain a single concrete element. He foresaw the probability that within a few weeks of Israel's withdrawal, the recurrence of Fedayeen raids and interference with Israeli shipping would bring about a renewal of the fighting. He feared that at that point Israel would again be told to rely on the processes of the United Nations which have thus far failed her completely and asked what the U.S. would be prepared to do for Israel in those circumstances.

Mr. Ludlow pointed out that, practically speaking, the only course of action likely to give Israel a substantial measure of what she seeks is prompt compliance. The longer Israel delays in withdrawing its forces, the more difficult it will be to put into effect the only measures open to us to meet most of Israel's demands.

Mr. Wilcox then read to Mr. Shiloah the text of the two draft resolutions under consideration in New York.² He pointed out that they expressed the prevailing view in the Assembly that there must not be a return to the conditions which helped bring about the recent hostilities. He expressed the strong hope that the Government of Israel would find it possible to work with the Secretary General in achieving the promptest possible implementation of the measures set forth in his report.

² See Document 51.

50. Editorial Note

King Saud, accompanied by Ambassador Wadsworth and a large royal party, arrived in the United States on January 29 for an official State visit. The King and his advisers held several meetings with President Eisenhower and Secretary Dulles between January 30 when he arrived in Washington and February 8 when he left the United States. For documentation on his visit, see volume XIII, pages 413 ff.

In a meeting on February 1 with Secretary Dulles, Saudi Royal Counselors Shaikh Yusuf Yasin and Jamal Bey Al-Hussaini emphasized Saudi concern over the draft resolutions before the General Assembly. The Counselors urged a return to the status quo ante, particularly in regard to Gaza and the Gulf of Aqaba, and cautioned that if there were any change while King Saud was visiting Washington, it would appear that the United States had repudiated the King, and his influence in the Arab world would decline. Dulles in turn noted that the draft resolution was acceptable to Egypt and the Arab states and objectionable to Israel, and that it would be impossible to delay consideration since the draft had already been introduced in the General Assembly. (Memorandum of conversation by Dulles, February 1; Department of State, Conference Files: Lot 62 D 181, CF 833)

51. Editorial Note

On January 31, Ambassador Lodge reported to the Department of State further revisions in draft resolution II, this time to meet suggestions offered by the Indian Government. (Delga 629 from USUN, January 31; Department of State, Central Files, 684A.86/1-3157) The next day, after one final change was made in the text of resolution II, the Governments of Brazil, Colombia, India, Indonesia, Norway, the United States, and Yugoslavia submitted the two resolutions to the General Assembly. (Delga 639 from USUN, February 1; *ibid.*, 674.84A/2-157; U.N. docs. A/3517 and A/3518, respectively)

The General Assembly discussed the two draft resolutions on February 2 at its 650th, 651st, and 652d meetings and adopted the two drafts without change as Resolutions 1124 (XI) and 1125 (XI) by a vote of 74 in favor, 2 opposed (Israel and France), and 2 abstentions (Luxembourg and the Netherlands), and 56 in favor, none opposed, and 22 abstentions, respectively. Those abstaining on the second resolution were: Syria, Tunisia, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, Yemen, Albania, Bulgaria, Byelorussian Soviet Socialist Republic, Czechoslovakia, Egypt, France, Iraq, Israel, Jordan, Lebanon, Libya, Morocco, Netherlands, Poland, Romania, Saudi Arabia, and the Sudan. The texts of the two resolutions read as follows:

I

Resolution 1124 (XI)

The General Assembly,

Recalling its resolutions 997 (ES-I) of 2 November 1956, 998 (ES-I) and 999 (ES-I) of 4 November 1956, 1002 (ES-I) of 7 November 1956, 1120 (XI) of 24 November 1956 and 1123 (XI) of 19 January 1957,

1. *Deplores* the non-compliance of Israel to complete its withdrawal behind the armistice demarcation line despite the repeated requests of the General Assembly;

2. *Calls upon* Israel to complete its withdrawal behind the armistice demarcation line without further delay.

II

Resolution 1125 (XI)

The General Assembly,

Having received the report of the Secretary-General of 24 January 1957 (A/3512),

Recognizing that withdrawal by Israel must be followed by action which would assure progress towards the creation of peaceful conditions,

1. *Notes with appreciation* the Secretary-General's report and the measures therein to be carried out upon Israel's complete withdrawal;
2. *Calls upon* the Governments of Egypt and Israel scrupulously to observe the provisions of the General Armistice Agreement between Egypt and Israel of 24 February 1949;
3. *Considers* that, after full withdrawal of Israel from the Sharm el-Sheikh and Gaza areas, the scrupulous maintenance of the Armistice Agreement requires the placing of the United Nations Emergency Force on the Egyptian-Israeli armistice demarcation line and the implementation of other measures as proposed in the Secretary-General's report, with due regard to the considerations set out therein with a view to assist in achieving situations conducive to the maintenance of peaceful conditions in the area;
4. *Requests* the Secretary-General, in consultation with the parties concerned, to take steps to carry out these measures and to report, as appropriate, to the General Assembly.

Ambassador Lodge addressed the General Assembly on the question of Israeli withdrawal on January 28 and February 2. For text of his remarks, see Department of State *Bulletin*, February 18, 1957, pages 270-271, and February 25, 1957, pages 325-328; or *United States Policy in the Middle East, September 1956-June 1957*, pages 271-276.

52. Memorandum of a Telephone Conversation Between the President in Augusta, Georgia, and the Secretary of State in Washington, February 2, 1957, 4:40 p.m.¹

TELEPHONE CALL TO THE PRESIDENT AT AUGUSTA

The Sec said he thought it would be useful if we had the Pres. approval to send a telegram to Ben Gurion about withdrawal in case the resolutions passed at the UN. It was not certain at the moment. The Arabs were uneasy and may ask for adjournment. The Sec said he had just finished talking to Lodge. The Israelis have been very stubborn re not withdrawing without firm agreements about Gaza and the port of Aqaba. This goes as far as possible and perhaps further. The Sec said Rountree had drafted and he had approved the suggested

¹ Source: Eisenhower Library, Dulles Papers, White House Telephone Conversations. Transcribed by Carolyn Proctor.

letter from the Pres. to Ben Gurion, which he read to the Pres.² The Pres. apparently had reservations on the sentence concerning "could not place impediments . . ." ³ on the last page of the cable. The Sec said there would be a resolution calling for sanctions. We will be honor bound to do something. The Sec said we had never had quite the same occasion. It is a very critical situation. The Sec said it is a question of whether either the Arabs or Israel would go along with us. Egypt is now having second thoughts. The Sec said he would not send the message unless we knew the resolution will pass or had been passed. The Sec said he would change the part the Pres. objected to. ⁴

The Sec said re the Pres. forgetting the toast he had done nothing about it. ⁵ The slant given it in the papers is that which Rountree gave to Hightower at the dinner when, thinking quickly, he had said that the King was just following American custom and the President was following Arabic custom. The Sec said it was best just to let it go.

² On February 1, Rountree forwarded to Dulles a memorandum recommending that President Eisenhower send a message to Ben Gurion urging completion of the Israeli withdrawal and attached a draft of such a letter to his memorandum. In his covering memorandum, Rountree recalled that on November 8, 1956 Ben Gurion had reversed his position concerning Israel's withdrawal from Sinai after receipt of a message from the President. (Department of State, NEA/IAI Files: Lot 70 D 229, Political Affairs & Relations 1957; the file copy does not contain a copy of Rountree's draft letter.)

³ Ellipsis in the source text.

⁴ The revised text is printed as Document 54.

⁵ At the State dinner held for King Saud at the White House on February 1, President Eisenhower had forgotten to offer the customary toast to the King. Eisenhower later discussed the matter with Dulles who in turn repeated the content of their conversation to Rountree. (Memorandum of telephone conversation, 11:12 a.m., February 2; Eisenhower Library, Dulles Papers, General Telephone Conversations)

53. Memorandum From the Assistant Secretary of State for International Organization Affairs (Wilcox) and the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Rountree) to the Secretary of State¹

Washington, February 2, 1957.

SUBJECT

Next Steps in General Assembly on the Palestine Problem

Discussion

With probably less than a month remaining in the 11th session of the General Assembly, we believe a decision must now be made concerning when to bring up again for consideration our draft resolution (as revised) on the Palestine problem.² The need for an urgent decision is underscored by the fact that, unless we take the necessary steps, the Arab refugee item³ will be coming before the Special Political Committee for debate by the middle of next week. Present GA concern for the future of the Gaza Strip and the Straits of Tiran and questions relating to the Egyptian-Israeli General Armistice Agreement lead us to believe there is definite tactical advantage to be gained from these developments if we are prepared to move ahead on the Palestine Committee resolution.

We appreciate that whenever this resolution is debated it probably will encounter strong Arab resistance. However, we believe that our original proposal for a Palestine Committee can be so revised as to lessen Arab resistance. While the climate of opinion in the Middle East has not, over the past few weeks, been propitious for successful consideration of a new approach to the settlement of the major problems outstanding between the Arab States and Israel, some of these problems have elements which might be dealt with as first and interim steps to be undertaken by the Palestine Committee.

¹ Source: Department of State, Central Files, 320.511/2-257. Secret. Drafted by Gamon and Ludlow. A chit attached to the source text by Wilcox dated February 12 reads: "Action on this was deferred after consultations with Ambassador Lodge. The Sec'y agreed on shelving the matter for the time being."

² On November 3, 1956, the U.S. Delegation at the United Nations had circulated among members of the General Assembly but not brought to a vote two draft resolutions, containing proposals for long-range solutions to the Arab-Israeli problem and the Suez Canal question. For texts of the two draft resolutions, see the editorial note, vol. xvi, p. 960.

³ Reference is to item No. 23 on the agenda of the 11th Session of the General Assembly entitled, "Report of the Director of the United Nations Relief and Works Agency for Palestine Refugees in the Near East". The annual report of UNRWA Director Henry R. Labouisse covered the period July 1, 1955-June 30, 1956. (U.N. doc. A/3212)

There is attached (Tab A)⁴ a telegram to USUN outlining the steps envisaged which include postponement of consideration of the UNRWA report until after the Palestine resolution has been considered. We have not finalized our position on the Arab refugee item. However, there is considerable feeling at the working level, which is supported by the report of Mr. Labouisse, Director of UNRWA, that the administrative responsibility for Arab relief should be transferred to the host Arab governments. The revised resolution is attached as Tab B.⁴

Recommendation

That you sign the attached telegrams.

⁴ Not printed.

54. Message From President Eisenhower to Prime Minister Ben Gurion¹

Washington, February 3, 1957.

DEAR MR. PRIME MINISTER: I attach the greatest importance to the efforts of the United Nations to resolve the situation brought about by the recent hostilities in Egypt. In my message to you of November 7, 1956 I emphasized our belief that it was essential that Israel forces be withdrawn to the General Armistice line, in accordance with the United Nations General Assembly Resolution of November 2. I was gratified at your reply on the following day which stated that upon conclusion of satisfactory arrangements with the United Nations in connection with the international force entering the Suez Canal area, Israel would willingly withdraw its forces.

Nearly three months have passed. British and French forces have been withdrawn from Egypt. Israel withdrawal to the General Armistice line has not yet been completed. This delay in implementation of pertinent resolutions of the United Nations General Assembly has

¹ Source: Department of State, Central Files, 674.84A/2-357. Confidential. Transmitted to the Embassy in Tel Aviv in Niact telegram 760, 12:33 a.m., which is the source text, with the instruction: "Following message from President should be handed to PriMin Ben Gurion soonest." Telegram 760 was drafted by Bergus, cleared by Wilcox, and approved by Dulles. A copy is in the Eisenhower Library, Whitman File, International File.

resulted in continuing tension in the Near East and has impaired efforts to work toward the achievement of lasting solutions to the problems which provoked the Near East crisis.

On February 1, 1957 there were tabled in the United Nations two further resolutions addressed to the situation in the Near East. The first of these calls again upon Israel to withdraw its forces behind the General Armistice line. The second calls for scrupulous observance of the 1949 Armistice Agreement and recognizes that withdrawal by Israel must be followed by action which would assure progress toward the creation of peaceful conditions. Provision is made for the placing of the United Nations Emergency Force on the Egyptian-Israel armistice demarcation line and the implementation of other measures as proposed in the Secretary General's report of January 25, 1957, with a view to achieving situations conducive to the maintenance of peaceful conditions there. It is recalled that the Secretary General indicated useful measures which might be developed in the case of Gaza and Sharm el Shaikh.

Other nations deeply and directly interested in the establishment of peaceful conditions in the Near East have joined the United States in sponsoring these resolutions. We believe that the measures set forth in the Secretary General's report, which these resolutions are designed to implement, lay a sound foundation for the establishment of peaceful conditions in the former area of hostilities, the prevention of further outbreaks, and the solution of the problems of Gaza and Sharm el Shaikh.

The essential first step must be the completion of the withdrawal of Israel forces behind the General Armistice line. It is my earnest hope that this withdrawal will be completed without further delay.

You know how greatly our nation values close and friendly relations with yours, and we wish to continue the friendly cooperation which has contributed to Israel's national development. We like to feel that our friendly sentiment is reciprocated by Israel. Therefore, I feel warranted in urging most seriously that Israel should not continue an ignoring of United Nations Resolutions which, taken as a whole, mark, I believe, an important step toward bringing tranquillity and justice to your and neighboring lands. Such continued ignoring of the judgment of the nations, as expressed in the United Nations Resolutions, would almost surely lead to the invoking of further United Nations procedures which could seriously disturb the relations between Israel and other member nations including the United States.

The United States Government has made great exertions to promote constructive United Nations action and I greatly hope that your Government will make its own indispensable contribution.

I was distressed to learn of your recent illness but am happy to hear reports that you are mending rapidly.

With best wishes,
Sincerely,

Dwight D. Eisenhower²

² Telegram 760 bears this typed signature.

55. Telegram From the Mission at the United Nations to the Department of State¹

New York, February 3, 1957—3 p.m.

Delga 647. Re Palestine/Israeli withdrawal. Toward end of morning February 2, Menon told Lodge that Fawzi was worried about various parts of US statement as they interpreted how US expected see Resolution II implemented. In particular Fawzi objected to part of statement quoting January 28 statement re stationing UNEF at Sharm el-Sheikh. Also objected to latter part where we stated understanding Resolution II to be voted immediately after Resolution I, thereby giving appearance withdrawal was conditional. Menon said Fawzi's attitude reflected pressures of other Arabs.

Lodge and Menon then met with Fawzi who said above parts US statement had introduced new element in parliamentary situation. He expressed doubt he should even try to work on Arabs to support Resolution II in these circumstances. Menon and Lodge pointed out importance to Arabs of not putting themselves in wrong. They agreed Fawzi had problem with Arab colleagues which must be faced. They decided meet after lunch.

Lodge met at 2 p.m. with Fawzi and Loutfi (Egypt), Menon and Lall (India). Menon said, as he viewed situation, resolutions before GA had only two purposes: (a) to achieve total withdrawal Israeli forces; (b) to begin now to reinstitute full observance Armistice Agreement. Israel had neither withdrawn nor observed Armistice Agreement. On other hand, Egypt had assured SYG its willingness have no more incursions or Fedayeen activities.

Menon said he would leave aside discussion Gaza since that was more or less agreed.

¹ Source: Department of State, Central Files, 674.84A/2-357. Confidential. Received at 4:45 p.m.

He then said he would state in GA Resolution II dealt only with measures in SYG's report, which were governed by paras 5(A), (B) and (C). He would say UNEF could not go anywhere except with Egypt's consent. He would say also status of Straits of Tiran was separate question from one at issue in light of what SYG had said in his report.

As far as India's interpretation of resolution, it was that GA was asking placement of UNEF on armistice line. If it went anywhere in Sharm el Sheikh, it could only be on same basis as in Sinai, i.e., "to remove aggressors". He restated this at our suggestion to say "witness removal of Israelis" or "secure and supervise withdrawal".

Fawzi said he was faced with dilemma. He was concerned at practical aspects of situation. To state or imply that UNEF would go in only immediately after Israel's withdrawal and not remain for any length of time could well be encouragement for Israel to remain.

Fawzi saw certain procedural ways out of dilemma. One would be not to press for vote on Resolution II at this time and allow certain interval to pass. Other would be to adjourn debate now and not permit divergence of opinions further to develop until divergencies straightened out.

Fawzi stated Egypt's position to be that UNEF, according to Resolution II, can be placed only and exclusively on both sides armistice line. No units could be placed anywhere else except with approval of Egypt and Israel according to the case. Then Fawzi said "we must now be prepared put time limit on Israeli withdrawal" and "we are going to have to face question of sanctions".

Lodge pointed out if things should now go up in smoke, it would remove stigma of guilt on Israel as well as destroy strong moral position of Egypt and supporters of UN action in Egypt.

Fawzi then changed emphasis of discussion by stating that phrase "without delay" requires clarification. He said in view new element introduced into situation, time limits and maybe sanctions might have to be introduced. Lodge pointed out to Fawzi that withdrawal Israeli forces would obviously be phased with arrival UN forces, that he interpreted "without delay" as meaning first soldiers should begin leave immediately. He said whole process should be much faster than that at time of UK-French withdrawal from Canal area in that it now is not necessary to await creation of effectively functioning UNEF.

Lodge then summed up situation as he saw it in following terms: (1) Menon could in his statement spell out meaning of resolution in terms which it was hoped would satisfy Fawzi and his colleagues. US would then seek in some manner to substantiate this interpretation; (2) Lodge was willing publicly to state that "without delay" meant "immediately" or "at once" and that it would be a much quicker process than Anglo-French withdrawal. He might even state that if Israel did not withdraw, he could not predict consequences of such non-compli-

ance. He felt such statement would go quite far and should serve to assure Arabs of US good faith in sponsoring resolution, in calling for their being voted together and in defining functions as was done in US statement.

Krishna Menon then said to Fawzi he had information that tide had turned against Egypt and Western world was rethinking its position. While it had seemed inconceivable that British and French could have done what they did, he felt clock had turned full circle and we might be facing situation equally as dangerous as one of last fall. Lodge said he had heard similar reports.

Fawzi seemed at real loss to know what to do and suggested it might be helpful for Lodge and Menon to speak to Arab group which would meet with him momentarily.

Few minutes later Lodge and Menon met with Fawzi, Mahgoub (Sudan),² Rifai (Jordan), Azkoul (Lebanon),³ Zeineddine (Syria), Jamali (Iraq),⁴ Othman (Yemen),⁵ and Representative of Saudi Arabia.⁶

Fawzi restated for benefit of group Egypt's position as he had put it to Lodge and Menon. As far as UNEF concerned, he said, it should be exclusively on both sides of armistice line. It should not be placed or stay anywhere without Egyptian consent. It had no functions but what had already been given to it by GA. UNEF was not there to resolve any question.

Menon stated India's position was that UNEF was to oversee evacuation of all Egyptian-controlled territory by Israeli forces. Indian troops in UNEF would not go anywhere without Egypt's consent. He had found to his dismay that not everyone agreed with this proposition and stated his misgivings that UNEF was deemed by some to become a political mission for resolving disputes. India felt it was all governed by para 5(A), (B), and (C) of SYG's report which called for agreement between SYG and Egypt.

India felt UNEF should be put on both sides of armistice line with "equitable contribution of territory" from both sides. This would constitute a protection against surprise attack from Israel. He would say in GA one should only place UNEF where it can assist in maintenance of Armistice Agreement, i.e., on both sides of line. It would function there as supplement to TSO.

² Sudanese Minister of Foreign Affairs.

³ Permanent Secretary-General of the Lebanese Delegation at the United Nations.

⁴ Chairman of the Iraqi Delegation to the General Assembly and Representative to the United Nations.

⁵ Yemeni Alternate Representative to the General Assembly.

⁶ Ambassador al-Khayyal.

As for Sharm el-Sheikh, Menon said it should be same as for Sinai. This was unfinished job and UNEF could only go there as it had elsewhere—to supervise and secure evacuation.

Menon then spoke of question of mildness of Resolution I. He noted phrase "without delay" could be interpreted by US and India as "forthwith" allowing only enough time to get UNEF in. Lodge pointed out this would be less than for time of evacuation of Port Said.

Menon did not think Israel would withdraw. But, he said, if they did not, US would be put on its honor after passage these resolutions. He felt Arabs would rally greater support to whatever other steps are then possible if they went along. To do otherwise, would play into Israeli hands.

Lodge said he agreed with Fawzi that UNEF should not be used to settle any question, and wherever it went, it was only with consent of Egypt. Parenthetically, he stated, he had stressed Egyptian sovereignty to Europeans who had not been happy at this statement. He had, however, clung to point with that group that GA and its members must respect Egypt's sovereignty as first criterion. Regarding withdrawal, Lodge said he felt it should start immediately, that it should be phased, and that it would take less time than earlier evacuation. In event failure Israel to withdraw, he could not predict consequences which might result and was willing to state all of above publicly.

Lodge then spoke of practical requirements of situation. If Resolution II "fizzled out" it would be handing great advantage to Israel on silver platter. It would wipe out stigma now attached to Israeli aggression. Israelis had said they would not withdraw, and this was probably their present intention. But UN would be in strong position to do something else only if it had adopted Resolution II. If that were not to happen, we would have lost our position. He hoped group would support Resolution II. They had nothing to lose and much to gain, even if Israel did not at this time withdraw.

Jamali said he felt Resolution II should not have been presented until after Israel's total withdrawal. Since it had been introduced, it appeared UN was giving in to Israeli demands. He referred to fact Aqaba had been blockaded 8 years and effect of this resolution would be to give up that blockade without any return and as a price for Israel's aggression. Lodge pointed out nothing could happen in Gulf of Aqaba without Egypt's consent.

Rifai saw no justification for discussing anything other than withdrawal. GA should not yield to Israel's demands or deal with them in any way. He wondered what would be gained. He thought no resolution was needed for withdrawal, saying "we can take action whenever we want to". He then asked why UNEF should go to Sharm el-Sheikh when it was not on armistice line and not within context of formal discussion in GA. Lodge pointed out reason was simply that, just as

elsewhere, where there were Israeli troops, UNEF could go upon their withdrawal. Rifai then said there were no people in Sharm el-Sheikh, it was far removed from armistice line area, and to send UNEF there would be to go beyond functions of Force. He said they felt UNEF would act to obtain free passage in Gulf which was beyond its function and entered into realm of controversy. Lodge said he could understand Rifai's points and wished to say in all candor that US would like to see an end to shooting in Straits of Tiran but, nevertheless, recognized that Egypt's consent was of paramount importance.

Zeineddine raised question of putting time limit on withdrawal since phased withdrawal could not be completed immediately. Lodge said he could state for our part desirability of specific time limit, but preferred not to amend resolution in that sense.

Zeineddine also said, while Resolution II might enhance moral stand of Arabs, all states realized reason Israel had not withdrawn was not its defiance of UN but because of support Israel got from many countries, a support which was not new but had continued in face of many resolutions in past. He felt US had more persuasive arguments to use with Israel than so far had apparently been used. He wondered whether US could take further action.

Mahgoub expressed concern that resolution as interpreted by Lodge was retrogression from principle of unconditional withdrawal. Lodge denied there was any condition put on Israel's withdrawal. Menon said one more resolution withdrawal would not make much difference. What was important was that chances of possible action upon Israel's failure to withdraw would be enhanced by present operation. There was no question of tying two resolutions as cause and effect.

Mahgoub stated Resolution II introduced new elements on which Israel's withdrawal had never before depended. He tried to make something out of fact only one measure had been singled out of SYG's report. He questioned whether SYG had blanket authority under phrase "other measures, etc.". He and Menon exchanged few sharp words on this subject, Menon denying SYG would have blanket authority and Mahgoub affirming he would.

Mahgoub then compared SYG's language on Straits of Tiran with Lodge's quote today from his January speech. Lodge again replied that nothing could be done under Resolution II until withdrawal and repeated that UNEF cannot stay at Sharm el-Sheikh or elsewhere without Egypt's consent.

Jamali, on question of withdrawal resolution, urged an additional para for SYG to report in three days about Israel's withdrawal. Lodge said he liked this idea on its merits and would see what could be done about it. If, however, it were only amendment offered, he felt it might not be possible to accept amendments.

In response to Rifai, Menon pointed out his concern that US and West be brought along. No government, he said, of stature of US could sit back if Israel again refused withdrawal after adoption both resolutions. Rifai argued public opinion in Arab states could not accept UN's moderate attitude in face Israel's failure withdraw.

Mahgoub again raised question of future intent in event Israel continued refuse comply. He pointed out it had been understood during negotiations prior to last resolution that Arabs had dropped strong language deploring Israel's non-compliance and asking sanctions on understanding that resolution would be followed by a stronger one if necessary to obtain compliance. Now they were offered another resolution on withdrawal weaker than earlier one. How could Arabs, he asked, [insure?] that, if they agreed now and Israel continued to refuse, something stronger would be adopted?

Azkoul pointed out that in regard to question of Egypt's consent to deployment of UNEF, if Egypt withheld its consent, this could give rise to an appearance that Egypt had defied UN just as Israel now stands in position of defiance. Lodge said Egypt's consent was not only necessary to stationing UNEF, Egypt had right to withhold its consent and would not be in defiance if it did. Status of Israeli and Egyptian compliance with GA resolutions was entirely different. Lodge reiterated that Resolution II would be gain for Arabs although it obviously was not everything they wished to have. Lodge then thanked Arabs for courtesy of hearing US views and withdrew from meeting.

Lodge

56. **Telegram From the Embassy in Israel to the Department of State¹**

Tel Aviv, February 3, 1957—8 p.m.

912. Re Deptel 760.² Ben Gurion received me in bedroom his Tel Aviv residence at 5:30 this afternoon at which time he read President's letter with great care.³ He did not reply formally or at length but

¹ Source: Department of State, Central Files, 674.84A/2-357. Confidential; Niact; Presidential Handling. Received at 7:29 p.m. A copy is in the Eisenhower Library, Whitman File, International File.

² Telegram 760 transmitted Eisenhower's message to Ben Gurion, Document 54.

³ A memorandum of Lawson's conversation with Ben Gurion is attached to the copy of telegram 912 in Department of State, Tel Aviv Embassy Files: Lot 65 F 51, 321.9 Israel-Egypt, Jan.-Feb. 15, 1957.

indicated considerable disappointment with letter and especially with United Nations resolutions and General Assembly debate, particulars of which he seemed to be informed of. He apparently desired reserve major comment for his formal reply which I expect Tuesday. Nothing he said leads me to believe he is weakening in any degree on Tiran Straits or Gaza.

Prime Minister clad in heavy dressing gown sat in chair and rose to meet me. Obviously he not fully recovered from his bout with pneumonia but was vigorous in his speech and firm in his movements.

Lawson

57. **Telegram From the Embassy in Israel to the Department of State**¹

Tel Aviv, February 4, 1957—1 p.m.

914. In meeting called to discuss UNGA's February 2 resolutions, Cabinet Sunday reaffirmed GOI's determination (1) to hold Sinai's east coast until freedom of navigation Tiran Straits is guaranteed and (2) to retain Gaza strip. Meeting was chaired by Finance Minister Eshkol and decision then taken to Ben Gurion, confined in his home Tel Aviv, who apparently approved it because its general outline does not conflict with his apparent attitude on same issues as I interpreted it last night (Embtel 912).²

At midnight Foreign Minister released supporting communiqués which made following points.

1. "Israel has noted with appreciation growing understanding of UN reflected both in debate and in second of yesterday's resolutions, that status quo ante of violence and blockade on part of Egypt must not be restored. At same time it expresses its regret Assembly failed to touch on root of tension in area which is Egypt's continuing maintenance of state of war against Israel and her infringement in this connection of Charter and of Security Council's resolutions".

2. "In interest its own morality, UN cannot ignore Egypt's infringements of Security Council's resolutions and of her primary international obligations by her blockade of Suez Canal and Gulf of Aqaba, and at same time call Israel to withdraw from western coast of Gulf of Aqaba without providing adequate guarantees that present freedom of navigation shall not be upset by Egypt".

¹ Source: Department of State, Central Files, 674.84A/2-457. Confidential. Received at 11:34 a.m., February 6. Repeated to Amman, Beirut, Cairo, Damascus, Jerusalem, and USUN.

² *Supra.*

3. "There cannot be two laws, one for Israel and one for Egypt".

4. "Israel adheres firmly to position adopted by Knesset January 23 re Sharm al Sheikh and Gaza (Embtel 889).³ Solution these two questions, involving as they do termination hostile action by Egypt at sea and on land, are prerequisites for peace in ME and vital to Israel's very existence".

All early press comment endorsed government's determination to stand firm. It was announced Herut and General Zionists, both opposition parties, have made statements supporting coalition's position. Sapir, member of Knesset, and leading member of General Zionist Party, and Abramov, President Israel-America friendship league (in private conversation I had with them Friday, February 1 at their request) predicted this firm attitude on part of GOI with general support of public. They were convinced that GOI resistance to withdrawal IDF from Sinai and Gaza can be expected despite real or implied threats of sanctions but emphasized their opinions not based on any official information.

Lawson

³ In telegram 889 from Tel Aviv, January 24, Lawson reported that during a major foreign policy speech to the Knesset on January 22, Ben Gurion made the following points: (1) Israel had no interest in acquiring the west coast of Eilat Straits, but the IDF would continue to safeguard free navigation until satisfactory arrangements could be made; (2) Egyptian influence could not be restored in the Gaza Strip; (3) the Egyptian-Israeli General Armistice Agreement was "violated and broken beyond repair"; and (4) Israel must insist upon demilitarization of the entire Sinai Peninsula. The Knesset subsequently adopted a resolution supporting these points and making, according to Lawson, "one and two even more emphatically than Ben Gurion". (Department of State, Central Files, 674.84A/1-2457)

58. Telegram From the Mission at the United Nations to the Department of State¹

New York, February 4, 1957—8 p.m.

Delga 651. Re Israeli withdrawals; Suez. In meeting this morning Hammarskjold said it was important that we continue to keep each other well informed particularly during this next difficult phase. Hammarskjold also thanked Lodge for fine manner in which US handled resolutions. Hammarskjold then described in detail his plans for next few days. He would meet with Eban at 3:30 p.m. today. He believes this is matter of utmost gravity and GA is deeply involved. Ham-

¹ Source: Department of State, Central Files, 674.84A/2-457. Secret; Priority. Received at 9:20 p.m.

hamarskjold plans to conduct discussions with parties while keeping closest contact with advisory committee in order "to continue to bring General Assembly to bear on this matter". Use of advisory committee, in Hamarskjold's view, is another device for helping to "carry with us" India.

Hamarskjold would tell Eban this afternoon that from now on discussions should be "record discussions", and it would be his intention to make them public in future reports. Hamarskjold said there had been entirely too much "slipperiness", and he hoped to avoid this by making it clear that discussions are "on the record". He intends to ask advisory committee to assign one of its members to sit with him in discussions. He has asked Engen (Norway) who left for Oslo Sunday and is checking this with Lange. Hamarskjold wants Engen chosen by advisory committee since he is very sound and Norway is considered pretty much of neutral as far as Israel is concerned.

He expected Eban to insist first on discussing measures envisaged under Resolution II. Hamarskjold said that he felt obliged in first instance to ask for clear-cut declaration by Israel as to what it intends to do regarding implementation of first resolution. He would tell Israelis that intention of sponsors of second resolution is that UNEF should be deployed in Sharm el-Sheikh but at same time that this is subject to consent of Egypt. He expected Eban to say that unless Egypt agrees to stationing UNEF in Sharm el-Sheikh, Israelis will not pull out. While stating that it is intention of second resolution to get UNEF in Sharm el-Sheikh area, Secretary General would ask Israelis as matter of principle to agree that they will accept UNEF on both sides of demarcation line and recognize that complete Israeli withdrawal includes withdrawal of its civil administration in Gaza.

Hamarskjold also intends to use advisory committee on Suez settlement matter. Subcommittee of Lall (India), Engen (Norway) and Freitas-Valle² (Brazil) has been appointed and this subcommittee will be brought into discussions, though Hamarskjold did not state precisely how this would be done.

Hamarskjold said that he had received message from Nasser indicating Egyptian willingness to accept a formula which will "avoid collision". Provided tolls are legally paid to Egypt, Egyptians will accept any conditions on them. In this connection, Hamarskjold mentioned his idea of suspense account (legal payment to Egypt, but blocked pending settlement). In describing French position Hamarskjold said they do not agree tolls should be paid legally to Egypt. Even though such payment to Egypt could be placed in blocked account pending final settlement, French are opposed. Hamarskjold

² Permanent Representative of Brazil to the United Nations.

said French want tolls paid to an international agency (not Egypt) on understanding that question of to whom toll money belongs is subject to future determination.

Hammarskjold said that Egypt has now linked question of Suez settlement discussions with withdrawal of Israeli forces. Nasser has now replied formally to Secretary General's letter of January 20 stating Egyptian willingness to begin formal conversations immediately upon full withdrawal of Israeli forces. Hammarskjold said Nasser has not linked Suez settlement talks with clearance of Canal, traffic through Canal or deployment of UNEF in Sharm el-Sheikh.

We inquired as to Hammarskjold's plans regarding trip to Cairo. Hammarskjold said under present circumstances he could not go to Cairo. Hammarskjold said he cannot go to Cairo unless Israelis withdraw or he has an advance commitment this will be done. He said Eban has stressed that it is essential for negotiations to take place in Jerusalem. SYG said he will not go to Jerusalem unless Israelis give commitment to comply with Resolution I. He said he would be willing to go to Jerusalem to negotiate substance of Resolution II once Resolution I had been complied with.

Hammarskjold added as footnote at conclusion of discussion that during course of negotiations with parties he intends test idea of observers in Sharm el-Sheikh as stated in his last report.

When Hammarskjold was informed that Fawzi is pressing for another GA meeting on Wednesday to consider question of Israeli withdrawal, Hammarskjold expressed concern and felt this was ominous and threatening.

This evening Cordier informed us Eban had generally taken line SYG earlier anticipated. In handing SYG aide-mémoire (reported in Delga 652)³ Eban requested assurances re measures called for by sponsors of second resolution before Israel could withdraw. Eban urged Hammarskjold take up matters under Resolution II directly with Ben Gurion. According Cordier, SYG stated he could not do so until Israel agreed withdraw. Cordier said Eban told Hammarskjold he

³ Not printed. (Department of State, Central Files, 674.84A/2-457) In its Aide-Mémoire of February 4, the Israeli Government requested the Secretary-General to ask the Egyptian Government whether Egypt agreed to the mutual and full abstention from belligerent acts by land, air, and sea, upon withdrawal of Israeli troops. The Aide-Mémoire also requested clarification from the Secretary-General as to whether upon withdrawal of Israeli forces from the Sharm al Sheikh area, units of UNEF would be stationed along the western shore of the Gulf of Aqaba to act as a restraint against hostile acts. On February 5 in a letter to the Secretary-General, Eban emphasized the importance of these questions and noted that an affirmative response from the Egyptian Government would affect Israel's policies on outstanding issues. Hammarskjöld subsequently released the text of the Israeli Aide-Mémoire and the Eban letter of February 5 as Annexes I and II to the Secretary-General's Report of February 11. (U.N. doc. A/3527) For texts of the two documents, see *United States Policy in the Middle East, September 1956-June 1957*, pp. 277-279.

would provide him with a "supplementary interpretation" Tuesday.⁴ Eban mentioned to Hammarskjold receipt President's letter to Ben Gurion, and that they (Israelis) "were gratified" at part of letter dealing with Sharm el-Sheikh.

Cordier expressed view it will now be difficult avoid extreme measures. He informed us Fawzi has made formal request for GA meeting to consider Israeli compliance. Letter did not specify date, but requested "earliest possible" meeting. Cordier is holding up circulation Fawzi letter pending SYG-Fawzi discussion this and other matters Tuesday.

Wadsworth

⁴ February 5.

59. Telegram From the Mission at the United Nations to the Department of State¹

New York, February 5, 1957—5 p.m.

Delga 660. Eyes only for the Secretary from Lodge. Confirming my conversation with you and the President at the White House last night,² let me submit this:

The time has come for the US to put enough pressure on Israel so that she will withdraw completely and immediately from Egyptian soil. I advocate such action for the following reasons:

1. It is in Israel's own best short-range interests since it is clear that Egypt will never give the advance assurances which Israel seeks so long as Israel's "foot is in Egypt's face", to use Fawzi's phrase. On the other hand, Hammarskjold believes (and I concur) that, after Israeli withdrawal, there is a good chance that Egypt will not object to placing UNEF at the Straits of Tiran.

2. It is in Israel's long-range best interests (although contrary to her present foreign policy) because continued violation of the UN Charter by Israel can but increase the risk of war in which Israel would surely ultimately suffer more than any other nation.

3. It is required by the US position, expressed in the UN Security Council on October 30, the day after the Israeli invasion occurred. In the Council, the US sponsored a resolution specifically invoking sanctions against Israel if they did not withdraw. We voted for this resolu-

¹ Source: Department of State, Central Files, 674.84A/2-557. Secret; Niact. Received at 5:37 p.m.

² According to the record of the President's Daily Appointments, President and Mrs. Eisenhower gave a dinner in honor of Vice President Nixon and members of the Cabinet during the evening of February 4. (Eisenhower Library)

tion. It was vetoed by the UK and France. The situation today, as far as Israel's violation of Egyptian territorial integrity is concerned, is identical with that existing then. Our own words will probably be reenacted in a new GA resolution. We can give no solid reason for abandoning our position which won us universal respect and acclaim from the Afro-Asian world.

4. If we did abandon our position, the UN would be dealt a body blow. It would be said—and believed—that we were willing to use sanctions against France and the UK. But that Israel influence was too strong for us to adhere to the policy of "one law for all", which the President enunciated at the time.

Lodge

60. **Telegram From the Mission at the United Nations to the Department of State**¹

New York, February 5, 1957—8 p.m.

Delga 664. Re Palestine/Israel withdrawal. Fawzi (Egypt) called on Lodge at his request. He had just come from conversation with SYG. Fawzi said in view Israeli negative attitude regarding withdrawal, he had no choice but to insist on an immediate meeting of Assembly, even if it were only to receive report that Israelis had not complied. He said he was under great pressure from many sources, particularly Cairo, to make some move since it was known even before resolutions were passed that Israel would not comply.

Fawzi then said he felt it desirable to maintain steady progress in direction of better understanding between U.S. and Arab world. As example of this, 10 days ago they could not have believed there would be such statements as had been made by King Saud during his Washington visit. Fawzi said he referred to both public and private statements. Fawzi expressed gratification at Saud's statements, saying Washington should get every credit for part it had played in these. He went on to say that he did not want to see moment arrive when things failed in UN, regardless of where blame might lie. He felt it useful to continue approach followed thus far, saying this was question belonging to whole of UN. He suggested sponsors of last 2 resolutions should consult regarding further steps, should Israel continue not to comply. Egypt, if it were acting on its own, would have to propose action such as that taken in the case of Red China's aggression in Korea, namely sanctions. They could not do otherwise with regard to Israel.

¹ Source: Department of State, Central Files, 674.84A/2-557. Confidential; Niact. Received at 9:13 p.m.

Fawzi said he merely wanted to put these ideas before us. He realized King Saud and his advisers were in touch with Department and Secretary in Washington, but there was, he said, interdependence of two operations.

In reply, Lodge said before we consulted with sponsors U.S. had to make up its own mind. He said he could assure Fawzi that whole question was under very active study in Washington and in forefront of Washington's mind. He said he would report Fawzi's views but could say nothing more for time being.

As he took leave, Fawzi said there was good solid bridgehead established by U.S. and UN, but competent general cannot stop merely at bridgehead. He must spread out or it might be better never to have established his bridgehead. Fawzi concluded by saying this would be in everyone's interest. It even in Israel's long-run interest for her existence "in the area".

Lodge

61. Telegram From the Department of State to the Mission at the United Nations¹

Washington, February 6, 1957—5:18 p.m.

Gadel 133. Suez Canal. Information indicates Canal will be open for some traffic before March 1 and even possibly within two weeks. This requires interim arrangements agreed to by Egypt before Canal reopens on payment of tolls and perhaps other matters such as priorities. Department notes (Delga 651)² SYG report that Egypt has now linked "formal conversations" re Canal "settlement" to Israeli withdrawal. Department sees no justification for such linkage, in view of rights of users under 1888 Convention. However, we note that Egypt has not linked Israeli withdrawal with clearance and reopening of Canal to traffic, which we assume covers interim arrangements.

We therefore think time has come for SYG to secure Egyptian agreement to interim arrangement pending final settlement. In our view, such interim arrangement should include following elements:

¹ Source: Department of State, Central Files, 974.7301/2-657. Confidential. Drafted by Metzger and Meeker; cleared by Rountree, Walmsley, and Jones by phone; and approved by Dulles.

² Document 58.

(1) Payment of all tolls to neutral agency such as IBRD or UN, with at least one-half held to be disposed of according to agreement which will implement six principles and constitute definitive settlement. Designation of IBRD or UN for example by Egypt as agent to receive tolls as above should satisfy Egyptian point that tolls be "legally paid to Egypt".

(2) Approximately one-half of tolls could at same time be turned over by such agency to Egypt. Prior to closing of Canal, Egypt was receiving about 45 percent of tolls, balance being paid into accounts of old Company.

(3) Believe unwise at this stage to discuss or try to settle question of repaying advances for Canal clearance, including any question of surcharge.

This arrangement should cover all tolls pending final agreement so that all users treated alike.

Request you convey to SYG foregoing views of Department.

Dulles

62. **Telegram From the Mission at the United Nations to the Department of State¹**

New York, February 6, 1957—9 p.m.

Delga 673. Re Israeli withdrawal. Spender (Australia) informed Lodge that he has been talking to Meir (Israel). He reported Meir as saying that Israel would withdraw if there were some form of public assurance in advance by Egypt that UNEF would be permitted in Sharm el-Sheikh area and that Egypt would not discriminate against Israeli shipping through the Suez Canal.

Spender believes it should be possible to find some form of words which Egyptians could agree to in public statement which would provide necessary assurances without making it appear that Egyptians were doing this "with the enemy's foot in their face". Spender expressed concern that if such a formula cannot be found we will all be confronted with an unmanageable situation which could lead to war.

We have conveyed substance of above to SYG. If Dept desires we do anything further here re above, we would appreciate your suggestions.

Eban later spoke to Barco along similar lines. He said he had requested SYG to ask Egyptians what their position on belligerency would be upon withdrawal of Israeli forces. SYG said that he could not

¹ Source: Department of State, Central Files, 674.84A/2-657. Confidential; Priority. Received at 9:43 p.m.

put question to Egypt until he knew what Israeli position on withdrawal actually was. Eban said that this attitude of SYG dried up a possible avenue for negotiation. In response to query, he also said that he believed, although he could not say so for Israeli Government, that Israel would agree to withdraw from Gaza if other questions were settled. Rafael added that unless SYG were willing question Egyptians and they were willing give undertaking refrain from acts of belligerency, Israel would not withdraw and further outbreak of war would be result. Eban said sanctions would simply stiffen Israeli attitude. (We intend check with SYG above account Eban's exchange with SYG.)

Eban also said that if SYG continued refuse put Israel's questions to Egyptians, this would be serious abdication responsibility and Israel would have to take issue with him publicly. We assume Dept has seen Israeli press release today, which may be first step this direction.

According to Naevdal (Norway),² Hammarskjold told Eban yesterday he would not undertake, in absence clear indication Israeli intention withdraw, obtain assurances, or clarifications, from Egypt as Israelis had requested. SYG asked Eban, however, whether Israel would herself agree to having units of UNEF stationed "on both sides of armistice line". SYG said unless Israel agreeable to this, there is no sense even discussing implementation "other measures". SYG also asked Eban whether, if they withdraw, Israel's withdrawal would include civil administration leaving Gaza. (Understand from Naevdal SYG has very pessimistic report from his representatives in Gaza saying there is virtual "reign of terror" going on against Arabs there.) Eban said he would have to refer questions to his govt. Naevdal said his impression after conversation with SYG last night was that Hammarskjold was very pessimistic about situation.

Naevdal also reported conversation with Riad (Egypt). Riad said Egypt was insisting on plenary meeting Thursday and that Fawzi had so indicated to Hammarskjold. Egypt felt US and six other cosponsors of last two resolutions must now take lead in moving on to further necessary steps. This, said Riad, would be test of good faith of US intentions under Eisenhower doctrine. (*Comment:* This is second instance in which Egyptians have made reference to Eisenhower doctrine in connection activities in UN on Palestine.)

Naevdal commented that while Norway was aware in cosponsoring two resolutions last week they were in a sense committing themselves to carry on, they had not expected to be presented with request to cosponsor res on sanctions. Murray (Canada) revealed similar implication of commitment to future action had weighed heavily with Pearson in his decision not to cosponsor. Norwegians recognized, how-

² Per Thee Naevdal, First Secretary of the Norwegian Permanent Mission to the United Nations.

ever, that from Egyptian point of view it was logical for them to expect seven cosponsors to follow up on their resolutions if Israelis did not comply, particularly in view reluctant acquiescence of Fawzi in agreeing not to oppose Res II. In subsequent conversation, Naevdal reported Egyptians were now willing hold off meeting till next week but considered that 7 cosponsors must take lead in next steps.

Re question of US position on sanctions, believe Dept should consider not only whether we are able to support res on sanctions but also how we are to deal with pressure to cosponsor such res with six other states.

Murray (Canada) indicated to us Cordier's (Secretariat) assessment two-thirds vote for sanctions is now possible. Murray inclined agree on basis most states would find it extremely difficult oppose sanctions in face disregard by Israel of GA resolutions and would abstain rather than vote against.

Late this evening, Lall (India) called to inform us ASAF's meeting tomorrow on Palestine, out of deference our views Egyptians had agreed hold off plenary until Monday. Question, however, in Indians' view, was what we do then. He, too, believes seven cosponsors should consult on next steps.

Lodge

63. **Memorandum of Discussion at the 312th Meeting of the National Security Council, Washington, February 7, 1957, 9 a.m.**¹

[Here follow a paragraph listing the participants at the meeting and agenda item 1.]

2. Significant World Developments Affecting U.S. Security

[Here follows discussion of unrelated subjects.]

Mr. [Allen] Dulles pointed out that clearance of the Suez Canal was continuing at a very rapid pace, and limited transit for vessels with not more than a 25-foot draft was possible right now. Unlimited transit could be expected in early March. Meanwhile, there was not very much evidence to suggest that Nasser has changed his position of insisting on all payments for the transit of the Canal be made to Egypt.

¹ Source: Eisenhower Library, Whitman File, NSC Records. Top Secret; Eyes Only. Drafted by Gleason on February 8. The time of the meeting is from the record of the President's Daily Appointments. (*Ibid.*)

Secretary Dulles observed that we had proposed yesterday to Hammarskjöld that he try to get Egyptian agreement to the payment of all tolls to the International Bank. Half of these payments would immediately go to Egypt; the other half would remain with the Bank pending the achievement of a solution of the Canal problem.

Admiral Radford pointed out that three or four Soviet merchant vessels were at this moment approaching the entrance to the Canal. He thought it quite likely that they would pass through the Canal on Sunday. They would ostentatiously pay their tolls to the Egyptian Government, and thus make a great propaganda play. Secretary Humphrey commented that every single minute was important to us. If a large number of ships start rushing through the Canal as soon as it opens and pay their tolls to Nasser, we will be confronted with an accomplished fact. Nasser would have secured complete control of the Canal, and the only thing left for us to do would be to station battle-ships at both ends of the Canal and prevent the transit of any ships. This was hardly a welcome course of action.

Secretary Dulles pointed out the difficulty that all of this was in a certain sense Hammarskjöld's responsibility, and he already has too much to do. Nevertheless, we are pressing him hard on this matter. Secretary Humphrey closed the discussion with a statement that the moment Soviet vessels go through the Canal, that will mark the end of all negotiations with Nasser for a reasonable settlement.

[Here follow discussion of unrelated subjects and agenda item 3.]

4. The Suez Canal Situation

Mr. Cutler said that Admiral Radford wished to bring the problem of the Suez Canal situation before the Council. Admiral Radford explained the fear of the Joint Chiefs of Staff that once ships begin to transit the Suez Canal paying their tolls to Nasser, control of the Canal would again revert completely to Nasser. The only possible ray of hope that the Chiefs could perceive was that the Israelis would prove themselves smart, would obey the injunctions of the UN, bring their own ships to the entrance to the Canal, and thus clearly pose the issue of the right of Israeli ships to transit the Canal. If the Egyptians forcibly prevented the passage of Israeli vessels, they would place themselves clearly in the wrong and we and the UN would be in a position to impose sanctions on Nasser.

Secretary Dulles pointed out that, after all, the United States was not anxious to get into a war in the Middle East in place of the British and the French. He indicated that the United States had applied about every sanction it possessed against Egypt except the ultimate one of military force. In reply to a criticism of Hammarskjöld's handling of this issue by Secretary Humphrey, Secretary Dulles defended Ham-

marskjöld as having done a very good job, at least up to now. We need not necessarily assume that Hammarskjöld will fail on the last and most important phase of the Suez Canal problem.

*The National Security Council:*²

Discussed the subject in the light of the views of the Joint Chiefs of Staff as presented orally at the meeting by the Chairman, JCS.

S. Everett Gleason

² The paragraph that follows constitutes NSC Action No. 1668, approved by the President on February 8. (Department of State, S/S-NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council, 1957)

64. Editorial Note

At the Secretary's Staff Meeting on February 7 the following remarks were made concerning Arab-Israeli developments at the United Nations:

"Mr. Wilcox reported briefly on Secretary General Hammarskjöld's recent dealings with the Israelis regarding the question of the withdrawal of their forces. He said recent reports from USUN indicate that a resolution calling for sanctions against Israel will achieve the required 2/3 vote because of the many abstentions. He also reported a growing feeling in New York that the sponsors of the last resolution should sponsor a resolution calling for such sanctions and noted that a policy decision on this question would be required before debate opens on Monday." (Department of State, Secretary's Staff Meetings: Lot 63 D 75)

65. Memorandum of a Conversation, Department of State, Washington, February 7, 1957, 3:30-7:30 p.m.¹

SUBJECT

Further U.S.-Saudi Arabian Talks

PARTICIPANTS

U.S. Officials
The Secretary

Representing Saudi Arabia
Shaikh Yusuf Yasin

¹ Source: Department of State, Central Files, 611.86A/2-1057. Confidential. Drafted on February 10 by Stoltzfus.

G—Mr. Murphy	Shaikh Mohammad Surur ²
NEA—Mr. Rountree	Ambassador Al-Khayyal
Ambassador Richards	Mamdouh Adib, Recorder
Ambassador Wadsworth	Abdul Aziz Majid, Interpreter
NE—Mr. Wilkins	
NE—Mr. Newsom	
Mr. Stoltzfus, Recorder	
Mr. Nowfel, Interpreter	

[Here follows discussion of unrelated subjects; for text, see volume XIII, pages 468-469.]

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Shaikh Yusuf went on to say that His Majesty had been pleased with President Eisenhower's statement that sanctions against Israel might be considered if Israeli forces were not immediately withdrawn from Egypt. Shaikh Yusuf said that in any event he believed the President and Secretary were well aware of the gravity of the problem and the urgent necessity of solving it. The enemy was now waiting for an opportunity to take advantage of the situation in order to escape from its obligations. Shaikh Yusuf said that His Majesty was very interested to know whether the United States Government would consider supporting the draft resolution put forward by the Afro-Asian bloc calling for sanctions against Israel if it did not withdraw immediately. Shaikh Yusuf added that this would bring great prestige to the United States in the Middle East, and would be a great step toward bridging the gap between the two.

Shaikh Yusuf said that he had been instructed by His Majesty to explain the importance of the Straits of Aqaba to Saudi Arabia so that the U.S. could take this into consideration now and in the future. Shaikh Yusuf said that the Gulf of Aqaba was considered by the Arabs to be one of the sacred areas of Islam and as belonging to the whole Islamic world. Thus it was the duty of His Majesty as Guardian of the Holy Places to defend this area against the Jews because by doing so he would not only be defending his own territory and his own rights but also Islam against a threat to the approaches to the Holy Places. Shaikh Yusuf said that he had broached this subject because of its urgency and the fact that it was now being discussed in the UN.

The Secretary replied that he would like to make one or two comments. As the President had said last Tuesday,³ the U.S. was strongly hopeful that Israel would comply with the latest UN resolu-

² Shaikh Mohammad Surur, Royal Counselor and Minister of Finance.

³ During a press conference on Wednesday, February 6, President Eisenhower stated his belief that Israel had "a decent respect for the opinion of mankind" and would withdraw its forces. (*Public Papers of the Presidents of the United States: Dwight D. Eisenhower, 1957*, p. 123)

tion calling for the withdrawal of Israel behind the armistice lines. The U.S. also hoped there would be such an interposition of UN emergency forces in Gaza and the Straits of Tiran that the likelihood of a further outbreak of hostilities in the area could be excluded.

The Secretary said he knew that the possibility of imposing sanctions against Israel was being discussed by the Arab group in the UN but he had seen no text of the resolution. He said he assumed that the United States would be consulted in connection with any such resolution because its efficacy would depend to some extent upon the United States. The Secretary said that, in the U.S. view, sanctions against Israel should be resorted to only as a last resort and not until other efforts had been exhausted. The Secretary added that His Excellency Shaikh Yusuf had no doubt observed from the U.S. press that there were those who were suggesting that sanctions should not be taken against Israel for its violation unless sanctions were also imposed on Russia for its disregard of the UN resolutions on Hungary. It was also suggested by some that Egypt, too, had violated UN resolutions by acts of belligerency, particularly through the acts of the Fedayeen. The Secretary said that he mentioned these points not with the object of retreating from the statements the President and he had made on the subject but rather in order that his friends might realize that the imposition of sanctions would open up a road that might not later be easy to follow.

Shaikh Yusuf thanked the Secretary for his remarks and said he believed the Arabs would agree that it would be preferable for the Israelis to withdraw without it being necessary for the UN to impose sanctions on them. However, the situation was grave and affected the interest of world peace. Aggressors should not be made to feel that they could go unscathed. The U.S. was the champion of peace and it was up to it to make the aggressors feel that they could not expect any reward for their aggression. If the UN could not make Israel withdraw, the Arabs would expect the U.S. to take a firm stand for justice, and, if it did so, it could greatly lessen the gap that still existed between it and the Arab Middle East. Shaikh Yusuf said that if the draft resolution on sanctions had not yet been referred to the United States, the Saudi Arabian delegation could be instructed to pass it to U.S. delegates and discuss it with them. Shaikh Yusuf said he believed the situation would be greatly improved if Israel were made to understand that the U.S. would be prepared to support the resolution on sanctions if it did not withdraw its forces immediately from Egypt.

Regarding the Gulf of Aqaba, Shaikh Yusuf said he would like the Secretary to know that Saudi Arabia considered the question of freedom of passage in the Straits of Tiran a matter of life and death to Saudi Arabia. In view of the seriousness of the dangers involved, His Majesty had asked Shaikh Yusuf to raise the subject with the Secretary

and had told him that he would raise it himself with the President. Shaikh Yusuf asked whether the Secretary was prepared to issue instructions to the U.S. delegation in the UN asking it to support the resolution on sanctions in case Israel was not prepared to withdraw.

The Secretary said that the matter of the Straits of Tiran was related to the whole question of Aqaba as an international waterway and that it might some day be necessary to submit the case to the Court of International Justice. He said that the United States was not prepared to disregard international law but as yet it did not know what the law was on this point.

Shaikh Yusuf said that the important point was that Israel had not had freedom of passage through the Gulf of Aqaba before it started its aggression on Egypt. Thus, he contended, the first thing to be done was to liquidate the state of aggression and to return to the status quo ante-bellum. After that has been accomplished there would be opportunities for Israel to submit its complaints concerning freedom of passage and other matters. Shaikh Yusuf said this was, in fact, the position that the U.S. had apparently taken up to now in the UN and as it was known to the world. This position had also been emphasized by the President and the Secretary. The U.S. should therefore bend its efforts toward assisting to achieve the withdrawal of Israel without conditions. Shaikh Yusuf said that he hoped that Saudi Arabia and the United States were in agreement on this point of view.

The Secretary said that the two countries were substantially in agreement in their view that the withdrawal of Israel should be unconditional, that is, that Israel was not entitled to attach conditions to its compliance with the UN resolution. Once the Israeli withdrawal had been assured there would remain the further question of ascertaining the legitimate rights of the interested parties in what was an international waterway. These rights would have to be resolved, and it was to be hoped that this could be done without the recurrence of hostilities.

Shaikh Yusuf said he wondered whether the question of freedom of passage in the Straits really needed to be submitted to the World Court. This matter should not, he felt, be raised until after the unconditional withdrawal of Israel. Shaikh Yusuf said that the UN should not commit itself for the future since the UN emergency forces were merely symbolic in nature. If the intention was to impose a settlement on Israel or Egypt, the UN forces, which were small and composed of the forces of small nations, would not be sufficient for the purpose. On the other hand constructive action by the United States would serve a dual purpose: it would establish peace and would raise U.S. prestige in the Middle East.

The Secretary said that he had raised the legal matter only in order not to conceal the fact that there had been some discussion in the UN with Egypt as to the possibility of resorting to the International Court for decisions on the status of some of these waterways.

Shaikh Yusuf thanked the Secretary for his explanation and said that his main contention was that the U.S. should be on the Saudi Arabian side on this question.

Ambassador Al-Khayyal said he wished to know whether, after Israel's withdrawal from Sharm al Shaikh, the UN emergency forces would proceed to that point or would advance to the armistice line. Shaikh Yusuf said it was his understanding that the movements of the UN forces would be phased according to a pattern already established in the UN resolution on Israeli withdrawal. The UN resolution, according to Shaikh Yusuf, stipulated that the UN forces would proceed eventually to the armistice line. The Secretary said he knew that talks were in progress between Secretary General Hammarskjold and Egyptian and Israeli officials but that he did not know what their present views were. The Secretary agreed with Shaikh Yusuf that the position of all countries should be to support the UN resolution.

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[Here follows discussion of relations between the United States and Saudi Arabia; for text, see volume XIII, pages 469-477.]

66. Memorandum for the Record by the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Rountree)¹

Washington, February 7, 1957.

General Fox called to see me on February 7 on instructions from Mr. Gray. He said the Joint Chiefs of Staff had recommended that "Operation Stockpile" as it relates to 24 F-86's for possible future delivery to Israel should be cancelled unless the Department of State felt that this would be unwise in present circumstances. He said the JCS wished to release the equipment for other priority needs.

I recalled that part of the operation relating to a shipload of military equipment for possible use of Egypt had already been cancelled. I said that while I believed in present circumstances the Department would agree with the JCS' recommendation, I wished to confirm this with the Secretary in view of the latter's personal interest in the matter.

¹ Source: Department of State, Central Files, 784A.5622/2-757. Top Secret; Eyes Only.

Later, on February 7, I talked personally with the Secretary who agreed that the operation might be cancelled. I have conveyed this information to General Fox. The matter will be confirmed in an exchange of letters between Defense and State.²

² In a letter to General Fox dated February 19, Rountree confirmed that the Department of State had no objection to the termination of "Operation Stockpile". Rountree's letter also noted that the supplies and equipment assembled to support the plan were urgently needed to fulfill other requirements. (*Ibid.*, 700.56/2-857)

67. Telegram From the Mission at the United Nations to the Department of State¹

New York, February 7, 1957—8 p.m.

Delga 685. London for James W. Swihart.² Verbatim text. Re Suez Canal. We conveyed to Cordier Department's views regarding interim arrangements Thursday morning for Suez Canal as contained in Gadel 133.³ Cordier said he and SYG would study them carefully and take them into account since they are anxious to keep as close to US views on this as is possible. During course day, Ramsbotham (UK) informed GADel that UK Embassy had been in contact with Dept and that we here were to be asked to set forth views in support "Neutral Agency and Fifty-Fifty" scheme. We confirmed such approach made to SYG.

Late Thursday afternoon Hammarskjold via letter to Lodge sent us working paper given below. It is also being given to UK, France and Norway for their reactions. Cordier says it is a working paper on which SYG wants our views. Paper is for internal Secretariat use only and its purpose is to clarify certain points at issue.

Would appreciate Department's views urgently.

"Working Paper—7 February 1957

1. An early arrangement of a provisional character for the collection of all payments for transit through the Suez Canal seems essential in order to avoid a possible conflict when traffic through the Canal is resumed. The arrangement should be such as to avoid any prejudging of the forthcoming negotiations on the general settlement. It should

¹ Source: Department of State, Central Files, 974.7301/2-757. Confidential; Priority. Received at 12:18 a.m., February 8. Repeated to London.

² First Secretary of the Embassy in London.

³ Document 61.

further take into account the situation established in the course of previous negotiations which have been accepted by the main parties as a starting point for new negotiations.

2. The situation after the London Conference in August was summed up by Mr. Menzies in the following terms:

'From the outset, you will have observed that the eighteen nations have not attempted to arrive at any joint opinion as to the validity or otherwise of Egypt's nationalization decree. The London conference felt that to have a debate on this point would be fruitless, since the conference possessed no authority to make any judicial determination.

'It was therefore considered much more practical to work out constructive proposals which assumed that the act of nationalization had occurred and that the problem of the payment of compensation to the Suez Canal Company would be properly dealt with, with provisions for arbitration in the event of difference, and that what was needed was the establishment of principles and methods for the future.'

3. It is of interest to note further that Foreign Minister Pineau expressed himself at the London Conference as follows:

'Il y a des points sur lesquels nous considerons que l'accord doit etre facilement acquis, encore qu'il comporte pour certains, dont nous sommes, des sacrifices evidents. Ces points sont les suivants:

'a) la propriete du Canal et de ses installations est reconnue a l'Egypte, ce qui entraine en faveur de celle-ci le principe une relevance adequate.

'b) la Compagnie Universelle devra etre convenablement indemniee et elle pourra devenir par exemple une sorte de holding gerant son propre portefeuille.'

4. The Security Council's decision, 13 October, stated in point 6: 'in case of dispute, unresolved affairs between the Suez Canal Company and the Egyptian Government should be settled by arbitration with suitable terms of reference and suitable provisions for the payments of the sums found to be due.' In the 4th point the Security Council stated that 'the manner of fixing tolls and charges, should be decided by agreement between Egypt and the users.' These points make it clear that also the Security Council worked on the basis of the assumption that Egypt's ownership of the Canal would be respected (an assumption correlated with the Council's own decision, as endorsed by Egypt, that the Company would get full compensation).

5. If a proposal for provisional arrangements is to be put forward by the Secretary General, it seems necessary for him to base his proposals on the assumption referred to above, as another stand would involve a retreat from the starting point for previous negotiations and the working hypothesis maintained all through the 'progress so far made'.

6. It follows that a provisional arrangement should meet the three following objectives:

a) It should eliminate the risks for a collision by being acceptable to the users as well as to Egypt;

b) It should not prejudice the position of any one party on operational, institutional or general financial questions (beyond the extent to which this may be considered as having resulted, in a provisional way, from previous negotiations);

c) It should be based on the working hypothesis implicit in those negotiations, from London and onwards, that Egypt is owner of the Canal.

7. The preceding argument indicates that payments should be made to an account held in the name of Egypt, but that the disposal over such an account, might be qualified either (a) by an agreement between the parties, or (b) by reserves made in connection with payments to the account. A general provision for the account would be that no one, by paying to the account, has committed himself to any specific stand on those questions which were covered by the Security Council and in the exchange of letters between the Secretary General and the Foreign Minister of Egypt based on the resolution of the Security Council.

8. The immediate question is, on the basis of this argument, what rules for disbursement from the account might be considered acceptable by Egypt and by the users. The simplest solution would be that all disbursements, except those necessary for current expenditures, would be suspended pending a settlement of outstanding questions. Other formulae are, however, possible.

9. A special question refers to administrative arrangements for the account and for the collecting of tolls and charges. Where should the account be held? Through what agents should payments to the account be made?"

Lodge

68. Message From Prime Minister Ben Gurion to President Eisenhower¹

Jerusalem, February 8, 1957.

DEAR MR. PRESIDENT: I thank you for your message dated February 3.² I am sincerely grateful for your personal interest and fully share the wish for continuance and deepening of the friendly relations between the United States and Israel. The Government of Israel is at one with you in deep concern for the establishment of peace and tranquility in the Middle East. In response to your appeal of November 7,³ we started the evacuation of our troops from the Sinai Desert, although it was the overwhelming opinion of our people that effective assurances for our security must first be obtained. We continued our withdrawal despite the fact that Egypt refused to abandon its state of war against us. Our troops have evacuated Sinai—an area of more than 50,000 square kilometres—except for a narrow strip on the west coast of the Gulf of Akaba which ensures freedom of navigation in the Gulf. We have informed the United Nations that we have no intention of holding this strip and will evacuate it as soon as effective assurances will be forthcoming for continued freedom of passage.

In my message to you of November 8,⁴ and in that of the Israel Foreign Minister to Mr. Hammarskjöld of the same day,⁵ it was stated that we would withdraw our troops from Egypt upon the conclusion of satisfactory arrangements in connection with the United Nations Emergency Force. These arrangements were defined in a letter of November 21 to the Secretary-General⁶ as designed to ensure for Israel security against acts of belligerency by land or sea. In these messages we also asked that Egypt renounce its declared state of war against Israel, and in accordance with its obligation under the Charter it should maintain peaceful relations with Israel. Following the Resolutions of the General Assembly of February 1,⁷ we again requested the

¹ Source: Department of State, Central Files, 684A.86/2-857. Conveyed to the Department of State in a letter from Eban to Dulles dated February 8, which requested that Ben Gurion's message be transmitted to President Eisenhower. A copy is in the Eisenhower Library, Whitman File, International File. Ben Gurion also gave a copy to Ambassador Lawson who transmitted it to the Department of State in telegram 941, February 10. (Department of State, Central Files, 674.84A/2-1057)

² Document 54.

³ Vol. xvi, p. 1063.

⁴ *Ibid.*, p. 1095.

⁵ U.N. doc. A/3320. For text, see *United States Policy in the Middle East, September 1956-June 1957*, pp. 212-213.

⁶ Hammarskjöld released the text of this letter as Annex II to his report of November 21, 1956. (U.N. doc. A/3384) It is printed in *United States Policy in the Middle East, September 1956-June 1957*, pp. 212-213.

⁷ Resolution 1124 (XI) and Resolution 1125 (XI); see Document 51.

Secretary-General to seek clarification from Egypt regarding its state of belligerency.⁸ These requests have remained unanswered.

I have to record with regret that in this matter the U.N. has applied different standards to Egypt and to Israel. For eight years Egypt has acted in disregard of the Armistice Agreement and of the Charter and has pursued a policy of belligerency towards Israel. It defied an express resolution of the Security Council in denying us free transit through the Suez Canal, and broke its pledged word in regard to the freedom of shipping in the Gulf of Akaba. I refer to a solemn undertaking made by Egypt through the American Ambassador in Cairo on January 28, 1950.⁹

This policy took heavy toll of Israeli lives and caused us severe economic damage. It was part of an overall plan to eliminate Israel by force. Those who had the power and authority to intervene took no effective steps whatever to halt these flagrant violations of international obligations.

At present, for the first time in eight years, the Egyptian blockade in the Gulf of Akaba has been broken, and the Gulf is open to the shipping of all nations. Work is going forward to complete the link between the Red Sea and the Mediterranean. For Israel this opens the prospect of our country becoming a bridge across which the commerce of nations will flow between the East and the West. For the countries of Europe and Asia the prospect is one of release from that exclusive and total reliance on the Suez Canal out of which so much tension has recently grown, and may conceivably grow again. Surely such important national and international interests must not be endangered, by neglecting the establishment of guarantees for continuing freedom of navigation in waters having such an international interest. For the first time, too, the Gaza strip—which was never Egyptian territory and was used by Egypt only as a springboard for aggression—has ceased to be a base for attack on the life of our people. Yet we are being called upon by the U.N. to agree to the restoration of the status quo ante of violence and blockade. For, in spite of all efforts, no guarantee whatsoever is forthcoming that upon our withdrawal our ships will not again be denied passage through Akaba and that the nightmare of murderous attacks will not be renewed. The official position of the Secretary-General is that the stationing and functioning of the U.N.E.F. as an instrument to halt belligerency is dependent on Egypt's explicit con-

⁸ Reference is to the Israeli aide-mémoire transmitted to the Secretary-General by Eban on February 4; see footnote 3, Document 58.

⁹ In an aide-mémoire, the Egyptian Government stated that it occupied the Islands of Tiran and Sanafir as a preventive measure against eventual attack, that the action was not taken to prevent innocent travel between the islands and the Egyptian coast of Sinai, and that the passage would remain free as in the past. A summary is in telegram 102 from Cairo, January 30, 1950, printed in *Foreign Relations*, 1950, vol. v, p. 711.

sent. Egypt has declared that she will continue at the first opportunity with the sea blockades in Suez and Akaba and with murderous attacks.

To sum up the position: We are prepared to withdraw our forces forthwith from Sharm el Sheikh if continued freedom of passage through the Straits is assured. We are equally ready to evacuate our military forces from the Gaza strip without delay and to leave there only a Civil Administration and Police, in suitable relationship with the U.N. Such arrangements alone would ensure peace and stability in the area, would give to the local population a real share in the administration, would set them on the path to economic self-sufficiency, and would offer a hope of working out a better future for the refugees in an atmosphere free from Egyptian incitement.

Under the Charter of the United Nations, are we not entitled, like any other State, to security from attack? With deepest respect I would ask you, Mr. President, why no effective action was taken by the Government of the United States and by the other governments which supported the proposals of the United States in the General Assembly, to give us such security? Are the citizens of Israel not entitled to be safeguarded against murderous attacks on the part of terrorist squads organized by Egypt—a member-State in the U.N.? Are Israel ships not entitled like those of any other nation to sail on international waterways?

In your letter you referred to the possibility of U.N. "procedures" being invoked against Israel for not having carried out in full the Resolution of the General Assembly. No such "procedures" were ever invoked against Egypt which, for eight years past, has violated resolutions of the Security Council and provisions of the Charter, and continues so to do. At a time when public opinion in most of the free countries of the world has come to acknowledge the justice of our stand, is it conceivable that the United States, the land of freedom, equality and human rights, should support such discrimination and that U.N. "procedures" should be invoked to force us back into a position which would again expose us to murder and blockade?

Mr. President, in the Law which we received more than three thousand years ago on Mount Sinai, and which has become part of mankind's heritage, the Message went forth that there shall be no discrimination between man and man and between nation and nation. Throughout millennia of persecution, our people have not lost faith in ultimate justice, peace and human equality. It is unthinkable that now that we have recovered our independence in our ancient homeland we should submit to discrimination. Our people will never accept this, no matter what sacrifice it may entail. Israel, though small, is entitled to

security, freedom and equal rights in the family of nations. Like any other independent nation, Israel is free as of right, and our people are determined to defend their independence.

The question is not a legalistic one. Can the United Nations apply one measure to Egypt and another to Israel? In the last resort the solution of the problems of the area depends on whether the Egyptian Government is prepared to end its belligerency against Israel as required by United Nations resolutions. In that way alone, and not by a return to the status quo ante, can peace in our region be achieved.

More than any man now living, you, Mr. President, may be able to help in putting an end to all this hostility and in establishing peace between our neighbors and ourselves.

Permit me in conclusion to thank you for your kind interest in my well-being, which I deeply appreciate.

With best wishes,

Sincerely yours,

David Ben Gurion¹⁰

¹⁰ Printed from a copy that bears this typed signature.

**69. Memorandum of a Conversation, Department of State,
Washington, February 8, 1957¹**

SUBJECT

Israel Withdrawal from Aqaba and Gaza

PARTICIPANTS

Mr. Abba Eban, Ambassador of Israel
Mr. Reuven Shiloah, Minister, Embassy of Israel
G—Mr. Robert Murphy
NE—Mr. Donald C. Bergus

Mr. Eban stated that he had conveyed a reply to the President's message to Prime Minister Ben Gurion.² He would appreciate our comments when we had studied it. The key sentences were those stating Israel's willingness to withdraw from Sharm el Shaikh and to evacuate military forces from Gaza.

¹ Source: Department of State, Central Files, 674.84A/2-857. Confidential. Drafted by Bergus. A marginal inscription on the source text by Bernau reads: "Sec saw".

² *Supra*.

Israel appreciated American efforts for constructive discussion in the UN. Mr. Eban had hoped that an opening could be found in the recent resolutions. The Israelis had been deeply moved by what the President and Secretary had said about Israel being a nation with a "decent respect for the opinions of mankind". He noted that these words had been uttered in the American Declaration of Independence at a time when the United States felt impelled to take forceful measures against an established order, and when France was America's only ally. Mr. Eban did not wish to criticise but he deplored statements about sanctions. There was, after all, no formal proposal for sanctions before the United Nations. Israel believed that sanctions were neither legally nor morally justified. He hoped that the United States would show a constructive approach. He stated that when proposals came before the United Nations which were offensive to the dignity and honor of the United States, Israel's representatives did not even bother to consult their Government before opposing them.

Very little time has passed since the passage of the two resolutions on February 2. In that sense the Israelis had approached the Secretary General to ask whether Egypt agreed to mutual and full abstention from belligerent acts by land, air and sea on the withdrawal of Israeli troops. They had also asked the Secretary General to clarify whether immediately on the withdrawal of Israeli forces from Sharm el Shaikh, units of the UNEF would be stationed along the western shore of the Gulf of Aqaba, in order to act as a restraint against hostile acts and would remain so deployed until another effective means was agreed upon between the parties concerned for ensuring permanent freedom of navigation and the absence of belligerent acts in the Straits of Tiran and the Gulf of Aqaba.

A declaration of non-belligerency by Egypt was necessary. The Secretary General's report had indicated the importance of the non-assertion of belligerent rights. If Israel could assume Egyptian non-belligerency then its attitude would change. Israel thought the Secretary General had an obligation to try to obtain such a declaration. Mr. Murphy asked if Mr. Eban felt that perhaps the Secretary General might believe that if Israel forces were withdrawn, Egypt would not resist the deployment of the UNEF. Mr. Eban replied that the Secretary General would not tell him this; that the Secretary General had said he would not answer until Israel had indicated whether it would accept the stationing of UN troops at points over 200 miles away from Aqaba. Egypt's attitude on this question would have a close relationship to the Armistice Agreement. Israel maintained that the Armistice Agreement was inoperative because Egypt had illegally reconciled it with belligerency. If Egypt would now declare non-belligerency a new and broader agreement might be worked out.

Mr. Eban said that Israel had publicly asked the Secretary General if the UNEF would move into the Straits of Tiran area upon Israel withdrawal. The Israelis had told him privately that if he said "yes" to this question, Israel forces would be withdrawn the next day. If the Secretary General thought that Egyptian consent was necessary, he should at least seek such consent. The Israelis had liked the approach of Ambassador Lodge on this matter in his remarks before the General Assembly.

The next step could be the withdrawal of Israel troops from Gaza, leaving the non-military Israel elements in the strip. If the UN would come out and investigate the situation in the strip they would not recommend severing the natural ties which existed and were being developed between Israel and the Gaza Strip.

The Secretary General had insisted that Israel state whether it would accept in principle the stationing of the UNEF on Israel soil. The question was so broad that lengthy constitutional consultation would be required in Israel before it could be answered. He could not acknowledge that a reply to this question was a prerequisite to further action.

Mr. Eban recapitulated the four stages in which this matter should be handled: 1) an Egyptian declaration of non-belligerency; 2) withdrawal of Israel forces from Aqaba and their replacement by the UNEF; 3) withdrawal of Israel military elements from Gaza; 4) a UN arrangement for Gaza in which Israel civil elements would operate under UN supervision. He had urged that the Secretary General go to the area and conduct further negotiations on these points in the two interested capitals. The Secretary General had not rejected this suggestion.

Mr. Murphy stated that we had just received Mr. Ben Gurion's letter to which the Secretary was giving careful study. Our position has been that Israel was in the breach and should withdraw its forces. A feeling was developing here that if Israel withdrew, the United States would want to manifest its intention to do the best it could with respect to the Aqaba issue and free passage. Israel's position regarding Gaza was more complicated. He did not see how the United States position would work out. He asked which of these two Israel considered more important. Mr. Eban avoided a clear answer on this point, but said that since Aqaba was easier it should be tackled first, and a solution of Aqaba would be helpful in Gaza.

Mr. Murphy indicated that the Secretary might wish to discuss this matter further with the Ambassador. Mr. Eban asked that the Secretary consider the schedule he had set forth.

Mr. Murphy asked what would happen in the Knesset if the Israel Prime Minister announced that Israel would withdraw. Mr. Eban thought that this question was hypothetical. If Israel thought that

assurances regarding freedom of navigation would be forthcoming, the Prime Minister could withdraw Israel forces. Otherwise, such an action would be frivolous. Mr. Murphy asked what kind of assurances Israel would require. Mr. Eban replied assurances that the UNEF would remain at Sharm el Shaikh until a more permanent arrangement could be found. Mr. Murphy asked on what basis the UNEF could be kept there. Mr. Shiloah interjected that an assurance from the United States that it would act to prevent blockade of the Straits would be adequate. Such an assurance would not even have to be made public, as Ben Gurion would find ways of conveying his resulting feeling of security to the Israel people without mentioning it. Mr. Eban returned to Mr. Murphy's question and said that the matter might be solved by obtaining an Egyptian assurance that it would not remount guns at Sharm el Shaikh and provision for some kind of UN observation to see that they did not in fact do so.

Mr. Murphy asked what Israel would like the United States to do at this point. Mr. Eban replied that we should ask the Secretary General to try to negotiate this matter, to keep it from going back to the plenary session of the United Nations General Assembly. The Secretary General should also be persuaded to see the wisdom of handling these problems by stages.

70. Memorandum of a Telephone Conversation Between the President in Thomasville, Georgia, and the Secretary of State in Washington, February 9, 1957, 1:31 p.m.¹

TELEPHONE CALL FROM THE PRESIDENT IN THOMASVILLE

The Sec said we have been working all morning on the Israeli situation and he is thinking of having a meeting tomorrow morning with the Israeli Ambassador. Our minds are running: In the letter to the Pres from Ben Gurion² he summarized the position (here the Sec read from the letter). As to the second proposition the Sec does not see how we can at this time commit ourselves or anybody to rewrite the Armistice Agreement. Under it the Gaza Strip is turned over to Egypt for administration and policing. We would like to see the UNEF go in and control it but think that has to be worked out on a voluntary basis. We don't think this is vital from the standpoint of the Israelis. We

¹ Source: Eisenhower Library, Dulles Papers, White House Telephone Conversations. Transcribed by Bernau. The President visited Milestone Plantation in Thomasville, Georgia, the home of Secretary of the Treasury George Humphrey, February 8-19. (Record of the President's Daily Appointments; *ibid.*)

² Document 68.

think what is vital is its access to the Gulf of Aqaba. We think they are not going to be satisfied with such hopes as we may hold out for UN action. It is not likely we could get a 2/3s resolution in the GA against the Afro-Asian-Soviet bloc and in the SC there would be a Soviet veto. We think we have to give them assurance outside the context of the UN. We are thinking of giving assurance that we and a group of maritime nations will assert the view it is an international waterway and as far as ships of our nationality are concerned we insist on their going through and if this is blocked, we would consider it an act of aggression. They could move in flags of other countries. The Sec said he does not know if the Pres has the power to use forceful measures to protect ships of Israel. We could say we would try to seek through the UN and other appropriate channels access for Israel ships. We can say more re putting our ships through than theirs.

The Pres said something here [about what King Saud had said concerning the rights of the pilgrims to access to the Holy Places]³ and the Sec said he was struck by it because it looked as though he was discounting the opening of the Gulf of Aqaba to Israeli ships. Are you sure he put it that way? It is hard to be sure you have the refinements when it goes through an interpreter. [The Pres said he could not be sure.]

The Sec told the Pres who was at the meeting,⁴ and while George and Richards were silent he thinks everybody agreed toward working along this line. The Sec wants to refine a great deal what he wants to say. He may put it in a memorandum and call the Pres at 9 tomorrow and read it to him.

³ A typed note at the bottom of the source text indicates that Bernau could only hear Dulles' side of the conversation; the bracketed portions of the memorandum indicate interpolations made later by Secretary Dulles.

⁴ According to Dulles' Appointment Book, a meeting among Secretary Dulles, Murphy, Phleger, Richards, Wilcox, Rountree, Herter, George, and Allen Dulles was held at the Secretary's home beginning at 11:40 a.m. on February 9. (Princeton University Library, Dulles Papers) No record of the meeting has been found.

71. Telegram From the Department of State to the Mission at the United Nations¹

Washington, February 9, 1957—6:37 p.m.

Gadel 138. Subject: Suez Canal. Ref Delga 685.² SYG's working paper presumably drafted prior conveyance Cordier Dept views contained in Gadel 133.³

Generally speaking Dept believes working paper is not satisfactory.⁴

Since SYG requests US views on working paper, request you advise SYG appropriate manner Dept's general view as described above⁵ and also convey following specific observations:

1. Long preamble of paper (paragraph 1 through 6 and including 6 (c)) repeatedly emphasizes proposition that nationalization of Canal was lawful and valid. This view has not been accepted by some of parties, and statement and reiteration of it would not be compatible with principle that positions of parties shall not be prejudiced and negotiations on final settlement shall not be prejudged by terms of interim arrangement. We see no necessity for such a preamble and think its inclusion in any paper on interim arrangement highly undesirable.

2. Believe question of agency to receive and hold Canal tolls is of great importance and not incidental "special question". US views on agency set forth in Gadel 133.

3. Toll account should not stand in name of Egypt, thus implying unrestricted Egyptian control of funds. As suggested in Gadel 133, Egypt might appoint agent to receive tolls and agent would keep them in separate Suez Canal account.

4. It would be unsatisfactory for arrangement to provide that Egypt could draw on toll account except for amounts deposited by particular users with a reservation. This point has been referred to in Dept's views set forth in Gadel 133. Individual users should not be confronted with choice of making unconditional or conditional payments into toll account. It would be highly undesirable for distinctions to be made among users.

¹ Source: Department of State, Central Files, 974.7301/2-757. Confidential. Drafted by Meeker, Metzger, and Waring; cleared in substance by Shaw; and approved by Wilcox who initialed for Dulles.

² Document 67.

³ Document 61.

⁴ At this point, the following passage appears on the source text but was deleted prior to transmission: "and would hinder rather than aid progress toward a mutually acceptable provisional solution. Would seem preferable therefore to scrap working paper entirely and start afresh in accordance with terms of Gadel 133 which contain basic elements in simple terms for an equitable interim arrangement."

⁵ Presumably reference is to the passage stricken from the text of Gadel 138.

5. Para 7(a) in Secretariat memorandum suggests agreement between the parties on disbursements from toll account as a possible alternative. This seems to us essential, and we have set forth in Gadel 133 the type of agreement which we think both fair and practicable. Para 8 of Secretariat paper not consistent with such agreement.

We would urge SYG to give careful attention to ideas advanced by US to Cordier on February 7. Any interim arrangement presupposes application of six principles as envisaged in SYG's letter to us requesting advance \$5 million for Canal clearance.⁶

Dulles

⁶ Reference is presumably to Hammarskjöld's note to Lodge of December 25 and the informal memorandum which Dulles used as a "talking paper" during his conversation with Hammarskjöld on December 31. See Documents 1 and 2.

72. Memorandum of a Telephone Conversation Between the President in Thomasville, Georgia, and the Secretary of State in Washington, February 10, 1957, 9:05 a.m.¹

TELEPHONE CALL TO PRESIDENT

The Sec said he would be seeing Eban the next day, as Eban was now in New York, and would give him the memo.² The Sec said we would have to make the substance public as a US policy declaration, but he did not know when. The Sec said he would telephone the memo to Lodge this morning and have him tell the substance to Hammarskjöld before he sees Eban this afternoon. The Sec said he should like it, it should strengthen his hand (Hammarskjöld's). The Sec said he would think Israel would want it made public so as to give their own public opinion a basis for their withdrawing. The Sec asked if the Pres thought in general it was all right. The Pres. apparently said yes, with a suggestion re including a sentence about the pilgrims going to Mecca. The Sec asked what the route was to Mecca, that this was a right granted Israel by the UN and was not really involved in this

¹ Source: Eisenhower Library, Dulles Papers, White House Telephone Conversations. Transcribed by Carolyn Proctor. According to Dulles' Appointment Book, the Secretary conducted business from his home in Northwest Washington on Sunday, February 10. (Princeton University Library, Dulles Papers) The source text indicates that Proctor could hear only Dulles' side of the conversation. The parenthetical insertions in the source text are Proctor's.

² Reference is to the aide-mémoire prepared by Department of State officials and presented to Ambassador Eban on February 11. The version of the aide-mémoire presented to Eban is printed as Document 78. Earlier drafts of the aide-mémoire have not been found in Department of State files.

issue. (The phrase re the pilgrims was added to the draft) The Sec said we propose two overlapping triangles. The Sec said he thought he (possibly King Saud?) brought that up in connection with the control of the Port of Aqaba, but he said the Pres had been the one to talk to him. The Sec said they will probably not be satisfied with this. (They probably the Israelis) The Sec said if they do not withdraw, we will be faced with the sanctions resolution and that will be tough. The Sec added re the draft that following the part about "the sovereign rights of littoral states", he would add something re "the passage of their citizens on peaceful purposes".

73. **Memorandum of Telephone Conversations Between the Secretary of State in Washington and the Representative at the United Nations (Lodge) in New York, February 10, 1957, 11:30 a.m. and 12:30 p.m.**¹

11:30 a.m.

TELEPHONE CALL FROM AMBASSADOR LODGE IN NEW YORK

The Sec said we were still working on it (the paper re Israel withdrawal).² The Sec said Lodge should have a secretary in his office call to take the memo in dictation over the phone. (This was done between around noon and 12:15 p.m.)

12:30 p.m.

TELEPHONE CALL FROM AMBASSADOR LODGE IN NEW YORK

The Sec said he would take the line with Hammarskjold not that we are asking H. if this is a good thing, but that this is what we are planning to do. We do not wish to act without letting him know in advance and we are interested in his observations, but we are planning to do this. The Sec said he did not want H. to feel that we are entirely dependent on him. The Sec said this should be a great help to H. The Sec said H. would, he thought, grab at it like a drowning man at a straw; the Sec said he hoped it would be more than a straw. The Sec said it involved quite a moral responsibility for us. The Sec said if H. wants to talk to Fawzi and let him know about this thing, it would be all right. The Sec said it was probably better for H. to do it rather than

¹ Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Transcribed by Proctor. The source text indicates that Proctor could hear only Dulles' side of the conversation. The parenthetical insertions in the source text are Proctor's.

² Reference is to an early draft of the U.S. aide-mémoire; see footnote 2, *supra*.

us. The Sec said we might have a meeting of the 3 (US, H., and Egypt), but then when he saw Eban the next day it would look as though we had been doing something behind their backs. The Sec said it would be useful for Fawzi to know and to get him committed to the course we outlined, especially for the rights in the Gulf of Aqaba. The Sec said he thought as a byproduct we should get more time, they should not press the sanctions business. The Sec said this will require us to make this as a public statement, but we need a couple of days more. Eban will want to report to Ben Gurion. The Sec said that when H. sees Eban at 4 today H. should not let Eban know he knows about our memo. The Sec said he wanted that to wait till he saw Eban the next morning. The Sec said we can always explain it that the Sec had tried to see Eban first, but that E. was away in New York.

74. Memorandum of a Telephone Conversation Between the Secretary of State in Washington and the Representative at the United Nations (Lodge) in New York, February 10, 1957, 3:45 p.m.¹

TELEPHONE CALL FROM AMBASSADOR LODGE IN NEW YORK

The Sec said we had thought about the possible use of force there. The Sec said he thought we might use force there if they tried to use force to stop American boats. The Sec said we deliberately phrased it "passage depends upon the prior withdrawal of its armed forces", not merely withdrawal from Sharm el Shaikh. The Sec asked if Lodge knew what the thinking was in terms of sanctions. The Sec said he does not know it, but that is an exact quote from Ben Gurion's letter to the Pres (I believe the he was Hammarskjöld and Lodge was discussing his comments on the memo)² and the Sec said he was going to let that stand, but that he would make the other changes L. mentioned. The Sec said we would have a terrible time on sanctions. The Sec said he was not sure we could do it any more than we are doing it now. The Sec said he might have to ask L. to come down to Washington. It was hard to handle the situation with the Pres away. The Sec said he will talk to Fawzi (he again meaning Hammarskjöld I think).

¹ Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Transcribed by Proctor. The source indicates that Proctor could hear only Dulles' side of the conversation. The parenthetical insertions in the source text are Proctor's.

² Prior to this conversation, Lodge had discussed the U.S. draft aide-mémoire with Hammarskjöld. Lodge's report of his conversation with Hammarskjöld was transmitted to the Department of State in Delga 700, Document 76.

75. **Memorandum of a Telephone Conversation Between the Secretary of State in Washington and Senator H. Alexander Smith in Princeton, New Jersey, February 10, 1957, 4:05 p.m.**¹

TELEPHONE CALL TO SENATOR SMITH IN PRINCETON
NEW JERSEY

The Sec returned S. call from the previous day. The Sec said we are asking for pressure on Israel to comply. One has got a practical proposition here. If there was a UN resolution calling for sanctions against the USSR we would comply with it in a minute; it would not get to first base. We have no reason to doubt that the Canal will be open to Israel traffic, the Sec said. The Sec said that so far as he knew Egypt was today doing nothing wrong. The question of allowing ships through is very complex. The Sec said you could not equate it with invading another country and seizing its territory. There is a question of whether Canada is not violating our rights by opening a portion of the international waterway on its side but we have not invaded Canada. The Sec said that if you say you will not try to maintain world order until you can do it all over the world, you might as well disband the UN. The Sec said Israel was not talking about the Canal at all. It was not trying to condition its withdrawal upon its rights in the Suez Canal. The Sec said the Israelis have attacked far more than the Arabs; the Israelis have killed 10 Arabs to 1 Israeli. Hammarskjold has been trying, but Israel has never been willing to agree to station forces along the border. The Sec said we have put all the sanctions on Russia that we can and have cut trade. Sanctions on Israel would mean cutting out financial and business transactions. The sanctions would be economic; military have never been discussed. The Sec said in what respect was he (Nasser I think) defying the UN. The UN had no right to go in and take over the tolls. The Sec said he had not acquiesced in the 1951 Resolution² and we probably should have done something about it at the time but we all acquiesced in it. Now he had agreed the Canal should be open to vessels of all nations. We do not know whether he

¹ Source: Eisenhower Library, Dulles Papers, General Telephone conversations. Transcribed by Carolyn Proctor. The source text indicates that Proctor could hear only Dulles' side of the conversation. The parenthetical insertions in the source text are Proctor's.

² Reference is to the Security Council resolution adopted on September 1, 1951, calling on Egypt to terminate restrictions on Israeli shipping through the Suez Canal. (U.N. doc. S/2322) See *Foreign Relations*, 1951, vol. v, p. 848.

will live up to it, but we have his agreement. The Israelis now claim the Armistice is no longer binding on them. The Sec said Green³ [here follows a phrase pertaining to a personnel matter] would be bitter. He had been so violently anti-Israel that his reports were no longer valid. The Sec said the people get the point of view of the countries to which they are accredited. If you added up all the requests it would run into billions of dollars.

The Sec asked when the report would be out, and asked if Gruenther had appeared.⁴ The Sec said (apparently re the ME resolution) that it limits authorization of funds. The Sec said there would probably be several days debate. The Sec said things were breaking pretty well for us.

³ Reference is presumably to Joseph C. Green, who served as Ambassador to Jordan July 1952-July 1953.

⁴ Reference is to the Senate hearings held before the Committee on Foreign Relations and the Committee on Armed Services concerning the Middle East resolution. Gruenther submitted a statement to the two committees on February 11. (*Hearings before the Committee on Foreign Relations and the Committee on Armed Services, United States Senate, Eighty-eighth Congress, First Session, on S.J. Res. 19 and H.J. Res. 117, Part II, pp. 906-908*)

76. Telegram From the Mission at the United Nations to the Department of State¹

New York, February 10, 1957—7 p.m.

Delga 700. For Secretary and Wilcox from Lodge. Re Israeli withdrawal. Following is detailed report of conversation between Lodge and SYG re Israeli withdrawal, main points of which conveyed to Secretary by Lodge on Sunday.²

Lodge gave SYG informal memo containing material telephoned to us Sunday afternoon.³ After reading it aloud, Hammarskjold, Bunche and Cordier all said it was very good. Cordier emphasized last para of memo particularly good.

SYG focused on para 3, section 2. He asked what it meant. Bunche asked "does it imply use of force by US in exercising right of free passage"? Lodge responded he was not aware we contemplated

¹ Source: Department of State, Central Files, 674.84A/2-1057. Secret; Priority; Limited Distribution.

² See Document 74.

³ Reference is to the draft U.S. aide-mémoire read over the telephone to Lodge on February 10; see Document 73. The aide-mémoire was handed to Eban on February 11; it is printed as Document 78.

use of force. Cordier said nobody will interfere with US vessels and therefore this was not test case; test would come with respect other vessels.

SYG raised question of Israeli gun boats. He said there are three gun boats in Gulf now. He hoped Israel was wise enough to get them out before withdrawal its forces Sharm el-Sheikh; otherwise, after withdrawal, putting warships through straits would not be innocent passage in territorial waters.

Hammarskjold said if Israel withdraws from both Gaza and Sharm el-Sheikh, Egypt will do nothing in straits; it will not interfere with freedom of passage or exercise rights of belligerence, although it will not say so. (SYG said "prominent Arab", later identified to be Rifai of Jordan, had told him, when Rifai presented Arabs' views to SYG last week, that last 2 resolutions made it, as practical matter, impossible for Egypt to exercise right of belligerence in Straits.) If Israel gets out of Sharm el-Sheikh only, then Egypt is likely to assert right of self-defense under Art 51 of Charter and restrict Israeli passage.

Lodge said we felt US approach constituted sufficient assurance for Israelis to withdraw. . . . Hammarskjold had said earlier in conversation he did not believe Israel would withdraw as result of our démarche. He feels that only Ben Gurion's resignation would permit Israelis to get out since Ben Gurion's entire political future is dependent upon his strong policy of resistance. Hammarskjold does not believe sanctions will get Israelis out either. Bunche does not share SYG's views on this point. He believes Israelis can afford to wait "through a vote on sanctions". If Israelis then decide withdraw after sanctions are voted, they could get out next day without sanctions ever going into effect. He believes, if sanctions voted by GA and US supports them and West Germany withholds reparation payments, Israel will be forced to withdraw.

Hammarskjold said Afro-Asians want plenary meeting on Tuesday⁴ afternoon. He said he would speak to Fawzi today and inform him of US efforts. Hammarskjold made it clear that he did not believe Fawzi or Afro-Asians would agree to further delay in GA consideration since there have been several delays this past week. He briefly showed us report which he intends make to GA⁵ which he described as "brakes on" report and "mildly advising against" sanctions. He read us language which he said provided for Israel sufficient guarantee to warrant their withdrawal. He read to us sentence which states both sides should scrupulously observe Armistice Agreement and that

⁴ February 12.

⁵ On February 11, Hammarskjöld issued his report in pursuance of Resolution 1125 (XI). (U.N. doc. A/3527) For text of the report, see *United States Policy in the Middle East, September 1956-June 1957*, pp. 283-284.

"Egypt has reaffirmed its intention to observe Armistice Agreement on assumption that observance would be reciprocal". Hammarskjold said if he can get a postponement of GA to Thursday then he might decide to delay making public his report. As of now, if GA meets Tuesday afternoon, he intends to make his report on Monday. In course of conversation, he later said it might be good idea to put out his report on Monday in any event, since it might provide Fawzi with excuse not to press for a meeting on Tuesday on ground that SYG's report needed careful study. Hammarskjold felt if he was not able to postpone GA until Thursday, it might be possible to have meeting on Tuesday afternoon limited to speeches only. We pointed out that Egypt and India are pressing seven cosponsors to develop common approach and this could help stall initiative from other quarters for resolution on Tuesday.

SYG was seeing Eban, Pearson and Engen separately late Sunday afternoon. . . .

Hammarskjold mentioned two other points not directly relevant to our démarche. He said it is clear Nasser would like to have talks on Canal settlement in Cairo because he personally would like to handle them. Hammarskjold reported Pineau was generally favorable to idea of talks taking place in Cairo. However, SYG cannot undertake this in immediate future in view of present problems confronting him. Directly related to question of talks in Cairo is invitation for Hammarskjold go to Jerusalem. He said Mrs. Meir had invited him in January and Eban had followed up this invitation by spelling it out to press and by pressing him strongly. He intends tell Eban this afternoon that, in view of state of public opinion and mass meetings in Israel, he could not accept such an invitation. . . . He also showed US press ticker from Tel Aviv not covered in press stories we have seen on subject, directly attacking SYG in strong language and calling for his resignation.

SYG also mentioned reasons why he does not feel he could submit Israeli question re freedom of passage Aqaba to Egyptians. Hammarskjold said no government could answer "yes" to this question when another government is in occupation of its territory. Such a response would be made appear as condition and response under duress. . . . SYG has told Israelis they cannot require action under Res II which would negate Res I.⁶ SYG believes that situation would be even worse than it is now if he had put question to Egypt as requested by Israel since this would have provoked Egyptians.

Following are concrete changes suggested by Hammarskjold in memorandum:

⁶ Reference is to the two General Assembly resolutions adopted on February 2; see Document 51.

In Para 2 after word "United Nations" add phrase "not including, however, stationing of UNEF in Gaza strip;" This change was suggested because our para 2 as it stands does not accurately reflect Israeli position as made public by Israeli reps in GA. Israelis have made it clear they do not favor UNEF forces in Gaza strip.

Sec 2, Para 4. It should read that Israel would withdraw and not merely its armed forces. Res I called for withdrawal "of Israel" which would include its civil administration from Gaza. Suggestion was that sentence read: "It is, of course, clear that the enjoyment of a right of free and innocent passage by Israel would depend upon its prior withdrawal in accordance with the UN res."

Same problem arises in Para 1 of Sec 3. In first sentence change "Israeli forces" to "Israel". In second sentence delete word "armed" and add phrase "and occupation" after word "invasion". In order be consistent we suggest also that word "military" be deleted in last para of memo so that it will read "an occupation in defiance . . .".⁷

Lodge

⁷ Ellipsis in the source text.

77. **Memorandum of a Conversation, Department of State,
Washington, February 11, 1957, 10 a.m.**¹

SUBJECT

Questions Relating to the Israeli Withdrawal from Gaza and the Straits of Aqaba

PARTICIPANTS

Mr. Abba Eban, Ambassador of Israel
Mr. Reuven Shiloah, Minister, Embassy of Israel
The Secretary
Mr. Robert Murphy, G
Mr. Fraser Wilkins, NE

The Israeli Ambassador called on the Secretary this morning to discuss pending questions relating to the Israeli withdrawal from Gaza and the Straits of Aqaba, which is presently being considered by the General Assembly of the United Nations.

¹ Source: Department of State, Central Files, 674.84A/2-1157. Confidential. Drafted by Wilkins. The time of the meeting is from Dulles' Appointment Book. (Princeton University Library, Dulles Papers) A summary of this conversation was transmitted to Tel Aviv in telegram 778, February 11, repeated to Cairo and USUN. (*Ibid.*)

The Secretary said that we had a number of observations to make which had been incorporated in an Aide-Mémoire. This Aide-Mémoire could be considered in substance as a reply to Prime Minister Ben Gurion's recent response to the earlier letter from President Eisenhower. The Secretary said the President and he had gone over the Aide-Mémoire (Tab A).²

The Secretary read aloud the Aide-Mémoire and noted, with respect to the Israeli position regarding withdrawal, that the Aide-Mémoire paraphrased Prime Minister Ben Gurion's position as summarized in his letter to President Eisenhower.

Mr. Eban observed the Aide-Mémoire was an important communication on which he would seek an authoritative reply from his Government. Meanwhile, he would like to make some provisional comments.

With respect to the Straits of Aqaba Mr. Eban said there were great geographic advantages in freedom of passage through the Straits of Aqaba. The Straits gave Israel access to the Indian Ocean. A new pipeline through Israel would be dependent upon the Gulf of Aqaba. This pipeline would reach the Eastern Mediterranean about April 15. There would also be road connections in Israel with the Gulf of Aqaba. For the future Israel should become a bridge for commerce through the Middle East instead of a stunted ghetto dependent upon international relief. It was therefore of supreme national interest that the Straits of Aqaba should be free. It was likewise of international interest that the Straits should be free, especially for Europe which drew its oil supplies from the Persian Gulf. For these reasons Israel felt it could not give up the freedom of passage it presently enjoyed. Furthermore, Egyptian blockade of the Straits of Aqaba was illegal. It had been fortified with gun emplacements (Ambassador Eban left several pictures with the Secretary).

Ambassador Eban said Israel believed that if it withdrew from Aqaba Egypt should refrain from establishing a blockade. There should be a simultaneous liquidation by withdrawal and by a cessation of a blockade. Israel had every reason to assume that if Israel left, Egypt would return, as a result of which there would be maritime engagements and a renewal of hostilities. For this reason Israel could not adopt a position of withdrawal and Egyptian return to the area of the Straits of Aqaba. Israel could not abandon this new link with the outside world. The Suez Canal had long been closed to Israeli traffic

² According to the memorandum of telephone conversation prepared by Bernau, Dulles telephoned President Eisenhower at 8:42 a.m. that morning to report on recent developments concerning the aide-mémoire. Dulles mentioned that Hammarskjöld had made "one or two minor suggestions" concerning the document. (Eisenhower Library, Dulles Papers, White House Telephone Conversations)

The U.S. aide-mémoire is *infra*.

and would continue closed following its reopening. Israel's present insistence upon freedom of passage was not a frivolous tenacity but a position which was based upon Israel's vital interest. Israel must have solid assurance that freedom of passage through the Straits would be accorded. This freedom should not be regarded as the price of victory but as a desirable result. The status quo [ante] which had prevailed in the Suez Canal, in the Straits of Aqaba and in the Gaza area prior to October 29 was illegal. Israel's present objective was to seek new solutions for each of these problems. The Secretary's proposal set down in the Aide-Mémoire would be studied in this light.

With respect to the situation in the United Nations, Ambassador Eban said that Israel had presented a new proposal to the Secretary General which contained a new schedule for withdrawal. Earlier, the Secretary General had been asked when the UNEF would enter the area of the Straits of Aqaba and whether there would be freedom of navigation, but he had declined to answer. This refusal adversely affected Israeli withdrawal. Ambassador Eban observed that Egypt must also desire Israeli withdrawal. Thus there were several incentives for this action. The Government of Israel would welcome United States identification with the question of freedom of passage through the Straits. It might be helpful if the United States would make known its views to the Secretary General who had thus far declined to answer the Israeli questions on this subject.

With respect to Gaza, Ambassador Eban said that Israel envisages that if it withdrew its armed forces and if Egyptian forces returned, the Israeli position would be prejudiced. When the general Armistice Agreement had been in effect Israel had assumed an absence of belligerency which Egypt denied. Gaza had been Egyptian territory stuck into the heart of Israel. Israel believed it could convince any international body that the present Israeli regime in Gaza should not be uprooted. It was geographically part of the Negev; it had insufficient water of its own as a result of which squalor and destitution prevailed. Israel was now supplying water to the Gaza area. Israel could not believe that the United Nations would want to cut this water supply. The Gaza area had other links with Israel of a similar character. Israel could make a strong case for Israeli administration. Israel did not, however, wish to annex the Gaza area. Ambassador Eban had told Krishna Menon that Israel did not wish "to Kashmirize" the Gaza area. If Israel stayed in the Gaza area it could make a substantial contribution towards settlement of the 200,000 Arab refugees who were there. It was a complicated problem which should be handled slowly. The matter of the Straits of Aqaba should be handled first. A new structure should be erected between Israel and Egypt on the questions of non-belligerency and withdrawal. The matter of civil administration in Gaza could be handled later.

Ambassador Eban said that in summary Israel had four points:

1. Israeli withdrawal, together with an affirmation of free navigation through the Straits of Aqaba.
2. Exchange of affirmations of non-belligerency.
3. Withdrawal from Gaza.
4. Discussion of the future of the Gaza area in its non-military aspects.

Ambassador Eban said that counter-proposals could be put forward but that there had been no discussions, especially following the adoption of the February 2 resolution of the General Assembly. Israel had asked a number of questions of the Secretary General but there had been no reply.

Ambassador Eban thought that the United States could assist by calming the atmosphere. It could say that there was no legal basis for proceeding until measures had been arranged regarding Israeli withdrawal. The Aqaba question could be quickly solved provided the UNEF was positioned there and assurances regarding freedom of passage were forthcoming. Ambassador Lodge had used this formula in speaking to the General Assembly. The withdrawal of Israeli troops in Gaza should be separate from the withdrawal of the civil administration. Relations between Egypt and Israel should be defined following the withdrawal of Israeli troops. Egypt claimed it was belligerent; Israel was not; hence the general Armistice Agreement had collapsed. This Egyptian attitude necessarily affected the Suez Canal and Aqaba as well as other problems. Now that the Canal was being cleared this question would arise again. It was therefore necessary to obtain a clarification of the Egyptian attitude. Egypt could not be belligerent and Israel non-belligerent. The United Nations which had helped Egypt in many ways should also ask Egypt for an affirmation of non-belligerency and not to block Aqaba and the Canal. Ambassador Eban said he had sent Mr. Hammarskjöld a communication containing a procedural suggestion on February 10.³ Ambassador Eban thought that a peaceful approach to the present problem would assist in their solution.

The Secretary said that in general the United States had been sympathetic with the objectives of the United Kingdom, France and Israel with respect to the Suez Canal but had been dubious about their methods. The United Kingdom had been disturbed regarding Nasser's prestige and also regarding the possibility that the Suez Canal might be blocked. It was the fact, however, that following the recent intervention, Nasser's prestige had remained high and the Canal would

³ Hammarskjöld released Eban's letter of February 10 as Annex IV to the Secretary-General's report of February 11. (U.N. doc. A/3527) For text of Eban's letter, see *United States Policy in the Middle East, September 1956-June 1957*, pp. 280-283.

have continued to be blocked except for the efforts of the United States. The Secretary felt that the objectives of the United Kingdom and France could have been achieved by other means but there had been no consultation in advance with respect to these objectives and the means chosen for achieving them.

It was our view that Israeli objectives could be achieved by other means than those which had been employed. The Secretary said there seemed to be general agreement except for details. The Secretary wished to reserve the United States detailed position regarding Gaza because he did not yet know what it would be.

With respect to Aqaba, the Secretary said the result of current discussions would be important. The United States wished to help. He noted that Ambassador Eban had said that solid assurances were desired. The Secretary wondered how solid Egyptian assurances could be. They had not been solid with respect to the Suez Canal. He doubted that they would be more solid than U.S. assurances. To place greater reliance upon Egyptian assurances than upon U.S. assurances seemed to be grasping shadow rather than substance. Israel might, under such circumstances, remain in the Straits of Aqaba but would any shipping pass through these Straits or would any oil pass through the Israeli pipeline?

Ambassador Eban interjected to remark that Israeli withdrawal together with an Egyptian assurance of freedom of passage was desired rather than continued Israeli occupation.

The Secretary continued that the United States assurances which would be given outside the UN would be supplemental and would be far more valuable than Egyptian assurances. He hoped that Israel would not reject the present American suggestion which had serious and far-reaching implication and was more solid in the premises.

Ambassador Eban expressed full agreement but observed that the answer to the present problem was not to be found in verbal assurances alone. He noted that the American Aide-Mémoire referred to the exercise of rights with respect to the Straits of Aqaba and the assumption that the littoral states would not obstruct these rights. Ambassador Eban asked if there would be a physical presence by the U.S. in the Gulf of Aqaba.

The Secretary said that primary responsibility regarding the Straits of Aqaba was today being exercised in the UNGA through the Secretary General. We thought that the Government of Israel could fairly assume that the U.S. would not interject itself into a matter on which he was negotiating if it would embarrass him. We would not lightly make statements without having explored the matter and reached the conclusion that there was a good chance that it could be worked out. We had a strong sense of moral responsibility to take further steps if Israel withdrew and blockade was resumed.

Minister Shiloah observed that American and Egyptian assurances would be as different as day and night. Israel did not wish to imply that United States assurances would be as dubious as Egyptian assurances might be.

Ambassador Eban said he thought the American Aide-Mémoire was extremely important and that he wished to consult his Government for the purpose of obtaining further views. Meanwhile he wished to clear up one or two additional points. He noted the Secretary General had not thus far said the UNEF could move into the Straits of Aqaba area as a precautionary measure. Israel had not pressed the Secretary General regarding the UNEF as Israel withdrew from Sinai because Israel had no rights there but it has pressed the Secretary General regarding Aqaba because Israel felt it had certain rights for passage through its waters. Hammarskjöld had not yet said what the UNEF would do in Aqaba.

The Secretary said Hammarskjöld might feel that his mandate from the General Assembly to handle this question would not permit "bargaining" with Israel. Ambassador Eban thought, however, that Hammarskjöld might explain his views without placing them in the category of conditions attached to withdrawal.

Ambassador Eban inquired what was meant by the suggestion that the future of the Gaza area might be worked out following withdrawal. Would this mean that the return of an Egyptian regime would be permitted or would there be UN control in the interim?

The Secretary said he understood that the Secretary General had this matter in hand and no details had been worked out, so far as he knew. Mr. Wilkins, in response to the Secretary's question, confirmed that the Secretary General had been discussing the question of administration of Gaza with Israel and Egypt but that we understood that these talks were not concluded and no arrangements had yet been made. We continued to support the Secretary General in his handling of the matter. No final American attitude had been adopted with respect to the Gaza area. Ambassador Eban said that if Egypt returned to this area its future would be difficult.

The Secretary said that the phrase "non-belligerency" which Ambassador Eban had used seemed vague to him and asked what it meant. Ambassador Eban said Egypt held it had certain rights of belligerency under which it could close the Gulf of Aqaba and the Suez Canal. The Secretary replied that statements couched in generalities resulted in complications. He recalled our experience with respect to the Korean armistice which was designed to end hostilities. However, several problems continued. We forbid trade and if for example, the Communist Chinese should enter New York Harbor, they might not have smooth sailing there.

Ambassador Eban said that although the phrase "non-belligerency" was not precise it meant blockade of the Gulf of Aqaba and the Suez Canal. It might therefore be preferable to spell out the objectives of freedom of passage through the Straits of Aqaba and the Suez Canal and freedom from attack from the Gaza area.

The Secretary said that the 1888 Convention spelled out the rights to be enjoyed and the six principles which had been accepted in the Security Council confirmed these rights. The matter of Aqaba was a different thing and should be differently handled.

The Secretary reiterated that Israel must realize that in the American Aide-Mémoire we were making a strong effort to find a solution. If one could not be worked out the resulting situation would spell disaster. The Secretary made it clear he was not talking about sanctions. The word "sanctions" was loosely used. What in effect did it mean? Some say that sanctions were being employed against the Soviet Union today. The greatest sanction was not a vote by the Security Council but the consequences of conduct which important governments considered unreasonable down the path toward peace and progress. The nations of the world had not moved far down this path. It would be a disaster if we turned back at this stage. There was a saying that "the perfect is the greatest enemy of the good". We should not strive for perfection at the expense of good actions. The Secretary thought that we should continue to work in the UN and should go forward step by step. Both Israel and the United States, with their high moral standards, should work together. We believed that the views expressed in the American Aide-Mémoire recognized the merit of Ambassador Eban's points and were the best method of achieving the results. We believed that we should proceed hand in hand and that if our paths should diverge the resulting situation would not be happy.

Ambassador Eban said that Israel was also endeavoring to work out a solution but that it did not want to withdraw from Gaza and the Straits of Aqaba and then to see the resumption of hostilities. The Secretary did not believe the British-French-Israeli action had been justified in October. There was no objection, on the other hand, to the use of force when it was placed behind a clear principle admitted by the UN Charter. But it should not be used otherwise. In making this statement he should not be considered as a pacifist because his record clearly indicated his belief there were circumstances in which the use of force would be justified.

The Secretary suggested and Ambassador Eban agreed that the American Aide-Mémoire and the previous exchange of correspondence between President Eisenhower and Prime Minister Ben Gurion should not be made public without prior agreement between the United States and Israel. It was also agreed that, when Ambassador Eban was confronted by the press on leaving the Secretary's office

today he would merely state that there had been an exchange of views on UN problems relating to Gaza and Aqaba and how these problems might be solved.

78. Aide-Mémoire From the Department of State to the Israeli Embassy¹

Washington, February 11, 1957.

The United Nations General Assembly has sought specifically, vigorously, and almost unanimously, the prompt withdrawal from Egypt of the armed forces of Britain, France and Israel. Britain and France have complied unconditionally. The forces of Israel have been withdrawn to a considerable extent but still hold Egyptian territory at Sharm el Shaikh at the entrance to the Gulf of Aqaba. They also occupy the Gaza Strip which is territory specified by the Armistice arrangements to be occupied by Egypt.

We understand that it is the position of Israel that (1) it will evacuate its military forces from the Gaza Strip provided Israel retains the civil administration and police in some relationship to the United Nations; and (2) it will withdraw from Sharm el Shaikh if continued freedom of passage through the Straits is assured.

With respect to (1) the Gaza Strip—it is the view of the United States that the United Nations General Assembly has no authority to require of either Egypt or Israel a substantial modification of the Armistice Agreement, which, as noted, now gives Egypt the right and responsibility of occupation. Accordingly, we believe that Israeli withdrawal from Gaza should be prompt and unconditional, leaving the future of the Gaza Strip to be worked out through the efforts and good offices of the United Nations.

We recognize that the area has been a source of armed infiltration and reprisals back and forth contrary to the Armistice Agreement and is a source of great potential danger because of the presence there of so large a number of Arab refugees—about 200,000. Accordingly, we believe that the United Nations General Assembly and the Secretary

¹ Source: Department of State, Central Files, 674.84A/2-1157. Drafted by Dulles. Handed to Eban on February 11. The source text was attached to the memorandum of conversation, *supra*. The text of the aide-mémoire was transmitted to Tel Aviv in telegram 779, February 11, repeated to Cairo. (Department of State, Central Files, 674.84A/2-1157) The text was released by the Department of State on February 17 and printed in Department of State *Bulletin*, March 11, 1957, pp. 392-393, and in *United States Policy in the Middle East, September 1956-June 1957*, pp. 290-292. The text as released included a few changes made by Dulles on February 15; see Document 99.

General should seek that the United Nations Emergency Force, in the exercise of its mission, move into this area and be on the boundary between Israel and the Gaza Strip.

The United States will use its best efforts to help to assure this result, which we believe is contemplated by the Second Resolution of February 2, 1957.

With respect to (2) the Gulf of Aqaba and access thereto—the United States believes that the Gulf constitutes international waters and that no nation has the right forcibly to prevent free and innocent passage in the Gulf and through the Straits giving access thereto. We have in mind not only commercial usage, but the passage of pilgrims on religious missions, which should be fully respected.

The United States recalls that on January 28, 1950, the Egyptian Ministry of Foreign Affairs informed the United States² that the Egyptian occupation of the two islands of Tiran and Senafir at the entrance of the Gulf of Aqaba was only to protect the islands themselves against possible damage or violation and that "this occupation being in no way conceived in a spirit of obstructing in any way innocent passage through the stretch of water separating these two islands from the Egyptian coast of Sinai, it follows that this passage, the only practicable one, will remain free as in the past, in conformity with international practice and recognized principles of the law of nations".

In the absence of some overriding decision to the contrary, as by the International Court of Justice, the United States, on behalf of vessels of United States registry, is prepared to exercise the right of free and innocent passage and to join with others to secure general recognition of this right.

It is of course clear that the enjoyment of a right of free and innocent passage by Israel would depend upon its prior withdrawal in accordance with the United Nations Resolutions. The United States has no reason to assume that any littoral state would under these circumstances obstruct the right of free and innocent passage.

The United States believes that the United Nations General Assembly and the Secretary General should, as a precautionary measure, seek that the United Nations Emergency Force move into the Straits area as the Israeli forces are withdrawn. This again we believe to be within the contemplation of the Second Resolution of February 2, 1957.

(3) The United States observes that the recent resolutions of the United Nations General Assembly call not only for the prompt and unconditional withdrawal of Israel behind the Armistice lines but call for other measures.

² See footnote 9, Document 68.

We believe, however, that the United Nations has properly established an order of events and an order of urgency and that the first requirement is that forces of invasion and occupation should withdraw.

The United States is prepared publicly to declare that it will use its influence, in concert with other United Nations members, to the end that, following Israel's withdrawal, these other measures will be implemented.

We believe that our views and purposes in this respect are shared by many other nations and that a tranquil future for Israel is best assured by reliance upon that fact, rather than by an occupation in defiance of the overwhelming judgment of the world community.

79. Memorandum of a Conversation, Department of State, Washington, February 11, 1957¹

PARTICIPANTS

Mr. Abba Eban, Ambassador of Israel
Mr. Reuven Shiloah, Minister, Embassy of Israel
Mr. Robert Murphy, Deputy Under Secretary of State

After approval by the Secretary, I agreed to meet at their request with Ambassador Eban and Minister Shiloah after their today's meeting with the Secretary. Ambassador Eban said that they wished to go over the ground a little more after this morning's meeting with the Secretary.

First of all, Ambassador Eban repeated that they welcomed the Secretary's exposition of the American view in which they seemed to find considerable comfort. They appreciate, he said, this indication of the importance and urgency which the United States Government attaches to the question. They feel that if they accomplish nothing more, they have focused American thinking on the Gulf of Aqaba problem which for them is, he said, of major importance. He said that the Secretary's memorandum is under urgent consideration and that a copy has been provided to Golda Meier. There is a time factor involved and they hope, he said, that because the matter is of such vital importance they have a reasonable time to consider it. He stated the opinion that conceivably General Assembly consideration of the prob-

¹ Source: Department of State, Central Files, 611.84A/2-1157. Secret. Drafted by Murphy. In his memoirs, Eban recalls that following the meeting with Dulles on February 11, he and Shiloah had lunch with Murphy. (*Abba Eban: An Autobiography*, p. 240)

lem could be postponed perhaps until the end of this week or the beginning of next week, having in mind that the debate on the Algerian question would take time. He also expressed the thought that if word got around regarding the American position, a good deal of the momentum in favor of sanctions would evaporate. He suggested that Mike Pearson has been extremely interested and could be helpful. I told him that we would be in touch with the Canadians.

Gaza. Eban and Shiloah suggested that we might wish to set up a "working group" to consider what might be developed as a plan for the administration of Gaza after the evacuation of the Israelis. I told him we would consider this suggestion and that the Secretary was giving active consideration to this problem. I also said that I had been of the opinion resulting from a previous conversation that Gaza was distinctly a matter of secondary importance as compared with Aqaba. Eban said this is true but that Gaza nevertheless represents for them a matter of importance about which a plan should be developed. He said there is no question that Israeli forces will withdraw. Egypt does not really want the area. A reversion to the status quo [ante] would be contrary to both Egyptian and Israeli interests. The United Nations must provide some form of administration with which Israel is eager to cooperate. Mrs. Golda Meir had very strong views on this subject.

Eban again raised the question of a form of declaration of non-belligerency and we reviewed that point along the lines of this morning's conversation.

Eban asked several questions regarding American shipping in Aqaba and whether the United States would support the right of other nations to enjoy the use of the waterway. I said that we could not assume the responsibility for other nations. He wondered whether this would be followed by a subsequent statement defining our attitude in greater detail. I said I thought the statement spoke for itself and covered the matter adequately as it relates to American shipping.

Eban also inquired whether it was contemplated that eventually the Secretary would publish the statement. I said I thought the Secretary had made it clear that this might be done later and that we believed it would of course be necessary that the position be known publicly at the proper time.

Eban also made the suggestion that a settlement of the Suez Canal issue would be facilitated if Hammarskjöld could be persuaded to defer the physical clearance of the Canal until some semblance of political settlement could be achieved. He urged that we take the initiative in this respect saying that once traffic has been resumed, and to all appearances it will be resumed in a few days, it will then be virtually impossible to exact any political consideration from the Egyptians.

Both Eban and Shiloah were profuse in their expressions of appreciation of the Secretary's active interest in the matter.

80. **Memorandum of a Telephone Conversation Between the Secretary of State and Henry R. Luce, Washington, February 11, 1957, 2:09 p.m.**¹

TELEPHONE CALL FROM MR. LUCE

Re Israel—he is worried and hopes they would behave properly but nevertheless it is a mistake for the US to vote sanctions against them. What stimulated the call is that Mrs L² told him that Truman tomorrow night is making a speech in Miami and thinks to a Jewish group. He thinks he will come out against it. If we are not going to have to vote them he thinks it would be desirable for some sort of statement to be made by the Administration before he makes his. The Sec does not think it is possible at all. The Sec said people close to the Arab situation including Lodge and Near Eastern people here all feel if Israel sticks in its present position and if we do not go along with sanctions, that is the end of any hope for us in the ME. They may be wrong—the Sec does not know. He is trying hard to work out something and has given to Eban assurances on behalf of the US which he thinks ought to be regarded as adequate—better than from anybody else. He does not know what he is going to do. Ben Gurion is in an emotional state—put on demonstrations etc. . . . The Sec thinks Eban was impressed and is taking the memo to study but to announce that under no circumstances would we go along with sanctions would not be good. L said any statement less than that may be meaningless. L meant to say the US is not necessarily committed to them. The Sec said he probably will have a backgrounder at 5:30³ and that will give him a chance to explain our position though not to the public as well as a public statement would. No press conf tomorrow. We are doing all we can to avoid sanctions. No desire for them. The most serious sanction is condemnation of world opinion and sharp divergence in Israeli and US policies—this he told Eban. The Sec said L knows he is well aware how almost impossible it is in this country to carry out

¹ Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Transcribed by Bernau. Henry R. Luce was Director of Time, Inc.

² Reference is presumably to Clare Boothe Luce, Ambassador to Italy.

³ At 5:45 p.m. that evening, Dulles held a backgrounder for selected journalists at the home of Philip Graham, publisher of the *Washington Post*. (Dulles' Appointment Book; Princeton University Library, Dulles Papers)

foreign policy not approved by the Jews. Marshall and Forrestal⁴ learned that. I am going to try to have one—that does not mean I am anti-Jewish, but I believe in what G Washington said in his Farewell Address that an emotional attachment to another country should not interfere.

⁴ Reference is to former Secretary of State George C. Marshall and former Secretary of Defense James Forrestal.

81. Memorandum of a Telephone Conversation Between the Secretary of State in Washington and the Representative at the United Nations (Lodge) in New York, February 11, 1957, 4:30 p.m.¹

TELEPHONE CALL FROM AMB LODGE

L was thinking—if this does not work out we might make a statement of policy something like this: The US favors sanctions against Israel so long as they stay on Egyptian soil and against Egypt if she commits any acts of belligerency except in self-defense after Israelis have withdrawn. This gets away from the idea of everybody picking on poor little Israel. L said he talked with Luce, Hoffman² et al. The Sec said the assurances we gave are a lot better than those—could not get a UN res through against Egypt. L said to say this would put it better as far as US position is concerned. The Sec said you have, he thinks, a good idea. L said it is worth study by the experts.

L said Fawzi is coming in at 5:30. L will call the Sec at home if important.

¹ Source: Eisenhower Library; Dulles Papers, General Telephone Conversations. Transcribed by Bernau.

² Reference is presumably to Paul G. Hoffman, corporation executive and former President of the Ford Foundation, who currently was a member of the U.S. Delegation to the United Nations.

82. **Memorandum Prepared in the Office of the Secretary of State**¹

Washington, February 11, 1957.

The following was just telephoned from Mr. Arthur H. Dean:

"At their request I saw Mrs. Meir, the Israeli Foreign Minister, and Ambassador Eban at their Suite at the Savoy-Plaza. They advanced the following argument:

"1. If Egypt would renounce all of her rights to belligerency, then Israel would renounce her rights to belligerency and Israel could then withdraw from both the Gaza Strip and the Gulf of Aqaba.

"2. This would then permit not only Israeli ships but the ships of all nations to traverse the Gulf of Aqaba and to enter the Port of Elath.

"3. The renunciation by Egypt of her rights of belligerency would be a very useful thing in the solution of the Suez or otherwise when that Canal is opened, Egypt will insist that Britain, France and Israel, as belligerents, cannot use that Canal.

"4. They insisted that this ought to be done by both Egypt and Israel on a mutual basis.

"As is my invariable custom I did not attempt to answer their argument, but asked as many questions as I could and expressed no opinion.

"Over the week end the following possible solution occurred to me:

"Since for reasons you and I have discussed you would not wish to guarantee Israel's boundaries at this time since Israel joined in the attack with the British and French on Egypt, would it be feasible for us to guarantee Egypt against further attack in consideration for which Egypt would renounce her rights of belligerency and in that event Israel would withdraw from both the Gaza Strip and the Gulf of Aqaba.

"There may be good reasons why you cannot do this but I thought I would put this possible solution before you."

¹ Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Confidential; Personal and Private. A marginal notation by Bernau on the source text reads: "Sec saw". The source text does not indicate who transcribed the message.

83. Letter From Senator Lyndon B. Johnson to the Secretary of State¹

Washington, February 11, 1957.

MY DEAR MR. SECRETARY: I feel that I should tell you, most frankly, how disturbed I have been by recent stories in the press, which stories have appeared under the by-lines of most reputable correspondents, that serious consideration is being given in the General Assembly of the United Nations to imposing economic sanctions against the State of Israel. The purpose of these sanctions would, of course, be to force Israel to withdraw its forces from the Gaza Strip and the mouth of the Aqaba Gulf. This imposition of sanctions would, or so it appears to me, be a most unwise move. It seems to me that this is so irrespective of whatever point of view one may take toward the various resolutions of the Assembly which have called for such withdrawals.

To put it simply, the United Nations cannot apply one rule for the strong and another for the weak; it cannot organize its economic weight against the little States when it has not previously made even a pretense of doing so against the large States. I have, Mr. Secretary, seen no suggestions in the United Nations of the application of economic sanctions against the USSR. Israel has in very large part complied with the directives of the United Nations. Russia has not even pretended to be polite.

I have, as you know, been urging during the discussion of the Middle East a determined effort by the United Nations and by the United States to go to the root causes of the troubles in the Middle East. One of these causes has been the hostile activity against Israel on the part of Egypt from the Gaza Strip and the threat of activity in the Gulf of Aqaba. I think you will agree that it is not utterly unreasonable for Israel to request guarantees by the United Nations that these attacks against her will not once more be prevalent, once she has withdrawn her troops from these two areas. Yet, I have seen no suggestion in the United Nations that economic sanctions should be applied against Egypt to force that State to agree to permanent cessation of hostile activities from those areas.

There is always a tendency to over-simplify a most complicated issue when one writes such a letter as this and it is my hope that you will not think that this protest is made without some awareness of the complexities. These, however, cannot be stated in the space of this letter nor should they be.

¹ Source: Department of State, Central Files, 320/2-1157. A copy is in the Eisenhower Library, Dulles-Herter Series.

But the merits, the justice and the morality in this situation are clear against such imposition of economic sanctions. It is my hope that you will instruct the American Delegation to the United Nations to oppose with all its skill such a proposal if it is formally made.

Sincerely,

Lyndon B. Johnson

84. Telegram From the Department of State to the Mission at the United Nations¹

Washington, February 11, 1957—7:18 p.m.

Gadel 140. Interim arrangement for Suez Canal. Delga 690² refers to question whether designation by Egypt of agent to receive Canal tolls would imply that account held by agent would stand in name of Egypt and be subject to Egyptian control. Dept considers this would not be the case.

Under arrangement we have envisaged, Egypt would appoint neutral and impartial agent, such as IBRD, to receive all tolls. Agent would then have duty, under interim arrangement, to handle receipts in following manner:

- (1) 50% of tolls received would be paid by agent at once to Egypt;
- (2) Remaining half would continue to be held by agent pending overall settlement of Suez Canal problem in accordance with six principles approved by Security Council on October 13; disposition of this remaining half would be provided for in that settlement; agent would hold these funds in separate account under conditions just stated.

Dulles

¹ Source: Department of State, Central Files, 974.7301/2-857. Confidential. Drafted and approved by Meeker who signed for Dulles. Repeated to London.

² In Delga 690 from USUN, February 8, Lodge forwarded to the Department of State a summary of a conversation between himself and British Representative Dixon concerning proposed interim arrangements for the Suez Canal. (*Ibid.*)

85. Telegram From the Mission at the United Nations to the Department of State¹

New York, February 11, 1957—10 p.m.

Delga 706. Re: Palestine/SYG's Report Israeli withdrawal.² Lodge informed SYG of substance Dulles-Eban conversation as conveyed to Lodge by Secretary this morning. SYG said it was interesting and hopeful, and Israelis "now have something to point to if they wish to get out".

He was pleased that our policy was based on full withdrawal of Israel. When Lodge informed SYG Israelis expressed concern to Secretary that Hammarskjöld would not in fact move UNEF into Sharm el-Sheikh if Israelis withdrew, SYG said Israelis should look at his report. He once again stressed, as he did on Sunday,³ that if Israelis got out of both Gaza and Sharm el-Sheikh Egyptians would not interfere with rights of passage; if Israelis got out of only Sharm el-Sheikh and not Gaza, state of belligerency would be continued by them and would justify continuance of Egyptian action to obstruct passage into Aqaba. See Part I, paragraph 9 of SYG's report (copies pouched Dept tonight).

SYG noted that Annex IV his report was letter received from Eban at 12:15 a.m. today. He regarded contents as . . . adding nothing to previous statements. It tried, he said, to convey impression that Israel's non-withdrawal was due solely to SYG's failure to move on Israel's requests—a point which he has sought to knock down in Part I his report. SYG also noted that Israel made mention for first time in his last minute letter of "timetable of withdrawal".

In conclusion SYG said if US *démarche* started ball rolling, and if Eban's reference to "timetable" had any meaning, so much the better. However, he was still doubtful they would budge.

Late this evening Fawzi and Loutfi (Egypt) called on Lodge at their request to obtain reaction to draft res on sanctions (text contained Delga 707)⁴ which they plan give to Afro-Asian group meeting this evening "as a draft". They asked if we could have answer on this text

¹ Source: Department of State, Central Files, 674.84A/2-1157. Confidential; Priority. Received at 11:43 p.m.

² On February 11, Hammarskjöld released the "Report of the Secretary-General in pursuance of the resolution of the General Assembly of 2 February 1957". (U.N. doc. A/3527)

³ February 10.

⁴ The operative paragraphs of the Egyptian draft resolution (1) condemned Israel for its non-compliance with previous resolutions, (2) called upon all states to deny all military, economic and financial assistance and facilities to Israel, (3) requested all states to provide the Secretary-General with information on their implementations of the resolution, and (4) requested the Secretary-General to report again on the implementation of previous General Assembly resolutions. (Delga 707 from USUN, February 11; Department of State, Central Files, 674.84A/2-1157)

by tomorrow. Lodge told them we would need instructions which we would request at once, but since it would require consideration on highest levels, we might not be able give them answer on Tuesday.

After brief discussion regarding Algeria (being reported separately), Fawzi referred to important aspect of timing. He noted he had agreed postpone plenary consideration Mid-East situation until Wednesday. There was, he said, another kind of timetable involving forthcoming consultations among Arab leaders, especially in Cairo. He said King Saud would be stopping there to compare notes. From all points of view—especially political, psychological—Fawzi said, it was "difficult exaggerate importance of King Saud being able to say to other Arab leaders that good intentions in Eisenhower Doctrine and elsewhere in US policy were matched to reasonable extent by actions". Fawzi went on to say it would be extremely hard for Saud to obtain any reasonable reaction to US policy if Israel were still on Egyptian territory. Likewise, US policy on Algeria would have important bearing on reception by Arab leaders of Saud's presentation.

Fawzi concluded by saying he did not belittle America's difficulties in present circumstances, either technically or politically.

Lodge

86. Memorandum of a Telephone Conversation Between the Secretary of State in Washington and the Representative at the United Nations (Lodge) in New York, February 12, 1957, 2:22 p.m.¹

TELEPHONE CALL TO AMBASSADOR LODGE

The Sec mentioned the long meeting this morning² in which we came up with nothing better than to gain some time to give the Israelis time to reply. The Sec. mentioned the opposition here of new sanctions in Congress as being overwhelming. Probably would be unanimous vote for resolution against it in both Houses. The Secretary mentioned the letter just in from Lyndon Johnson re sanctions³ and read certain portions of it later in the conversation. Sec. said we were going to be in very serious trouble and indeed may lose our authority

¹ Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Transcribed by Asbjornson.

² According to Dulles' Appointment Book, the Israeli situation was discussed at a meeting among Herter, Murphy, Rountree, Wilcox, Phleger, George, Richards, De Palma, and Secretary Dulles which began at 11:02 a.m. on February 12.

³ Document 83.

to impose sanctions. Sec. thought we had to stall on the thing. We did not want the Israelis to know we were weak on this thing at all. He said he thought it would be a great mistake if we gave the Egyptians reason to believe we were going to proceed. Sec. mentioned our resolution which was introduced in the Security Council calling for the member states as such not to give economic, financial and military aid.⁴ That did not call upon us to stop new aid. It was deliberately drawn up in that way. The resolution the Egyptians suggest⁵ says we should deny all aid, stopping all private dealings between this country and Israel.

Lodge asked if we weren't giving aid now. The Secretary replied in the negative, saying we had stopped economic, financial and military assistance to Israel. The Sec. said we are also doing much the same thing to Egypt. We started doing that earlier with them because of the seizure of the Suez Canal Company.

The Secretary mentioned the interpretation in the papers of the Hammarskjöld report. Sec. said that killed sanctions certainly as far as the GA was concerned and he wondered if Hammarskjöld intended that. Lodge said H's idea was to count to ten before doing it. It was serious. In many cases where it had been done it hadn't been very successful. Lodge mentioned differences between Bunche and Hammarskjöld. . . . Sec. mentioned the news report from Jerusalem about the Gulf of Aqaba. Lodge said H wanted Lucius Clay as consultant, setting up administration of Gaza and to get Gen. Tomaya (?)⁶ who was in Korea to run it. Lodge mentioned writing a letter to Clay but the Secretary said the next time he spoke to the President he would mention to the President the suggestion about Clay. H. wants Clay as consultant in New York and setting up a staff there, according to Lodge. Sec. said he thought there would be no problem about that.

Lodge said he had had a long talk with Pearson this morning, who was thinking of putting in some kind of resolution of his own so that we won't be faced with this Arab Resolution—yes or no. It would be coming up tomorrow and Lodge would try to stall as long as he could.

Lodge asked if the Sec. did not like the idea of the matter going into the SC. Sec. said it had some advantages over the GA. He imagined it would have quite a bit of debate in the SC. Lodge said you would have to work it out ahead of time. Sec. said if our resolution only talks about government-to-government operation it wasn't going to have any practical effect at all. If it should go into private business,

⁴ Reference is to the draft resolution introduced by the United States in the U.N. Security Council on October 30, 1956. See the editorial note, vol. XVI, p. 881.

⁵ See footnote 4, *supra*.

⁶ Lieutenant General K.S. Thimayya of the Indian Army served as Chairman of the Neutral Nations Repatriation Commission in Korea, June 1953–January 1954.

Sec. said he [*we?*] would be in really desperate position. If you could enforce it, it would be fatal for Israel. It would not have any influence at all on Egypt as a threat as something that might be put into operation. It was slap on wrist as far as Egypt was concerned and a death sentence as far as Israel was concerned. Israel can't survive without proceeds of bonds. Israel's life was at stake. Lodge said that the advantage of the Security Council was you could get much more explicit directive than from the GA. It might save everyone's face to get it through the SC. The Egyptians were willing to do the right thing but they won't admit it. Sec. asked if it would come up in plenary tomorrow and Lodge said yes. Lodge said Algiers would be completed this p.m. Sec. mentioned exposing our hand. Lodge said at least we were going to make it plain we were not going to sponsor.

Lodge asked when we expected to hear from Israelis. Sec. said by Thurs.—that Eban was seeing Murphy off the record at 6 today,⁷ which might throw some further light on the situation. If it did not, Sec. would be in touch with Lodge right away.⁸ Lodge said he would be at a banquet tonight and unavailable between 6-10. Barco would be available and could get message to Lodge at Waldorf where banquet is to be held. Lodge thinks SC is worthy of thought. May be just the thing that will break the deadlock and all sides may be willing to do it. The Sec. mentioned the terrific control the Jews had over the news media and the barrage which the Jews have built up on Congressmen. Lodge said a lot could be done with Congress with a well-reasoned statement. The Secretary suggested Lodge saying something to the effect that we were trying very hard to find a solution there which would be acceptable to both sides. We believe that what we are discussing here would serve that purpose. Until we know their position we are not in a position to disclose our position much less to sponsor any resolution.

⁷ See the memorandum of conversation, *infra*.

⁸ See footnote 3, Document 88.

**87. Memorandum of a Conversation, Department of State,
Washington, February 12, 1957¹**

SUBJECT

Gaza and Aqaba

¹Source: Department of State, Central Files, 674.84A/2-1257. Confidential. Drafted on February 13 by Bergus.

PARTICIPANTS

Mr. Abba Eban, Ambassador of Israel

Mr. Reuven Shiloah, Minister, Embassy of Israel

G—Mr. Robert Murphy

NE—Mr. Donald C. Bergus

The Israel Ambassador stated that he had transmitted the text of the aide-mémoire and had reported yesterday's conversation with the Secretary to the Foreign Minister, who was now in New York. He did not wish to prejudice what must be a Cabinet decision, but he and the Foreign Minister felt this was a serious and constructive step on the part of the United States. The approach regarding Aqaba had been welcomed, and he thought his Government would respond to it affirmatively.

He noted that the United States position on Gaza was obscure and felt that the United States might want to elucidate it. The crux of the issue was who would be in charge of the civil administration upon the entry of the United Nations forces. There were three possible elements: United Nations, Israel and Egypt. There was perhaps a fourth element, local administration. Israel had the negative objective of preventing Egypt's return. Mr. Eban felt that the United Nations would have a basis for excluding Egypt, in that Egypt continued in a state of belligerency towards Israel. Mr. Eban repeated the usual arguments for not sundering the links between Israel and Gaza and not returning a strip of territory so close to the center of Israel to a status of being at war with Israel. Mr. Eban recalled the Secretary's speech of August 26, 1955,² and said that Gaza, under Israel civil administration could be a "pilot project" for repatriation to such extent as may be feasible for resettlement. Mr. Shiloah expressed apprehension over the possibility of Gaza becoming a center of subversion if the UNEF tried to administer it.

Mr. Murphy inquired whether Israel had any ideas as to how the proposals which it suggested could be handled at the United Nations in New York. Mr. Eban felt that something could be worked out, keyed to the theme of Egypt's belligerency and the undesirability of returning to Gaza. Mr. Murphy felt that the overriding authority of the United Nations had to be taken into account and noted that the November 2 resolution called for unqualified withdrawal behind the armistice lines. Mr. Eban ventured the thought that, given the establishment of a purely United Nations regime, the regime might wish to call

² For documentation on the Secretary's speech, see vol. xiv, pp. 378 ff. For text of the speech, see Department of State *Bulletin*, September 5, 1955, pp. 378-380.

upon Israel to provide certain essential services in the strip. Mr. Shiloah suggested that the United Nations might wish to appoint a Commission to look into the problem of Gaza.

Mr. Eban stated that he had urged his Government to make an early reply to the United States Aide-Mémoire. He felt that such a reply might be forthcoming by Thursday, February 14. He hoped that action in the General Assembly could be deferred meanwhile. Israel still adhered to its demand that Israel shipping should be able to use the Suez Canal. They assumed that United States support for Israel's position on this point continued. Mr. Murphy confirmed that there had been no change in our position. Mr. Eban pointed out that despite some press reports to the contrary, Israel's right of transit through the Suez Canal was not being made a condition of Israel withdrawal. Israel anticipated some type of litigation over Suez and felt that the onus should be on Egypt to prove, if it could, that Israel had no such right. Mr. Shiloah predicted that the Israel Foreign Minister and Ambassador Eban would shortly be summoned to fly back to Israel for discussion on these important matters. The Israel Government would probably feel that such discussions were essential, although Mr. Shiloah felt that a directive to the Embassy here to make a preliminary reply to the aide-mémoire would be forthcoming very shortly. Mr. Shiloah suggested that the Department appoint somebody to carry out discussions with the Israelis in Washington as to how Gaza might be handled.

Mr. Eban asked if we considered that further General Assembly action was required. Mr. Murphy expressed the preliminary and personal view that the General Assembly would have to act at an early date. We were open-minded as to the form such action would take. He wondered whether the problems of Gaza and Aqaba were interrelated and tentatively concluded that they were.

It was agreed that the press would be told that this had been a routine meeting in which a number of problems, including matters arising from the Secretary's talk with Mr. Eban of the previous day had been discussed.

88. **Memorandum of a Telephone Conversation Between the President in Thomasville, Georgia, and the Secretary of State in Washington, February 12, 1957, 6:49 p.m.**¹

TELEPHONE CALL TO THE PRESIDENT IN THOMASVILLE

The Sec reviewed the FRC proceedings today.

Eban is talking with Murphy now.² The Sec thinks the general reaction to our business as reported in the press is pretty good and in Congress. Lodge is worried because they are being pressed there to co-sponsor re sanctions. The Sec told him we could not give an answer until we heard further. L feels he is deeply committed to vote for them but the Sec hopes we can avoid it. Congressional pressure against them is rising rapidly. Votes are the only reason. The Sec told of the immense effort being made through mail, advertisements etc. But we have a good case against Israel if they don't do what we propose.

Lodge said Hammarskjold is thinking re inviting Clay to advise him re setting up an administration in Gaza. The Pres has no objection. He guesses we have to—we are the only Western nation left with any standing at all. He then mentioned he is astonished at the pressure. The Sec said the others don't make themselves heard. George and Richards are of the opinion a res would go through Congress with virtually no opposition. The Pres said that has no legal effect. It shows how hard it is to carry out foreign policy they don't approve of. The Pres again expressed his astonishment. They may say we didn't [protest?] against Egypt when they didn't let Israeli ships through but if the UN passed one we would have to go along with it. The Sec said if they should resume that, we may sponsor it against Egypt. The res was passed in 1951 and violated and by the time we came into office it had become a dead letter. The Pres said if we get the res through we will have a freer hand and maybe can walk in without waiting for the UN.³

¹ Source: Eisenhower Library, Dulles Papers, White House Telephone Conversations. Transcribed by Bernau.

² See *supra*.

³ At 8:50 a.m. on February 13, Dulles telephoned Lodge to report on Murphy's conversation with Eban the previous evening (see *supra*). According to the memorandum of conversation, "The Sec said the talk was generally encouraging. The implication was they would find our proposal acceptable but don't know we can take that as definitive. They will probably bargain particularly more re Gaza. The Pres said Clay was o.k. L said he sent word last night the plenary was put off until Thursday. The Sec did not know. L said the Israelis would be very stupid to turn it down. They mentioned the editorials this a.m." (Eisenhower Library, Dulles Papers, General Telephone Conversations)

89. **Telegram From the Embassy in Israel to the Department of State**¹

Tel Aviv, February 12, 1957—11 p.m.

942. Reference Emtel 941.² Ben Gurion's oral comments to me in transmitting letter closely followed its pattern. In addition, he dwelt on what he said he considers enigma of highest world authority, supported by US as world's leading state, discriminating against "tiny Israel" and demanding adherence by it to UN resolutions in favor of Egypt which for years had defied—not merely General Assembly which can only recommend, but Security Council itself.

Pursuing theme which is currently popular with Cabinet and Foreign Ministry, he said US probably owed to Sinai campaign some share of its present successes with Arab world. It was his view Saud never would have had courage to defy Nasser by visiting US if Nasser had not first been humiliated by IDF. Similarly, Lebanon is expressing views which it has entertained long time but had not courage to express openly until Nasser's defeat Jordan was another. In October, Hussein had become party to alliance with Syria and Egypt with avowed purpose destroying Israel. Now he was emboldened to take more independent line. Saud's visit and agreements reached with him were of importance to US which should not endanger these gains by giving Nasser victory in present UN test which would then enable him to reassert authority over Arab states.

I said that I was disturbed by unvarying insistence by press and Israel officials that so much responsibility rested with US and I pointed out that from beginning we had thought UN was most suitable authority to seek solution. It was unreasonable to charge US with responsibility for every knotty problem UN encountered. His rejoinder was that nevertheless, US position would determine final answer.

We discussed report carried in press late today that President has asked Nasser whether he is prepared to express intention of non-belligerence.

If President had delivered such message, he could anticipate Nasser's reply. It would be, "not unless Israel withdrew from Sharm el Sheikh and Gaza in which case he would be willing to comply". But with Israel out, old story of murder and blockage would begin again. Nasser's word was not to be relied on; that was why Israel had to have more than Egypt's guarantees on freedom of transit Tiran Straits.

¹ Source: Department of State, Central Files, 674.84A/2-1257. Confidential; Priority; Presidential Handling. Received at 6:52 p.m.

² Telegram 941 from Tel Aviv, February 10, contained the text of Ben Gurion's message to Eisenhower, Document 68.

Ben Gurion said Eban had Tuesday appointment with Secretary³ at which time he thought they might expect latter's comments on reply to President.

He apologized and blamed his personal misunderstanding of customary procedures that virtually final text of letter had been given to Murphy by Eban Friday without advice to me. I do not know reason for this procedure but presume it may have been arranged by his aides at Eban's request in order to enable him to get Department's ear at what they regard as critical juncture.

Ben Gurion is still confined to bedroom but is receiving official visitors. In my opinion he looks no better than when I saw him last week. However, he and aide told me he continues to improve and only doctors are restraining him. I could elicit no comment on his condition from Mrs. Ben Gurion.

Lawson

³ Eban met instead with Murphy. See Document 87.

90. Telegram From the Mission at the United Nations to the Department of State¹

New York, February 12, 1957—8 p.m.

Delga 718. Re Palestine (Gaza). SYG asked see Lodge this morning to discuss situation in Gaza. SYG said that in one way or another it will be necessary to administer Gaza. He had put question to Fawzi whether Egypt would permit UN administration of Gaza. Fawzi's answer was the timing was wrong and that "when the right time comes you (SYG) will be able say even much more than that". Hammarskjold has taken this statement to mean Egypt would not object to step up in UN activities in Gaza and some form UN administration "keeping an Egyptian face on it".

Hammarskjold referred to the 300,000 refugees that need care and the Israeli administration as a system of "village aldermen". Hammarskjold said Labouisse believes, and he agrees, there would be need, once Israeli forces had been withdrawn, for a UN High Commissioner and an Egyptian military governor. Hammarskjold is anxious make preparations now within Secretariat for UN administration should Israelis decide withdraw. "UN take-over" would have take

¹ Source: Department of State, Central Files, 674.84A/2-1257. Confidential; Priority. Received at 9:18 p.m.

place quickly upon Israeli withdrawal, Hammarskjold said. He described financial and administrative problems, including questions of credits, assets, sale of citrus fruits, education and health. He said in order administer Gaza, it would be necessary organize some kind of "shadow cabinet" which would have charge all administrative functions.

In order move his plans along, he is very anxious get General Lucius Clay as his consultant to develop preparatory plans for UN administration of Gaza. He would like General Thimayya of India as UN High Commissioner.

SYG spoke very highly of Clay and said he had not posed question to him since he wanted speak first to U.S. If Secretary and President felt this was good idea, he was sure this would have considerable influence on Clay in his decision. He said it was not long term job and not field job since an American operation in field would not be feasible. He has in mind that Clay would operate like McCloy as asst to SYG, with responsibility for developing plans for UN administration. SYG said Clay could draw upon number of experts in Secretariat who could constitute planning work team. He would like have reaction of U.S. to this suggestion as quickly as possible.

In closing, SYG mentioned that reaction to his report on Israeli withdrawal and related measures has been good. He said he felt his report was balanced in that it: (1) emphasized negotiations; (2) took clear-cut line with respect Israelis getting out entirely from Gaza; and (3) cautioned that there are elements of conflict if sanctions are pursued. SYG said "psychological market" is not good for sanctions since case is not clear-cut. He believes it is too early move into sanctions. Bunche on other hand still maintains Gaza question will not be solved short of sanctions. Hammarskjold said difference between him and Bunche on sanctions is only question of timing.

SYG said Fawzi's reaction to report was it was all right, containing both pleasant and unpleasant elements.

Lodge

91. **Memorandum of a Telephone Conversation Between the Secretary of State and the Director of Central Intelligence (Dulles), Washington, February 13, 1957, 11:17 a.m.**¹

TELEPHONE CALL TO ALLEN DULLES

[Here follows discussion concerning disarmament.]

A said he is getting a series of messages from people in touch with the Arabs. They are terribly upset but A does not think they understand the Aqaba business. All about the same—we brought Saud here and tricked him into a communiqué and then sold ourselves down the river with the Israelis. The Sec said that Hammarskjold informed Fawzi of it. A said they claim they knew nothing The Sec asked for a suggestion re what to do about it. A told this fellow who is in touch it seems it is understood we are for freedom of the seas and it is a question of international law and we have always supported this position. And the Sec said Egypt has taken that position. A will follow it and if need be he will call the Sec or Rountree. He will let the Sec know re the other.

¹ Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Transcribed by Bernau.

92. **Circular Telegram From the Department of State to Certain Diplomatic Missions**¹

Washington, February 13, 1957—7:12 p.m.

681. Joint State-USIA message. Following for guidance response queries re Washington news stories February 12² that US will support free navigation Gulf Aqaba and UNEF control Gaza.

US position is: We have been exerting strong efforts on behalf implementation GA resolutions arising out of hostilities in Egypt. US stands for unconditional Israel withdrawal from Gaza and area of Straits of Aqaba. At same time US believes that waters of Gulf Aqaba

¹ Source: Department of State, Central Files, 674.84A/2-1357. Official Use Only. Sent to Kabul, Cairo, Paris, Athens, Delhi, Tel Aviv, Rome, Tehran, Baghdad, Amman, Beirut, Tripoli, Rabat, Islamabad, Jidda, Madrid, Khartoum, Damascus, Tunis, Ankara, London, and Algiers.

² *The New York Times* and other newspapers reported on February 12 that the United States was trying to work out a compromise solution for the Arab-Israeli crisis which would involve an Israeli withdrawal from the Sharm el-Sheikh area and the Gaza Strip and a U.S. commitment to support the principle of free passage in the Gulf of Aqaba.

have international character. We understand GOE holds same view since in memo to US Embassy in Cairo January 28, 1950 it said it had occupied Tiran and Senafir Islands at entrance to Gulf Aqaba solely for purpose protecting islands and that "this occupation being in no way conceived in a spirit of obstructing in any way innocent passage through stretch of water separating these two islands from Egyptian coast of Sinai, it follows that this passage, the only practicable one, will remain free as in past, in conformity with international practice and recognized principles of law of nations."

In absence some overriding decision to contrary, as by ICJ, US, on behalf vessels of US registry, believes it is entitled to right of free and innocent passage, which should be generally recognized. This view has been communicated to Israel Government together with reiteration US view Israel should comply fully with UN resolutions.

US position on international character Gulf Aqaba is an affirmation by US of its attitude which requires no endorsement other parties.

On Gaza, we believe Israel should withdraw promptly and unconditionally leaving future of Gaza strip to be worked out through efforts and good offices of UN. Because strip is source potential danger we think UNEF should move into area and be on boundary between Israel and Gaza strip.

Dulles

93. Circular Telegram From the Department of State to Certain Diplomatic Missions¹

Washington, February 13, 1957—7:13 p.m.

682. Re Suez Canal. View probability Suez Canal will be opened in very near future to at least limited traffic, Dept believes it matter of urgency that interim arrangement with Egypt be sought concerning Canal traffic and tolls pending final settlement. It has been suggested that Egypt would insist upon provisions under which tolls would be "legally paid to Egypt" but that Egypt would accept conditions on disposition of tolls. UN Secretariat has been holding conversations this subject in New York with delegations France Norway United Kingdom and US. Representative of SYG has expressed hope these four coun-

¹Source: Department of State, Central Files, 974.7301/2-1357. Confidential. Drafted and approved by Meeker who signed for Dulles. Sent to Canberra, Copenhagen, Paris, Bonn, Tehran, Rome, The Hague, Oslo, Lisbon, Madrid, Stockholm, Ankara, and London; repeated to Addis Ababa, Tokyo, Islamabad, and USUN.

tries could quickly reach agreement so that SYG could then negotiate with Egypt.²

In US view, which has been communicated SYG, a satisfactory interim arrangement would include following elements:

(1) Egypt would designate a neutral and impartial agency to receive, hold and dispose of all Canal tolls. This would be designed to meet Egyptian requirement under agreement negotiated by SYG with Egypt and representatives of user nations that tolls be "legally paid to Egypt". Identity of agent would have to be fixed in agreement setting up interim arrangement. International Bank for Reconstruction and Development would be agent we prefer. There are of course other possibilities including United Nations organization.

(2) Agreement would provide that agent should pay one-half of tolls to Egypt immediately to cover operating costs, or if Egypt prefers a sum sufficient to pay operating costs but not exceeding 50% of receipts. Prior to hostilities beginning at end October 1956, Egypt was receiving approximately 45% Canal tolls; remainder were being deposited in accounts of old Suez Canal Company. Agent under agreement would retain remaining portion of tolls received and keep them in a separate Suez Canal account to be disbursed later in conformity with provisions of over-all Suez Canal settlement in accordance with six principles approved by Security Council October 13, 1956 and in light exchange of letters between SYG and Fawzi October 25 and November 2. This account would meanwhile remain frozen and would not be under control of Egypt but subject terms of agreement.

(3) Agreement would provide that, from time of opening of Canal to traffic until effective date of an over-all Canal settlement, Canal would be operated in accordance with the six principles.

Dept does not believe it would serve any useful purpose to try to incorporate in interim arrangement any provisions on repayment of advances for clearing Canal. Effort to secure Egyptian agreement that Canal clearance costs shall be paid out of ordinary Canal revenues would greatly delay and very possibly frustrate conclusion of any interim arrangement at all. At same time we are not prepared to agree to inclusion of provisions placing burden of Canal clearance costs on users through surcharge on tolls. Question of repayment of advances should be taken up in negotiations for over-all settlement.

Request addressee posts discuss in their discretion problem of interim arrangement for Suez Canal with appropriate FonOff officials explaining US views as indicated above. FYI. We hope secure agreement in next day or two with France Norway and United Kingdom and inform SYG of jointly agreed position so that he may resume negotiations with Egypt on urgent basis. Dept will inform USUN soon

² As instructed in Gadel 138 (Document 71), Lodge discussed Hammarskjöld's working paper with Cordier on February 11. A summary of the conversation was transmitted to the Department of State in Delga 711, February 11. (Department of State, Central Files, 974.7301/2-1157)

as British Embassy has received clearance from London. We understand France and Norway are in agreement with US position but we are likewise awaiting French formal approval. End FYI.

SYG representative has suggested agreement on interim arrangement might possibly be endorsed by United Nations General Assembly after it is agreed to by Egypt France Norway United Kingdom and United States. Dept will wish to consider further whether such procedure is necessary and desirable.

Dulles

94. Editorial Note

According to notes taken at the meeting, the following exchange concerning the Israeli withdrawal question took place at the Secretary's Staff Meeting on February 14:

"The Secretary said that thought should be given to the explanation of our position on the Israeli withdrawal, especially with reference to the Arabs, noting that we faced the danger of being caught in the middle of this situation. Mr. Rountree said the Arab attitude was that the Israelis should not be permitted to make any gains as the result of their aggression and that our assurances in the case of the Gulf of Aqaba were considered as such. The Secretary emphasized that we did not give anything which was not already provided for in UN resolutions and previous Egyptian statements. The inconsistencies of the Egyptian official and semi-official attitudes in this matter and the involvement of the UN Secretary General and the Secretary in this situation were discussed. In this connection, the Secretary noted that the statement he made yesterday evening did not appear in the morning press."

Regarding the Secretary's statement, see *infra*. The notes also indicate that as a result of this exchange the Bureau of Near Eastern, South Asian, and African Affairs was asked "to prepare promptly an explanation of our position in connection with our efforts to influence the Israeli withdrawal which could be used for presentation to the Arab nations." (Department of State, Secretary's Staff Meetings: Lot 63 D 75)

95. **Circular Telegram From the Department of State to Certain Diplomatic Missions**¹

Washington, February 14, 1957—8:47 p.m.

691. Refer circular 681² re US position on Gulf of Aqaba and Gaza. You should make every effort with government and through USIS to explain US attitude along lines this circular. You should stress that US stands first and foremost for immediate Israeli withdrawal from Gaza and Straits Aqaba. Our efforts designed to achieve this and to do so urgently. We do not think Israel should gain advantages from its invasion or that Egypt should have to make fresh promises to Israel to assure Israeli withdrawal. After Israeli withdrawal we believe that rules of international law should apply to shipping of all nations in Gulf Aqaba. As to this we would consider any decision of International Court Justice to be binding, if such decision is involved. Thus we believe Israel would obtain no rights or privileges to which it is not entitled by international law.

Evening Feb 13 Department spokesman issued following statement:

"Inquiries have been made of Department of State as to whether Secretary Dulles stated to Israeli Ambassador Eban that Egypt had informed the Secretary General of the UN that it will allow Israeli shipping to pass through the Gulf of Aqaba if Israeli troops withdraw from Egyptian territory. The Department said that no such statement has been made by the Secretary."

Dulles

¹ Source: Department of State, Central Files, 674.84A/2-1457. Official Use Only; Priority. Drafted by Rockwell, cleared by Dulles, and approved by Rountree and Wilkins who signed for Dulles. Sent to Cairo, New Delhi, Tehran, Baghdad, Amman, Beirut, Tripoli, Rabat, Islamabad, Jidda, Madrid, Khartoum, Damascus, Tunis, and Ankara; repeated Priority to Tel Aviv; and pouched to Paris and London.

² Document 92.

96. **Memorandum of a Telephone Conversation Between the Secretary of State in Washington and the Representative at the United Nations (Lodge) in New York, February 15, 1957, 9:13 a.m.**¹

TELEPHONE CALL TO AMB LODGE

L returned the call and the Sec said the Israelis are coming in at 2 to give the reply to our aide-mémoire. The Sec has the feeling that it will not be an unqualified acceptance and will attach conditions particularly on the Gaza business. He thinks he might go to Georgia and it occurred to him to suggest L go along. When? As soon as he can after the note is delivered which means leaving here 3:30-4:00 and then talk to the Pres this evening and come back tomorrow a.m. L would like to talk with them because it will make him more sure-footed. The Sec said the Pres will be in about noon and we'll see what he thinks about it. It will be a certain sensation if we both go down and he might conclude it is better to handle on the telephone. It is difficult that way. The Sec would suggest L keep in mind that possibility. He will talk with the Pres at noon and call afterwards. The Sec prefers L join him here to go on together. Probably 3:45 at the airport would be the earliest. L will alert Wadsworth to take over the plenary this p.m. and his airplane.

¹ Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Transcribed by Bernau.

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97. **Memorandum of a Telephone Conversation Between the President in Thomasville, Georgia, and the Secretary of State in Washington, February 15, 1957, 10:30 a.m.**¹

TELEPHONE CALL TO THE PRESIDENT

The Pres returned the call and the Sec said the Israelis are coming in at 2 to give their reply. All of the forecasts are it will not be anything like an unqualified acceptance and probably will create somewhat of a crisis for us at the UN. The Sec wondered what the Pres would think of laying on plans so that if it proves to be the case the Sec could come down with Lodge to talk with the Pres this evening. The Pres said fine. The Sec said airborne at 4 and be there at 8. Then they could have

¹ Source: Eisenhower Library, Dulles Papers, White House Telephone Conversations. Transcribed by Bernau.

dinner on the plane and have a couple of hours talking and leave first thing in the a.m. The Sec will let him know after we see his reply. The Pres will be in the rest of the day.

The Sec said Truman has written a very helpful piece urging prompt action on the plan and pointing out delay plays into the hands of the enemies etc.² The Sec does not know if the Pres would think it wise to express appreciation. It would highlight his recommendation if you did. It was in a syndicated column yesterday. The Pres asked that it be read to Mrs W.³ —and for a suggested message. May I express my appreciation for the public-spirited and bipartisan attitude which you have shown in this action. The Pres said it should not be too personal.

² Reference is to Truman's syndicated column in *The New York Times* on February 14. In it, the former President emphasized the need for economic cooperation among all nations in the Middle East and proposed that the United States help sponsor, by providing experience and skill, a program of economic development which would bring both peace and prosperity to the area.

³ Reference is to Ann Whitman.

98. **Memorandum of a Telephone Conversation Between the President in Thomasville, Georgia, and the Secretary of State in Washington, February 15, 1957, 3:49 p.m.**¹

TELEPHONE CALL TO THE PRESIDENT

The Sec said we have the Israeli reply² and he is seeing Eban at 4. It is extremely unsatisfactory and seems completely to misapprehend the nature of our aide-mémoire. They say the suggestions are interesting and would be glad to negotiate and suggest sending a joint mission to Gaza and suggest what should be done and glad to negotiate re the Gulf of Aqaba. They assume we are acting for all the world and all they have to do is sit down and negotiate with us. We said what our attitude would be as a maritime power enjoying the rights of the G of A³ and our position in the UN discussion of these matters but everything is predicated on their getting out first but they want to settle down to a long negotiation about it. The Sec thought he would indicate to him and perhaps let it be known as a reaction after he leaves because the press will be pouring around we do feel there has been a misapprehension of the character of our proposal and we are disappointed in the situation as it stands and Lodge and the Sec are coming

¹ Source: Eisenhower Library, Dulles Papers, White House Telephone Conversations. Transcribed by Bernau.

² See *infra*.

³ Gulf of Aqaba.

down to talk the situation over with the Pres. The Sec does not want to have it look as though this proposal was so good we are wondering whether or not to accept it. That will give the impression we are considering it and then if we turn out not to people will say if it was so close he had to discuss it with the Pres we could have strained a point and accepted it. The Pres said there will be speculation when you come and you can say Israeli answer seems so completely to misapprehend what we meant you are coming to see what we do next—this leaves it in a state of confusion. The Sec will definitely plan to come and will take the plane when they get through. The Sec will see the Pres tonight and in the morning. The Sec will probably want to see Eban tomorrow p.m. to make a definitive reply. The Pres said to make clear we are trying to be helpful and if they don't want it we will have to go along and see what the UN does.

**99. Memorandum of a Conversation, Department of State,
Washington, February 15, 1957, 4:02 p.m.¹**

SUBJECT

The Questions of Gaza and the Straits of Aqaba

PARTICIPANTS

Mr. Abba Eban, Ambassador of Israel
Mr. Reuven Shiloah, Minister of Israel
The Secretary
The Under Secretary
Mr. Francis O. Wilcox, IO
Mr. William M. Rountree, NEA
Mr. Herman Phleger, L
Mr. Fraser Wilkins, NE

Ambassador Eban called on the Secretary this afternoon further to discuss the questions of Gaza and the Straits of Aqaba. He referred to the attached Aide-Mémoire which had been delivered to the Secretary earlier in the afternoon and said that it represented a constructive response to the American initiative of February 11 and he hoped that it would break what appeared to be a deadlock. He described the Israeli

¹ Source: Department of State, Central Files, 674.84A/2-1557. Confidential. Drafted by Wilkins. The time of the conversation is from Dulles' Appointment Book. (Princeton University Library, Dulles Papers) A summary of this conversation was transmitted to the Embassy in Tel Aviv in telegram 796, February 16. (Department of State, Central Files, 674.84A/2-1557)

Aide-Mémoire as a supplementary document to the American Aide-Mémoire of February 11³ and as envisaging swift action.

Ambassador Eban referred to the American proposal on the Straits of Aqaba and observed that the area of doubt was small, that there was a broad ground of agreement and that within a matter of days questions of control of the Straits and freedom of navigation could be resolved. Ambassador Eban mentioned two points: 1) necessity for a legal definition and interpretation of the Gulf of Aqaba. He thought that Israeli and American representatives could get together over the weekend and work out a definition of the international character of the waterway; 2) necessity for a definition of the functions of the UNEF in the Straits of Aqaba. He thought it would be an axiom beyond controversy that unless UNEF were placed there Egyptian guns would quickly appear and would stop Israeli ships. Previously pessimistic predictions on his part had usually been correct. Egyptian statements had already indicated what they may do. Ambassador Eban thought that the stability of tenure of the UNEF should be defined in the Straits of Aqaba area. He recalled that on January 28 and again on February 2⁴ Ambassador Lodge had indicated in the UNGA that it would be essential that the UNEF be there, which would permit freedom of navigation. Ambassador Eban suggested that Ambassador Lodge's views be embodied in the terms of reference of UNEF. If there were a legal definition of the waters of the Gulf and if the UNEF's tenure at the Straits was defined, uncertainties regarding future blockade would be removed.

Ambassador Eban continued that, with respect to Gaza, two points were essential: 1) it would be disastrous and pose a grave threat to Israel if Egypt reoccupied the area; the possibility of an Egyptian return was a major Israeli preoccupation, and 2) if Egypt did not return to the Gaza territory it would be an area not at war with Israel. If Egypt returned, the Gaza area would be at war. To avoid the latter possible development, Israel could accept and would commit itself to settlement of Arab refugees. For the first time, Israel was willing to plunge into new and icy waters in this respect. Ambassador Eban recalled that the Secretary in August 1955 had suggested that there should be a repatriation where feasible or resettlement and compensation where repatriation not feasible. Israel agreed and planned to pursue a similar approach. Israel had concluded that we here have a new opportunity.

³ Document 78.

⁴ For texts of Lodge's statements to the General Assembly on January 28 and February 2, see Department of State *Bulletin*, February 18, 1957, pp. 270-271, and February 25, 1957, pp. 325-326, respectively.

Ambassador Eban said that if the lines of thought which had been expressed in the Israeli Aide-Mémoire were adopted, the following developments could occur:

Aqaba

1. Declaration by the US and others regarding international waters of the Gulf of Aqaba and freedom of passage through the Straits.
2. Israeli withdrawal of military forces.
3. Entry by UNEF with agreement on terms of reference, including stability of tenure.

Gaza

1. Israeli withdrawal of military forces.
2. Arrival of mission to study civil administration and subsequently to report to the UNGA.

Ambassador Eban added that to return to the previous status in the Gaza area would be so drastic that Israel would wish to explain its views to a mission before such action was taken.

The Secretary said he had read the Israeli Aide-Mémoire with deep disappointment. It seemed to misapprehend the nature of the declaration which we had there proposed. The Israeli Aide-Mémoire was not really responsive. It had been indicated in the American Aide-Mémoire that there was in these matters an order of events and an order of urgency which had been fixed by the UN; first, the UNGA had called upon Israel to withdraw to the Armistice lines. We had felt that Israel's willingness to do so might be increased and that its ability to satisfy its public opinion and its Parliament would be assisted if we had set forth the American attitude. Ambassador Eban's suggestion with respect to negotiations was a misconception of our attitude. The US as a member of the UN and as a maritime power would be willing to use its influence in the directions indicated but we did not suggest that we would set ourselves up as a rival to the UN to negotiate in its stead, nor to take the place of Secretary General Hammarskjöld. We had no mandate from the UN, nor would we be willing to act in that capacity. We were, on the other hand, prepared to make our views known in an authoritative way and, in fact, have already done so. We had thought that such action might make it easier for Israel to comply with the UNGA Resolutions. These suggestions were a far cry from negotiations as suggested by Ambassador Eban. It seemed to be his thesis that negotiations between Israel and the US should precede other action. Furthermore, we would be dealing with matters which were of concern to such other littoral states as Egypt, Saudi Arabia and Jordan.

The Secretary continued that some of these observations also applied to the Gaza area where there was a general Armistice Agreement involving Israel and Egypt. The Israeli Aide-Mémoire seemed to

contemplate that there should be an effort to impose Israeli-United States views on the United Nations. The Secretary expressed amazement that Ambassador Eban had thought this suggestion would prove to be an acceptable procedure. Such action would leave a confused and dangerous situation in the Gaza area if, in fact, it were the only basis for Israeli withdrawal.

Ambassador Eban said Israel's formal position seemed to be misunderstood. Israel feared that withdrawal would be followed by renewed blockade, for which reason Israel could not comply with the United Nations request. With Israeli withdrawal from Gaza it would create a situation which was of legitimate concern. In both cases hostilities might result. Consequently, if the U.S. were willing to adopt the Israeli suggestions there would be no hostilities and the final result would also be in the Arab interest. Ambassador Eban continued that Israel was not suggesting usurpation of U.N. interest. Any public statements by the U.S. would be corollary to the U.S. attitude which had already been expressed in its Aide-Mémoire. If the U.N. went along with expanded activities for the UNEF we would avoid conflagration in the area.

Ambassador Eban said that regarding Gaza, Israel acknowledged the priority of Israeli withdrawal. Thereafter the U.N. could have a look at the situation including the proposed solution of the refugee question. The U.S. could give valuable assurances in attaining these objectives. What was unreasonable in these remarks? Israel was merely asking for a statement by the U.S. regarding Aqaba and steps to achieve the objective already indicated by Ambassador Lodge. Israel was agreeable to Israeli withdrawal from Gaza and had made suggestions for a settlement of its future.

The Secretary said we seemed to have a situation in which Israel had been called upon repeatedly and unconditionally to withdraw. However, Israel had held back which had caused a disposition in U.N. quarters to take vigorous action to secure Israel's withdrawal. Against this background we had given Israel a statement of policy which would actuate the U.S. when Israel withdrew. We hoped this would make it possible for Israel to say it would withdraw. We could give no guarantee that the rest of the world would agree with our position. We had thought that the reasons inherent in the situation would have tipped the scale in favor of compliance. However, prior to compliance Israel seemed to want unilateral exploration and agreement regarding Gaza and Aqaba. Why does Israel assume the U.N. and others would accept anything more than the policies already stated? Even if we reached agreement there would be no guarantee that they could be carried out. Probably it would be less likely because there would be bitter and justifiable resentment on the part of other U.N. members, the Secretary General, and the littoral states if we arrogated to our-

selves settlement of these questions without consultation with them. The Israeli plan seemed less calculated to achieve the desired result than the knowledge that the U.S. would commit itself as indicated in its Aide Mémoire.

The Secretary admitted that the action which he proposed could not be 100% certain but he suggested that the Israeli procedure was also not 100% certain and was subject to greater risks.

Ambassador Eban said that he was not able to acknowledge any conflict in the Israeli Aide-Mémoire. Israel was willing to withdraw if the UNEF took over and remained until there was a more permanent arrangement for freedom of navigation. He asked if we would ascertain whether the U.N. would endorse what Ambassador Lodge had said. Could we not wait a week to see if those objectives were obtainable? There was a responsibility to avoid the risk of a return to hostilities in the Aqaba area which the Israeli withdrawal might precipitate.

The Secretary referred to that passage in the Israeli Aide-Mémoire which said "The Israel Government is ready to enter into immediate conversations with the United States on specific steps for an early settlement". The Secretary continued that we had no more basis of entering into a conversation with Israel than with any of the other members of the U.N. To suggest bilateral conversations would be to suggest an improper and unacceptable role.

The Secretary also noted Ambassador Eban had suggested regarding Gaza "that the Governments of the United States and of Israel consult together urgently in an effort to find a suitable arrangement which might be submitted to the United Nations". The Secretary interpreted this passage to mean that after agreement we would submit the report of the two Governments to the U.N. for ratification. This approach would not only be unacceptable to us but also would be deeply and properly resented by the U.N.

Ambassador Eban said that the emphasis should not be on the formal or procedural aspects but on the policies themselves. The Secretary noted that we had already made a policy statement in the Aide-Mémoire of February 11. We wanted to know if Israel would withdraw. The Israeli Aide-Mémoire was negative in this respect. Ambassador Eban observed that it had made no negative but only affirmative statements. The Secretary said that in any event it was not responsive to the American Aide-Mémoire of February 11.

Ambassador Eban asked if we could use our influence in the U.N. to see whether or not the UNEF functions could be defined. The Secretary replied that we had covered this point by our willingness to make a public declaration. Ambassador Eban continued that because of special international interests in the Gulf of Aqaba it should not be treated as Sinai had been but with greater definition. If this action

were taken, we would be closer to a solution. If not, the Egyptian guns would return to the Straits. It was therefore essential that we be prudent and show foresight. Israel was merely asking for precisions.

The Secretary said that, with reference to precisions of language, he wished to make one or two changes in the American Aide-Mémoire of February 11. In the paragraph relating to the Gulf of Aqaba the first sentence should read "The U.S. believes that the Gulf comprehends international waters and that no nation has the right to prevent free and innocent passage in the Gulf and through the Straits, giving access thereto." In other words, "comprehends" would replace "constitutes" and "forcibly" would be dropped from the sentence as now written.

Ambassador Eban again said that greater precision was required regarding the UNEF. The Secretary replied that for whatever his judgment was worth he thought there was not a great likelihood that the Straits of Aqaba would be closed following Israeli withdrawal. He pointed out that Aqaba and Gaza were not unrelated in that American action was contingent upon Israeli withdrawal from both. Ambassador Eban noted that the process in Gaza would be longer than in Aqaba and asked why it would be difficult to obtain a definition of UNEF functions. The Secretary said that other countries in the U.N. must be consulted and that all points of view should be taken into account. In acting without consultation deep resentment would be caused. American-Israeli conversations and a joint mission would not be the right way to proceed.

Ambassador Eban said that it would not be a U.S. mission but a U.N. mission. The Secretary said this formulation would be a different matter. Ambassador Eban added that there was a view now circulating in the U.N. that a mission could go out after Israeli withdrawal.

The Secretary again pointed out that the Israeli Aide-Mémoire stated that "the Governments of the U.S. and of Israel consult together urgently in an effort to find a suitable arrangement which might be submitted to the U.N." The Secretary added, however, that we could indicate as a member of the U.N. that we would be in favor of a mission or commission regarding the future of the Gaza Strip. If we were now talking about an elaboration of the American policy declaration which would justify Israeli withdrawal, these details could be included but quick action before Monday was desirable; otherwise a storm would break in the U.N.

Ambassador Eban said that an American declaration regarding the UNEF would be helpful after which it might be taken up by the Secretary General. The Secretary thought that the majority of the members of the U.N. would move forward if Israel withdrew.

The Secretary said he wanted to make certain matters clear: we had tried very hard to work out a solution for the present situation. Israel and the U.S. had relationships which were very different from

those with other countries and which were very close. Israeli-American relations were unlike American-Egyptian relations. The Secretary said that he would be deeply disturbed if events should push us into antagonism toward Israel. A deep cleavage of opinion would develop within the U.S. It had been his desire, to the best of his ability, to find a reasonable solution. He did not blame the Israeli Government for endeavoring to reduce future risks. He felt that we were very close in the American Aide-Mémoire of February 11, although there might be some modifications. The paragraphs regarding Gaza, for example, did not touch on the question of administration. Question of U.N. study might be considered and perhaps other modifications. He earnestly suggested that the Israeli Ambassador go over the American Aide-Mémoire of February 11 in this light, that it be accepted and that Israel withdraw from Gaza and Aqaba.

Ambassador Eban said he would consult the Israeli Foreign Minister in New York but wished to observe that if Israel withdrew it would have no assurances of an open waterway at the Straits. The Secretary said that the greatest assurance could be found not in what people said, but in what were the elemental forces at work. For example, treaties were not dependable after the conditions in which they were signed ceased to exist. Greater dependability could be placed upon conditions which served vital interests. Such conditions were far better than red ribbon and seals on paper treaties. If Israel withdrew what, in reality, would Israel have in Aqaba? It would have an alternative to the Suez Canal which would be of great interest to all of the maritime powers. The great error of Western Europe was its reliance upon the Suez Canal alone.

Ambassador Eban observed that Nasser might close both the Straits of Aqaba and the Suez Canal. The Secretary observed that he would be acting contrary to world public opinion, in which event Israel would not stand alone. Under such circumstances if Egypt took steps which could not be justified, then a case could be made. Israel's best assurance would lie in this basic fact. Israel would take a great risk if it centered upon a U.N. recommendation by which Egypt might not be bound.

The Secretary said that he was going down to Georgia to discuss these and other matters with the President. He believed that he had made the American position clear. He planned to return in the early afternoon of February 16 and hoped that Ambassador Eban meanwhile would be able to make progress along the lines of the American Aide-Mémoire of February 11. We were considering making our Aide-Mémoire public tomorrow afternoon. Israel might also wish to publish its Aide-Mémoire of February 15. We would then see what would develop thereafter.

Ambassador Eban said that he would set down some words which might be helpful. He thought there was no wide area of division to justify a parting of the ways. Minister Shiloah observed that the Israeli procedural suggestions contained in its Aide-Mémoire had not correctly described the substance of the Israeli case.

Ambassador Eban, in response to the Secretary's query as to what remarks Ambassador Eban would make to the press on leaving, said he planned to say that the Israel Government's proposals had been submitted to the Secretary for study, that Ambassador Eban had made some oral observations and that he presumed that the various matters were being considered.

[Attachment]

AIDE-MÉMOIRE⁵

The Government of Israel deeply appreciates the sympathetic interest of the President and the Secretary of State in its problems, and their willingness to devote earnest study to the quest for solutions. It regards this constructive interest as a further expression of American friendship for Israel and of American concern for peace in the Middle East.

Israel has noted with satisfaction the affirmative approach of the United States to the question of free navigation in the Gulf of Akaba and the Straits of Tiran.

The Government of Israel expresses its agreement in principle with the approach to this question defined by the Secretary of State in his Aide-Mémoire of February 11 and in his conversation with the Ambassador of Israel on that date.

In particular, Israel is appreciative of the following elements in the United States' position:

(1) the affirmation that the Gulf constitutes international waters, and that all nations, including Israel, have the right of free and innocent passage in the Gulf and through the Straits giving access thereto;

(2) the invocation in the Aide-Mémoire of the assurances conveyed by Egypt to the United States on January 28, 1950;

(3) the statement of the readiness of the United States, on behalf of vessels of United States registry, to exercise the right of free and innocent passage, and to join with others to secure general recognition of this right.

(4) the suggestion that as a precautionary measure the UNEF move into the area of the Straits as the Israeli forces are withdrawn.

⁵ A copy of the Israeli Aide-Mémoire is in the Eisenhower Library, Whitman File, International File.

The Government of Israel is impressed by the statement of the Secretary of State to the Ambassador expressing awareness of the responsibility which would rest upon the United States if Israel were to withdraw and the Egyptian restrictions were to be resumed.

While giving full weight to these policies and attitudes, the Israel Government is conscious of the danger which would arise to the freedom of Israeli shipping in the Gulf and to peace in the area if Egypt were to resume occupation of the Straits of Tiran before the attainment of a settlement. For many years Egypt has maintained restrictions in the Suez Canal contrary to the Convention of 1888 and to decisions of the Security Council which, under Article 25 of the Charter, have binding effect on all members of the United Nations. These policies, together with corresponding restrictions in the Gulf of Akaba, have cut Israel off from her freedom of commerce with large parts of the world; have inflicted enormous losses and burdens upon Israel's economy, and have constituted a danger to peace and security in the Middle East.

Despite the disapproval of the United Nations and of the maritime community, including the United States, no effective steps were taken to ensure the termination of these practices.

Recent expressions of Egyptian policy give ample grounds for the belief that, if no preventive measures are taken, the Egyptian restrictions in the Gulf of Akaba and the Straits of Tiran will be resumed, with consequent peril both to Israel's national interests and to peace in the area.

In order to meet this danger, the Government of Israel supports the suggestion that units of the UNEF move into the Straits as Israel troops withdraw. But it holds that these units should be stationed along the western coast of the Gulf of Akaba until a peace settlement is achieved, or until an agreed and permanent arrangement for freedom of navigation is otherwise secured. In this connection Israel has noted the proposal made on behalf of the United States by Ambassador Henry Cabot Lodge in the United Nations on January 28 and February 2, 1957.

Failing such an arrangement for the stationing of UNEF, the Government of Israel suggests that a precise guarantee be afforded for the specific protection of Israel-bound shipping exercising its right of passage in the Straits and the Gulf.

Israel believes that the Aide-Mémoire and the oral observations by the Secretary of State in his conversation with the Ambassador on February 11 signify the sincere intention of the Government of the United States to provide an effective guarantee against interference with free navigation in these international waters. Accordingly, the Israel Government is ready to enter into immediate conversations with the United States on specific steps for an early settlement. It is desir-

able to co-ordinate the sequence to be adopted in such matters as a public declaration of United States policy embodying the guarantee of free navigation; concurring declarations by other maritime powers; the evacuation of the Sharm-el-Shaikh area by Israel forces; and the entry of UNEF into the evacuated area and the definition of its functions.

A preliminary list of other specific points suggested for discussion is submitted as an Annex to this Aide-Mémoire.

The Government of Israel has studied the observations in the Aide-Mémoire of February 11 on the Gaza Strip. It has, in particular, noted the following elements:

(1) the recognition that this area, until recently under Egyptian occupation, "has been a source of armed infiltration and reprisals" and of "great potential danger because of the presence there of so large a number of Arab refugees";

(2) The observation of the Secretary of State that the United States has not crystallized a final view on the future of the Gaza Strip but that this future "should be worked out through the efforts and good offices of the United Nations."

The Government of Israel wishes to add the following comments:

The Gaza Strip, occupied during the invasion of 1948, was never Egyptian territory. The Armistice Agreement under which Egypt occupied the Strip was continuously broken by Egypt. In violation of the United Nations Charter and of the decision of the Security Council against belligerent acts, Egypt conducted hostile acts against Israel. These actions were based on a doctrine of "a state of war" with Israel, which Egypt still declines to relinquish, despite the fact that this doctrine, and any actions arising therefrom, were repudiated by the Security Council in 1951. In these circumstances there is no basis for the restoration of the status quo ante in Gaza by the return of Egypt to an area which she used exclusively for the purpose of establishing an aggressive base against Israel.

Israel's stand on the Gaza question is influenced by three problems:

- (a) The security of Israel, and especially that of its villages and settlements in the South and the Negev;
- (b) The welfare and economic situation of the local population;
- (c) The problem of the refugees.

Israel is prepared to make a supreme effort to raise the standard of the residents of the area from the fearful poverty which grew increasingly disastrous during the Egyptian occupation.

The Government of Israel is ready to make its contribution to a United Nations program for settling the refugee population of the Gaza Strip. Israel's contribution, within this framework, will consist both in the payment of compensation and in the settlement of a part of

the refugee population of Gaza. Israel is confident that the United States will understand the significant effect of this step for the solution of basic problems which have been deadlocked for several years.

In view of the vital importance of the Gaza problem and of the contribution envisaged by Israel towards its solution, it is suggested that the Governments of the United States and of Israel consult together urgently in an effort to find a suitable arrangement which might be submitted to the United Nations.

This examination, which should include an investigation of the position in the area by a suitable mission, should not take a long time. The steps immediately envisaged are the withdrawal of Israel forces and the discussion of a suitable relationship between the U.N. and the local and Israel Administrative services.

Israel believes that it is necessary to prevent a recurrence of the turbulent conditions out of which the recent hostilities arose. There should be a new era in the relations between Egypt and Israel. By constantly violating the Armistice, through the invocation of belligerent rights and the conduct of blockades and hostilities, Egypt distorted the fundamental character of the Armistice Agreement as a transition to peace, and emptied it of its central purpose. At a time when the Agreement had full legal force, Egypt regarded it as an expression of "a state of war". In these circumstances, Israel cannot legitimately be requested to return to the status quo ante, and to resume adherence to an agreement which Egypt has nullified throughout a period of eight years by claiming and exercising a policy of belligerency inconsistent with its terms.

At the same time, the Government of Israel declares that it does not seek or claim any belligerent rights against Egypt, and that it undertakes to abstain, on the basis of reciprocity, from any hostile act whatever against Egypt.

The Aide-Mémoire of February 11 deals with the questions of Gaza and the Gulf of Akaba, since problems exist in both areas in connection with the withdrawal of forces. While no context of withdrawal arises in the case of the Suez Canal, the Government of Israel emphasizes its hope for United States support in securing the implementation of Israel's rights under the 1888 Convention. On many occasions, the most recent of which was President Eisenhower's public statement on February 6,⁶ the United States has noted the violation by Egypt of its obligations under the 1888 Convention in respect of Israel-bound shipping.

⁶ A transcript of Eisenhower's press conference of February 6 is in *Public Papers of the Presidents of the United States: Dwight D. Eisenhower, 1957*, pp. 122-135.

The United Nations has devoted great effort to secure the clearance of the Suez Canal for navigation. If the Suez Canal is to be reopened physically and then to be operated with discrimination, the United Nations will have inadvertently become responsible for expediting the renewed violation of international law.

It is inconceivable that the Suez Canal can be opened by the United Nations and remain closed to any of its member-States. It is essential, in the interest of peace and security, to ensure that Egypt refrains from interference with Israeli and Israel-bound shipping exercising the right of free and innocent passage in this international waterway. The Government of Israel would welcome a clarification of United States policy on this point.

The constructive and affirmative approach expressed by the Secretary of State in the conversation and Aide-Mémoire of February 11 confirms the belief that the United States and Israel have a common aspiration to strengthen peace in the Middle East. In view of the great measure of proximity between the viewpoints of the two Governments on the questions under discussion, the Government of Israel desires to hold urgent conversations with the United States Government in order to clarify the issues and to promote an early solution.

Israel hopes that the United States will help to create such international conditions in the immediate future as will allow swift progress to be made in such discussions, designed to bring about a settlement of problems which, until the Secretary's initiative on February 11, were in a position of acute deadlock.

Annex

PRELIMINARY LIST OF POINTS ON THE GULF OF AQABA ARISING OUT OF THE AIDE-MÉMOIRE OF FEBRUARY 15, 1957

(1) It is Israel's understanding that the term "free passage" as generally accepted in international law means passage of ships irrespective of flag or destination of cargo, without previous authorization of the littoral state or states, and without the right of the littoral state to suspend such passage: furthermore that "innocent passage" means passage of a ship whose conduct is not essentially injurious to the safety and welfare of the littoral state. (Hyde, *International Law* 1945, p. 517)⁷ It is suggested that these two definitions be explicitly stated in any declaration to be made by the United States, setting out the policies envisaged in the Aide-Mémoire.

(2) Reference is made to the statement in the Aide-Mémoire "that no nation has the right forcibly to prevent free and innocent passage etc." It is suggested that in any formal declaration of purpose these

⁷ See footnote 2, Document 143.

words be amended to read "forcibly or otherwise". The object is to preclude interference by the enactment of obstructive regulations, the penalisation of ships exercising innocent passage, or by such methods as the blocking of the waterway by placing obstacles in the navigable channel. Such interference by regulation, intimidation and physical obstruction have been followed by Egypt in the Suez Canal. It is consequently submitted that Governments prepared to exercise the right of free and innocent passage should specifically decline to recognize the validity of regulations imposed by any of the littoral states with the effect of frustrating the basic aim of free and innocent passage.

(3) The Government of Israel would welcome information on the steps proposed by the United States in order to exercise its rights of passage in the Gulf and the Straits at an early date. Israel would also welcome a discussion of methods whereby the United States might "join with others to secure general recognition of this right". It is presumed that this involves cooperative effort with other maritime nations who have an interest in developing navigation in the Gulf and the Straits.

100. Telegram From the Embassy in Israel to the Department of State¹

Tel Aviv, February 14, 1957—7 p.m.

966. Deptels 778 and 786.² I saw Ben Gurion at my request during mid day break in Cabinet's consideration our aide-mémoire which began at his home this morning and was to be resumed immediately after lunch to continue through afternoon. His aide told me Prime Minister had consumed morning session in personal analysis aide-mémoire and Secretary's remarks to Eban and that afternoon session would be devoted to Cabinet colleagues comments. They hoped to cable instructions to Eban tonight.

By way of introduction I told Ben Gurion purpose of call not to attempt to hurry his decision in advance full governmental consideration but to review aide-mémoire and Secretary's conversation with

¹ Source: Department of State, Central Files, 674.84A/2-1457. Confidential; Priority. Received at 5:17 p.m., February 15. Repeated to Cairo and USUN.

² Telegram 778 to Tel Aviv, February 11, contained a summary of the Eban-Dulles conversation of February 11; see Document 77. Telegram 786, February 13, instructed Lawson to discuss with Ben Gurion the points which Dulles had made to Eban.

Eban in manner that would be most helpful to him and to our understanding other's viewpoints. He said he appreciated visit and spirit that prompted it.

Ben Gurion pleased with intent of United States suggestions if not their particulars. Aide-mémoire and even more heartening remarks of Secretary he said shed great deal of light for first time on situation and might lead to solution. Emphasizing that he could not speak for his colleagues he addressed his comments in general way to 3 aspects . . . ³ Straits of Tiran, Armistice Agreements with Egypt, and Gaza.

Re Sharm el Sheikh: He seemed in mood to explore possibility of solution of issue along lines laid down in United States aide-mémoire. He delighted he said with thought that United States ships might transit Gulf and might even visit Eilat and that United States would invite other international shipping to follow. He stressed point, however, it not clear whether UNEF would remain at Straits until peace established or until agreement to maintain freedom of transit achieved by four littoral states. Suppose he said UNEF left area before peace achieved or before agreement had been reached by littoral states and then Egypt interfered with Israel shipping? He cited example of Egyptian "defiance with complete impunity of Security Council's Resolution of 1950, Convention of 1888. Neither UNSYG nor United States making any effort stop Egypt. If this were to happen at Sharm el Sheikh would still have no other recourse than to fight or submit which was not an agreeable choice to us or you either".

Re Armistice Agreements: Secretary General's latest report states Egyptians have reaffirmed their adherence to Armistice Agreement. He would like to know if SYG has received written document from Egypt to that effect, and, if so, why has not he made it public? But it really does not matter he said. For 8 years Egypt has violated armistice agreements and declined to concede that alleged Egyptian adherence to Armistice Agreements incompatible with its insistence on right of belligerency. He repeated again as he has in so many recent conversations that armistice agreements do not exist and that nothing will make Israel return to them.

Re Gaza Strip: He said key sentence in aide-mémoire was that which stated "Future of Gaza strip to be worked out through efforts and good offices of United Nations". He could agree in principle with that viewpoint but there number of questions including major one just raised . . . status of Armistice Agreements. Old Armistice Agreement regime means return of Fedayeen acts, avoid blockade and boycott by other signatory states. Instead Israel prepared make solemn declaration on "basis of reciprocity with Egypt that we do not regard our-

³ All ellipses in this document are in the source text.

selves at war, that we will commit no hostile act and we prepared at once to enter negotiations for permanent peace under United Nations Charter”.

Ben Gurion at this point proposed Israel civil administration for Gaza character of which he said he would like to discuss with us. Israel had no hard and fast ideas for Gaza administrations but would like to work out blueprint in collaboration with United States in effort to find settlement. GOI would then submit it to United Nations if possible supported by United States which he said would be all that was necessary to win its passage.

He said Israel would like United States representatives sent here to make thorough study of Gaza's problems. Such study would persuade United States he said of real necessity for Israel becoming administering authority under general United Nations supervision. By establishing links between indigenous Gaza community and Israel's economy those 80,000 to 100,000 people would become viable self-sufficient unit with perhaps one-third engaged in agriculture and remaining two-thirds in local industry and commerce.

150,000 to 200,000 refugees were different problem to solution of which Israel would be prepared to contribute substantially including repatriation of some.

I referred to United States determination to aid in settlement of this problem; our clear picture of Israel's stated position; and said in general we had some understanding of objectives of United Kingdom, France and Israel with respect to Suez Canal but did not agree with methods adopted. I said views set forth in aide-mémoire established hopeful atmosphere for solution of problems involved. I then enumerated several most encouraging features and made principal points contained in Secretary's remarks to Eban.

He readily agreed Secretary's comments insofar as they had connotation of moral support for or sympathetic interest in Israelis' problems. Specifics he regards largely as providing avenue for further approaches to us.

Comment: Ben Gurion's comments and general approach to two issues of Sharm al Sheikh and Gaza inclines me to believe if they could be separated, settlement of former along lines envisaged by Secretary might be more easily achieved. On Gaza I feel Ben Gurion trying to find some formula that will make de facto civil control by Israel acceptable to us. Prospect which he most adamantly opposes is return of Egyptian authority there under any guise. He frankly hoping for time, having told me this noon that complicated questions surrounding Gaza's future might require period of two, three or four weeks for study before plan acceptable to important interested parties could be devised.

He has some way to go to restore health to its state before recent bout of pneumonia. Today he showed clearly that to talk is physical strain. When I saw him he completely spent from morning's Cabinet discussions. I convinced however he will not rest until government position on this issue is formulated.

On leaving Prime Minister's house Herzog told me he thought by early this evening I could expect copy of instructions they will send to Eban.

Lawson

101. **Telegram From the Embassy in Egypt to the Department of State¹**

Cairo, February 15, 1957—10 p.m.

2625. Had another four-hour marathon discussion with Nasser last night covering current topics and basic Egyptian-American relationship on basis my Washington consultations and subsequently received instructions. Nasser was amiable and serious but in tough mood. I endeavored reciprocate in kind. Following is summary topics covered.

1. Israeli withdrawal: I opened by noting violent local reaction to Secretary's supposed proposals to Eban and called attention to Departmental clarifications which made it clear that Secretary's suggestions were in complete accord with phasing of action contemplated by two UN resolutions and were in no sense sell-out to Israel as press alleging. Furthermore no mention had been made of Egyptian assurances.

Nasser appeared accept these clarifications but then took line that any leniency shown by Egypt re Israeli transit Aqaba or Suez could be considered as betrayal of Arab cause re frontiers and refugees. These matters formed whole which should not be dealt with piecemeal. Furthermore, unwarranted reference to Gaza as base for Egyptian aggression against Israel when fact was had merely been one place among others from which defensive retaliation had been made following Israeli attacks.

I said surprised hear this line being taken after what I understood to have been hopeful progress made. Did Nasser really mean to say that he would now oppose innocent passage of Gulf of Aqaba if Israelis withdrew? Nasser reflected for some time and then said no

¹ Source: Department of State, Central Files, 684A.86/2-1557. Secret. Received at 2:24 a.m., February 16. Repeated to Damascus and Tel Aviv.

final decision on this specific point. We then discussed at some length and I argued would be colossal mistake to take negative position on this point for following reasons: (a) we convinced right of innocent passage legally sound; (b) negative decision would place Egypt in most unfavorable light; (c) frontier and refugee questions should be decided on own merits, (d) attempted relating of immediate Aqaba problem with matters falling under long term settlement was contrary to his own concept of getting out of present phase of tension into phase of ad hoc peace and allowing cooling off period before attempting final settlement; (e) far from betraying Arab cause, enlightened attitude re Aqaba would be in Arab interest; (f) re using Aqaba as bargaining points smacked of petty bazaar trading when broad gauge approach required.

Nasser listened attentively but still refrained from giving definite answer. My impression is that he openminded on subject but that others have been urging hard line and fact that yesterday's and today's press have featured negative statements on subject from Director of Information is disquieting.

2. Eisenhower Doctrine: I gave clarifying statement on general aspects of Doctrine based on notes taken in Washington, i.e no question of filling vacuum; use of armed force only against overt armed attack; no desire establish protectorate, sphere of influence or indulge in power politics; opposition to all aggression; not trying play divisive role among Arab States; pressure to participate and no intention to isolate; not seeking new pacts or alliances, et cetera. Nasser professed interest and said clarified much which had been vague. He then asked how question would be put to interested countries. I replied this was aspect of matter which would be responsibility of Ambassador Richards, who would also of course be in position to explain other points more fully and authoritatively than I could do. Nasser then explained that reason he had posed this question was that he wished avoid being approached in such a way as put him in corner. He did not wish to be placed in position of conflict with US in fact, wanted have understanding. But his suspicions had been aroused by certain statements attributed to the Secretary regarding the position of Egypt vis-à-vis the Doctrine and he hoped he would have opportunity for discussion which would avoid his being put on spot. I replied felt no reason for concern on that score since up to GOE if it desires have Richards come at all and, in event he does, prescribed purpose (as being communicated to GOE in note under preparation) is to "discuss and explain."

At no time in this or any other connection did Nasser mention Soviet counterproposal for Mid-East area.

3. American-Egyptian relations: Nasser's request, I developed this subject frankly and at considerable length along general line taken by Secretary in discussion with King Saud and made following points:

(a) We had been most sympathetic to the new regime at its very beginning and had expressed our sentiments not just in words but in acts and material support.

(b) Despite this favorable disposition on our part, developments (or "turning points" to borrow a phrase used by Nasser) had taken place which had resulted in a deterioration of our relationship, e.g. Czech arms deal, recognition of Communist China, manner in which announcement made of nationalization of Canal.

(c) Our role in connection with French-British-Israeli attack appeared to have had a favorable effect at the time but it is now daily routine for papers under government subsidy to vilify US as imperialists and conspirators with Israel just as if nothing had happened.

(d) Furthermore, the extensive way in which Egypt has recently cultivated relations with the Soviet Union and the Soviet bloc is an open book. Not only do we regard this as a perilous policy for Egypt but it is also obvious that its development cannot but have a negative effect on relations with us.

(e) Against this background, we could only feel that we had done just about all we could to show our good faith and yet it is obvious that our present basic relationship leaves much to be desired. This is not to say that we have actually come to the end of the road but things are clearly not as they should be and we feel that, if progress is to be made toward an improved relationship, the Egyptians should give us some indication of their good intent. Furthermore, for purpose of completing record and contrary to what he might have been led believe, I wished make clear why we are not interfering in any way in Egyptian internal political situation, nor were we trying to isolate Egypt from other Arab countries. If our cooperation with certain countries gave that impression it was result and not objective.

Nasser's first reaction was one of rebuttal. The Czech arms deal was the result of Israeli aggression and failure to come to agreement with US. Recognition of China had followed receipt of report regarding an Eden-Bulgarian talk in which a Mid-East arms ban was discussed. If he had been hard on Americans in announcing Canal nationalization, we had hurt Egypt by attempting undermine its economic reputation on calling off the Aswan Dam deal. As regards, Russia, GOE had first turned there as matter of force majeure to obtain arms and relationship had developed and broadened as the result on the one hand of economic warfare being waged on Egypt by West and on other hand the readiness of Russians to arrange to meet Egypt's needs. How could relations with Russia become other than closer when Egypt has no other place to turn as an outlet for its cotton and for supplying necessary imports. How in such circumstances could Egypt restrict its relations with the Soviet Union without actually penalizing itself?

I noted Nasser's use of term "economic warfare" and asked whom he had in mind since we certainly had no such idea in respect Egypt. Nasser said had Britain, French and also US, and especially frozen funds, in mind, but there were also other difficulties with US such as

our unwillingness sell wheat for pounds, failure to carry through with construction of road to Alexandria, et cetera. Perhaps we did not regard them as economic warfare but he did and wished again make clear Egypt's only alternative was turn to Russia and resulting sympathy for Russians inevitable. But he wished emphasize that in any event external economic pressure on Egypt could not be very effective since Egypt essentially self-sustaining and pressure affects only few. There was no idea here of playing off East against West, merely matter of necessity.

Re Egyptian press, Nasser maintained not instructed but free to discuss and that in any event only reacted to American press which was really poisonous re Egypt and perhaps unfortunately he had habit of reading it. Also he had noticed that American correspondents were responsible for spreading most of rumors detrimental to Egypt.

Regarding attitude of Americans in Egypt toward regime Nasser maintained much talk Cairo that crisis was American-inspired and that American firms were only ones dismissing employees. It was even said hunger strike of Doria Shafik² was American-inspired (I naturally took strong exception these imputations).

However, said Nasser, he agreed this was situation not just to be deplored but also remedied. He was willing to do what he could to help. He couldn't forget early friendship or our recent help in crisis. He felt certain something could be worked out, and, after having time to think it over, would like to talk again.

4. IPC pipeline and Canal: I raised question of reported Egyptian interference in recent discussions of Syrians with IPC representatives for repair of pipeline and recalled earlier assurance given us that regard (Department telegram 2639).³ Nasser said reassurance had been in entire good faith at that time but that, when Israelis began making difficulty over withdrawal, he had agreed with Syrian Prime Minister following meeting with King Saud here late January that, if Israelis remained obdurate, there would be no repair of pipeline and

² In telegram 2526 from Cairo, February 6, Hare reported that a "leading Egyptian feminist", Doria Shafik, had told him that she had that day begun a hunger strike at the Indian Embassy, demanding an immediate Israeli withdrawal from Egyptian territory, a "final and just" solution of the Arab refugee problem, and the end of the "dictatorial" regime in Egypt "which can only lead my country inevitably to bankruptcy and anarchy". (*Ibid.*, 684A.86/2-657)

³ In telegram 1851 from Damascus, February 8, Moose reported that the Egyptian Ambassador had recently advised the Syrian Government that Nasser wished Syria to take no action concerning repair of the pipeline unless Israel withdrew from Gaza and Sinai. (*Ibid.*, 883.2553/2-857) In telegram 2639 to Cairo, February 9, the Department of State instructed Hare to call this report to Nasser's attention, to remind him of previous Egyptian recommendations to Syria that pipeline repair begin at once, and to emphasize that no obstacles should be placed in the way of repairing the pipeline because the reopening of both the pipeline and the Canal were vital to the economic well-being of many nations, and essential to restoring normal conditions in the area. (*Ibid.*)

Canal clearance would be stopped. Action of Syrians had therefore been in accord this agreement and there had been no further action here. I expressed concern and then asked whether this also meant work on Canal clearance being held up (which would check with reports of failure Egyptian authorities remove explosives with consequent delay in salvage operations). Nasser thought a moment and then said felt best leave statement stand as made.

Nasser also renewed demand that Canal tolls should be paid direct to GOE and said that alternative suggestions he had heard for payment to some other agency would definitely not be acceptable. I expressed belief should be possible work out some suitable formula and we very much hoped Hammarskjold could continue effective work he had been doing last October in promoting solution based on six points and 1888 Convention.

5. Clandestine radio: Nasser referred to previous discussion re clandestine British radio attacks on Egypt and said Egypt would be ready reciprocate within about ten days. I said depressed hear this. Tragedy to see so much effort go into troublemaking when so much constructive work needs to be done. Nasser professed agreement but said had no alternative but to fight back against continuing vicious British propaganda which designed undermine regime. Added East and West Africa would be especial targets.

6. Saud visit: I said had followed discussions in Washington up till time my departure and had been especially impressed by how much can be accomplished when there is basic good faith on both sides (this being intended as an indirect comparison with Nasser's own and frequently cited suspiciousness). However, I would not attempt comment further other than to make observation which Saud could not make himself and this was the able and loyal way in which he had presented the views and defended the interest of the Arab countries with leaders of which he had previously conferred in Cairo.

7. Conclusion: Conversation was at one and same time encouraging and discouraging; encouraging, at least mildly so, in sense that Nasser was willing and even eager to talk over general problems basically and frankly; discouraging because of seemingly chronic deviousness and lack of constancy with which he approaches specific questions such as Canal, Aqaba, IPC pipeline, etc. Also I gained stronger impression than ever before of degree to which he feels it necessary to rely on Soviet support and fails to appreciate latent danger in so doing, despite frequent reiteration his usual thesis regarding keeping free from dependence on any great power, including Soviets.

**102. Memorandum of a Conversation With the President,
Thomasville, Georgia, February 16, 1957¹**

[ALSO PRESENT]

The Secretary of State
The Secretary of the Treasury
Ambassador Lodge

I had given the President the night before² the text of the Israeli aide-mémoire of February 15, together with a reminder copy of our aide-mémoire of February 11, 1957. The President had read these prior to our morning conversation herein recorded.

We discussed in considerable detail the situation resulting from the non-compliance by Israel of the United Nations General Assembly Resolution calling for its withdrawal from the Gaza Strip.

I reported on the position which I had taken with Eban the preceding afternoon with reference to the Israeli position set forth in its aide-mémoire to the effect that the United States could not arrogate to itself the responsibility of negotiating with Israel regarding the future status of the Gulf of Aqaba, the Gaza Strip and the Suez Canal on the ground that we would be both unwilling to assume this responsibility and if we did attempt to assume it, it would be bitterly resented in the United Nations as an encroachment upon the authority and responsibility of the United Nations, and would never receive UN approval.

The President recognized that the Israeli position, as set out in its aide-mémoire, was unacceptable and we all expressed the hope that the Israeli position might be modified over the week end as Eban had intimated might perhaps be the case.

We felt, however, that the strongly emotional attitude of Prime Minister Ben Gurion and of Foreign Minister Meir made it unlikely that there would [be] any important change of position, and accordingly we considered what the United States attitude would be if this proved to be the case.

¹ Source: Eisenhower Library, Dulles Papers, Meetings with the President. Secret; Personal and Private. Drafted by Dulles

² According to Dulles' Appointment Book, Dulles and Lodge left Washington by air at 6:15 p.m., February 15, and arrived at Spence Airfield in Georgia at 9:30 p.m. At 10:30 p.m. that evening the two met with Eisenhower at Humphrey's plantation and then spent the night at a hotel in Thomasville. The following morning Dulles and Lodge returned to the plantation and had breakfast with Eisenhower, Humphrey, Hagerty, and Eisenhower's physician, Dr. Howard Snyder. This conversation took place following breakfast. (Princeton University Library, Dulles Papers)

Ambassador Lodge pointed out that we had been obtaining a deferment of action by the Arabs in order to give our *démarche* with Israel a chance to succeed, but that if success were not achieved this week end, we would be faced with the necessity of dealing with the problem in the United Nations early next week. Further delay on the part of the Arabs would not be obtainable.

I expressed the view that we had gone just as far as was possible to try to make it easy and acceptable to the Israelis to withdraw and I felt that to go further would almost surely jeopardize the entire Western influence in the Middle East and make it almost certain that virtually all of the Middle East countries would feel that United States policy toward the area was in the last analysis controlled by the Jewish influence in the United States and that accordingly the only hope of the Arab countries was in association with the Soviet Union. This, I felt, would spell the failure of the Eisenhower program for the Middle East even before it got under way. Ambassador Lodge indicated that, from his judgment of the situation at the United Nations, he concurred in this estimate and that failure of the Eisenhower program would open the way to war.

We thereupon considered various possible courses of action at the United Nations, including:

1. A UNGA resolution which would condemn Israel more strongly than any prior resolutions and thus perhaps bring to bear stronger moral sanctions against Israel;

2. A UNGA resolution which would follow the pattern of the United States resolution in the Security Council of October 30, 1956, which had been vetoed by the United Kingdom and France and which we interpreted as calling merely for a suspension of governmental support of Israel, a suspension which was now, in fact, in effect in the United States as indeed was there a comparable suspension as regards Egypt ever since it seized the Suez Canal Company;

3. A UNGA resolution which would call on the members to suspend not merely governmental assistance but private assistance to Israel. (In this connection George Humphrey telephoned to Mr. Burgess to get an estimate of figures, and reported that the rough estimate indicated that United States private gifts (tax deductible) were about \$40,000,000 a year; bond sales between \$50,000,000 and \$60,000,000 a year. He also said that German reparation payments in the form of goods amounted to about \$80,000,000 a year. I remarked that the Germans had indicated that they would be very reluctant to suspend these deliveries in kind);

4. A UNSC resolution which might call for present sanctions against Israel and prospective sanctions against Egypt if it exercised belligerent rights against Israel, after Israeli withdrawal, in the Suez and the Straits of Aqaba.

We felt that a Security Council resolution which did not carry a threat to Egypt would be vetoed by France and probably the United Kingdom, and that it was not accepted procedure to impose sanctions as against an anticipatory breach, which there was considerable reason to believe might never occur.

It was the President's feeling that resolutions along the lines of 1 and 2 were probably inadequate and that in order to get the necessary results, and perhaps to prevent a fresh outbreak of hostilities, it might be necessary to go along with an Arab resolution of the general character indicated by paragraph numbered 3 above.

It was, I think, understood that this decision was not an irrevocable one until I had had a chance to communicate further with the President following the talk which I expected to have with Eban later today. It was, however, felt that the likelihood of having to move in this sense was sufficiently great to justify preparatory moves.

The President suggested that I should arrange to make public this afternoon the text of the United States aide-mémoire, together with an explanatory statement. It was also arranged that he and Secretary Humphrey from Thomasville would try to get in touch with one or two leading Jewish personalities who might be sympathetic to our position and help to organize some Jewish sentiment in support of what might be the President's final position.

103. Memorandum of a Conversation, Secretary Dulles' Residence, Washington, February 16, 1957, 4 p.m.¹

SUBJECT

Israeli Withdrawal

PARTICIPANTS

Mr. Abba Eban, Israeli Ambassador
Mr. Reuven Shiloah, Israeli Minister
The Secretary
Francis O. Wilcox—IO
Herman Phleger—L
William M. Rountree—NEA

¹ Source: Department of State, Central Files, 674.84A/2-1657. Secret. Drafted by Rountree on February 18. The Department of State transmitted a summary of this conversation to the Embassy in Tel Aviv in telegram 799 on February 18. (*Ibid.*, 674.84A/2-1857)

Ambassador Eban met with the Secretary at the latter's house shortly after the Secretary's return from Thomasville (Georgia). The Ambassador said he had sent a full report to Jerusalem on the discussion with the Secretary on Friday, February 15, and expected later in the day to receive further instructions. Meanwhile, he had discussed the matter in detail with the Foreign Minister in New York and he felt that her views, which he would summarize, would be very close to those of the Government in Jerusalem. The Foreign Minister, the Ambassador said, did not have the feeling of being as far apart from the United States as might generally be felt. She considered that the United States and Israel had in general a common policy. The American Aide-Mémoire of February 11 and the conversation with the Secretary on that day had impressed her and the Israel Government, both having expressed in particular appreciation for the constructive efforts of the United States. She thought the objectives of the two governments regarding Aqaba were similar, although she would desire some suitable form of assurance that those objectives would be met. She shared the Secretary's sense of urgency regarding the withdrawal of forces from Gaza, but was encouraged to believe that the United States also wanted a situation in Gaza different than that existing before the military operation. Thus, the Foreign Minister felt, there was considerable common ground and she wanted the two governments to get together on an approach to the matter. There were, however, some procedural problems particularly regarding timing. The Foreign Minister felt this was a situation in which her presence in Israel might be very useful and she would like to go there without delay, accompanied by the Ambassador. The question was whether this would be practicable in view of possible activity in the General Assembly. If there should be any violent proposals put forth there within the next few days it would be difficult for the Foreign Minister and the Ambassador to leave. The Foreign Minister would, therefore, welcome any impressions which the Secretary might have as to what General Assembly action was likely to take place. The Ambassador remarked that neither the Foreign Minister nor he could commit themselves to return with anything different than that already expressed to the Secretary, although he thought the visit might be useful.

The Secretary responded that he was also concerned about the time element. Ambassador Lodge did not think that it would be possible to hold off beyond the first of the week further General Assembly action. We had been successful in delaying matters for about ten days, although there had been great pressure for putting forth resolutions calling for sanctions. Responding to the Secretary's query, Mr. Wilcox expressed the view that while we might be able to hold off further General Assembly action until the first of the week, it was unlikely that a delay beyond that time could be achieved.

Ambassador Eban said he was not aware of any broad opposition in the General Assembly to a delay. A number of European and Latin American countries had expressed themselves as opposed to sanctions on the grounds that they would not solve any problem. The opposition also was based upon the character of the beneficiary, i.e., Nasser, who was regarded as a "highway man" seeking the assistance of the United Nations. He, therefore, did not take it for granted that those who wanted to develop a constructive situation, rather than a destructive one, could not attain it.

Continuing, the Ambassador turned specifically to the question of Aqaba. He felt the issues boiled down to a few key points. The declaration of American policy and legal position was reassuring. The problem was to implement that position and to assure that the spirit inherent in it would prevail. Israel had no lack of trust of the United States, but did have a deep mistrust of Nasser. There were three ways in which this "missing link" could be provided: 1) to provide stability through the UNEF by having the Assembly endorse its functions in accordance with Ambassador Lodge's January 28 statement; 2) if the foregoing were not possible, to provide a statement of the intention of the United States and other maritime powers which would set forth clearly their intentions regarding the defense of the freedom of passage for all nations; 3) alternatively, for Egypt to say something in the General Assembly or elsewhere to the effect that it would not impose a blockade of Israeli vessels. The Egyptians probably would not do this, the Ambassador recognized, but if they should it would go far in solving the problem. The Foreign Minister felt that these possibilities held the key to the situation and would eliminate the "tormenting feeling" that Nasser was getting away with another "paper victory". Israel felt that if there were not a physical representation of the anti-blockade forces, there could be no confidence regarding passage through the Straits. The United States had indicated it had no reason to believe that any one would prevent passage through the Straits. That statement was impressive, but on the other hand declarations by Egypt to the effect that it would claim belligerent rights until all Arab refugees were repatriated had to be fully weighed.

Mr. Shiloah remarked that he had been impressed by the Secretary's statement at the February 15 meeting that Israel would not stand alone should anything unexpected happen following withdrawal. If Nasser should do something following Israeli withdrawal, Israel would have to defend her rights of passage. He had no doubt as to the usefulness of the Secretary's statement, but the possibility could not be excluded that, should this unfortunate contingency occur, the United States might come to Israel and say that for reasons of international peace no action should be taken to impose its rights of passage. Israel did not want to be faced with such a crucial test. A decision might then

have to be taken to undertake military action to defend Israeli rights. Thus, the Israel Government felt that it was much better to make a supreme effort for another few days to assure that the UNEF was stationed at Aqaba until a danger did not exist.

The Ambassador questioned whether the United Nations might not adopt a resolution, following a declaration by the United States and other maritime powers, calling for the withdrawal of Israeli forces and for the introduction of the UNEF for as long as may be necessary to assure passage through these international waters. He observed that when the Western powers stood together regarding Algeria, the Arab-Asian bloc had to go along. He felt that some Asian and the more moderate Arabs would be "detached" on such a reasonable proposal regarding the Straits.

Continuing, the Ambassador said Israel had to consider what would happen if it acceded to the American suggestions as an act of faith and then, three or four months later, Egypt should start trouble. He did not know what Egypt's relations with the Soviet Union would be, although he felt that the Eisenhower Doctrine might enter into a situation of this type. The theory that any guns implanted by Egypt along the Straits could be blasted away presented many questions. Israel felt it possible that the United States might say that, while Israel had a right to send its ships through the Straits, it should not do so because of the danger. This concept had been applied, in fact, in certain other instances such as with respect to the waters of the Jordan. Israel had been told while it had a right to the waters, it should not exercise that right since it might cause trouble.

Turning to Gaza, the Ambassador said that the November 2 General Assembly resolution had spoken of the withdrawal of forces. Only recently had it been implied that the Israeli withdrawal should include every aspect of Israeli participation in Gaza. Israel would like to achieve a staged process under which there would first be a withdrawal of Israel forces, after which there would arrive in Gaza a United Nations mission to decide what the future administration would be; to determine what were the Egyptian rights and what was the Israeli interest. If this should be done after withdrawal from Aqaba, all purely Egyptian territory would have been cleared. It would then be easier to discuss Israel's interest in Gaza.

The Secretary thought he understood and appreciated, as well as any outsider could, the pre-occupation of the Israel Government. He did not see a situation which would not involve some risks. He would be the last to try to persuade Israel that its withdrawal, even with the benefit of what the United States had said, would provide any guarantee that what Israel wanted would come about. There was no assurance that Egypt would not be obstructive after the Israel withdrawal, and certainly the United States could give no guarantee in this regard.

He did believe, however, that the experience which we had been through had provided a lesson in maintaining world order and justice, and that there would be a less lethargic attitude in the future than in the past where nations had been disposed to allow the rights of others to be ignored so long as their own rights were not affected. He did not think that we could give a guarantee in favor of Israeli ships and cargoes. He could state our general policy, but to back it up by an internationally binding guarantee could not be done without a treaty or something of that sort. Nor could we provide assurances regarding the UNEF moving into and staying in the area of the Straits. Neither did he think that we could obtain a statement from Egypt as suggested by the Ambassador, particularly since Egypt had stated that it would make no promises to obtain the withdrawal of Israel forces which were illegally in Egyptian territory. Even if they did, they could logically say that the promises were given under duress. It was recalled that just before the seizure of the Universal Suez Canal Company, Egypt had made certain statements reassuring the Company, but such statements had done nothing to prevent the seizure. Thus, the Secretary thought we could do little more than we had already done in making a statement of our intentions. The President also did not feel that we could go beyond that, or put ourselves in a position of negotiating with Israel on these questions. He thought the second resolution of February 2 had gone far in the right direction. It had been difficult to get that resolution adopted without negative votes from the Arab countries, which would have implied that they would oppose what was requested in the resolution. Although we might be able to make slight variations in the wording of our February 11 Aide-Mémoire, it was unlikely that we could in substance go beyond what was said in that document.

The Ambassador commented that he had drafted some possible variations in the wording of the Aide-Mémoire and hoped to have authority by the following day to hand these to the Secretary. The Secretary responded that if the authority was received the variations would be discussed at a meeting the following day. If not, however, we would have done all we could and would have to let the matter proceed in the United Nations. That would not be good, but the Israeli decision would have been made solemnly and with recognition of what was involved. We also would have made our decision on the basis of a most careful study of the matter. Regarding our own attitude, we had felt that the Israel grievances against Egypt were not of a character which justified a full scale armed attack. We had taken the position which history alone can judge that the first task of those trying to build world order was to avoid war for the settlement of grievances. If that was the correct principle, it was important that Israel withdraw and not condition its withdrawal on the satisfaction of

its grievances. When the territory of another state was held, it was hardly possible to achieve a peaceful settlement of disputes. This was so basic and fundamental that we must correct that situation as a first task. If we accepted the principle that nations having grievances had the right to use force, the clock would be dangerously set back. It may be that our efforts to achieve peace and justice on this basis were in vain and there was no other way to settle grievances, but the Secretary did not believe that to be so. The United Nations was a first step in the direction of world order, even though as yet inadequate means had been developed to achieve peace and justice. There was, however, a great deal more pressure of world opinion to achieve this goal, and events of the recent past had contributed much to that pressure. We believed that Israel should use the Charter of the United Nations and not use force.

The interests of our two governments could be achieved much more easily if Israel would join in that great effort. Even if it should fail, Israel's position before world opinion, and certainly Israel's relations with the United States, would be much better. That was a big decision which Israel would have to make. Our position and our advice was not based upon short-range expediency, but was based upon what we thought was best in the long term. We had assumed the same attitude with regard to the United Kingdom and France, both of which had acceded to the demands of the United Nations. The Secretary observed that the position which he stated transcended the views of any single individual. We had done our best to make the Israeli Government feel that if it joined with us in this matter, it would not in the long run be the loser for having done so. It was the judgment of the President and himself that the two governments could find a way to work together, and we would be gravely distraught if this should not be done. He believed the way was withdrawal in accordance with the United Nations resolutions, putting the United States and all the United Nations under responsibility for having urged Israel to take the risks involved, and hoping that Israel would be repaid for its efforts to achieve a just settlement.

The Ambassador said his Government was weighing these matters with great care. He observed that, regarding the broad question of the United Nations, there was an obverse side of the coin under which member states could perform every kind of violence short of war without getting into trouble. Egypt had engaged in military action in civil disguise, had imposed blockades against Israeli shipping, and had carried out many other acts as detrimental to Israel as if overt military force had been employed. A defect in the Charter was that it did not contain effective provisions against such forms of aggression. Israel had, therefore, never had the feeling that the Charter provided it with adequate assurances, and in fact Arab-Israel relations generally had

never been within the Charter. The big question was what the United States position would be if Israel's rights were violated. That was far more important to Israel than any United Nations assurances. Israel had a number of friends in the United Nations, particularly Western Europe and Latin American countries, which felt that the position that Israel was taking was reasonable and that its withdrawal should be conditioned on something more than generalities. He repeated his concern that if Israel should withdraw, it should know what the United States would do. What would history say of Prime Minister Ben Gurion if he should withdraw without adequate assurances? What would be the attitude of Israel's American friends who persuaded them to withdraw if Israel again should be confronted with hostile Egyptian acts? These questions, the Ambassador said, tormented his Government.

The Secretary responded that those questions could not be answered in any clear cut way. All of us at the State Department who had been giving thought to the broad aspects of the problem realized that ways had to be found to put some measure of force behind action to prevent the unlawful interruption of lawful rights. As he had said before, however, we did not believe that these were circumstances in which force should be used to achieve Israeli purposes. The situation would require a far more careful shaping of the issues than was the case in the recent military intervention by Israel, France and Great Britain, before the use of force could have been justified before world opinion. We would be unhappy to see a situation develop, after the withdrawal of Israel in accordance with the opinion of the overwhelming majority of the members of the United Nations and in accordance with the Charter, involving a continuation of Egyptian obstruction. We would be prepared to consult regarding ways to meet any such problem, which certainly ought to be met. As the Secretary had said in his November 1 speech before the General Assembly, we must do better than go back to the conditions existing before the military attack. If we should now merely return to the status quo ante, it would be as much of a defeat for United States policy as it would be a defeat for our policy if Israel should not withdraw. He could promise on behalf of the Administration that we would try to make the second resolution of February 2 succeed, just as much as we were now trying to make the first resolution succeed.

The Ambassador said that was important. However there were many issues and many dangers which had to be considered, which in the aggregate were also very important. Israel was acutely aware of the possibility of various countries saying in the future that, while Israel might have rights to transit the Straits, it should not exercise those rights. Nations had previously said that, while Israel had rights

to take waters from the Jordan, it should not do so in light of the present situation. If that should apply to Aqaba, the result would be that many areas of Israeli national life would be "blacked out".

The Secretary remarked that he had previously indicated to the Ambassador that we might want to make public our Aide-Mémoire of February 11. If the Ambassador had hopes of further progress the following day we would hold off publication until then. In any event, however, our position must be made clear before Monday when the matter would be resumed in the United Nations. It was agreed that a further meeting between the Secretary and the Ambassador would be held at 3 o'clock February 17.

Mr. Shiloah commented that the Embassy intended to correct the statement in the Israeli Aide-Mémoire relating to the proposed mission to Gaza. It wished to make it clear that the suggestion was for a United Nations mission and not for a United States-Israeli mission. He then commented that if it should be decided that the Foreign Minister and Ambassador would fly to Israel, he hoped that the United States would support a delay in the United Nations so that matters would not be brought to a head there during their absence.

The Secretary said we would support a delay so long as we ourselves were convinced that there was a hope for progress. We had successfully postponed discussions for a number of days, however, and could not give any assurance as to how long we might succeed in further delaying matters.

104. Memorandum of a Telephone Conversation Between the Secretary of State and Senator William F. Knowland, Washington, February 16, 1957, 6:40 p.m.¹

TELEPHONE CALL FROM SENATOR Knowland

Senator Knowland called and asked if any progress had been made on the Middle East situation, to which the Secretary replied he was afraid not. The Secretary asked if the Senator was familiar with the aide-mémoire (ours) and the Senator said Bob Hill had shown it to him. The Secretary said they came back with a pretty negative reaction and a multiplicity of conditions which would involve us in very detailed negotiations with them. The procedure was not at all workable which they had suggested.

¹ Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Dulles was at his home in Northwest Washington. Transcribed by Asbjornson.

The Secretary said that Eban would call again tomorrow at three o'clock. The Sec. said he believed that Eban seemed anxious personally to accept this arrangement but it was Mrs. Meir who was pretty adamant and that Ben Gurion was behind her. Eban has not yet heard from Tel Aviv.

The Secretary said if we could not get the Israelis out of Egypt the Russians would get them out and in the process we would lose the whole of the Middle East.

The Senator asked about sanctions. The Secretary said he did not believe this would come up before Monday but that if things remained in their present state he thought probably we would go along with them, to which Knowland replied he would be very sorry to see that. The Secretary said he would too but some way we would have to get the Israelis out. The Sec. did not think we could have all our policies made in Jerusalem. The Senator agreed but he said that the matter of sanctions was pretty serious when we applied it to one country and not to another. The Secretary said there was a little glimmer of hope left.

The Senator asked when the bridge would be crossed finally on sanctions. The Sec. said he thought it was crossed now in the sense that unless the Israelis go we would probably go along with sanctions. This was the conclusion the President came to today. The Senator said he would like to know the timing. He had gone along as far as he could and this would mean the parting of the ways. He would want to send in his resignation before the delegation voted on sanctions.² The Secretary asked the Senator to weigh this. The Sec. thought it the right thing and reiterated we stood to lose the entire Middle East. He did not see how we could have any influence with the Arab countries if we could not get the Israelis out of Egypt. If we could not get the Israelis out the Russians would and that [would] mean the loss of the Middle East and probable general war.³ We have tried everything short of sanctions.

Knowland said he hoped it worked out in some way. He would like to know in advance the outcome. The Secretary concluded we would probably not have to make a final decision until the middle of next week.

² Knowland had been serving as a representative on the U.S. Delegation to the 11th Session of the U.N. General Assembly.

³ This sentence appears in the source text as a handwritten insertion by Dulles.

105. Memorandum of a Conversation, Secretary Dulles'
Residence, Washington, February 17, 1957, 3 p.m.¹

SUBJECT

Israeli Withdrawal

PARTICIPANTS

Mr. Abba Eban, Israeli Ambassador
Mr. Reuven Shiloah, Israeli Minister
The Secretary
Francis O. Wilcox—IO
Herman Phleger—L
William M. Rountree—NEA

Ambassador Eban said that since the meeting of the previous day he had received a number of telegrams from Jerusalem, and had worked late the previous evening with the Foreign Minister in New York. The Prime Minister was anxious that the United States should understand his attitude. He was concerned with what his situation would be if he should withdraw from the two positions in question and later a situation should develop in which Israel was denied passage through the Straits and violence should again erupt from Gaza. Already there had been raids across the UNEF lines, with Egypt engaged in attacks and mine-laying. His questions in this regard would explain the tenacity of the Israelis and the feeling on their part that it was better to take more time now to prevent such a recurrence, than to make hasty arrangements without maximum precautions. The Prime Minister had expressed deep appreciation for the care with which the United States Government had set forth its position to Israel and explained what the United States was prepared to do in the United Nations.

The Ambassador said he had a number of points to raise concerning the American Aide-Mémoire of February 11. Regarding the first paragraph, the last sentence stated that Israeli forces " . . . ² also occupy the Gaza strip which is territory specified by the Armistice arrangements to be occupied by Egypt". That would overstate Egypt's case, he said, since the Agreement specifies only that Gaza was not to be occupied by Israeli forces. There was nothing in the Agreement to

¹ Source: Department of State, Central Files, 674.84A/2-1757. Secret. Drafted by Rountree. On Sunday, February 17, Dulles conducted Department of State business from his home in Northwest Washington. The Department of State transmitted a summary of this conversation on February 18 to the Embassy in Tel Aviv in telegram 800. (*Ibid.*, 674.84A/2-1857)

² Ellipsis in the source text.

prevent an Israeli civil administration so long as the area was not occupied by Israeli military forces. (The Secretary questioned this interpretation of the Agreement).

Regarding the second paragraph, the Ambassador said the Israeli position was not reflected with complete accuracy. It was properly stated in the Aide-Mémoire that Israel would withdraw from the Sharm el-Shaikh area if continued freedom of passage through the Straits was assured. Israel's position on Gaza, as noted in its Aide-Mémoire of February 15, was that it was willing to evacuate forces from the Gaza strip but was opposed to the restoration of the Egyptian occupation, while being willing to discuss a suitable relationship between the United Nations and the Israeli administrative services. The Ambassador said that the Israeli position in this respect had been elaborated since the Prime Minister had first written to the President on the subject.

Regarding paragraph 3, the Ambassador again questioned the statement that the Armistice Agreement had given Egypt the "right and responsibility" of occupation. He thought that Egypt had no such duty and responsibility, and that the Armistice Agreement had been negative and not positive in this sense. Concerning the second sentence of that paragraph, stating the United States believes "that Israeli withdrawal from Gaza should be prompt and unconditional" he said the term "Israel forces" in this connection would be appropriate if it were agreed that a decision on the civil administration should be deferred pending further examination and discussion by the United Nations. He noted this was a question of political attitude and not merely of text. The Ambassador went to some length to rationalize this attitude and to demonstrate that the United States and the United Nations presumably intended some distinction between complete withdrawal and withdrawal of forces, citing as an example the President's letter of February 3 which stated the belief that "Israeli forces" should be withdrawn from Gaza. He said he thought the concept of withdrawing forces before the civil administration was "not foreign to the United Nations or to the United States".

At this point the Secretary observed that the Ambassador's comments were interesting but were only of secondary importance. The main question was whether the Government of Israel accepted the basic thesis in the Aide-Mémoire of February 11.

The Ambassador commented that changes in the Aide-Mémoire might conceivably affect in some degree the Israeli attitude, recognizing that some of the changes suggested involved points of substance. Turning to paragraph 6 of the United States Aide-Mémoire, he said he would assume that the United States position regarding free and innocent passage through the Straits related to the conduct of vessels and not to the flag which the vessels flew or what was aboard. The Secre-

tary observed that this would appear to be an academic question now since Israel could presumably not claim innocent passage if it was in military occupation of a part of Egypt and held the Gaza strip.

Regarding paragraph 8, stating that the United States was prepared to exercise the right of free and innocent passage and to join with others to secure the general recognition of this right, the Ambassador said the question arose on the basic point of how far the United States would go in this regard. Israel wondered whether we would show determination not to acquiesce in any interference with the right of free passage.

The 9th paragraph, the Ambassador said, was an extremely important problem since it involved the question of the degree of Israel's withdrawal from Gaza necessary to restore the right of free and innocent passage. If the paragraph meant that Israel would not have the right of passage through Aqaba (and the Suez Canal) even after withdrawing military forces from Gaza and the Straits, the value to Israel of this provision would be annulled until the question of the administration of Gaza was resolved. He did not think it right to link everything to every vestige of Israel's rights in the administrative sphere in Gaza.

The Secretary inquired whether, if that point were resolved, Israel would withdraw its military force behind the Armistice lines. He remarked that from what the Ambassador had said, he assumed he was not authorized to say that would be the case.

The Ambassador responded that he would not be so authorized, since other matters were involved in the Israeli decision to withdraw. Perhaps, however, these other aspects were less "deadlocked" than this.

The Secretary commented that the United States had no authority or inclination to derogate the responsibility from the United Nations to decide questions of this nature. If Israel wished to put forth propositions of this character it should do so to the United Nations.

The Ambassador replied that his Government would undoubtedly do so at the appropriate time. Meanwhile, he would like to give the United States the complete picture of the Israeli thinking on the matter. Returning to the United States Aide-Mémoire, he said that in paragraph 10, regarding the UNEF, the belief was stated that the UNEF should move in after Israeli forces were withdrawn; however the Aide-Mémoire said nothing about the tenure of the functions of the UNEF. Ambassador Lodge had expressed himself in the General Assembly as to what the UNEF should do. The fact that this was not spelled out by the United Nations in its resolution constituted a difficulty. If it had been defined there would be greater hope of moving forward.

The Ambassador said he would like to discuss procedural subjects. He had gone as far as he could in clarifying the position of his Government regarding the American Aide-Mémoire. He believed that our two positions were not substantially different in their objectives, but there were differences in details. The two main points concerned American views on the future of Gaza and whether we felt nothing more could be done to obtain assurances regarding Aqaba. The Government of Israel had met that morning and had considered the matter thoroughly. It desired further clarification of American views and positions before making any final decision. The Foreign Minister and Ambassador Eban would like to leave for Israel tonight to explain the American view, after which the decision by the Government of Israel would be solemnly and gravely rendered. He could not say what effect their presence in Israel would have upon his Government's position. An important question was whether the United Nations processes would continue in their absence and there would develop a situation which would rule out the benefits of the trip.

The Secretary was not sure about the United Nations time schedule. We had received assurances that the debate would not start until Tuesday, February 19. However there was some doubt that it could be postponed beyond that time. He asked what Mr. Wilcox thought about this. Mr. Wilcox thought it would be extremely difficult to obtain a longer postponement. There already was great pressure to resume the debate. The Secretariat had been helpful thus far, but he did not know whether it would be possible to delay much longer.

The Secretary observed that with hopes of Israeli acceptance of the American Aide-Mémoire as a basis for immediate withdrawal having been dissipated, he could not estimate the possibilities of a delay. We certainly had no desire to precipitate matters. The United Nations was faced with dealing with the matter further and he did not know what the attitude of the other delegations might be.

Mr. Phleger said that, as a lawyer, he would like to make an observation concerning the legal aspects of the Israeli position on its civil administration of Gaza. The Armistice Agreement had provided essentially that Israel would be on one side of the Gaza-issue boundary and Egypt on the other. That situation prevailed, subject to raids and counter raids and other difficulties, until the unilateral military action by Israel during which it seized by force the Gaza area. Under the protection of Israeli troops a civil administration had been set up in Gaza. The United Nations had called for the withdrawal of these forces. It was inherent that both be withdrawn, civil as well as military. The civil administration could not exist except by agreement between Israel and Egypt, or under protection of Israeli troops. Israel

apparently asserted that there should be a revision of the Armistice Agreement under cover of armed protection by the occupation forces. That, he thought, was legally untenable.

The Ambassador had no convincing reply to Mr. Phleger's observation, but again commented that the Israeli concept of the Armistice Agreement was that Egypt had been given no special rights or privileges in Gaza. Israel believed that a military withdrawal should be continued by discussions of the future of Gaza after the visit of a United Nations mission.

The Secretary observed that some thought was being given in the United Nations Secretariat to the future administration of Gaza. While we had not been consulted and had no details, he was aware that this matter was receiving some attention.

The Ambassador said that Israel had not been associated with any such planning and had not been consulted. He reverted to his trip to Jerusalem and expressed the hope that he could have a few days for consultation with his Government before any United Nations action.

The Secretary expressed the view that there had been a fairly thorough exchange between the Israeli Government and the United States, and that any further talks might best be between Israel and the United Nations. Many areas into which the Israeli Government was now getting in the bilateral talks could not properly be dealt with on a bilateral basis. We had gone as far as we could without encroaching upon the authority of the United Nations and the Secretary General. The basic questions now being raised by Israel were matters with which we could not deal since we had no United Nations mandate.

The Ambassador expressed the hope that the United States might in the United Nations adopt positions supporting Israel regarding further assurances on the Straits and regarding the administration of Gaza. He said that in any future General Assembly debate it was expected that Israel's difficulties would become more understood and Israel would get wider support.

The Secretary observed that Israel no doubt would have another chance for debate in the General Assembly. He said he was sad about what the Ambassador had told him concerning the Israeli position. Great trouble was ahead. He had felt there was a real opportunity to work together, and had striven to do so. If the withdrawal did not take place, there would be a multiplicity of trouble affecting our relations officially with the Government of Israel and affecting the attitude of the American people toward Israel. Perhaps there would be divisions along racial and religious lines, which we would deeply deplore. A situation might arise which would provide an opportunity for the Soviet Union to inject itself in the area ostensibly to assist the United Nations. This would be an extremely dangerous disguise. He did not know the consequences of these grave developments. He gathered

that the Government of Israel had weighed them in deciding its attitude. It was probably presumptuous of him to ask, he said, but he was curious to know how the Government of Israel might calculate that it would get the things that it wanted by assuming the attitude described by the Ambassador.

The Ambassador said that these matters had been weighed by the Government. He assumed that the main hope was that there would be a change in the attitude of the United Nations, which would accept conditions to the Israeli withdrawal.

The Secretary thought that Israel had gravely miscalculated if it thought that, as a result of its position, there would be a change in the United Nations regarding negotiation and settlement of these issues prior to Israeli withdrawal. Thus the Secretary did not see where the solution might lie. There might be a resumption of hostilities, but if this should take place it would be under conditions where Israel would be largely looked upon as the aggressor. He doubted that under these conditions Israel could indefinitely prevail. Israel might annex large territories of other countries and attempt to hold those territories by military might, but such a course would indeed be risky.

The Ambassador, obviously impressed by the Secretary's remarks, said he did not feel that his government's appreciation of the situation was the same as the Secretary's. However, since the Secretary did feel so he thought it even more important that he should go to Jerusalem and carefully explain these views to the authorities.

The Secretary repeated that if Israel was gambling on the theory that it could break down the present United Nations position he felt that would be a vain hope. If so, there was nothing ahead except grave danger.

Mr. Shiloah interjected at this point that perhaps the Ambassador had understated the importance of his trip to Israel by describing it as "procedural". It is because of the grave implications of the matter that the Israeli representatives had sat up most of the previous night in serious discussions, and it was thought that every nuance of the Secretary's thinking should be brought to the attention of the Israeli Government.

Responding to the Secretary's question, Ambassador Eban said it was planned that both he and the Foreign Minister would return to Israel. The only thing that might obstruct the trip was the possibility of immediate action in the United Nations which might involve the discussion of sanctions.

The Secretary concluded by saying that we would do what we could to gain time in the General Assembly but he did not think it possible to delay much if at all. The pressure for immediate debate was very great.

106. **Memorandum of a Telephone Conversation Between the Secretary of State in Washington and the Representative at the United Nations (Lodge) in New York, February 17, 1957, 4:35 p.m.**¹

TELEPHONE CALL TO AMBASSADOR LODGE

The Sec said we are issuing the aide-mémoire and a statement by the Pres.² The Sec said for L's info and Hammarskjold, Eban and Meir were going back to Tel Aviv to discuss the matter further with the Cabinet. The Sec said he believed Eban was shaken by the consequences of Israeli policy and would like the opportunity to present the case personally to Ben Gurion and the Cabinet. The Sec said he was asking for time, but he, the Sec, had not held out much encouragement. (I missed a portion of this conversation while answering the other phone.)³ The Sec said the UN was studying the position; he hoped something might come out of the Feb 2 second resolution.

The Sec reported on his conversation with Knowland the day before.⁴ The Sec said K had said that if we backed up sanctions against Israel it would be a parting of the ways; he would resign from the US UN Delegation and fight us. L. said he thought we could stand that. The Sec said yes, but with the Democrats and now half the Republicans playing partisan politics, there was not much left in Congress. Lodge said he had spoken to Rabb⁵ and told him to call Hagerty, re a Jewish-American group.⁶ L. asked if it was all right to say that we would back Israel up if she was attacked; the Sec said yes, if after withdrawal. Re the group the Sec said the Pres had talked to Sidney Weinberg who was to think of names and call back.

¹ Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Transcribed by Proctor.

² On February 17, the Department of State made public the revised text of the U.S. Aide-Mémoire of February 11. At the same time in Thomasville, Georgia, President Eisenhower issued a statement explaining the U.S. position on the need for an Israeli withdrawal. Dulles, Eisenhower, and Hagerty discussed last-minute changes in the President's statement over the telephone before and after Dulles' conversation with Eban. Memoranda of these telephone conversations by Proctor are in the Eisenhower Library, Dulles Papers, White House Telephone Conversations. The text of the President's statement is in Department of State *Bulletin*, March 11, 1957, pp. 391-392; and in *United States Policy in the Middle East, September 1956-June 1957*, pp. 292-293.

³ The parenthetical insertion is Proctor's.

⁴ See Document 104.

⁵ Maxwell M. Rabb, Secretary to Eisenhower's Cabinet.

⁶ The source text indicates that Proctor transcribed this word as "airport" with a question mark and that Dulles changed the word to group. The same correction was made in the final sentence of the paragraph.

L. said the Dept should be drafting a text of a resolution and a statement for him to make in N.Y. The Sec said he, Rountree, Phleger, and Wilcox were now talking about a resolution, that would not be easy to do; the statement would be easier. L. said he should have the text of a statement by Monday afternoon as he would have additions for it. The Sec said the Pres' statement today would be the backbone for it. They discussed sponsorship. L. mentioned like in November, when we sponsored it alone. The Sec said he would hate to see us move in alone. L. said we did not have to but that is what we did in November. The Sec told L. to let Hammarskjold know about how things have shaped up.

107. Memorandum of a Telephone Conversation Between the Secretary of State and the Presidential Press Secretary (Hagerty), Washington, February 18, 1957, 8:59 a.m.¹

TELEPHONE CALL FROM MR HAGERTY

They compared the newspapers of this a.m.—there and here. The Sec said we have a very nasty situation on the Hill. It looks as though the Democrats were going to abandon any pretense of bipartisanship and there is a very undependable Republican group which is split. K is running for the Presidency and is not hesitating to split. A lot of criticism about the Pres being away. The UN debate starts tomorrow though the Sec does not think it will conclude then. The Pres has got to get tough in dealing with Congress. Hill was talking with Knowland and Johnson—they are sore at each other and at the Pres. They won't confirm Herter.² The pressure of the Jews largely counts for Knowland's attitude, the Sec thinks. The Sec went on re foreign aid and their making a lot of Humphrey's statement³ and someone yesterday (McCormack) saying the only place is in foreign aid. They discussed the Pres's return—and the Sec thought it could go until Wednesday.

¹ Source: Eisenhower Library, Dulles Papers, White House Telephone Conversations. Transcribed by Bernau.

² On January 25, the Eisenhower administration sent to the U.S. Senate for confirmation as Under Secretary of State the name of Christian A. Herter, the former Governor of Massachusetts.

³ During a press conference on January 15, Secretary of the Treasury Humphrey spoke out strongly in favor of cutting government spending and reducing taxes. Humphrey warned that if the government did not reduce the "terrific" tax burden on the country, there would be a depression that would "curl your hair". (*The New York Times*, January 17, 1957)

108. **Memorandum of a Telephone Conversation Between the Secretary of State in Washington and the Representative at the United Nations (Lodge) in New York, February 18, 1957, 11:30 a.m.**¹

The Secretary told Ambassador Lodge that we ought, if possible, find out from Mr. Hammarskjold what he has on the question of the administration of the Gaza strip.

Ambassador Lodge said he didn't think Mr. Hammarskjold had any information on this, but he would ask Mr. Hammarskjold.

The Secretary said he doesn't want to assume the moral position that something can be done if Mr. Hammarskjold doesn't have anything going.

The Secretary said that we can handle the Gulf of Aqaba ourselves and he is not without hope that the Israelis will change their position if we can gain enough time.

Ambassador Lodge said the sponsorship depends on the type of resolution we have. If it is a simple sanctions resolution involving withdrawal, we can follow along. If it is anything else, we will have to be in on the sponsorship. If there is anything conditional in it, we can't get it through.²

¹ Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Prepared in the Bureau of International Organization Affairs. At 11:12 a.m., February 18, Dulles joined a meeting in progress concerning the Israeli withdrawal question in Wilcox's office. (Dulles' Appointment Book; Princeton University Library, Dulles Papers) Present at the meeting were Wilcox, Elbrick, Ware Adams, and British, Canadian, and French officials. (Department of State, Central Files, 674.84A/2-1857)

² Later that day Lodge cabled Dulles a follow-up to this telephone conversation: "SYG believes Egyptians would accept UN administration Gaza on de facto basis, provided there is Egyptian 'cloak'. SYG believes Fawzi would agree that UN should carry main burden in Gaza area and that there should be extension of UN functions and cooperation.

"SYG is seeing Fawzi today, but does not expect to be able to get anything more precise than the above. SYG said this is no time to crowd Egyptians in view of position being taken by Israelis." (Delga 751 from USUN, February 18; *ibid.*, 674.84A/2-1357)

109. **Memorandum From the Assistant Secretary of State for International Organization Affairs (Wilcox) to the Secretary of State**¹

Washington, February 18, 1957.

SUBJECT

Arab-Asian Resolution on Withdrawal

Ambassador Lodge just called to report that Ambassador Rifai of Jordan has just been to see him.² Rifai told Lodge that the Arab-Asian countries are planning to introduce a resolution today providing for sanctions against Israel. They have 18 sponsors and they wanted to know what our attitude would be. Rifai remarked that they had seen in the papers news of our weekend activities with respect to the matter.

Lodge reported that the Arab-Asian group will meet again at 6 p.m. today and would like to have our reaction by that time. He said he should have an answer to this question—"Do we want to go ahead with the Arab-Asian group, supporting a simple sanctions resolution or do we want to have a resolution of our own which might include certain other provisions with respect to Aqaba, Gaza, etc.['?']"

Ambassador Lodge believes it would be better if he were authorized to tell the Arab-Asian states that we would support them.

We have just had word also that the USSR has prepared a resolution and is consulting with the Arab group on it. It would:

1. Recall previous resolutions approved by the Assembly;
2. Note the Secretary General's report;
3. View with concern Israel's refusal to withdraw;
4. Condemn the Israelis; and
5. Recommend that the Security Council call upon all states to deny all military, economic assistance or facilities to Israel in view of her continued defiance of the aforementioned resolutions.

¹ Source: Department of State, Central Files, 684A.86/2-1857. Confidential. A marginal notation on the source text by Bernau reads: "Sec saw".

² In telegram 759 from USUN, February 18, Lodge confirmed the contents of his report telephoned to Wilcox and described developments in New York occurring subsequent to that conversation. (*Ibid.*)

110. **Memorandum of a Telephone Conversation Between the Secretary of State in Washington and the Representative at the United Nations (Lodge) in New York, February 18, 1957, 1:33 p.m.**¹

TELEPHONE CALL TO AMB LODGE

The Sec said the Pres is planning to come back and have a meeting Wed a.m.² The Sec is going to have a visitation from a group of Jews and he hopes we can at least persuade some to back the adm. The Sec thinks we are going to have to have time on this—don't know how it is shaping up. L said he sent word to Wilcox—the Afro-Asian meeting is at 6 re the res we have here.³ The Russians have one—an Assembly res but telling the SC to take it up. The Sec would not mind if it is referred back to the SC—you would get a French veto and then back to the GA. L said he favors voting for the Afro-Asian res and get it over with. That will have maximum effect to get them to withdraw. The Canadian and French ideas can't be gotten in as conditions. L has to say something this evening. The Sec said the Pres sent word he hoped they would not be too tough. L will try to get it changed if the Sec will have someone wire him changes. The Sec said the condemnation is not the sticking point. L does not know how to make it milder and do what you want done. The Sec passed on this thought for what it may be worth: Outside of the US Israel gets its greatest help from Germany which is not a member of the UN. The Sec spoke to Krekeler this a.m. who said his govt does not want to cut it off.⁴ The Sec said he knows that but they could make them get nervous and Krekeler said he would cable them. The Sec mentioned making it apply to all nations. Then the Sec said he would not make that move right away. L said he has to tell them something. The Sec said L's solution is easiest from where he sits but not from where the Pres sits and he does not want to commit us irrevocably until he talks with Congress. L will try to put it off—what shall he say? The Sec said we have a practical situation which everyone realistically must appreciate whatever the technical provisions of law are. You can't carry out a law which the great majority don't agree with. The Pres is trying to create public opinion which will support him. No use trying to start on something that will break down with you. The law we invoke is a fragile reed—it

¹ Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Transcribed by Bernau.

² Hagerty informed Dulles of this in a telephone conversation which began at 1:02 p.m. on February 18. (*Ibid.*, White House Telephone Conversations)

³ See the memorandum from Wilcox to Dulles, *supra*.

⁴ A memorandum of the conversation between German Ambassador Heinz L. Krekeler and Dulles is in Department of State, Secretary's Memoranda of Conversations: Lot 64 D 199.

was passed when we fought in Korea. We have taken governmental action all right. L can say the Pres is coming back to meet with Leaders and the Sec said they would be resentful if we commit ourselves first. We are the key to it. The Br and Fr won't carry it out nor the Canadians. L will do his best.

111. **Telegram From the Embassy in Israel to the Department of State**¹

Tel Aviv, February 18, 1957—5 p.m.

978. Following personal message from Ben Gurion to Secretary Dulles telephoned to Embassy from Jerusalem this afternoon with appeal for urgent transmission (unessential words omitted).

"At this eleventh hour and in order avoid fateful misunderstanding between our two peoples, I wish to appeal to you personally to obtain postponement of UN discussions and to arrange for committee of representatives of few impartial states to proceed forthwith to Israel and, if necessary, also to Egypt in order to try to reach agreed settlement of outstanding questions of Sharm-el-Sheikh and Gaza.

I fully appreciate your position and that of President. At same time, I ask you in all earnestness to sense deep feeling of our entire people that withdrawal under present circumstances will spell disaster for us. If UN, supported by US, seeks by sanctions to compel us to do so an historic injustice will have been committed and what may be fatal blow will have been struck at moral foundations of the international organization. For UN to take this course is to adopt double standard of morality. For Israel to surrender would be, we feel, fraught with most serious consequences. I must repeat that it is Egypt which has maintained aggression against Israel since May 15, 1948, and which declares its intentions so to continue.

In light of exchange of views which has taken place between yourself and Ambassador Eban in past week, I have strong hope that steps I suggest might bring about agreed and just solution. If this hope is not realized, all that will be involved is short delay in attempt to save Israel and UN from most tragic development. I have instructed Ambassador Eban to return immediately for consultation."

I am seeing Ben Gurion in Jerusalem at his request at five this afternoon for general discussion situation.

Lawson

¹ Source: Department of State, Central Files, 674.84A/2-1857. Confidential; Niact. Received at 3:17 p.m. Also sent to USUN. A copy in the Eisenhower Library, Whitman File, International File, bears the marginal notation by Goodpaster dated February 19: "President has seen".

112. Report by Arthur H. Dean¹

New York, February 18, 1957.

Ambassador Eban came in to see me at 5:30 p.m. and has just left at 6:30 p.m. He said the following:

(1) If the role of the UN forces moving into the Gulf of Aqaba could be more specifically defined, it would be a great help, as at present it is only required that they move in but nothing specific as to how long they would stay or whether they would leave at the request of Egypt. He would like some phrase they would move in as the occupying forces pending a decision in the matter.²

(2) A letter from the Secretary of State to the Prime Minister of Israel in which it would be set forth in general terms which would not juridically constitute a guarantee that if the Israeli forces were to leave the Gulf of Aqaba area on the basis put forth and if it were to come about that the Government of Egypt were to resume the blockade of the Gulf of Aqaba so that this Gulf would not be open to the free passage of the ships of all nations, including the ships of Israel, the US would feel a deep sense of responsibility and would feel it incumbent upon them to take such steps as might be necessary to bring about a lifting of the blockade.³

(3) It should be made clear that the previous statement of the US with respect to free passage in the Gulf of Aqaba would become effective immediately upon (i) the Israeli troops leaving the Gulf of Aqaba area and (ii) when the Israeli troops or military forces⁴ leave the Gaza Strip.

Ambassador Eban feels it is not clear under the present statements when the US statement with respect to the free passage of the Gulf of Aqaba comes into force and there ought to be no doubt about the specific conditions which must be met when it comes into force.

(4) There should be a UN Mission sent to the Gaza Strip to make an investigation and to make recommendations with respect to the whole question of civil administration of the Gaza Strip.

He said that of course Israel would hope to be able following the withdrawal of their military forces from the Gaza Strip to work out a civil administration. He said he had just left Lester Pearson, Canadian Secretary for External Affairs, and Pearson had said that he felt it would be very dubious that a UN mission would recommend an Israeli administration for the Gaza Strip. Ambassador Eban said that he was not clear that an Israeli administration was absolutely essential but he

¹ Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. The source text indicates that Dean dictated this report over the telephone from New York. The typed text was prepared by Proctor in the Department of State. A marginal notation on the source text by Bernau reads: "Sec Saw".

² A marginal notation in Dulles' hand next to this paragraph reads: "only U.N. can define".

³ A marginal notation by Dulles next to this paragraph reads: "already so". Dulles also underlined the phrase "the US would feel a deep sense of responsibility".

⁴ In this paragraph Dulles circled the words "troops or military forces".

believed Israel would be willing to see a UN administration or some neutral form of administration,⁵ provided it was not merely a return to Egypt because in that event Egypt would close all roads, all water and electrical facilities, and Israel would again be faced with an enemy at its borders. He said that they wanted to be sure when their right to free passage in the Gulf of Aqaba vested and would not want to get into some argument that it did not vest because there was still some question about who was to administer the Gaza Strip.

He said that at a conference today with the Secretary, the Secretary had asked him the question "Assuming I were to accept this modification, are you, Mr. Ambassador, free to tell me that you accept it here and now on behalf of your Government?" Ambassador Eban said he had replied that he was not a plenipotentiary and that he could not bind his government.⁶

He said nevertheless that he thought that if the Secretary could tell him in principle that a solution along these lines would be satisfactory to the Secretary, that he believes he could persuade his government to accept. He is leaving for Israel either tonight or tomorrow morning and in the meantime is staying at the Savoy Plaza Hotel in New York. He said that if the withdrawal of both Israeli troops and civil administration from the Gaza Strip meant the Egyptians would come back into control,⁷ he thought he would have exceptional difficulty with his government, but that they would accept a UN control of the Strip and that since UN would have the responsibility for policing the area and for the refugees, he ventured to express his personal opinion that the UN could not carry out its duties if the Egyptians were to take over the civil administration.

He asked for my opinion as to whether the Secretary was merely asking him (Eban) a rhetorical question⁸ or whether he was merely trying to emphasize to Ambassador Eban that he Eban was not a plenipotentiary.

I replied that it was of course impossible for me to know what the Secretary had in mind but that in my opinion the Secretary did not play-act and I doubted if he were merely trying to point out the lack of power in Ambassador Eban.

⁵ Dulles underlined the phrase "to see a UN administration or some neutral form of administration" and wrote in the margin next to it the word "Hammar[skjold]".

⁶ Dulles' Appointment Book for February 18 does not indicate a meeting between Eban and Dulles. (Princeton University Library, Dulles Papers) Presumably, the conference between the two mentioned here took place over the telephone, and no record of the conversation has been found in Department of State files.

⁷ Dulles underlined the phrase "the Egyptians would come back into control" and placed a question mark next to it in the margin. He also underlined the words "Egyptians were to take over the civil administration."

⁸ Dulles circled the words "rhetorical question".

Ambassador Eban is very anxious to work out something along these lines and subject to the foregoing believes he could sell it to his government. He is very anxious to know before he leaves whether something along these lines is feasible.

Arthur H. Dean⁹

⁹ Printed from a copy that bears this typed signature.

113. Telegram From the Embassy in Israel to the Department of State¹

Tel Aviv, February 18, 1957.

980. Re Embtel 978.² Ben Gurion's request to me to come to his Jerusalem residence this afternoon was for purposes, first and most important, of soliciting US influence to delay General Assembly discussion and second, to urge our consideration of UN commission to make on-the-spot study of Gaza problem.

He said Sharm el-Sheikh presented no serious difficulties for eventual solution in view of "agreement in principle" that Tiran Straits were international waterway. Nor was Gaza insoluble problem if only time could be provided to enable "three or four sensible people" to sit down and work out problem.

"I am convinced we are on very brink of settlement," he said, "and it would be great tragedy if it eluded us just for lack of little time."

"If UNGA meets on this problem tomorrow, sanctions will be voted against Israel. If they are proposed, they probably will be approved no matter what US decides to do because that is mood of Arabs, Afro-Asians and Soviet bloc. I do not think US people will be very happy. Surely many of them will ask why we are penalized while Russia, Government of Hungary, India and Nasser have consistently ignored resolutions of General Assembly or Security Council."

Ben Gurion intimated strongly his people would choose to endure sanctions if only alternative was to capitulate to proposals which neither gave them security nor removed restrictions on their commerce.

¹ Source: Department of State, Central Files, 674.84A/2-1857. Confidential; Niact. Received at 7:36 p.m.; the source text does not indicate the time of transmission.

² Document 111.

"But why," he asked, "does it have to be done tomorrow? If Israel, 'the criminal' is to be punished in absence of solution, why isn't it as satisfactory to punish us six weeks hence, first attempting to find peaceful solution?"

"I know some say we were told to withdraw three months ago, and we haven't yet complied, but what is few more weeks? Egypt has refused to comply for more than 6 years and no one has suggested sanctions against her."

Rest of our conversation was largely familiar recital his views on essentials of Sharm el-Sheikh and Gaza problems.

Re Sharm el-Sheikh: Definition by President and Secretary of Straits as international waterway goes almost but not all the way towards meeting GOI's problem. To assume that merely because US, perhaps British and French and even Scandinavian, shipping is permitted free passage Israel will have it as well is to overlook fact that these maritime powers used Suez without interference. But freedom they enjoyed in no way established Israel's right to same privilege.

Re Gaza, Ben Gurion said Israel thought strip posed three major questions—(1) Israel's security, (2) welfare of permanent inhabitants, $\frac{2}{3}$ of whom are now charity cases, and (3) refugees. "None of these elements of Gaza question present really serious problems if approached by reasonable commission," he said, "Israel was confident it can greatly improve lot of permanent inhabitants, perhaps even making them self-sufficient by tying their lands into Israel's irrigation system, providing technical assistance and marketing their crops." Israel was prepared to make substantial contribution to refugee problem as well including, as he has stated before, some resettlement in Israel.

Comment: Ben Gurion spoke in conciliatory and quite unemotional tones, speaking with firm confidence several times of his conviction that time and "on the ground" study by a UN group would produce solution. He is certain decision is now in US hands, and he is not without hope we will undertake to delay UN debate few more days to consider alternatives. As I left aide said they felt Secretary would make his decision today.

Ben Gurion moved back to Jerusalem over week end and appears considerably improved in health.

Lawson

114. Telegram From the Department of State to the Mission at the United Nations¹

Washington, February 18, 1957—9:36 p.m.

Gadel 146. Suez—Interim arrangement.

1. US, UK and France now have agreed position to present to SYG on interim arrangement for Suez Canal. The remaining outstanding issue (Gadel 143,² para. 5) has been resolved by UK and France withdrawing their previous position that users must be parties to agreement. The agreed Aide-Mémoire and enclosure thereto, text below, spell out the agreed position. The last sentence of the Aide-Mémoire makes clear that the four governments (including Norway) expect SYG will secure their views on any Egyptian counter-proposal containing material changes.

2. Text of Aide-Mémoire and enclosure: "The Governments of France, Norway, United Kingdom and the United States of America have consulted together with a view to presenting to the SYG of the United Nations, as requested, an agreed position regarding interim arrangements which they consider should govern the operation of the Suez Canal pending a final settlement in accordance with the six requirements set forth in the Resolution of the Security Council of October 13, 1956 and in light of the letters of the SYG and the Foreign Minister of Egypt of October 24 and November 2, 1956. This position is set forth in the enclosure to this Aide-Mémoire.

"The four Governments desire, in addition, to inform the SYG of their view that the question of repayment of advances for clearing the Canal should not be dealt with in the agreement for an interim arrangement, but should be considered in the negotiations for a final Canal settlement.

"The four Governments would appreciate it if the SYG would initiate discussions with the Government of Egypt looking toward the prompt conclusion of an interim arrangement on the basis set forth in the enclosure to the Aide-Mémoire. In the event that in the course of these discussions the Egyptian Government should advance suggestions for material changes, it is the understanding of the four Governments that the SYG would communicate such suggestions to them for consideration.

"Enclosure: Points To Be Covered In Interim Arrangement Governing Operation of Suez Canal Pending Final Settlement.

¹ Source: Department of State, Central Files, 974.7301/2-1857. Confidential. Drafted by Meeker and Metzger.

² Gadel 143 to USUN, February 15, contained a report on discussions concerning an interim arrangement for the Suez Canal being held in Washington with British and French officials. (*Ibid.*, 974.7301/2-1457)

"1. Egypt would designate the IBRD or the UN as agent to receive, hold, and dispose of all Canal tolls under an agreement, the purpose of which is to protect the interests of Egypt and the users and to facilitate the operation of the Canal, as described below. The identity of the agent would be specified in the agreement.

"2. All tolls would be received by the agent and placed in a Suez Canal account on terms providing that the agent should pay over to Egypt immediately one half of these tolls for operating costs, and that the remainder would be held by the agent in the Suez Canal account, to be disbursed at a later date in conformity with the provisions of a final Suez Canal settlement in accordance with the six principles approved by the Security Council on October 13, 1956 and in light of the exchange of letters between the SYG and Foreign Minister Fawzi dated October 24 and November 2, 1956.

"3. The agreement would provide that operation of the Canal, pending a final settlement, would be in accordance with the six principles approved by the Security Council on October 13, 1956 and the obligations of the Constantinople Convention of 1888."

3. Request that you concert with your UK, French and Norwegian colleagues (as reported Gadel 143, there have been no discussions here with Norway) and jointly deliver Aide-Mémoire and enclosure.³

Dulles

³ On February 19 in New York, Representatives of France, Norway, the United Kingdom, and the United States presented the texts of the Aide-Mémoire and enclosure to Secretary-General Hammarskjöld. After reading the document, Hammarskjöld said that he would contact Egypt concerning the paper, and warned that recent publicity given to parts of the document damaged chances of obtaining Egypt's agreement. (Delga 766 from USUN, February 19; *ibid.*, 974.7301/2-1957)

115. Memorandum of a Telephone Conversation Between the Secretary of State in Washington, and Arthur H. Dean in New York, February 19, 1957, 9:53 a.m.¹

TELEPHONE CALL TO ARTHUR DEAN

D returned the call and said Eban leaves at noon. D got the impression it is negotiable. The Sec said he knows that re Eban but dubious re Ben Gurion. D reviewed his conv with E. D said if we advance from the stand we have taken which is a major effort and BG

¹ Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Transcribed by Bernau.

says no, D does not think the US would want to be put in that position. The Sec said some of the things he is talking about cannot be given assurances on because [it is] a UN matter. D wondered if we could say anything re UN forces moving in and then out—say that they would move in on an appropriate basis. The Sec said we can't give guarantees about other peoples' shipping. No doubt but what if the Israelis accept this it would place a heavy moral responsibility on the US and the Sec thinks they are crazy not to do it. E was pleading for something to take back to BG. E said Pearson said he did not think they have a prayer of getting in Gaza Israeli adm. The Sec said there is a possibility that while recognizing the ostensible Egyptian right of occupation there would in fact be a UN adm. Hammarskjold is working on it. And the Sec thinks it likely there will not be a reversion to total Egyptian adm. We play cautiously and would not assume the moral responsibility unless we probed to be fairly sure it would work out that way. D said when he was with Mrs. M[eir] and E they told him Lucius Clay came in and advised them to stick to their guns and not retreat. Some prominent Americans of the Jewish faith are advising them. The Sec concurred and said he thinks Silver² is one. D told them they are dipping dangerously close to the bottom of their good will in the US. The Sec said if they don't get out and hostility is resumed etc. etc. they will be blamed in the future for it. D was trying to think up wording—non-committal general language. He had said E was pleading for something further to put up to BG. The Sec told E several times that if they want some slight modifications and tinkering with the text of our declaration that was something we could consider on the assumption this is acceptable but merely to get into it and have it turned down again is something we will not do. We could put in a sentence that we hope there would be established in accord with Egypt some adm of the area under the auspices of the UN. Perhaps strengthen other words. But the Sec will not go into this unless he knows in principle they would withdraw. D repeated the above and the Sec said they know it as he has told them but no reason why D should not tell him that again. We are willing to spell out hopes and expectations and what our policy will be and put in the sentence re different form of adm which we hope could be mutually agreed upon by Egypt and the UN for some sort of a practical adm.

² Rabbi Abba Hillel Silver, National Chairman, Board of Governors, State of Israel Bonds and prominent figure in several Zionist organizations.

116. **Notes on a Meeting of the Intelligence Advisory Committee**¹

Washington, February 19, 1957.

[Here follow the first two items concerning procedural matters.]

3. *Crisis Situation: Probable Effects of US-Supported UN Sanctions Against Israel*

The IAC devoted approximately an hour and a half to consideration of the draft presented by CIA.² Three aspects of the problem were given special attention:

1. *The attitude of the USSR toward sanctions.* The paper was modified to indicate that the USSR might view these with some reluctance in view of the precedent which voting of sanctions against Israel would establish.

2. *The attitude of Israel toward sanctions*—whether they would yield if it became evident that sanctions were to be voted or whether they would hold out as long as possible. The IAC felt that Israel had given every indication of believing that at this point in time a firm and uncompromising position is its best defense, but note was taken of the fact that Eban had been recalled for conferences which might influence its position.

3. *The effect of sanctions on Israel.* It was generally agreed that France would in all probability make every effort to see that munitions and money got through to Israel in spite of any UN sanctions imposed. Even if this country invoked provisions of Trading With the Enemy Act to block transfer of funds to Israel, attempts might well be made to circumvent the law by sending funds through France. Though this could involve danger of criminal prosecution, it was pointed out that the strong feelings in this country would make extensive prosecution difficult.

The Chairman suggested that since the paper was being cleared word for word, it be put out as a SNIE. Admiral Frost indicated that he had some reservations on this point, and Mr. Furnas stated that if it were to become a SNIE he would want to refer it for detailed consideration to a number of people who so far had had only limited opportunity to study it. It was agreed that it would be put out under a covering memorandum similar to that used for the crisis situation paper of last week.

[Here follows discussion of the Philippines, the Persian Gulf, Eastern Europe, and the Dominican Republic.]

¹ Source: Department of State, INR Files: Lot 58 D 776. Secret. Drafted by McAfee.

² *Infra.*

117. Memorandum Prepared by the Central Intelligence Agency¹

Washington, February 19, 1957.

PROBABLE EFFECTS OF A US-SUPPORTED UN RESOLUTION APPLYING SANCTIONS TO ISRAEL

1. This memorandum estimates the probable effects of the adoption by the UN General Assembly, with US support, of a resolution recommending sanctions against Israel until such time as it complies with the General Assembly resolution calling for its withdrawal from Sinai and the Gaza Strip. It does not consider the likelihood that such a resolution will in fact be passed by the Assembly. It is here assumed that under such a resolution the US would halt all US Government assistance to Israel, would block Israeli funds in the US, and would block the private transfer of goods and dollars from the US to Israel.

Probable Extent of Participation

2. A program of UN sanctions against Israel would be supported by the Arab states and by the USSR, which has already halted shipments of oil to Israel. It would also be complied with by most of the Arab-Asian and under US leadership by many Latin American states. Among those countries cooperating in application of a sanctions resolution would probably be Iran and Venezuela, from which Israel has obtained oil. Even given active US participation in the program, most of the NATO countries, including the UK, would at best give reluctant support to a program of sanctions. Canada, which from the start backed UN resolutions calling for Israeli withdrawal from Egypt and itself proposed the UN Emergency Force, has indicated that it would not cooperate. West Germany has stated it would not suspend reparations payments. France would almost certainly refuse to participate in

¹ Source: Department of State, NEA/IAI Files: Lot 70 D 229, Political Affairs & Relations 1957. Secret. A covering memorandum by Allen Dulles notes that this memorandum was considered by the Intelligence Advisory Committee on February 19 (see *supra*). Dulles' memorandum concludes: "The Committee considered that the matter was of sufficient importance to be brought to the attention of the following addressees." The distribution list included Goodpaster, the Secretary of State, the Secretary of Defense, Chairman of the Joint Chiefs of Staff, the Special Assistant to the President for National Security Affairs, and members of the Intelligence Advisory Committee.

Within the Department of State, the CIA paper and Dulles' covering memorandum were distributed by Armstrong to Murphy, Bowie, Rountree, Elbrick, and Wilcox under cover of a note by Armstrong. The note explained that the Intelligence Advisory Committee intended each week to consider papers, such as the one attached, on situations believed to be critical which did not involve possible Soviet military action against the United States, its allies, or overseas bases. The note also indicated that the papers were not fully coordinated among the interested agencies, but any substantial dissents by IAC members were noted in the paper. A copy of Armstrong's covering note is attached to the source text, which is Rountree's copy.

economic sanctions and in fact would probably increase shipments to Israel. Other nations which voted against the resolution would be unwilling to apply sanctions. Should sanctions fail to produce prompt Israeli compliance with the General Assembly's wishes, the willingness of other nations, particularly in the NATO group, to continue applying sanctions would almost certainly decline. In the event of continued deadlock with Nasser on the Suez Canal issue, Western willingness to cooperate with a program of sanctions would be sharply reduced.

Effects on Israel

3. For the UN to take the extreme step of imposing sanctions would be a severe diplomatic blow to Israel. Although Israel would retain the friendship of France and considerable sympathy on the part of the UK and other Western powers, it would be confronted with the opposition not only of the Arab states and the USSR, now its avowed enemy, but also of the US Government, its most important friend and protector.

4. Economically, the imposition of sanctions would be especially serious because of Israel's continuing dependence on outside supplies and financing not only for continuation of its immigration program and furtherance of economic development but also for maintenance of its present standard of living. Approximately a quarter of Israel's imports consist of food and another quarter of raw materials, including vegetable oils, petroleum, and textiles. Virtually all of Israel's heavy military equipment must also be obtained abroad. Israel's imports amounted to about \$357 million in 1956, of which only about \$103 million worth was covered by exports, and another \$40 million in reparations from West Germany. Thus the \$45 million a year in US economic and technical assistance which Israel was receiving prior to its attack on Egypt and the more than \$150 million a year raised privately, mainly in the US, represent critical elements in the economy.

5. It appears almost certain that a US-supported program of economic sanctions, effectively applied, would eventually compel Israel to yield—probably within a period of three to twelve months. For the present, however, we believe the chances are better than even that Israel would not give way in the face of the imposition of sanctions but would instead try to hold out as long as possible in the hope of bringing about a change in world sympathy in Israel's direction. Probably Premier Ben Gurion and his colleagues still believe that Israel's present occupation of Gaza and the Sharm el-Sheikh littoral gives Israel a unique bargaining counter. They would almost certainly appreciate that, given the attitudes of France, Canada, and other countries, and the strong feeling of Zionist organizations in the US, it

would be extremely difficult for the US completely to stop the flow of private funds to Israel. Finally, Israel's present leadership almost certainly continues to believe that a vigorous and uncompromising policy at this juncture offers the best chance of safeguarding Israel's interests.

Reactions of the Arab States

6. US support of and participation in a program of sanctions against Israel would be enthusiastically applauded in the Arab states and at least in the short run would considerably enhance US efforts to compete with Soviet influence in the area. However, any Arab enthusiasm for the US would continue to be tempered by underlying suspicions of past US ties with Israel and the "colonial" powers.

7. As to Egypt's position on Suez Canal issues, we believe that, even if Israel did not yield to sanctions, Egypt might permit clearance of the Canal to proceed and persuade Syria to permit restoration of the IPC pipeline. On the issues of toll payment and ultimate settlement, however, we believe that the Egyptian position would not be substantially affected—even if Israel were to yield.

8. Although the imposition of sanctions would perpetuate area tensions, it would probably not lead to an early military flareup. Israel's military establishment is already low in POL stocks, and in the face of further stringencies resulting from economic sanctions Israel would probably not initiate new hostilities against the Arabs in the near future. Egypt, the leader of the Arab military alliance against Israel, would not be in a position to implement effective military or paramilitary (fedayeen) actions against Israel as long as the latter maintains her improved security position in the Gaza Strip and the Sinai. While Egypt's allies, Syria and Jordan, might undertake limited raids, they would probably be deterred from any serious provocation of Israel by knowledge that Egypt could not now give them effective military support. Jordan has reportedly unburdened herself of a considerable body of Egyptian-trained fedayeen who had taken asylum in her country last fall. Finally, these states would probably recognize that a rash of Arab fedayeen raids against Israel would tend to strengthen Israel's moral position before the UN.

118. Memorandum of a Telephone Conversation Between the Secretary of State in Washington, and Arthur H. Dean in New York, February 19, 1957¹

TELEPHONE MESSAGE FROM MR. DEAN

D had a long talk with Eban and told Eban the substance of what the Sec said to D. Then D said these things: If you (Eban) could tell us that if by changing the words or changing the wording a little bit but in no sense would the US undertake to take juridical commitment or to make any guarantee or undertake to use its best effort to bind the UN or bring about any result in the UN but if Eban could say to D that if by changing the wording a little bit we know in advance that his boss would accept it, the Secretary would be prepared to state it as a hope that following the withdrawal of the Israelis from the Gulf of Aqaba and the Gaza Strip that the UN would be able to bring about an administration of the Gaza Strip consonant with the duties of the UNEF and consonant upon the duties imposed upon the UN with respect to the 200,000 refugees. D told Eban there was no hope for Israel retaining the civil administration of the Gaza Strip and they might as well realize it. D said that if the Israelis were to withdraw from both the Gulf of Aqaba and the Gaza Strip and if they would accept the declaration previously put forth by the US and if thereafter there was not free access of navigation to the ships of all nations, that without undertaking commitment the US would express its views in such manner as it deemed appropriate in an effort to bring about resumption of such activities. . . . D said he would like to make one personal observation to Eban which is in no sense official—if your boss is going to carry this out to the last cent and is not going to rely on the good offices of the US, then in D's judgment he is going to lose and D thinks he should know that and you ought to know too the Sec won't consider any changes in the draft until he knows the changes are first acceptable to Ben Gurion. D also told Eban the Sec had said he was not asking a rhetorical question when he asked if he had the power to agree. Eban said this was tremendously helpful to him—that he was leaving with a good deal of hope and D could expect to hear from him.

¹ Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Transcribed by Bernau.

119. **Memorandum by the Deputy Director of the Office of Near Eastern Affairs (Rockwell) and by Lewis Hoffacker of That Office¹**

Washington, February 19, 1957.

MEASURES US HAS TAKEN AGAINST EGYPT

The United States withdrew, on July 19, 1956, its offer to contribute \$54.6 million in the construction of the Aswan High Dam.

The United States has continued to delay shipment of a meteorological station (value: \$12,500) and 30,000 rounds of 75 mm ammunition (value: \$358,000), for which the Egyptian Government has deposited dollars under the US-Egyptian reimbursable military assistance agreement.

Following Nasser's seizure of the Canal Company on July 26, 1956, the U.S. Government stopped practically all shipments of arms and aviation equipment to Egypt (except for several small shipments on behalf of U.S. commercial interests in Egypt). After November 2, 1956 (date of the General Assembly resolution) the United States has completely stopped all shipments of a military or semi-military nature.

Freezing of approximately \$40 million worth of Egyptian assets in the United States was carried out by Treasury Department order on July 31, 1956. This freeze is being maintained despite strong Egyptian protests.

The Passport Office began suggesting in September 1956 that passport applicants contemplating travel in Egypt hold their plans in abeyance. In late October the present United States policy of not validating passports of United States citizens contemplating travel in four Middle East countries, including Egypt, was established. This has had a direct adverse effect on the Egyptian economy because of the substantial reduction of tourist travel.

The practice of reviewing licenses for the export of automotive equipment, communications equipment and related items destined for Egypt continues; in most cases such licenses have been withheld.

Technical and economic development assistance progress have been permitted to taper off. No new programming is underway.

No new training of Egyptian military personnel in the United States is being carried out. Action on requests for maps and military training films has been deferred.

¹ Source: Department of State, Central Files, 611.74/2-1957. Secret. A marginal notation on the source text by Bernau reads: "Sec saw".

During the period between the seizure of the Canal Company and the closure of the Canal, tolls paid to the Egyptian Canal Authority by masters of United States ships transiting the Canal were paid "under protest."

Following the seizure of the Canal Company, commanders of war surplus depots abroad were instructed to assist in preventing shipments of military or quasi-military equipment to Egypt.

Action has been withheld on an application for Export-Import Bank assistance to an Egyptian manufacturer.

The United States Government has permitted the exchange of persons program with Egypt to slow down and has no plans to extend a new program in the near future.

No action has been taken on Egyptian requests for permission to purchase PL 480 wheat and other commodities amounting to approximately \$58 million. The United States has not authorized a new CARE general program for Egypt. From January 1 to October 30, 1956, CARE and other voluntary foreign aid agencies distributed Title III PL 480 agricultural products in Egypt worth \$35.5 million.

120. Record of a Bipartisan Legislative Meeting, White House, Washington, February 20, 1957, 8:30-10:55 p.m.¹

THE FOLLOWING WERE PRESENT

President Eisenhower

Vice President Nixon

Sen. Wm. F. Knowland
 Sen. H. Alexander Smith
 Sen. Leverett Saltonstall
 Sen. Alexander Wiley
 Sen. Everett Dirksen

Sen. Lyndon Johnson
 Sen. Theodore Green
 Sen. Richard B. Russell
 Sen. Mike Mansfield
 Sen. Carl Hayden
 Sen. J. W. Fulbright
 Sen. Thomas Hennings, Jr.

Rep. Joseph W. Martin, Jr.
 Rep. John Taber
 Rep. Leslie Arends
 Rep. Leo Allen
 Rep. Charles Halleck
 Rep. John Vorys
 Rep. Carl Albert
 Rep. Robt. B. Chipfield

Speaker Sam Rayburn
 Rep. Carl Vinson
 Rep. Clarence Cannon
 Rep. John W. McCormack
 Rep. Thomas S. Gordon
 Rep. Thomas E. Morgan

¹ Source: Eisenhower Library, Whitman File, Legislative Meetings. Confidential. Drafted by Minnich.

Secretary Dulles
Asst. Sec. of State Robert Hill
Amb. Henry Cabot Lodge

Gov. Adams
Gen. Persons
Mr. Hagerty
Gen. Goodpaster
Mr. Harlow
Mr. Minnich

The President opened the meeting with a quick review of US relationships and actions in regard to the Middle East since the beginning of the crisis last July. He then stressed the importance of obtaining peace in the area which would open the way for urgently needed financial assistance to Israel through the Export-Import Bank, for developing solutions to the basic problems of the area including transit of the Canal and termination of Israeli-Arab feuding, and which would remove any excuses for Arab retaliation against Israel. He then stressed that noncompliance with the UN resolution would mean that none of these things could be accomplished, that economic stagnation would increase, and that the UN would be forced to take some action. Such a situation could lead to increased influence of Russia in Arab states, interruption of the flow of oil through the remaining pipeline and continued blocking of the Canal, the threat of a serious crash in the French and United Kingdom economies, and finally an increased possibility of general war.

The President said he was aware of Congressional opposition to sanctions against Israel. He pointed out, however, that sanctions might take various forms and that it has long been recognized that the UN cannot apply sanctions against a major power. He stated that the United States had already applied a variety of sanctions against Russia, had applied them against Egypt, and had in effect acted against the United Kingdom and France by delaying initiation of oil moves to those countries until certain of their withdrawal from Egyptian territory. He again directed attention to United States interests in the Middle East and the question of how to protect those interests if not through the UN. He believed that if the United States refused to go along with the UN, the United States would be dealing a serious blow to that organization and would thus increase chances of a future war. He agreed that nobody liked the idea of sanctions and he asked what could possibly be done to reach a settlement if it were not possible to encourage Israel's withdrawal to the 1949 line, especially since the Arabs assert that the withdrawal is the sine qua non of any settlement. The President then asked Sec. Dulles to express his view of the situation.

Sen. Johnson intervened to comment on his letter to the Secretary of State² concerning sanctions, and he stated that the letter had leaked

² Document 83.

to the *New York Herald Tribune* from a source other than his own office. He noted that he had not discussed the matter with Sen. Knowland and that it was coincidental that each of them had come to the same conclusions. He added that there were times when the Congress must of course express its viewpoint. The President quickly replied that he had no objection to that, and Sen. Johnson closed the exchange with a "thank you."

Sec. Dulles stated his view that if Israel should not withdraw there would be increased guerrilla warfare, stoppage of oil supplies, and growth of Russian influence. In short, he believed there would occur all those disasters that the United States has been trying to fend off since creation of the State of Israel.

Sec. Dulles stated that the sanctions proposal must be considered in the light of the probable consequences of inaction, or alternatives must be found. He thought that to allow Israel to defy the withdrawal agreement would involve the breakdown of the whole world order we are trying to create through the UN—an order where nations could not take the law into their own hands. The first effort in this crisis was to liquidate the use of armed forces, which had been achieved with respect to Britain and France. Israel, on the other hand, and despite Ben-Gurion's promise to withdraw when the UN force could be created and be in the area, has continued to occupy Egyptian territory for four months. He continued that when Mr. Hammarskjold's negotiations had reached a deadlock some two weeks ago, the United States began to talk directly with Israel, Mr. Hammarskjold having given his concurrence. In furtherance of these talks, Amb. Eban had been given a memorandum approved by the President which attempted to assure the Israelis that the ultimate outcome would be a better situation for Israel than what it was prior to the attack. He said that Ben-Gurion had replied to the President that Israel would withdraw provided there would be freedom of transit of the Gulf of Aqaba and that administration of the Gaza Strip would not remain with Egypt. He noted that the United States aide-mémoire of February 11th stated that the United States would undertake, through the UN, to arrange for a UN force to move into the Gaza Strip and provide necessary protection. In this connection, Amb. Eban was informed privately of the possibility that Egypt would accept, subsequent to Israeli withdrawal, some new form of administration of the Gaza Strip. In regard to Aqaba, the aide-mémoire stated that the United States considers these to be international waters, that the United States is prepared to exercise its own right of free passage and to join with others in accomplishing free passage for all. Mr. Dulles reported that this aide-mémoire had not yet produced any positive result but that some hope remained. Mr. Dulles believed from his talks with Mr. Eban that the Ambassador believes

Israel ought to accept this as the best offer of the United States and the UN and that it would be the most likely means of preventing developments adverse to Israel.

Sen. Wiley asked if Sec. Dulles had any idea as to what Ben-Gurion's forthcoming statement would contain. Mr. Dulles responded negatively, then added that he thought Israel would soon withdraw if that government were convinced the United States would stand firmly against it, lacking withdrawal. The firmness of the US position thus constituted the crucial issue particularly since much of the world, including the Israeli government, believed Israel could in crucial moments control US policy. Should the Arab nations see any confirmation of this belief, they would feel compelled, according to Sec. Dulles, to turn to Russia. He added that this did not mean the United States had to follow an anti-Israel policy.

Rep. McCormack questioned the status as to rigidity of these views within the Executive Branch and the UN. Sec. Dulles replied to the effect that the Administration thinks it is necessary to maintain pressure on Israel for withdrawal and believes that Israel will withdraw if that is done. He went on to state that he did not consider such action as constituting a "double standard", since all sorts of sanctions might and in some instances have been applied. He recognized that the UN has an inbuilt double standard resulting in part from our action in agreeing to the veto procedure and ratifying the Charter with the veto included. But, he continued, the veto does not preclude use of moral sanctions which we have applied without let-up in respect to Russia. Similarly, we have applied economic and cultural restrictions in dealings with Russia and have attempted to make clear that we do not consider the Soviet Union worthy of being treated as a member of the family of nations. He believed that the most severe measure we could take against Israel would be to subject it to the same sort of treatment that we have applied to Russia—and of course the Administration has nothing that severe in mind for Israel. He repeated that he thought it entirely wrong to assert a double standard in regard to the proposed sanctions on Israel. With regard to Egypt, Sec. Dulles said that the United States has taken actions which the Administration has thought to be legitimate and proper, though we would not want them to be advertised as sanctions. He recounted the actions concerning the restriction of tourist traffic, cessation of aid, and the non-use of P.L. 480.

Sec. Dulles continued that should Israel withdraw there could be the assurance that the United States would for its part continue such support as it had given to Israel in the past, a matter which ought to be thoroughly understood by now. He noted that Israel's use of massive armed forces in seizing Egyptian territory constituted an action in

quality like the invasion of Korea. He concluded by asserting his belief that all of these matters can and will be worked out if there is a solid US policy.

Sen. Russell recalled the earlier statement with regard to Israel's unconditional pledge to withdraw. Sec. Dulles recounted Ben-Gurion's statement of November 10th concerning the proposed UN force. Sen. Knowland underscored the phrase in Ben-Gurion's statement concerning "satisfactory arrangements with the UN" as being the key to the situation. Sen. Russell subsequently asked for a copy of the Ben-Gurion statement.

Sen. Johnson asked if the US position on sanctions would be decisive in the UN voting. Amb. Lodge replied that if the United States voted for the proposal or merely abstained, the resolution would be approved. Sen. Johnson then asked what our position is. Sec. Dulles replied that we had no final view pending completion of this meeting. He said that he and Amb. Lodge set out to stave off heavy pressure for a statement of position. At the request of the Israelis, we had attempted to gain time in the UN and we had succeeded in postponing action until Thursday. He repeated the President's indication that unless the Administration's thinking is changed at this meeting, it would seem necessary to take some action to encourage Israeli withdrawal. Sen. Johnson asked if sanctions were the best move, in Sec. Dulles' opinion. The Secretary repeated that there are various kinds of sanctions and that within the UN there are various views as to how specifically to effect the sanctions. He cited German reparation payments to Israel, world-wide sale of Israeli government bonds, and US aid as possible areas for consideration.

Sen. Smith asked what would be the language of the UN resolution and Speaker Rayburn expressed his own interest in that question. Sec. Dulles said that no draft had as yet crystallized.

Sen. Knowland, after recalling some past events with regard to Egyptian actions against Israel, the ineffectiveness of UN activity at that time and the absence of sanctions then, went on to stress the need for continuing our efforts toward effecting restoration of peace in the area. He reiterated his view that a double standard was involved whether resulting from the UN Charter or otherwise. He then set forth his proposal for a resolution to be introduced by the United States stating (1) that all members have an obligation to comply with the UN Charter, to refrain from aggression, and to respect UN resolutions; (2) that failure to comply within 30 days would properly subject the offender to economic, moral and diplomatic sanctions; and (3) that all Israeli troops be withdrawn from Gaza and Aqaba which would be occupied by UN forces until there occurred either a UN settlement or an Egypt-Israeli agreement. Sen. Knowland pointed out that UN forces are in the Suez area only by virtue of Nasser's consent and would have

to be withdrawn at his demand. Sen. Knowland recommended the establishment of a neutral zone. He believed that the actions he outlined would allow us to maintain our moral position, would constitute pressure on Israel for withdrawal, and would avoid any "double standard" treatment.

Sen. Mansfield said that Sen. Knowland had made a very constructive statement. He then expressed his view that should Israel withdraw, the United States ought to take the lead to keep the UN in Gaza and Aqaba and even expand the UN force, for he believed Egypt will not abide by any assurance given to Israel. He thought also that the UN force might eventually be strengthened into a permanent fire fighting force. He definitely believed that the situation should not revert to the status quo and that some action should be taken to get a hold on Nasser, perhaps as suggested by Sen. Knowland.

Rep. Halleck spoke of a meeting in the State Department some time ago when Sec. Dulles set forth the objectives of maintaining friendly relations with Israel and preventing the loss of Mid-East oil supplies. He recalled that the question had been raised then as to the possibility that Israel might be the aggressor. At that time the Secretary had said it would be too bad for Israel, foreseeing the possibility of the present situation.

Sen. Dirksen asked Amb. Lodge about the actions the UN might take and how decisive would be its vote if the United States abstained. Amb. Lodge replied that he had been attempting to gain time over a long period, that on a recent Saturday evening the UN passed by a two-thirds vote a resolution that the UN force should continue its role in the area until settlement is reached. He indicated that he could not gain any more time. He said that the Arab states had been circulating informally a draft resolution, which he read, condemning Israel for noncompliance with the UN resolution of last November and calling on all states to deny all aid to Israel. He said that the vote on such a resolution would have been much closer ten days ago but that sentiment for Israel has greatly declined in view of the statements made by Sec. Dulles designed to reassure Israel. He believed the United States would have to oppose sanctions if the resolution were to be defeated. Sen. Knowland commented in passing that voting *against* sanctions did not seem to be feasible, which he regretted, then asked how much support could be found for sanctions against Russia for noncompliance with the outstanding UN resolution on Hungary. Amb. Lodge replied that the UN will never vote sanctions against either Russia or the United States. After a comment by Rep. McCormack, Amb. Lodge went on to recall the UN Charter debates and the unlikelihood that the United States would ever have ratified the Charter without the veto.

He commented briefly on the UN being designed as a means of preventing war rather than of establishing perfect justice throughout the world.

Sen. Johnson asked a series of questions as to the possibility of an alternative for the Arab resolution. Messrs. Dulles and Lodge made clear that they did not believe there could be no change in the specific Arab resolution but that something of that nature was inevitable. Mr. Lodge believed that Sec. Dulles would be able to come up with an improvement over that draft. He went on to review his talks with the Arabs. He took note of the increased respect they have for the United States since last November and he concluded that the Arabs would feel we have abandoned our position if we do not support some effective measures to accomplish Israeli withdrawal. Lacking withdrawal, the Canal would not be opened and we would have to face much harder decisions at a future time. He believed the Arabs will be more tractable after Israeli troops are removed from their territory.

Sen. Smith reverted to Sen. Knowland's proposal. Amb. Lodge said that in effect that had been done in the UN resolution of February 2nd which had involved long negotiations. He referred to the UN view of the current situation from a parliamentary standpoint. Rep. McCormack asked if Egypt and Krishna Menon did not construe that differently. Amb. Lodge believed some of these constructions to be face-saving operations. He repeated that the Arabs had told him privately that they would accept the presence of a UN force once Israeli withdrawal is accomplished.

Sec. Dulles referred to Amb. Lodge's comment on the primary purpose of the UN and added a few comments on Sen. Vandenberg's efforts to promote justice through the UN. He said that he and Amb. Lodge fully believed that any resolution adopted should help to insure the subsequent establishment of conditions that would be in keeping with international law. He agreed that the United States has a powerful voice in the UN but that it is much more effective in stopping things than in securing agreement to what the United States would like to do. He repeated that the UN must take action and that should the UN fail to deal with the situation the United States will inherit the disaster. He believed the United States effort should be to get the best resolution that would satisfy the UN majority even though it fell short of what the United States would like. He again confirmed his view that Israeli withdrawal was the key to the situation and that unfortunately it must be effected before final agreements can be had on all the matters with which Israel is concerned. He felt that the views expressed at this meeting had been very helpful, that perhaps the UN could offer a resolution entirely acceptable to us but that our objective must be to get some resolution approved even though not exactly what we would desire.

Sen. Dirksen asked if it were certain that a resolution would be offered in the UN on Thursday. Amb. Lodge said the Arabs certainly would introduce theirs and perhaps the Soviet would introduce one. He believed there would be approximately three days debate. Sen. Wiley asked if we could introduce a substitute resolution. Amb. Lodge said we could. Sec. Dulles added that he did not think we could put through a one-package resolution dealing with Russia, Israel and Egypt.

Sen. Fulbright asked why Israel refused to comply prior to UN action on sanctions. The President said that they wanted an absolute guarantee, such as a security treaty with the United States. Sec. Dulles agreed, then emphasized the role of the UN in all this action precluding our control. Mr. Dulles said that he had told Amb. Eban that we are prepared to discuss some refinements of our statement if Israel is prepared to approve something less than what they have been demanding. He said that Amb. Eban did not know of any conditions short of those presently demanded that would be certain to command Israeli acceptance, hence Eban was pressing for acceptance as is. Sec. Dulles added that the United States does not believe Aqaba or Suez should be closed to Israeli transit or that Gaza should go back to the status quo.

Sen. Fulbright then inquired if a Senate resolution incorporating a statement that Israel should withdraw—if overwhelmingly passed—would help Israel to know the firmness of United States intentions. Mr. Vorys called attention to the time factor and suggested the alternative of an agreed statement following the meeting that would urge Israel to withdraw. Sec. Dulles recognized the time factor and the difficulties of an emotional debate, but agreed that there was some possibility that the balance could be tipped by the added factor of showing that Executive Branch policy is also the policy of the Congress. Sen. Fulbright believed that a concurrent resolution, if agreement could be reached on one, might lead to Israeli withdrawal and thus eliminate the reason for action by the UN. The President commented that everybody seemed to want to avoid undertaking sanctions against Israel alone when many countries have some share of guilt. He thought it would be helpful if this group could reach agreement on a position which might then be incorporated in a House resolution, but he wasn't sure that Amb. Lodge could secure further delay in the UN. Mr. Lodge asserted clearly it was not possible to do so.

Speaker Rayburn could not see how a joint or concurrent resolution would be very helpful since it would incite unfortunate debate; it remained an open question as to what Congress would commit itself to, especially whether the United States would enforce the matter. Sen. Fulbright explained that a resolution would serve to give Israel

the assurance that the UN cannot presently give, along with telling Israel to withdraw. He did not want any resolution that would appear to be a commitment to go to war to enforce withdrawal.

The President thought it would be much better if this group could agree to a statement containing what Sen. Fulbright suggested rather than becoming engaged at this time in a long Congressional debate. Congressional action could be considered later if still desirable. Sen. Johnson had some reservations as to a statement by the group and suggested that Sec. Dulles first attempt to ascertain whether a substantial Senate and House vote pledging support to the policy outlined in the Secretary's aide-mémoire would bring Israel to withdraw. He felt the Congress could move quickly if it were ascertained that Israel would withdraw given Congressional action. The President again pointed to the pressures of time. Speaker Rayburn asserted flatly that he did not want any part of a Congressional resolution.

Rep. Martin asked again about the possibility of a statement by this group. Mr. McCormack said he would not be a party to one, and Speaker Rayburn believed it impossible for the group to agree on the language of such a statement.

Mr. McCormack raised a question about future developments under certain circumstances. Amb. Lodge said it was clear that the UN force could stay in the area. Mr. McCormack cited Krishna Menon's interpretation of the matter and his own understanding of Amb. Lodge's comment. Mr. Lodge denied that meaning and said his own words were clear. He then recounted how it was necessary to modify the language in the earlier UN resolution in order to obtain two-thirds approval with the participation of countries like India and Indonesia. Mr. Lodge felt from his talks with Amb. Fawzi that Egyptian agreement could be secured after Israel ceased to occupy Egyptian territory.

Sen. Saltonstall inquired if the United States might offer in the UN a resolution giving the substance of Sec. Dulles' aide-mémoire. Amb. Lodge cited the reduced chances of getting any assurances into a withdrawal resolution. Sen. Knowland thought the UN delegates might change their view if they knew the United States might oppose any resolution that did not include assurances to Israel. The President asked if we might not in a resolution make our help conditional on Israeli withdrawal. Sen. Saltonstall said that he shared Mr. Rayburn's view about a Congressional resolution. He believed a policy statement by Amb. Lodge in the UN regarding our readiness to support the Israeli position after withdrawal would be helpful.

Rep. Martin then urged issuance of a White House statement.

Sen. Johnson inquired if the proposed UN resolution might be amended to show that the UN force goes into the area at the same time that Israel withdraws. Amb. Lodge believed that we had already obtained from the UN all that was possible in that respect in the

resolution adopted early in February. Sen. Knowland asked why the UN could not put its seal of approval on what Sec. Dulles had said in the aide-mémoire. Mr. Vorys reasserted that it is undesirable to establish a precedent in the UN where an aggressor can demand guarantees prior to rectifying the aggression.

Sen. Mansfield said the United States should not be acting alone in this matter but should be tied in with the UN, especially since a UN force is involved. Sec. Dulles stated that the UN should not be engaged in bargaining, whereas the United States alone properly could work toward assurances provided withdrawal took place.

Amb. Lodge then read the earlier UN resolution, stating that it appeared to be the resolution that Senators Knowland, Mansfield, and Fulbright were now urging. He added that, in view of recent developments, two-thirds of the UN would probably not now go even that far.

Sen. Fulbright asked Mr. Lodge if there was now any way in which we could assure Israel and obtain agreement to withdraw, and Sen. Knowland inquired if we could get the UN to postpone action for two weeks. Amb. Lodge recounted the difficulties of securing any further postponement especially since we would thus appear to be opposing UN action.³

Mr. Vorys then asked if everybody in the group agreed that Israel should withdraw. Sen. Fulbright was not so sure all agreed unless it could be certain that Israel would get justice in the future.

Mr. Taber read a draft statement that might be issued following the meeting, stressing the need for Israeli forces to withdraw and UN forces to occupy the area. Mr. McCormack was afraid that Egypt would become stubborn following Israeli withdrawal and then the United States would have to recapitulate or resort to force. Mr. Vorys commented that if the UN failed to handle the situation and if Egypt should attack Israel with Russian support, the United States would then be in a much worse dilemma. Sec. Dulles concurred in the possibility of some such situation, since Israeli refusal to withdraw would bring an end to the cease fire and guerrilla warfare would be resumed in Gaza and the Straits of Tiran. He foresaw an increasingly difficult situation which would ultimately harm the economy of one or more European nations who would then be tempted to use force in the area—and again Russia could virtuously support Egypt against aggression by one of our friends.

³ Later that day in New York, Lodge spoke with Jordanian Representative Rifai, Egyptian Foreign Minister Fawzi, and Lebanese Foreign Minister Malik in an effort to gain a 24-hour postponement in General Assembly consideration of the Middle East question. Fawzi expressed appreciation for U.S. efforts and agreed to delay the Assembly's consideration until Friday, February 22. Rifai, who was chairman of the Afro-Asian group for the month, agreed to recommend the postponement to the group; he subsequently informed Lodge that the group had agreed to the postponement. (Delga 770 from USUN, February 20; Department of State, Central Files, 674.84A/2-2057)

Senators Saltonstall and Knowland again tried to urge delay in the UN action. Amb. Lodge restated the difficulties.

Sen. Russell saw the need for immediate solution of the problem. He could not see any possibility of unanimous agreement by this group. Consequently, he felt that action rested with the President and that he might make a statement to crystallize public opinion along the lines of the statement made at the opening of this meeting. The President said he had been giving thought to this for about ten days and he ran briefly over the possible highlights of such a statement. Sen. Russell affirmed his belief that the President could crystallize the thinking of the American people.⁴

Sen. Smith asked what comments might be in order for the press. The President could not see any feasible limitation that might be in order on comments to the press, but he did ask that all of the group be moderate in their comments. Sen. Smith ascertained from the President that he was not asking the specific question of whether the members of the group agreed in the Secretary's position. The President added that he wanted the group to meet primarily for the purpose of having opportunity to look at the situation since those present did bear heavy responsibilities.

Senators Saltonstall and Russell suggested the possibility of advance notice by telephone to Ben-Gurion regarding the President's statement. Sec. Dulles pointed to the lack of privacy in telephone conversations to that area.

Speaker Rayburn commented that America has either one voice or none and the one voice was the voice of the President even though not everyone agreed with him.

The meeting ended with an expression of thanks from the President to the group for attending.

LAM

⁴ At 9 p.m. that evening, President Eisenhower spoke to the nation over radio and television concerning the Israeli withdrawal situation. In his address, the President noted that he had met earlier in the day with Congressional leaders from both parties and that the general feeling of the meeting was that the President should lay the situation before the American people. For text of Eisenhower's remarks, see Department of State *Bulletin*, March 11, 1957, pp. 387-391, or *United States Policy in the Middle East, September 1956-June 1957*, pp. 301-307.

121. Message From President Eisenhower to Prime Minister Ben Gurion¹

Washington, February 20, 1957.

DEAR MR. PRIME MINISTER: I know Ambassador Eban is reporting fully to you the views of the United States Government concerning the withdrawal by Israel behind the Armistice lines in accordance with the pertinent resolutions of the United Nations. The views expressed to Ambassador Eban by Secretary Dulles, as well as those set forth in our Aide-Mémoire of February 11, are fully shared by me. These are designed to give our national assurances reenforcing the assurances of the United Nations with reference to the future of the Gulf of Aqaba and the Gaza Strip.² It has been our earnest endeavor, in supporting fully the United Nations in this matter, to explain our attitude and future policies regarding certain future aspects of the problem. This we hoped would encourage you to comply with the resolutions.

Acting upon the request of your representatives, and upon the request contained in your letter of February 18 to Secretary Dulles,³ the United States has supported the postponement of further General Assembly consideration of measures to be taken to achieve implementation of its resolutions on withdrawal. I understand now that the Assembly plans to consider this matter again on February 21 and that further postponement is probably impracticable. Thus, in the absence of an immediate and favorable decision by your Government, there can be no assurance that the next decisions soon to be taken by the United Nations will not involve serious implications. It continues to be my earnest hope that you will announce your intention immediately to comply with the withdrawal resolution and, in the words of the public statement which I authorized on February 17, "rely upon the resoluteness of all friends of justice to bring about a state of affairs which will conform to the principles of justice and of international law and serve impartially the proper interests of all in the area."

¹ Source: Department of State, Central Files, 674.84A/2-2027. Secret. Transmitted to Lawson in telegram 809, February 20, 3:53 p.m., which is the source text. On February 20 at 2:15 p.m., Wilkins handed the text of this message to Zev Argaman of the Israeli Embassy and requested him to telephone the substance of the message to Ben Gurion. (Memorandum of conversation by Bergus, February 20; *ibid.*) Telegram 809 includes an explanation to Lawson that the message had been given to the Israeli Embassy in the "interest of speed". The telegram was drafted by Wilkins and cleared in substance with Rountree, Dulles, and President Eisenhower. Dulles' and Eisenhower's additions are indicated in footnotes below.

² This sentence was inserted by President Eisenhower during a telephone conversation with Dulles which began at 1:15 p.m. on February 20. (Memorandum of telephone conversation by Bernau; Eisenhower Library, Dulles Papers, General Telephone Conversations)

³ Transmitted in telegram 978, Document 111.

I would greatly deplore the necessity of the United States taking positions in the United Nations, and of the United Nations itself having to adopt measures, which might have far-reaching effects upon Israel's relations throughout the world. Our position must, however, conform with the principles for which we have firmly stood in relation to these tragic events. I have been in touch with leaders of the Congress. I plan again to speak tonight to the American people with respect to this matter by radio and television. I also feel that at this time I should express again to you the sincere hope that your Government will accede to the wishes of the overwhelming majority of the members of the United Nations.

Believe me, Mr. Prime Minister, that this message is sent in the spirit of the traditional friendship between our countries—a friendship which we zealously seek to preserve and develop.⁴

Sincerely,

Dwight D. Eisenhower⁵

⁴ This final sentence was inserted by Dulles during his 1:15 telephone conversation with President Eisenhower.

⁵ Telegram 809 bears this typed signature.

122. Letter From the Israeli Chargé (Shiloah) to the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Rountree)¹

Washington, February 20, 1957.

DEAR MR. ROUNTREE: In accordance with your suggestion, I telephoned the message from the President of the United States to Prime Minister Ben-Gurion at his home in Jerusalem.

¹ Source: Department of State, Central Files, 784.13/2-2057. At 6 p.m. on February 20, Shiloah called on Rountree at the Department of State and reported that Eisenhower's message (*supra*) had been read over the telephone to Ben Gurion as requested. Shiloah then handed Rountree this letter as an indication of Ben Gurion's initial reaction to the message. (Memorandum of conversation by Bergus, February 20; *ibid.*, 674.84A/2-2057)

A copy of the letter, sent to President Eisenhower during the evening of February 20, is in the Eisenhower Library, Whitman File, Dulles-Herter Series.

Mr. Ben-Gurion instructed me to convey immediately his deep gratitude for the personal interest and the spirit of friendship which were expressed in this message. He warmly shares the President's desire zealously to preserve and develop the friendship between our countries.

He asked me to bring to your notice that Ambassador Eban, to whose report the President refers, has not yet reached Israel. He is expected hourly, and the Prime Minister will get his report immediately on his arrival. Mr. Ben-Gurion will call a Cabinet meeting tomorrow morning to discuss both the President's message and the Ambassador's report. He cannot, of course, predict the outcome of the Cabinet's deliberations. Whatever it is, he will have to bring it before the Knesset, which previously took a stand on the issue on January 23, 1957. He hopes to be able to come before the Knesset tomorrow afternoon.

The Prime Minister will spare no effort to expedite discussion and decision and to achieve an understanding between our two nations.

He appreciates the support the United States has already given to the postponement of consideration of this issue by the General Assembly, and expresses his hope that this postponement be further extended, if at all possible, for a few days to facilitate consideration of the issues involved in a suitable spirit.

Sincerely,

R. Shiloah²

² Printed from a copy that bears this typed signature.

123. Memorandum of a Telephone Conversation Between the Secretary of State in Washington and Arthur H. Dean in New Haven, Connecticut, February 20, 1957, 6:20 p.m.¹

TELEPHONE MESSAGE FROM MR. DEAN IN NEW HAVEN

D said Mrs. Meir called about 10 minutes ago and read over the telephone the new message to BG which the Israeli Emb was requested to telephone this p.m. to Israel.² She wanted the Sec to have the following information: They got the request to telephone this at 3 our time. They are 7 hours earlier there so that it was already 10

¹ Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Transcribed by Bernau.

² Document 121.

tonight. Eban had not yet arrived. The Cabinet has been called at 11 their time tomorrow a.m. and their Parliament has been called for 4 their time tomorrow p.m. Their Parliament had previously met and gave instructions to BG on the 27th of Jan and under their Constitution the PM can't change instructions that he has previously received. They understand that the GA is convening tomorrow a.m. to act upon Malik's resolutions asking sanctions against Israel and there is no possibility of their being able to get any reply until after BG has addressed the Parliament tomorrow p.m. She then went into a long song and dance that the debate might last for some time and even if the GA were adjourned until Friday as rumored, she didn't think there would be time for any answer. D said before an executive goes before Parliament he has to think out what he is going to say and be a leader and can't just say what are my instructions and therefore some time tomorrow morning he must know what he is going to say. D said if he could telephone to her he was going to say yes, that then there would come into play the slight change in wording the Sec was willing to make if he first had the unconditional assurance their answer was going to be yes and if they are going to try to play for time over the weekend they might be in real trouble and it seemed to D that constitution or no constitution or previous parliament instructions or not, he ought to be able to tell in principle whether or not he was going to recommend acceptance sometime tomorrow after the Cabinet meeting and D urged her to get some kind of answer at that time. She said she would but made no commitment.

124. Telegram From the Embassy in Israel to the Department of State¹

Tel Aviv, February 21, 1957—4 p.m.

990. Under instructions from Ben Gurion, Foreign Office telephoned Embassy 3:15 pm local time today February 21, asking that following message from Prime Minister be conveyed urgently to Secretary and in his discretion to President.

¹ Source: Department of State, Central Files, 674.84A/2-2157. Secret; Niact; Presidential Handling. Received at 10:30 a.m. Also sent to USUN. A marginal notation of the source text by Bernau reads: "Sec saw". A copy of this telegram in the Eisenhower Library, Whitman File, International File bears a marginal notation by Goodpaster indicating that the President saw the telegram on February 21.

Cabinet has been in extraordinary session for three and one half hours already today. It has recessed briefly but will resume discussions at 5 pm tonight. Ben Gurion wishes Secretary to realize GOI has bent all efforts to reach a position on questions raised by President's latest communication (Deptel 809)² but that it has been physically impossible to complete consideration of matters so vital to GOI in time for Eban to catch plane leaving Lydda at 7:30 pm tonight. Eban will leave tomorrow morning, February 22, at 10:00 am and should be in New York and/or Washington by Saturday.³ Eban will bring with him final position of GOI. Therefore, Prime Minister expresses urgent hope that US will be willing use its influence to postpone UNGA discussion until Monday.

Foreign Office hopes to have Prime Minister's reply to President's letter in final form to transmit some time tonight. Foreign Ministry also expressed strong hope Department would be able send priority niact reply to this message within matter of few hours.

For your information: Afternoon news broadcast stated Knesset would meet late tonight for foreign policy debate following extraordinary Cabinet session.

Lawson

² Telegram 809 to Tel Aviv transmitted the text of Eisenhower's message to Ben Gurion, Document 121.

³ February 23.

125. Memorandum of a Telephone Conversation Between the President and the Secretary of State, Washington, February 21, 1957, 11:40 a.m.¹

TELEPHONE CALL TO THE PRESIDENT

They agreed the message² is bad news. The Pres said it looked uncertain and each encouraged the other. The Pres said it is going to be tough up there. The Sec said it is up tomorrow.

The Pres said Whitney asked when an amb comes to a mtg does he bring his min. The Sec said no.

¹ Source: Eisenhower Library, Dulles Papers, White House Telephone Conversations. Transcribed by Bernau.

² Reference is to Ben Gurion's message to Eisenhower in telegram 990, *supra*.

The Pres asked if there will be more mtgs to decide what to do. The Sec said he is working on a form of res we might introduce or support. When he gets it worked out he will want to talk with him about it. The Sec is not going as far as a lot would like to have us go, but there is no use going further than you can carry public opinion with you. The Pres said you have to keep the thinking of America behind you. The Pres said he must say this stubborn attitude finally gets you down. The Sec said he would have bet odds in favor of their giving in. The Sec assumes BG has talked with Eban.³

³ At 2:58 p.m. on February 21, Dulles sent Lawson the following Niact cable: "Regret probably impossible further postpone UN consideration but will strive delay formulation there of US position and final UN action until Eban returns." (Telegram 812 to Tel Aviv, February 21; Department of State, Central Files, 674.84A/2-2157)

126. Editorial Note

On February 2, speaking on behalf of King Saud who was then in Washington, Saudi Minister Yusuf Yasin met with Assistant Secretary Rountree, and urged that the United States should unblock Egyptian accounts in the United States as a special favor to the King. (A memorandum of the February 2 conversation by Wilkins and a copy of a subsequent memorandum from Rountree to Dulles of February 4 concerning Yasin's request are in Department of State, NEA/NE Files: Lot 60 D 48, Egypt. Blocked Assets & Accounts.)

Deputy Under Secretary Murphy delivered the Department of State's response to this request during a conversation with Yasin on February 21. Murphy told Yasin that it was the honest opinion of the United States Government that events in the Middle East had not reached the stage where a further review of the Egyptian blocked accounts question was possible. Therefore, the United States was not prepared to say anything further on the subject at the moment. (Memorandum of conversation by Stoltzfus, not printed)

127. Letter From the Secretary of State to Senator Lyndon B. Johnson¹

Washington, February 21, 1957.

DEAR SENATOR JOHNSON: I am glad to have your letter of February 11² commenting on the report that consideration is being given in the General Assembly of the United Nations calling for economic sanctions against Israel unless it withdraws its forces of occupation from the Gaza Strip and the mouth of the Gulf of Aqaba.

As you know, we have been giving this matter a great deal of serious thought and consideration for the last several weeks. Events have been developing with such rapidity on an hour-to-hour basis that I have felt it exceedingly difficult to put down in a letter any position which might not be academic or out of date before the letter was delivered. I dictated one or two earlier replies, but the situation changed before I could sign them. This was one of the reasons, of course, that the President and I were anxious to meet with you and other members of the Congressional leadership in order to discuss together, in terms of latest developments, the many complexities of this problem.

As I said at our meeting, there is strong sentiment among many members of the United Nations for economic sanctions. There is reluctance to concede that it is permissible for a nation, even though subjected to grievances to seek relief by attacking and occupying parts of a neighboring country. It is felt in many quarters that to condone this would be to open the door to military action in many other quarters where grievances exist, and that the whole fabric of peace will be torn apart.

I think, also, that the President made it clear at that meeting, as he did also in his speech last night, that we would be reluctant to see the situation in the United Nations develop in such a way that sanctions would seem to most of the members of the United Nations to be the only effective solution. We have, as was indicated in our Aide-Mémoire to the Government of Israel³ which was released on February 17, given important assurances to Israel that her ultimate interests would be protected. Thus far Israel apparently has felt that those assurances were not sufficient. However, I am still hopeful that they will prove to be acceptable to Israel and that she will withdraw. I expect to discuss this further with the Israeli Ambassador over the week end. If Israel does not withdraw in reliance of the far reaching

¹ Source: Department of State, Central Files, 320/2-1157. A marginal notation indicates the letter was delivered to Johnson on February 22.

² Document 83.

³ Document 78.

assurances now obtainable, the United Nations may feel that the only alternative consistent with its authority is to continue to press Israel to comply with its repeated withdrawal resolutions.

Sincerely yours,

John Foster Dulles⁴

⁴ Printed from a copy that bears this typed signature.

128. Telegram From the Department of State to the Mission at the United Nations¹

Washington, February 21, 1957—6:50 p.m.

653. Verbatim text. Following draft text resolution dealing with Israeli withdrawal transmitted for your comment and not to be discussed with any other delegation:

"The General Assembly

Conscious of the purpose of the United Nations, expressed in Article 1 of the Charter, to suppress acts of aggression and other breaches of the peace and to bring about the settlement of international disputes by peaceful means and in conformity with the principles of justice and international law;

Noting that² Israel has since 29 October, 1956, violated, with military force, the territorial integrity of Egypt and occupied by force the Gaza Strip in breach of the Charter and in disregard of the repeated efforts of the United Nations to bring about Israel's withdrawal behind the Armistice line;

Condemns this persistent breach of the Charter by Israel;

Renews its call upon Israel promptly to withdraw behind the Armistice line;

¹ Source: Department of State, Central Files, 674.84A/2-2157. Secret; Priority; Limited Distribution. Drafted by Wilcox; cleared by Dulles, Rountree, and Phleger; approved by Wilcox who signed for Dulles.

² A copy of the text of the draft resolution contained in telegram 653 is in the Eisenhower Library, Whitman File, Dulles-Herter Series. At this point in the White House copy, Eisenhower in his own hand inserted the phrase "after many months of raids and counter raids along the Israel-Egyptian border" and wrote next to it in the margin: "some addition like this?"

Calls upon all governments, while Israel remains in forcible occupation of territory not its own, to withhold assistance to Israel, and in general so to regulate their peaceful intercourse with Israel as to bring about respect for the purposes and principles of the United Nations Charter and the recommendations of this General Assembly calling for withdrawal;

Urges the parties concerned to cooperate with the Secretary General in giving effect, immediately upon the withdrawal of Israel, to the provisions of its resolution II of 2 February 1957 concerning the placing of the United Nations Emergency Force on the Egyptian-Israeli Armistice demarcation line and the implementation of other measures proposed in the Secretary General's report of 24 January 1957, with a view to assist in achieving situations conducive to the maintenance of peaceful conditions in the area;

Pledges itself, when Israel has withdrawn, to assist the parties concerned to achieve by peaceful means the settlement of outstanding disputes between them, in conformity with the principles of justice and international law;

Requests the Advisory Committee, established by the General Assembly Resolution of November 7, 1956, to consider and recommend to this General Assembly from time to time, if need be in special session, the further measures appropriate to achieve the objectives of this Resolution."

Dulles

129. **Memorandum From the Secretary of State's Special Assistant (Macomber) to the Secretary of State¹**

Washington, February 22, 1957.

Mr. Dean called me from New York this morning following a telephone conversation he had had with Mrs. Meir:

1. Mrs. Meir told him that Prince Wan² had told her that five or six South American delegates had said that they would be willing to work for another postponement until Monday if the United States indicated approval of this course. Prince Wan had said that the South Americans realized that the United States might be reluctant to take

¹ Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. A marginal notation on a chit attached to the source text reads: "Sec saw".

² Prince Wan Waithayakon of Thailand was serving as President of the Eleventh Session of the U.N. General Assembly.

the lead in this. They would be willing to do it instead provided the United States gave a "nod of approval". Mr. Dean said he had no way of judging whether this was solid information or just wishful thinking on the part of Mrs. Meir.

2. Mr. Dean then suggested a message be sent to Ben Gurion along the following lines:

"While the United States cannot undertake to guarantee the action of the United Nations or of any member of the United Nations, and while the United States cannot undertake to state unequivocally the precise action which it might take upon any particular resolution at any particular time, nevertheless, it is the hope and expectation of the United States to be able to use its good offices to the end that an administration of the Gaza Strip could be brought about both by the UNEF and by some civil administration under the auspices of the United Nations consonant with the heavy duties evolving upon the United Nations because of the presence in the Gaza Strip of some 200 thousand refugees so that the resultant condition would be more conducive to peace than to a resumption of hostilities between the parties to the Armistice in the Egyptian-Israeli conflict". Mr. Dean went on to say that similar language could be included with respect to the Gulf of Aqaba. That "while we cannot undertake to guarantee free passage, we reiterate what we said in the Aide-Mémoire and the Secretary's previous communications. Further, it is the hope and expectation of the United States, acting in accord with other members of the United Nations, to use its good offices to bring about conditions which would permit free navigation in the Gulf of Aqaba to the ships of all nations."

Mr. Dean thought that we should then add that "we hoped, Dear Mr. Prime Minister, that you will accept this statement of the hope and expectation of the Government of the United States in the spirit in which it is offered. And, that it is our fervent hope that his government will be able to accept these assurances and promptly to effect the withdrawal of the Israeli troops from the Gaza Strip and the Gulf of Aqaba".

Mr. Dean thinks that Ben Gurion is "looking for something for him to climb down on and for something where he won't slip". However, Mr. Dean stressed that he did not have any assurance from Mrs. Meir that if such language were sent that withdrawal would be certain.

130. **Message From Prime Minister Ben Gurion to President Eisenhower¹**

Jerusalem, February 22, 1957.

DEAR MR. PRESIDENT, Following your message which reached me late last night,² the Government of Israel has met throughout today with Ambassador Eban and thoroughly studied his report on views of the United States Government. Ambassador Eban is leaving tomorrow morning with new instructions which reflect considered position of my colleagues and myself.

I hope that United Nations Assembly discussion may be put off until Monday so as to enable Ambassador Eban to meet with Secretary Dulles before the Assembly convenes.

My colleagues and I deeply appreciate the personal interest you and Secretary Dulles are taking in this matter and I wish to assure you that it is our most ardent wish to cooperate to the fullest in seeking a solution.

Your words of friendship mean very much to us and in view of the grave political and moral issues involved we hope there will be possibility of further clarification which we feel confident will show a way out of the deadlock.

Sincerely yours,

David Ben Gurion³

¹ Source: Department of State, Central Files, 674.84A/2-2257. Secret. Transmitted to the Department of State in Niact telegram 993 from Tel Aviv, February 22, 3 a.m., which is the source text, with the explanation that the text of Ben Gurion's message had been telephoned to the Embassy from Jerusalem at 1:15 a.m., local time, on February 22. Telegram 993 was received in the Department of State at 2:48 a.m. A copy is in the Eisenhower Library, Whitman File, International File.

² Document 121.

³ Telegram 993 bears this typed signature.

131. **Memorandum of Telephone Conversations, Washington, February 22, 1957, 9:45 a.m. and 10:25 a.m.**¹

9:45 Secy. Dulles called Amb. Lodge, from President's office.

Dulles said the President has a reply from Ben Gurion,² that Amb. Eban is leaving tomorrow with new instructions, & expressing the hope that Eban can meet with Dulles before UN meets on this resolution.

Lodge will get to the Arabs this morning, tell them we would like to hear Eban's views, & although we have no objection to meeting this afternoon, we would prefer recessing until Monday.

If the Arabs did have a chance to put in their very tough resolution, they would get no support for it. And we would then follow it up with our own, which Dulles & Lodge agreed was a very good one, with justice—"a statesmanlike thing."

The Secretary of State called Arthur Flemming from the President's desk.³ The Secretary asked if the Canal is not re-opened and if fighting again breaks out, how will Western Europe fare as far as oil is concerned. Flemming's reply was that they could get along, particularly now that the weather is easing until the beginning of next winter (which would give time for new plans to be developed). He would hope that the ARAMCO pipeline would continue to function, but even if it did not, thinks that Europe would be all right. We are now supplying 80-90% of requirements. The industrial life of Western Europe has not suffered nearly as much as had been anticipated.

¹ Source: Eisenhower Library, Whitman File, Eisenhower Diaries. Prepared in the Office of the President. Dulles met with the President between 9:27 and 10:25 a.m. (Record of the President's Daily Appointments; *ibid.*) No record of this conversation has been found in Department of State files or the Eisenhower Library.

Following the meeting, Hagerty issued a statement indicating that among other points the President and Secretary of State had discussed Ben Gurion's speech to the Knesset of February 22 (see telegram 996 from Tel Aviv, *infra*), regretted that Israel had not yet found it possible to withdraw its forces from occupied territory, noted that the door was certainly not closed to further discussion of the situation, and welcomed such further discussion. For text of Hagerty's statement, see Department of State *Bulletin*, March 11, 1957, p. 394.

² *Supra*.

³ Dulles later drafted a memorandum of this telephone conversation with Flemming and of the one with Humphrey which followed. (Eisenhower Library, Dulles Papers, White House Telephone Conversations) According to Dulles' memorandum, when he asked Humphrey about the consequence of the tapline closing, Humphrey said that it would create a difficult situation, but additional production and tankerage could still be obtained.

10:25 Secy. Humphrey (in Lexington) returned call.

The President explained that Secy. Dulles wanted to ask a question: How long could Western Europe get along if the Canal were reblocked & the pipeline closed? He said that Dulles talked to Arthur Flemming about it, & Flemming said that as far as actual delivery was concerned they are not in bad shape.

Secy. Dulles returned to President's office, & got on phone. He repeated his conversation with Flemming. Humphrey agreed they would get along all right, but not for too long. Dulles inquired about the U.K. Humphrey said they could get along all right; that they have a very big cushion, & would have to use some of it. He said France would be the tough one, but would be tough any way it were done; this would just make it a little quicker & more difficult. If anything should happen to the pipeline, Italy would be in serious shape quickly, & would be on our backs in a minute.

Secy. Humphrey asked if he should return to Wash. tonight, or would 4 or 5 p.m. tomorrow be all right? Dulles said tomorrow night is all right. He said he is having talks with Eban, & that Lodge is stalling in N.Y., so there's no need for Humphrey to hurry back.

132. Telegram From the Embassy in Israel to the Department of State¹

Tel Aviv, February 22, 1957.

996. Ben Gurion went before Knesset after 9:00 pm last night to explain what he described as Israel's controversy with UN and US on Tiran Straits and Gaza issues.² Cabinet interrupted its deliberations on President Eisenhower's speech and Eban's report of his recent discussions with State Department to enable Ben Gurion to make Knesset appearance. Cabinet's discussions were resumed thereafter and continued until 1:00 am this morning. Knesset reconvened at 9:00 am today for four-hour debate on Israel's position re President's statement.

¹ Source: Department of State, Central Files, 674.84A/2-2257. Priority. Received at 11:30 a.m.; the source text does not indicate the time of transmission.

² A transcript of Ben Gurion's address, obtained from the Israeli Embassy in Washington, is *ibid.*, 674.84A/2-2157. An unofficial translation of Ben Gurion's remarks to the Knesset is printed in *United States Policy in the Middle East, September 1956-July 1957*, pp. 308-316.

Ben Gurion did not say Israel would withdraw either from Straits or Strip but reiterated position that Israel was prepared to withdraw military forces from Gaza Strip and would not occupy Sharm el-Sheikh after Israel's free passage through Tiran Straits had been assured. He made following points:

"Shall UN with assistance of US show discrimination between dictatorial Egypt and democratic Israel?"

"Shall UN with assistance of US subject Israel to sanctions because we will not submit to double moral standards or Egyptian dictator, who insists others shall observe all obligations to his advantage while he ignores any bilateral agreement or international obligation which confers advantage on other side?"

"Any attempt to compel us to accept miscarriage of justice and system of discrimination will meet with unflinching opposition Israel people. If UN does not maintain same law, same justice for all nations, moral basis of UN would be undermined."

"UN is still far from perfect and we have grave and bitter complaints against it but we will not, on that account, reject this great world organization."

"We are neither obliged nor entitled to give blind assent to every position taken up by USG but our resistance to any injurious proposal will not weaken slightest our feeling of respect and friendship for American people and our gratitude for moral and material assistance we have received from that government and people."

"If nations take disastrous course of extending direct or indirect assistance to Arab rulers in designs which they and their allies are harboring against Israel, we shall not submit. We shall resist it with every ounce of our moral strength."

"GOI has decided to make further effort to reach understanding with USG. Eban will convey to American Government position of GOI. We hope door is not closed to further discussion."

"I am confident every single member of Knesset fully understands grave meaning of 'pressure' against Israel referred to by US President. Reason given to justify 'pressure' is need to fortify authority of UN Charter. With all modesty incumbent upon representative of small nation, I venture to say nothing stands in greater conflict with UN Charter than injustice and discrimination practiced against us because we are few, weak and perhaps isolated. Discrimination which we condemn is not discrimination against Israel and Soviet Union but discrimination between ourselves and Egypt."

Balance of speech was largely review, in familiar terms, of Egypt's violations of Armistice Agreement and infiltration of Israel which he said led up to Gaza-Sinai campaign, and policies of economic blockade and sanction; Israel's willingness to help make Gaza's permanent inhabitants economically independent and to assist with final disposition of Gaza refugee problem, including some resettlement in Israel.

133. **Memorandum of a Telephone Conversation Between the Secretary of State in Washington and Dr. Roswell Barnes in New York, February 22, 1957, 11:45 a.m.**¹

TELEPHONE CALL TO DR. ROSWELL BARNES IN NEW YORK

The Secretary asked Dr. Barnes if he had read the President's speech on the Middle East situation.² The Sec. did not know what could be done but said we needed very badly to get some more vocal support from people other than the Jews and those very much influenced by Jews. We were really in an unfortunate position. There was no way in which the Protestant groups would be heard on an issue like this which might be very vitally affecting the future of the United Nations. Dr. Barnes asked if the Sec. had seen the editorial in the *New York Times* this morning which he said was good. Dr. Barnes said he was hanging around this week end to see what the developments were. He expected they would have a statement released by the President of the World Council of Churches. Their Board was meeting on Tuesday or Wednesday.

The Secretary said there ought to be some sermons on Sunday. The Sec. said he had talked to some of the friendly people in Congress. It was impossible to hold the line because we got no support from the Protestant elements of the country. All we get is a battering from the Jews. The Sec. had just talked to Vorys. He was one of the most courageous and strong people. He had just called the Sec. up in a state of despair and was writing to his Bishop to see what could be done.³

The Sec. said the President was having an analysis of the telegrams made which he had received following his speech. Almost 90% of the mail was from Jews. Out of that percentage 10% supported him and 90% were against. The significant thing was that practically all the response was Jewish. There seemed to be no interest in this situation by others.

Barnes said he had been working on priming some comments in some sermons. Barnes asked what the UN was doing. The Secretary said there would be some desultory talk this afternoon but we could stall any major debate until Monday. Sec. said he would probably be talking to Eban tomorrow.

¹ Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Transcribed by Asbjornson. Barnes was the Associate General Secretary of the National Council of Churches.

² Reference is to Eisenhower's address of February 20; see footnote 4, Document 120.

³ Dulles received a telephone call from Vorys at 11:22 a.m. that morning. According to the memorandum of conversation by Asbjornson, Vorys said in regard to the Israeli withdrawal situation, that "the churches of this country should be laying before the people the principles of international law and morality." Dulles responded that "he would work on this a little bit more today."

The Sec., as he had done in the Vorys conversation, reviewed the situation in connection with the Sunday p.m. newscasts and remarked there was no favorable stuff coming in on all the educational programs.

Barnes said he would speak to Blake⁴ and added that the American Christian Palestine Commission had been very aggressive. Barnes said they had been most effective with more reasonable Jews—in general in line with what the *Times* took this morning.

The Sec. said if the effort to get Israel out of Egypt failed, it would open the door of force pretty generally. He did not know what the outcome would be. The Sec. said the President had said that what Israel was doing was not much different than what Wilson did in Mexico in 1915. He hoped we had broadened since that time. It remains to be seen whether we have or not. Sec. said he just wanted to give Barnes his concern which was shared by the Pres.

Barnes said some of the Ministers in NY would include something in their Sunday sermons. He doubted if Blake would agree to make a statement before the General Board met in Williamsburg on Tuesday⁵ unless there was great urgency in the situation. The Sec. said the point was that probably before Tuesday the die would be cast in the UN. Barnes said he would try to persuade Blake to do something.

⁴ Reference is presumably to Eugene C. Blake, President of the National Council of Churches.

⁵ February 26.

134. Memorandum of a Conversation Between the Secretary of State and the British Ambassador (Caccia), Secretary Dulles' Residence, Washington, February 22, 1957, 5:30 p.m.¹

SUBJECT

Israel

Ambassador Caccia called upon the Secretary at his house at 5:30 p.m. at the Secretary's invitation. The Secretary said he was glad to find the Ambassador had returned to Washington from his trip and that he wanted to discuss the situation as it related to the withdrawal of Israeli forces from Egyptian territory and the situation in the United Nations. The Secretary referred to the efforts which have been made

¹ Source: Department of State, Central Files, 974.7301/2-2257. Secret. Drafted by Murphy.

via the United Nations to obtain Egyptian concurrence to UNEF moving into the Gaza Strip. He hoped also that our declaration regarding Aqaba and the Straits of Tiran would be strengthened by several other nations. The Secretary mentioned that Ambassador Eban had not yet arrived in London en route from Israel to the United States. Ambassador Caccia said he was unaware that Eban was coming by way of London. The Secretary informed him he had just checked by telephone with our Embassy in London and also that we had been informed that Eban would only arrive in New York Saturday night; that he had to meet there with his Foreign Minister Golda Meir, and would not arrive in Washington until Sunday afternoon. The Secretary pointed out that this made it a very tight timetable in view of the pressure in the United Nations for a showdown on Monday on the question of sanctions. He said it would be most difficult to hold up matters and avoid the U.S. taking a position. The Secretary referred to the draft Canadian text of resolution and expressed the thought that the Canadian text might be in harmony with the United States view. He emphasized that the withdrawal should take place concomitant with the remedial steps outlined in the text of the U.S. resolution and referred to the composition of the committee which would be set up to include Canada, Norway, Brazil, Colombia, India, and Pakistan representatives. He referred to the U.S. November resolution which is still pending and said that this would be in harmony with U.S. thinking. He said that the Secretary General is working on a plan for the administration of Gaza. He also expressed the opinion that Ben-Gurion has quite a difficult political problem.

Caccia noted that the U.K., Canada and the U.S. now find themselves working with the same objectives in mind. He raised the question regarding our attitude on sanctions. The Secretary said the U.S. resolution would contemplate a mild form of sanctions. Caccia said that present sentiment in the U.K. opposes the application of sanctions against Israel as just not fair. The Secretary said that in the circumstances it would be difficult to say just what is fair. The Secretary informed Caccia that according to Ambassador Lodge, Hammarskjold had made his report on Gaza, and Caccia was informed by the Secretary regarding the contents of the Hammarskjold report.

Caccia handed the Secretary the text of a message from Prime Minister Macmillan to the President (copy of which has been given to Mr. Elbrick).²

² *Infra*. Attached to the copy of Macmillan's message to Eisenhower was a short note from Macmillan to Dulles which reads: "I have thought it my duty to send a personal message to the President. I feel sure that as an old friend and colleague you will study it with sympathy and understanding." (Eisenhower Library, Dulles Papers, Eden-Macmillan-Lloyd Correspondence 1955-1956)

There was a discussion of the international law aspects of the Aqaba and Straits of Tiran question. Caccia handed the Secretary a copy of the British view of the question of the straits as an international waterway which seemed to harmonize generally with the U.S. point of view.³ The hope was expressed by Caccia that the U.S. would strengthen its guarantee of freedom of passage for Israel.

The Secretary referred to the need for several nations getting together on this subject. He said also that there is strong implication that Egypt would not oppose freedom of passage and that actually Saudi Arabia is giving us more concern on this issue than is Egypt. He referred to the Saudi point regarding the movement of pilgrims in the area and the Saudi notion that if the Israelis were permitted freedom of passage in the Gulf of Aqaba, the movement of pilgrims would be endangered. The Secretary said that this indicated an emotional feeling rather than a sense of geography. Ambassador Caccia expressed the opinion that perhaps we are not so far apart, the U.K. and the U.S., in this entire matter except on the issue of sanctions against Israel. The Secretary agreed, and said that Ambassador Lodge however indicates that it would not be possible to get a two-thirds vote in the GA for anything that does not have something in it in the nature of a slap on the wrist for Israel. On the other hand, it might be a disaster not to get something through now as failure to do so might lead to the outbreak of hostilities in the area. He said that Ambassador Lodge also had informed him that Pearson had postponed his statement until Monday. He thought that opinion at the United Nations was hardening against Israel since they seem to reject the U.S. Aide-Mémoire.

The Secretary also referred to a conversation he had had with Mr. Flemming of the Office of Defense Mobilization and the question of how long the U.K. could get along without the use of the Suez Canal. According to Flemming, Western Europe is now receiving 90% of its petroleum requirements. This of course is at the cost of that much depletion of U.S. oil reserves which we were reluctant to undergo. Nevertheless, we would be prepared to do so for an additional period if a theory were justified that this would improve our bargaining position in the Middle East. It would dispel a notion on the part of Egypt and the Arab States that we could not get along without the Suez Canal. The Secretary thought that we should have some com-

³ The paper handed to Dulles by Caccia reads as follows: "In Her Majesty's Government's view the Straits of Tiran must be regarded as an international waterway through which the states bordering on the Gulf of Aqaba have a right of access to the high seas. Her Majesty's Government also uphold the view that vessels of all nations have a right of passage through the Straits and will assert this right on behalf of all British shipping. Her Majesty's Government are prepared to join with others to secure general recognition of this right." (*Ibid.*)

mon understanding of how we are getting along. Caccia said he was not really in a position to comment as he did not have the necessary information.

Caccia inquired further regarding sanctions as provided in the draft U.S. resolution text. The Secretary explained that the Government would refrain from aid but that this did not refer to private aid.

The Secretary again suggested that Caccia might wish to find out from his Government about the urgency of the need of the Suez Canal and that if possible we should offset the Egyptian feeling that they have us over a barrel. Caccia said he would do so.

135. Message From Prime Minister Macmillan to President Eisenhower¹

London, February 22, 1957.

I feel I must send you my thoughts on the present critical situation. British public opinion is very much concerned over the latest developments. There is a very strong feeling among all parties that the settlement should be a fair one.

You paid tribute to your British and French friends and allies "for the immense contribution which they made to world order" by their action in withdrawing their forces. But you went on to say that "this put other nations of the world under heavy obligation to see to it that these two nations do not suffer by reason of their compliance".

It is very true that we have taken great risks, both as regards the clearance of the Canal, a proper interim system and a final agreement.

Of course we want the Israeli forces to be withdrawn so that all the efforts of the world can be directed to forcing Nasser to a reasonable settlement of the Canal in the short and in the long term. On the other hand, public opinion here will not allow us to do what they think is inequitable.

In the case of Israel, most people here would think it reasonable that they should withdraw their forces from Gaza and Aqaba if there were a clear understanding that Egypt will not be allowed to continue to break international law or the Armistice Agreements. So far as Gaza is concerned, this can best be guaranteed by the United Nations forces moving in immediately, and it should not be impossible to devise

¹ Source: Eisenhower Library, Whitman File, International File. Caccia handed the text of this message to Dulles during a conversation on February 22. See the memorandum of conversation, *supra*.

some arrangement for the civil administration. So far as the right of use of the Straits of Aqaba is concerned, which is vital to the life of Israel, it is not unnatural that the Israelis should be hesitant, since Egypt has been in default over the resolution dealing with Israeli shipping in the Canal for many years without any real action being taken against her.

As you suggested, I have strongly advised the Israel Government to make a move and not be intransigent. Of course I do not yet know the result. But I cannot believe that it is impossible to devise a formula which would enable them to act in accordance with the general interest. Broadly speaking it is simply a question of getting these two operations regarded as part of a single whole—in other words a combined operation.

This can either be done by a suitable resolution of the United Nations or by a strengthening of your guarantee of the Aqaba Straits, to which other countries might well adhere, or perhaps by both methods. We are certainly willing to follow your lead. I hear that efforts are being made by several countries, and notably by Canada, to draft a resolution which would cover all these points. If their efforts are successful we shall give such a resolution all the support in our power, and I sincerely hope that you also will feel able to do so. I am sure that the attitude of the United States will be decisive.

Harold Macmillan

136. **Memorandum of a Telephone Conversation Between the Secretary of State in Washington and the Representative at the United Nations (Lodge) in New York, February 22, 1957, 5:40 p.m.**¹

TELEPHONE CALL FROM AMB. LODGE

Lodge reported on the afternoon meeting,² saying they had had a rather good speech from Malik and then recessed. The Sec. Gen. read the report on the Gaza Strip.³ The Sec. said the report was important.

¹ Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Transcribed by Asbjornson.

² The U.N. General Assembly discussed the Middle East situation at its 659th meeting which began at 3 p.m. on February 22. (U.N. doc. A/PV.659)

³ See the editorial note, *infra*.

The Sec. asked if it was cleared with Nasser and Lodge said he thought so. (He checked with Barco who said it was.)⁴

Amb. Lodge wanted to know what to expect for the weekend and the Sec. said it did not appear that Eban would show up in Washington before Sunday. The Sec. mentioned his talk with Barbour in London.⁵

Lodge said everyone was waiting for us. The Latins would do what we ask them to do. Lodge did not think the Sec. would get anything out of Eban. One of our people had talked to a member of the Israeli Delegation in NY and Eban would have nothing. They would not agree to having the United Nations Emergency Force on Israeli soil. They would be willing to withdraw from Gaza but not withdraw civil administration.

Amb. Lodge said the Secretary's resolution was good. He had received the Secretary's phoned changes. Lodge spoke of Pearson's resolution as being "too little and too late".

⁴ Later that day in Delga 785, Lodge reported that prior to the General Assembly meeting he had been told by Hammarskjöld that the statement concerning Gaza had been cleared by Egypt. (Department of State, Central Files, 674.84A/2-2257)

⁵ Barbour informed Dulles that Eban would not get to Washington before Sunday, February 24, and that Eban had no plans to talk with British officials while in London. (Memorandum of telephone conversation by Asbjornson, February 22; Eisenhower Library, Dulles Papers, General Telephone Conversations)

137. Editorial Note

On February 22, during the 659th meeting of the General Assembly, Secretary-General Hammarskjöld read into the record the following statement as a supplement to his previous report of February 11 on the Gaza Strip (U.N. doc. A/5327):

"The Secretary-General states with confidence that it is the desire of the Government of Egypt that the takeover of Gaza from the military and civilian control of Israel—which, as has been the case, in the first instance would be exclusively by UNEF—will be orderly and safe, as it has been elsewhere.

"It may be added with equal confidence that the Government of Egypt, recognizing the present special problems and complexities of the Gaza area and the long-standing major responsibility of the United Nations there for the assistance of the Arab refugees, and having in mind also the objectives and obligations of the Armistice Agreement, has the willingness and readiness to make special and helpful arrangements with the United Nations and some of its auxiliary bodies, such as the United Nations Relief and Works Agency for Palestine Refugees

and UNEF. For example, the arrangement for the use of UNEF in the area would ensure its deployment on the armistice line at the Gaza Strip and the effective interposition of the Force between the armed forces of Egypt and Israel.

"Similarly, the assistance of the United Nations and its appropriate auxiliary bodies would be enrolled towards putting a definite end to all incursions and raids across the border from either side.

"Furthermore, with reference to the period of transition, such other arrangements with the United Nations may be made as will contribute towards safeguarding life and property in the area by providing efficient and effective police protection; as will guarantee good civilian administration; as will assure maximum assistance to the United Nations refugee programme; and as will protect and foster the economic development of the territory and its people." (U.N. doc. A/PV.659)

138. Telegram From the Mission at the United Nations to the Department of State¹

New York, February 22, 1957—8 p.m.

Delga 786. Verbatim text. Re Middle East. Following is draft resolution submitted by Afghanistan, Indonesia, Iraq, Lebanon, Pakistan and Sudan on the Middle East situation during debate in plenary this afternoon:

"The General Assembly,

"Recalling its Resolutions 997 (ES-I) of 2 November 1956, 998 (ES-I) and 999 (ES-I) of 4 November 1956, 1002 (ES-I) of 7 November 1956, A/Res/410 of 24 November 1956, A/Res/453 of 19 January 1957 and A/Res/460 of 2 February 1957,

"Noting the report of the Secretary General dated 11 February 1957, document A/3527,

"Viewing with grave concern the failure of Israel to comply with the terms of the above mentioned resolutions.

"1. Condemns Israel for its non-compliance with the said resolutions,

"2. Calls upon all states to deny all military, economic or financial assistance and facilities to Israel in view of its continued defiance of the aforementioned resolutions,

"3. Requests all states to provide the Secretary General with information on their implementation of this resolution,

¹ Source: Department of State, Central Files, 684A.86/2-2257. Limited Official Use. Received at 10:18 p.m.

"4. Requests the Secretary General to report again on the implementation of the present and previous resolutions of the General Assembly."

Later this evening GADel officer sought copy of above resolution in form of usual UN document and was told it was not yet available. GADel officer called Cordier (Secretariat) and asked whether resolution had been "officially" submitted to Secretariat in normal way. Cordier said no, it had not been. He assumed that since Malik in his speech said he was "seizing GA" with above resolution, Malik might through "technical error" have believed that resolution was automatically submitted as result his statement in plenary. Cordier said since no "official" piece of paper had been handed to Secretariat with above resolution, he (Cordier) had not taken the initiative to seek such a piece of paper.²

Lodge

² The draft resolution was subsequently circulated as U.N. doc. A/3557, dated February 22.

139. **Telegram From the Embassy in Egypt to the Department of State¹**

Washington, February 23, 1957.

2670. In call on Ali Sabry yesterday originally intended as followup on Nasser talk last week (Embassy telegram 2625)² discussion naturally centered on President's address on Israeli withdrawal.

I said had no instructions on subject and believed speech spoke for itself. However, there were several personal comments I wished make. For some time past Arabs in general and Egyptians in particular have emphasized their concern and sensitivity regarding so-called imperialist problem and Palestine issue and, in stressing transcendent importance these matters, have maintained that Arab-American relations turn essentially around these questions. Central theme of criticism American policy in these connections has been that United States

¹ Source: Department of State, Central Files, 684A.86/2-2357. Confidential. Received at 3:12 a.m.; the source does not indicate the time of transmission. Repeated to Amman, Paris, Moscow, Baghdad, Beirut, Damascus, Jidda, Tel Aviv, and London.

² Document 101.

Government operating in proper [*prior?*] collusion with British and French and Israel and Egyptian press has been especially vicious propagating such erroneous assertions.

There have now been two occasions when our basic attitude on these issues has been clearly demonstrated. First was on occasion attack on Egypt when as matter principle we took stand in opposition to action of our British and French friends and allies. Second is President's address where again as matter of principle (not as anti-Israel or pro-Egyptian move) stand taken in opposition Israeli withdrawal policy and raises problem not only in relations with Israel but between administration and segments of our own Congress.

What I wished emphasize especially was that these decisions of principle have been taken only after soul-searching deliberation and with utmost gravity and seriousness, and that in circumstances we would be receptive to indications that our Arab friends are disposed ponder these matters with similar sobriety and act constructively. Same token, we could not be expected be tolerant of strident agitation and of obstructionism to constructive action. Time is one for responsible reasonableness. To extent others share that view, the road ahead could be much more promising. In brief, what we would hope for is indication of understanding and constructive leadership.

Sabry had just read speech and was obviously hesitant discuss it specifically at the time. He did however make some comments regarding imperialists and Palestine questions.

Regarding imperialism he said Arabs convinced only safeguard lies in close cooperation of Arab countries and with Arab nationalism as their creed. This has raised problem with Communists who, after first opposing Egyptian resolution, subsequently adopted classic tactic of attempting usurp nationalist cause by infiltration. Originally Comies were kept under tight curb but recent British-French attack gave them opportunity to intensify efforts and no doubt their activity and influence are considerably greater. GOE is concerned by this development but feels unable crack down in present highly charged atmosphere. However, once political temperature is reduced GOE anticipates moving in on Communists and believes has capability handle.

Regarding Israel, Sabry recalled efforts which had been made several years ago, including secret meetings with Israelis in Paris, to improve situation and said he dated reverse of this trend to return of Ben Gurion to power two years ago, which in turn had led to aggressive Israeli policy, to arousing of Egyptian fears, to Czech arms deal and all unfortunate series of events which had followed. As President Nasser had told me, GOE still foresees moving ahead by stages in this matter but what he (Sabry) would wish emphasize is danger of trying to push ahead too far, too fast, at risk of doing more harm than good.

Sabry also mentioned problem of Egyptian-American relations which he said found very baffling. He could not but feel Egypt much misunderstood in Washington where it seemed to him small matters were magnified far beyond their real importance. He felt it necessary talk this problem out. I replied along line taken with Nasser's gripping importance of basic attitude [*sic*].

Despite serious nature of conversation Sabry, who normally correct but somewhat reserved, gave indication of trying be friendly and understanding. Obviously his comments on imperialist and Palestine questions were of holding operation type, except possibly forewarning against trying move ahead too fast on Palestine which could well have been stimulated by certain intimation in President's address. In broaching basic relations question however he appeared be voicing ideas in forefront his mind.

Hare

**140. Memorandum of a Conversation, Department of State,
Washington, February 23, 1957, 10:57 a.m.¹**

SUBJECT

Israeli Withdrawal and Suez Canal Problems

PARTICIPANTS

The Secretary
Ambassador Hervé Alphand
Mr. Francois de Laboulaye, Counselor, French Embassy
C. Burke Elbrick, EUR

The Secretary said that he thought it might be useful to have an exchange of views regarding the Israeli situation prior to a meeting which he expected to have with Ambassador Eban on Sunday. He pointed out that the statement issued by the White House yesterday² made it clear that the door was not closed to further negotiations and that this should offer some encouragement to the Israeli Government. He felt that the White House statement had gone very far in the direction that Ben Gurion seemed to want. In reply to a question by the Ambassador the Secretary said that we had in mind the possibility of a resolution in the General Assembly which would pick up the

¹ Source: Department of State, Central Files, 684A.86/2-2357. Confidential. Drafted by Elbrick. The time of the meeting is from Dulles' Appointment Book. (Princeton University Library, Dulles Papers)

² See footnote 1, Document 131.

resolution of February 2 which would commit the United Nations to the maintenance of justice and international law in the area once Israeli forces have withdrawn. The Secretary said that it also appeared desirable to give more authority to the UNEF Advisory Committee which was set up to make recommendations to the Secretary General. In reply to a further question, the Secretary said that it would seem necessary to include in this package something in the nature of sanctions in the event of non-compliance by Israel with previous General Assembly resolutions.

The Ambassador said that he appreciated the opportunity of discussing these matters with the Secretary prior to the forthcoming meeting with Eban. He said that he had several suggestions that he would like to put forward on a personal basis for the Secretary's consideration. He felt that it was most important to retain the idea of a statement by the maritime powers regarding freedom of navigation in the Straits of Tiran. He wondered if it would not be possible for Israel to make a unilateral declaration stating that it is prepared to refrain from any act of belligerency and to observe the terms of the armistice but that if Egypt resorts to acts of belligerency itself to block passage of Israeli ships through the Strait, Israel would reserve freedom of action to retaliate. The maritime powers could then declare that they have taken note of the Israeli declaration as conforming with international law and justice and with the right of legitimate self-defense under the United Nations Charter. This, he felt, would give Israel the assurances that it requires. He asked whether the United States Senate could not support Israel in this case by the passage of a resolution guaranteeing freedom of navigation. The Secretary said that this had been discussed at the meeting with the Congressional leaders the previous morning and it had been agreed that any attempt to bring about the passage of such a resolution would only serve to start a long debate and would result in undesirable delay.

The Ambassador asked if the United States Government had been in touch with the other maritime powers and the Secretary answered in the negative. However, we had an indication yesterday from the United Kingdom that it was prepared to join in a declaration regarding passage through the Gulf of Aqaba. There was some discussion regarding the possibility of obtaining the participation of an Asiatic maritime power in such a declaration and Japan was mentioned particularly. The Secretary asked Alphanand to try to obtain his Government's reaction to the idea of a declaration by the maritime powers.

In connection with the Gaza Strip Alphanand wondered whether it would not be possible to establish an "international military government" and charge UNEF not only with military responsibilities but also with the civil administration in Gaza. Presumably, if this were done, UNEF would continue to employ the individuals now adminis-

tering the Strip, although it would be done under international auspices and the administration would be neither Egyptian nor Israeli. The Secretary said that he thought the Ambassador's ideas might be helpful.

The Ambassador said that he hoped the next day's conversation with Eban would produce positive results. As the Secretary was aware, the French Government had already taken a stand against imposing sanctions on Israel. The Secretary said that if the United Nations takes a reasonable stand it would be difficult to avoid bringing pressure to bear on Israel. Alphand said that pressure should also be brought to bear on Egypt. He thought that something should be done about the passage of Israeli vessels through the Suez Canal. The Secretary observed that Ben Gurion had not emphasized this point in the recent communication to the President, but had confined himself to the problems of the Gulf of Aqaba and the Gaza Strip. He pointed out to the Ambassador that if Israel does not withdraw its forces the cease-fire would come to an end and fighting might easily break out again, in which case the Canal would not be opened to traffic. He inquired whether this presented serious problems for France. The Ambassador said that with the increase in the allowables recently made by the Texas Railroad Commission (some 200 thousand barrels a day) France was no longer under the same kind of pressure and can afford to wait a little longer for a solution. The Secretary felt that if we can show that the world can get along without the Canal, the Western countries would not be subject to blackmail on the part of Egypt. He felt that the closure of the Canal was hurting the Arab-Asian countries more than it is the Western countries and that continued blockage of the Canal will result in Nasser's becoming increasingly unpopular. However, the Secretary said that we cannot afford to make the present situation permanent since it would result in an unacceptable depletion of our oil resources in the United States.

The Ambassador asked what the Secretary thought Nasser's reaction would be to the four-power plan for interim operation of the Canal. The Secretary said that he felt that Nasser would probably not accept the plan as it now stands but would make counter proposals.

141. **Message From President Eisenhower to Prime Minister Macmillan**¹

Washington, February 23, 1957.

DEAR HAROLD: Thank you for your note. As I read it, I am impressed by a feeling that we are not far apart in our thinking. Certainly Foster and I have struggled to be fair and have done our utmost to assure the Israeli of the things we would do and the support we would give as soon as they agreed to the major proposition of withdrawal.

Of course any prediction as to the details of future United Nations action is largely guess work. I agree that as of this moment, a simple condemnation of Israel and vote of sanctions would be wrong. I think that a single Resolution could properly combine both withdrawal orders and important assurances to Israel along the lines of my address. But I suspect that things have gone far enough that no Resolution can command the required votes unless it also includes some intimation of consequences to Israel if she refuses to comply.

We are anxious, in this as in all other important matters, that you and ourselves should stand together. I devoutly hope that we can work this one out.

With warm regard,
As ever,

DE²

¹ Source: Department of State, Central Files, 974.7301/2-2357. Secret. Transmitted to the Embassy in London in Niact telegram 5876, February 23, 5:04 p.m., which is the source text, with the explanation: "Following letter from President Eisenhower to Prime Minister Macmillan was handed to British Embassy Duty Officer at 4:15 p.m. February 23 for immediate delivery Ambassador. Ambassador asked to transmit following message to Macmillan in reply to his message of February 22." Telegram 5876 was drafted by Dulles and Mouser.

² Telegram 5876 bears these typed initials.

142. **Memorandum of a Telephone Conversation Between the President and the Secretary of State, Washington, February 24, 1957, 3:03 p.m.**¹

TELEPHONE CALL TO PRESIDENT

The Sec reported on his morning meeting with the Senatorial leaders. He said the atmosphere had been good. Russell had delivered a tirade against foreign aid, but even this was not too bad. Johnson had issued a nice statement at the end on behalf of everybody.

Re Israel situation. The Sec said he had received advance word from Arthur Dean in New York who had met with Eban this morning.² The Sec said the situation was not unhopeful, there was no outright rejection. The Pres asked why we could not say that we would introduce a resolution in the UN and have our ships proceed into the Gulf of Aqaba, as soon as the Israelis withdrew. The Pres said this would show that we are not talking about theory but what we would do. The Sec said it was tied in with Gaza, that Israel could not expect to exercise the right of innocent passage in the Gulf while occupying Gaza. The Pres said of course they would have to get out of there too, but to let them know that we would then be willing to introduce the resolution into the UN, we would help take care of the 200,000 people and keep Egypt out of the Strip. The Sec said that really this was assured now, the problem now was one of face-saving. The Sec said the time schedule was bad, time had run out. The Pres felt that if Mrs. Meir could say that we would introduce this resolution and begin using the Gulf, this might be a face-saving device.

The Sec said he would report to the Pres as soon as he finished his meeting. The Pres said he would be right here.

¹ Source: Eisenhower Library, Dulles Papers, White House Telephone Conversations. Transcribed by Carolyn Proctor. On Sunday, February 24, Dulles conducted Department of State business from his home in Northwest Washington. (Dulles' Appointment Book; Princeton University Library, Dulles Papers)

² In his autobiography, Eban recalls that after arriving in New York in the early morning of February 24, he first reported on his discussion in Jerusalem with Golda Meir and then met with Arthur Dean. (*Abba Eban, An Autobiography*, p. 245) Following that conversation, Dean telephoned Dulles' residence and dictated a list of Israeli terms for the evacuation of Sinai and Gaza, which presumably Eban had given to him. Dean also reported that "the position of the Ben Gurion Government at home is very tense and the right wing party has withdrawn from the coalition and others demanding Eban's resignation. Eban expresses the hope that no leaks or suggestions be made to the press that Israel has withdrawn its absolute conditions as this might cause the fall of the Ben Gurion Government prior to the time that arrangements could be concluded. He suggests the Secretary say, if pressed, that the situation is clarifying somewhat." A transcript of Dean's dictation is in the Eisenhower Library, Dulles Papers, General Telephone Conversations. It bears the handwritten inscription by Dulles "Phoned by A.D. after talk with Eban N.Y. 2.24.57 a.m."

143. Memorandum of a Conversation, Secretary Dulles'
Residence, Washington, February 24, 1957, 3:30 p.m.¹

SUBJECT

Israeli Withdrawal

PARTICIPANTS

Mr. Abba Eban, Israeli Ambassador
Mr. Reuven Shiloah, Israeli Minister
The Secretary
Christian A. Herter—U
Francis O. Wilcox—IO
Herman Phleger—L
William M. Rountree—NEA

Ambassador Eban said he wished to convey the personal greetings of the Prime Minister and his Government to the President and the Secretary. He had been in Jerusalem for only thirty hours, having returned to Washington with the greatest urgency to communicate the position of his Government on the question of withdrawal. The Prime Minister had understood the attitude of the United States and hoped to achieve a closer understanding of our respective positions. The country was in a state of suspense regarding the outcome of discussions in Washington and in the United Nations. The Government felt that its basic aspirations were reasonable and just, and had great pride and gratitude regarding the sympathy throughout the world which the Israeli position had evoked. At the same time, the Government was anxious to proceed in a manner which would be conducive to a solution.

Continuing, the Ambassador said the Prime Minister had been impressed by the American position based upon its interest in global peace. It shared fully our concern that the "universal interest" should be taken fully into account, and his obligation to help preserve peace was fully in his mind. He also had been greatly impressed with the willingness of the President and the Secretary to speak of the current problems in terms of assuring Israel that it could rely on the United States and the United Nations if it withdrew. This, he said, had struck a responsive echo. On the other hand, it was not easy to undertake every decision objectively in view of the nature of the proposals which

¹ Source: Department of State, Central Files, 674.84A/2-2457. Secret. Drafted by Rountree. The Department of State transmitted a summary of the conversation to the Embassy in Tel Aviv in telegram 825, February 26. (*Ibid.*, 674.84A/2-2657)

On February 25, Shiloah handed Rountree a copy of an Israeli working paper which summarized Eban's queries and Dulles' response made during this conversation; see Document 146. A copy of the Israeli working paper, which is unsigned and undated, is in Department of State, NEA/IAI Files: Lot 70 D 229, Political Affairs & Relations 1957, POL 27 Military operations, Israel Withdrawal Sanctions.

had been put forward at the United Nations by the six powers which would impose sanctions upon Israel. Such an attitude could do nothing but hinder, rather than help, a solution.

The Ambassador said he had outlined to the Secretary before his trip the positions of his Government. He was now prepared to state how those positions might be amended. First, regarding the Gulf of Aqaba, the Secretary would recall the Israeli feeling that, because of the vital national interest involved, Israel would have been justified in seeking firm guarantees before withdrawal. These guarantees might have taken the form of an agreement regarding the status of the UNEF and an arrangement for that force to remain until a permanent settlement had been achieved. Alternatively, it might have taken the form of international guarantees for Israeli shipping through the Straits. The Ambassador had conveyed the difficulties which the United States had seen in each of these alternatives, and the Israeli Government had concluded that it would not be realistic to expect such guarantees. It therefore would retire from that kind of request. In doing so, however, it must consider other means which would provide less formal assurances. Since they were retiring—and many would think this was a serious recession—Israel would ask if the United States was willing to help in ways which were consistent with international law and were within the general framework of the February 11 Aide-Mémoire. The Government had been impressed with the declaration of intent by the United States concerning its rights in the Gulf and Straits. It hoped that this was not merely symbolic but that United States flag vessels would in fact use the Straits. Israel would like to feel confident that American flag vessels would be available for commerce by this route, at least insofar as the attitude of the United States Government was concerned. If this was assured, there would be a definite interest in our maintaining free passage.

With respect to the formulation in the Aide-Mémoire of United States recognition of free and innocent passage, the terms employed might not be understood by persons not familiar with legal language. It would be helpful, the Ambassador said, if the United States could endorse wording used by Hyde,² and state in substance that innocent passage meant the passage of a ship whose conduct was not detrimental to the state whose territory was being passed. In other words, it should be made clear that ships should be permitted to pass so long as the ships themselves did not misbehave.

² Reference is presumably to Charles Cheney Hyde, *International Law, Chiefly as Interpreted and Applied by the United States* (3 vols.; 2d rev. ed.; Boston: Little, Brown & Co., 1945).

In receding from its previous position, Israel would be accepting the unfortunate estimate that the United Nations was not able to provide for the UNEF on Egyptian soil assuredly to stay there until peace had been established. The Israeli Government was interested in a proposal which had been put forward by other governments that United Nations forces might include, in addition to land units, naval vessels to patrol waters which would be of a less sovereign character than the land itself. Clearly, he said, patrolling south of the Straits outside Egyptian territorial waters might be easier than maintaining forces on the Sinai Peninsula itself. It would be much more difficult for any single state to prevent such a patrol from serving its purpose, and thus the arrangement would provide greater stability than if the forces were on land only. Presumably that would require a decision by the General Assembly, although the Secretary General might find it possible under his present powers to move in a sea unit. Egypt, he said, might find it easier from the point of view of its prestige to permit such an arrangement to be maintained longer than land occupation.

The Ambassador said that he would like to discuss an important aspect of the matter which might be decisive with respect to the Israeli decision to withdraw. It appeared reasonably safe to say that ships of countries other than Israel would be permitted to pass through the Straits, but the Israeli Government was apprehensive that Egypt might stop Israeli ships. It was out of that consideration that arose the request for guarantees. The United States, he said, could protect American flag vessels but could not provide protection for vessels flying other flags. In order to insure against the illicit use of force, Israel must itself provide that guaranty for its own ships. Thus Israel was prepared to state that it would protect, within the limits of the United Nations Charter, the freedom of passage of its own vessels. Israel would seek American understanding of such a declaration on the basis that if the United States had the power to speak with respect to its own vessels it followed that Israel likewise had the right to do so with respect to its own. The thought was that declaration of the Israeli intention would serve as a deterrent. Israel's legal advisers were now drafting such a declaration which would be shown to the Secretary after it had been completed. The Ambassador would like for the Secretary to say that Israel had a right to make such a declaration, provided it was legal and within the United Nations Charter. Presumably Egypt would think twice before obstructing Israeli vessels if it knew that such action would encounter an Israeli reaction. The Ambassador emphasized that of all of the considerations involved in the Israeli Government's willingness to retire from its original position regarding the Straits, this was the most decisive.

Continuing, the Ambassador said his Government had noted the reference in the Aide-Mémoire to the United States willingness to join with others in asserting its rights to use the Straits. It would be extremely valuable if the United States doctrine were widely shared and expressed by other maritime powers. It was hoped particularly that Panama and Liberia might be persuaded to join in such a declaration, since flag vessels of those countries did substantial shipping business in the Middle East. The Ambassador indicated that France, the United Kingdom and the Netherlands had shown a disposition to adhere to the American concept, although there might be some divergencies in the form which declarations by those countries might take. It was recognized that arrangements for such declarations might take time, and the Israeli Government was not suggesting that its withdrawal be delayed until the arrangements had been completed. It was, however, important to know the United States attitude.

The Ambassador said there were certain additional observations which he would like to make regarding the Straits, but they were of less importance than the ones he had mentioned. For example, he said, the Aide-Mémoire of February 11 had stated that the UNEF should move in after the withdrawal of Israeli forces, but there was no reference there to its mission or duration. On January 28 and February 2 Ambassador Lodge had expressed the hope that the force would prevent belligerent acts and would stay until peace had been restored. Israel hoped that, insofar as the U.S. as a member of the United Nations was concerned, it would continue to maintain that position. He understood that we considered it unlikely that the United Nations could formalize such an arrangement. The Ambassador feared that after withdrawal of Israeli forces, the UNEF would soon be removed from Egypt and then Egyptian forces would move in. Then the only deterrent to Egyptian action might be the declaration made by Israel. It would be useful, he said, if the U.S. could say that it looked at the UNEF task along the lines stated by Ambassador Lodge.

If it were not possible to get general United Nations endorsement of that principle—as many delegations would like—the Israeli Government hoped that the Secretary General could be persuaded to say that, if a proposal should be made to remove the UNEF, he would give the General Assembly an opportunity to consider the matter; thus a time of, say, ten days would be provided for United Nations consideration before the forces were withdrawn. If that should be done, and the U.S. and other delegations could then say that they did not feel that the forces should be withdrawn, Israel could feel that premature action would not be taken. This should not cause difficulty, he said, since the Secretary General had stated on February 7 that the Assembly had reserved for itself the right to determine the conditions under which the force should operate and be withdrawn. The Ambassador

felt that if the Secretary General knew how much it meant to Israel, he would not hesitate to agree to inform the General Assembly before any withdrawal.

Alluding again to the fact that the February 11 Aide-Mémoire had said that only UNEF forces should be put into the area, its functions not having been defined, the Ambassador recalled that in his speech three days ago the President had used a phrase, not in the Aide-Mémoire, that "the force should move in for the purpose of assuring non-belligerency". The Ambassador observed that he should perhaps ask for clarification of our position, since if that were our joint understanding it would be extremely helpful.

The Ambassador then referred to what he called intangibles. When all the things he had mentioned had been done there would be deterrents, but no guarantees. Israel would be withdrawing in response to the United States feeling that, while no guarantees were possible, Israel should put its faith in the sense of responsibility of those who were recommending the withdrawal. The Secretary had said that the United States would use the full measure of its influence in an effort to bring about realization of Israel's legitimate interests. The United States was thus giving moral encouragement to Israel. His Government had instructed him to say that Israel would withdraw forces on receipt of guarantees, or upon arrangements for the stationing of UNEF forces with suitable terms of reference, or upon the development of some "other methods" to provide reasonable assurances. It now felt that some of these "other methods" might be put together to constitute a basis for withdrawal. He thought he should now ask the Secretary General to set up a meeting with General Burns to arrange for withdrawal of Israeli forces from the Straits area. In that context, Israel would seek agreement with the proposals which he had outlined.

The Ambassador said he wished to turn to what he called the link between Gaza and the Straits. The Prime Minister had felt that there would be wisdom in proceeding in arrangements for withdrawal from the Straits even if *all* aspects of the Gaza problem would take a longer time to settle. However the United States had said that if Egypt should interfere with Israeli shipping in the Gulf and in the Suez Canal at a time when Israel was in military occupation, Egypt could properly say that it was meeting one belligerent act with another. Israel proposed that the United States agree that Israeli rights to free passage would be fully operative, not when the whole of the Gaza problem was settled but when Israeli forces withdraw and after the UNEF had taken up their positions in the Straits and Gaza area. At that time the problem of working out the United Nations' relationship with the civil administration would be under active consideration. Israeli lawyers believed

that if the UNEF were on hand in Gaza, it could not be stated that Israel was in a state of belligerency. The Ambassador hoped that the United States would "establish" this Israeli concept.

Thus, the Ambassador said, he proposed that on the question of the Gulf of Aqaba, Israel would retire from its demand for guarantees and would compensate for the lack of such guarantees by a patchwork of existing statements and a unilateral Israeli declaration regarding its right to protect its flag vessels. With respect to Gaza, Israel recognized that it was farther away from a majority of the United Nations on this issue than on the Straits issue. It had been the Israeli position that Israel would withdraw only provided its civil administration continued. Israel no longer insisted on this. In fact, there was only one thing that Israel was against: that was the installation of the status quo ante with the reinstatement of Egyptian control in Gaza. Israel now favored the UNEF being in control of Gaza, with an international civil administration as an interim measure. Surely, he said, while the future settlement of Gaza was being arranged, it would be illogical to restore the old regime.

Continuing, the Ambassador stated that Israeli opposition to the return to the status quo ante stemmed from security considerations. He thought there was no legal justification for supporting Egyptian rights as before. If it were the Egyptian position that it was in a state of war with Israel, there could be no obligation to restore Egyptian rights in the territory. There was no legal authority which said that Egypt had the right to invoke the Armistice Agreement after having itself violated the agreement for eight years.

The Ambassador would suggest procedures along the following lines: Israeli representatives would attempt by compromise to solve the Straits problem; Israel would withdraw from the Straits area; the United Nations forces would enter by land, and perhaps by sea. Thereafter, Israeli forces would be withdrawn from Gaza; the UNEF would move into that area. At that stage the General Assembly or another appropriate United Nations body would send to Gaza a mission to deal with *all* of the problems and to hear the views of the states concerned. The mission would recommend interim administrative arrangements for Gaza. It might rule against Israel; but Israel asked only to be heard. It might say that the United Nations administration should maintain some relationship with Israel, with Egypt, or with both. In this connection, the Ambassador had noted the Secretary General's statement of February 22 concerning the Egyptian attitude regarding the UN role in the administration of Gaza. He did not know the significance of that statement, but thought it might be helpful; however, he had noted that the Egyptians already had made statements denouncing it.

The Ambassador said that the only indispensable condition with respect to Gaza was that the solution must not be an Egyptian solution. The only thing that Israel would say "no" to was the return of Egypt to Gaza. Anything else that was reasonable, Israel would accept.

Concluding his presentation, the Ambassador observed that the President had said that he did not think we should assume that Egypt would deny to Israeli ships passage through the Suez Canal. He would welcome some statement that that represented the policy of the United States. Also, Israel would ask other nations to say something along these lines based upon principles of international law.

The Secretary commented that the Ambassador had made a constructive and masterly presentation of his Government's views. He suggested a short intermission so that he could consult with his colleagues before responding.³

After a fifteen minute interval, the meeting with Ambassador Eban was resumed. The Secretary said that further reflection had confirmed his belief that the Israeli Government appeared to have made a sincere and constructive effort to find a solution to the problem. The Secretary felt confident that if the matter could be worked out—and he did not wish to under-estimate remaining difficulties—Israel would not have cause to regret its stand.

Regarding the Gulf of Aqaba and the Straits, the Secretary recalled that the Ambassador had inquired whether it was the intention of the United States to maintain trade routes through these waters. That was our intention, although the Ambassador should understand that we could not impose our will upon shipowners; the United States Government had no power to compel American flag ships to go to any particular place. We would assume, however, that the vessels would go into the Gulf of Aqaba, and if there should be any avoidance of the Straits because of apprehensions of a sub-normal character, we would seek to allay those apprehensions.

Regarding the Ambassador's question concerning the definition of free and innocent passage, the Secretary said there was a more recent and perhaps more authoritative statement on this subject than that of Hyde, and which more nearly reflected our own position. He referred to the definition in the International Law Commission's report. At the

³ During this break in the conversation, at 4:35 p.m. Dulles telephoned Lodge in New York. According to the memorandum of telephone conversation by Proctor, "The Sec. told L. to have Hammarskjold alerted that he, L., would want to talk with him this evening. The Sec. said he would call L. back as soon as the meeting with Eban was ended to report to him so that he could report to Hammarskjold. The Sec. said Eban had just finished his presentation and we were talking among ourselves. The Sec. said it looked pretty encouraging. L. said They may get out? The Sec. said Yes. That is a simplification, they want certain things, but the Sec. said he felt it was all taken care of by the Aide-Mémoire." (Eisenhower Library, Dulles Papers, General Telephone Conversations)

Secretary's suggestion, Mr. Phleger read this definition.⁴ The Ambassador commented that that appeared satisfactory since it referred to the conduct of vessels and not what they might carry. Responding to the Ambassador's query, Mr. Phleger said that while the report had not yet been accepted, the United States had endorsed it and we felt that the position set forth in it was sound.

The Secretary referred to the Ambassador's comments concerning the inclusion in the UNEF of naval units. He judged that there might be authority under existing resolutions adopted by the General Assembly to have naval units with the force, if circumstances indicated that they would be useful to prevent acts of belligerency. The United States would be prepared to support this concept if the situation seemed to call for it. He thought it would be largely a question of the Secretary General seeking the advice of his Committee in giving effect to a proposal that naval units be included. The Ambassador observed that one of the members of the Secretary General's committee had in fact made a proposal along these lines, and thought there was no important opposition to the idea. A representative of Norway had supported the plan on the basis that forces stationed on naval vessels would be far more comfortable than those stationed at the remote land area adjacent to the Straits. The Secretary remarked that naval forces might, by virtue of being in a more comfortable situation, serve to prolong the life of the UNEF, which might be a desirable result in itself.

Turning to the next question which had been raised by the Ambassador, the Secretary stated his understanding that Israel would want United States' acceptance of it being in conformity with the Charter and the principles of international law for Israel to make a declaration regarding its inherent right to protect its own ships, and that an attack on ships carrying out peaceful missions through the Straits would give rise to the right of self-defense under Article 51 of the Charter. The Secretary saw no inherent obstacle to United States recognition of such a declaration, subject, of course, to our seeing the language which might be employed.

With respect to the Israeli suggestion concerning our joining with others in declaring the intention to exercise our own right of passage, the Secretary said we had received indications from other maritime powers of their willingness either to join with us or to make similar but

⁴ A handwritten inscription on an extract from this memorandum of conversation (Department of State, NEA/IAI Files: Lot 70 D 229, Political Affairs & Relations 1957) identifies the International Law Commission's Report as U.N. doc. A/3159, which is the Report of the International Law Commission Covering the Work of its Eighth Session (23 April-4 July 1956). According to the report, "Passage is innocent so long as the ship does not use the territorial sea for committing any acts prejudicial to the security of the coastal State or contrary to the present rules, or to other rules of international law."

separate declarations. It might be wise to have each nation make its own declaration, because of preferences of the respective Legal Advisers as to the wording which should be employed. We had, in fact, seen language drafted by another maritime power, but thought our own wording to be better for our own purposes.

The Ambassador said he had in mind that if our Aide-Mémoire of February 11 were sent formally to other maritime powers, it would be helpful. They could then draw upon it for their own statements.

The Secretary stated that we would be happy to see Panama and Liberia participate in any such declaration as suggested by the Ambassador. However, we had to recognize a fact, which some people overlook, that neither of these nations was fully receptive to American suggestions and often delighted in showing their independence of the United States. He thought it would be in the interest of these governments to assert their rights, since benefits would be derived from their getting vessels of their registry to participate competitively in trade. Thus the Secretary saw no great problem in getting them to go along with the general idea. The Ambassador commented that Israel had representatives in Panama and Liberia who could talk with those governments. The Secretary said we would be glad to be helpful, but it should not be assumed that it would be automatic that they would do what we might suggest.

Continuing, the Secretary referred to other points which the Ambassador had made concerning the question of the UNEF in the Straits area. We would be glad to reaffirm in an appropriate manner the views expressed by Ambassador Lodge on January 28 and February 2. He referred particularly to paragraphs 28 and 29 of the Secretary General's report which had been approved by the General Assembly.⁵

The next point raised by the Ambassador, the Secretary said, was that the UNEF should not depart from the Straits area until the General Assembly had been given advance notice of such withdrawal. That seemed a reasonable proposal, and we would support it. The arrangement would, of course, have to be worked out with the Secretary General and we could not bind him in the matter. The Ambassador commented that he planned to ask the Secretary General whether the latter would permit the publication of a private document which had given the Israel Government the impression that the UNEF would not leave while "acts of belligerency were still possible".

⁵ Reference is to the Secretary-General's report of February 8 on arrangements concerning the status of the U.N. Emergency Force in Egypt. (U.N. doc. A/3526) The General Assembly noted its approval of the report in Resolution 1126 (XI) at its 659th meeting on February 22.

The Secretary observed that the Ambassador had suggested there be a clearer understanding with respect to the President's statement that a function of the UNEF was to assure non-belligerency in the area. We would be glad to clarify this.

The Secretary said the Ambassador had referred generally to the fact that Israeli withdrawal under the circumstances which he had set forth involved an act of faith in the United States and in the United Nations, and that we should recognize that fact. As the Secretary had said earlier, he thought that Israel would have no cause to regret such a decision to withdraw.

Referring to the Ambassador's suggestion that the Israeli right to passage through the Straits and Suez should be recognized when Israeli forces were withdrawn, without awaiting completion of arrangements regarding the administration of Gaza, the Secretary observed that this question arose in considering the link between the ending by Israel of acts of belligerency and the claim that Egypt had no right to exercise belligerent rights. The legal aspects of this question were discussed generally by the Secretary, Mr. Phleger and the Ambassador. Mr. Phleger thought that the matter would have to be explored with Mr. Hammarskjold. It appeared to him that, after the UNEF moved into Gaza, the Israeli administration would be at the behest of the United Nations' force. The administration then presumably would have no power except that derived from the United Nations. If the Israeli civilian administration were simply carrying out instructions of the UNEF, it would seem that there no longer would be a question of military occupation or the exercise of belligerency.

Restating the proposition, the Secretary said that the Israeli officials presumably would be in Gaza under the authority of the UNEF. They would ultimately derive whatever authority they had from those who exercised power. Israel would no longer have power there. He thought that to be an acceptable view, but emphasized that this aspect should be discussed with the Secretary General.

The Ambassador repeated that a major consideration was that, if Israel solved the Aqaba problem and withdrew her forces, the United States would have no inhibitions regarding Israel's right of passage.

Regarding the Gaza strip, the Secretary recalled that the Ambassador had said Israel was not against anything except a return to the status quo ante. He took it that that did not mean that every vestige of Egyptian presence must be removed, but meant that the administration must be approved by the United Nations. He did not believe that Israel could stipulate no Egyptian participation, but that that should be left to the United Nations. The Ambassador replied that the essential point was that the authority should be in the United Nations and not in Cairo. Once Egyptian troops were put back in Gaza, it would be hard to control the situation.

The Secretary did not consider it possible for the General Assembly to rewrite in essence the Armistice Agreement between Israel and Egypt, certainly not without the concurrence of both parties. The future of Gaza should be worked out on some basis which would involve Egyptian consent, and he believed that Egypt would acquiesce in some change. He thought the Secretary General's statement of February 22 on the subject of Gaza⁶ should have gone a long way indeed toward meeting the preoccupation of the Israeli Government. What the Secretary General said coincided with what the Ambassador seemed to hope for. He had reason to believe that what the Secretary General said was agreeable to the Egyptian Government.

The Ambassador said that the Secretary General's statement worried his government since it indicated a degree of subordination to Egypt. Moreover, there already had been denials from Egypt that the statement was agreeable to Egypt. That was an extremely sensitive point, which was the crux of the whole position with respect to Gaza. He would talk the matter over with the Secretary General to see what arrangements might be made. Mr. Shiloah interjected that even before the publication of Egyptian denials, the Israeli Government was extremely worried over Mr. Hammarskjold's statement since it was indirect and vague. It appeared to imply the presence in Gaza of an Egyptian police force. The Secretary responded that he had not inferred from the statement that an Egyptian police force was contemplated. After reading the statement aloud, the Secretary thought it good and constructive.

The Ambassador stated that this aspect of the problem was so essential that the Secretary General should clarify his statement. Perhaps Mr. Hammarskjold knew something that he could not say publicly. The Ambassador must emphasize to him the strength of the Israeli position regarding Egyptian control of Gaza. He thought the concept of an Israeli civil administration in Gaza could be defended on its merits. Unfortunately, this had been regarded as involving a kind of annexation by Israel of Gaza, which was not the case. In order to proceed toward a settlement, Mr. Ben Gurion had decided not to make an issue of that on its merits, but merely to assure that Egyptian control would not be reinstated. A purely United Nations operation would be acceptable, and if it were necessary to exclude Israel in order to exclude Egypt, Israel would agree.

The Secretary thought that if Mr. Eban were seeking denial of Egyptian rights under the Armistice Agreement, he was asking for more than Mr. Hammarskjold or the United Nations could give. His personal understanding of the situation was that, without confronting Egypt with an abrogation of rights which it had under the Armistice

⁶ See Document 137.

Agreement, Egypt would acquiesce to the non-exercise of those rights, letting the United Nations take over. The Secretary did not believe that the United Nations could obliterate Israeli rights under the Agreement, and thought that Israel would be the first to deny that the United Nations would have power to do so. The background of the situation presented a powerful case for United Nations administration, particularly since the people in the area were on the United Nations dole and many would starve if the United Nations should withdraw. However, it was important to arrive at such United Nations responsibility for civil administration by means other than tearing up the Armistice Agreement.

The Ambassador responded that this was an intricate and complex problem. For that reason his Government thought the appointment of a United Nations committee to look into it would be the best procedure. With Israeli forces out and the UNEF in, it could then be decided what the future should be. That would postpone finalizing the arrangements and remove the problem from its present tense atmosphere. The Secretary said that we would welcome such a committee, but the decision was up to the Secretary General and the United Nations.

Reverting to the Ambassador's earlier presentation, the Secretary expressed his understanding that Israel would like an elaboration of the President's statement to the effect that we had no reason to believe that Israeli ships would be barred from the Suez Canal if Israel was not itself exercising belligerent rights. The Secretary said this was based upon Egypt's acceptance of the six principles for a settlement of the Canal dispute. For our part, we believed that Israeli shipping should pass through the Suez and had no objection to stating this.

The Ambassador inquired whether the President might have had any basis for his statement other than "ascribing virtue unless there is reason not to ascribe virtue". The Secretary replied that he did not want to say more than if the problem of the Gulf of Aqaba were solved, there appeared to be no incentive for Egypt to get into an international controversy regarding Suez. Our estimate of the situation was based on something more than a broad assumption that everyone would do right.

The Ambassador said he would like to discuss procedure. He would propose that he write the Department asking for elucidation of our Aide-Mémoire of February 11, including only those points which the Secretary had said would not cause trouble. He then proposed to arrange to see the Secretary General, since many aspects of the arrangements to be made concerned matters within his competence. This, the Ambassador said, raised the question of the General Assembly discussion the following day. Continuation of the debate and discussion of sanctions obviously would be unconstructive. He in-

quired whether the Secretary had any advice concerning a postponement of the debate for a few days while we were working on the matter.

The Secretary responded that we would have to move fast. We had encountered considerable difficulty in holding off the debate as long as we had. Assuming that the Ambassador had adequate authority, he saw no reason why the memorandum requesting elucidation of the American position could not be prepared that night, and we would be prepared to work overnight on the reply. He thought it important that the Ambassador place himself in a position to talk to the Secretary General the following day. Perhaps if progress could be made a statement could be issued which would justify a further delay in the debate. He thought it would be necessary, however, to say something of real substance.

The Ambassador wondered if there could be an agreed statement to the press that substantial progress toward an understanding had been made. He doubted that much of a delay in the General Assembly would be needed, although time should be provided for the matter to be considered by the Israeli cabinet which would have to render another decision. After discussing the problems involved in a postponement at the General Assembly it was understood that the Ambassador would talk to Mr. Hammarskjold and endeavor himself to make appropriate arrangements.

The Secretary said that Mr. Hammarskjold might be told that, insofar as the Gulf of Aqaba was concerned, it seemed that arrangements could be worked out within the four corners of existing General Assembly resolutions and what the United States unilaterally had said. Regarding Gaza, the Ambassador would have to talk it over with Mr. Hammarskjold, but what he had said today seemed reasonably consistent with what the Secretary General had said on February 22. He hoped that the results of talking with the Secretary General would be such that Mr. Hammarskjold could join in requesting a postponement of from 24 to 48 hours. The Secretary observed again that we had to be careful not to make it appear that the United States Government was usurping the functions of the Secretary General or the United Nations.

At this point the Secretary and his colleagues left Ambassador Eban and Mr. Shiloah so that the Israeli representatives could consider the type of joint press statement which they would propose be made following the meeting. After reconvening, the draft was considered and revised by agreement between the Secretary and Mr. Eban. While the statement was being typed,⁷ the status of arrangements for the

⁷ For text of the agreed statement, see Department of State *Bulletin*, March 11, 1957, p. 394.

Suez Canal was discussed. Responding to the Ambassador's question, the Secretary said that not much progress was being made either physically or diplomatically. It appeared obvious that Egypt was trying to slow up completion of the Canal clearance in the belief that that would influence the discussions which we were having. There was submitted to the Egyptian Government a 4-power suggestion on how tolls might be handled,⁸ but we had not learned of the Egyptian reaction. The Ambassador commented that he had heard that Egypt had at first agreed to the proposals and had then receded, much in the same manner as they had done in the case of the Secretary General's February 22 statement on Gaza.

The Secretary observed that the movement of oil to Europe was increasing. The Texas Railway Commission had just authorized an increase of 200,000 barrels a day in domestic production. With the unusually warm weather in Europe, the situation there had greatly improved. Thus, the urgency for clearance of the Canal was not as great as it might have been.

Reverting to the question of Gaza, the Secretary emphasized again the hope that Israel was in search of substance and was not unduly concerned with form. He knew that Mr. Ben Gurion would like to say to his people that he had been able to get the Egyptians out of Gaza. The Secretary did not think that would be possible. He hoped that the Prime Minister would be aware that Egypt could not accept the claim that they had been put out. It was clear that the United Nations could not force Egypt to give up its rights under the Armistice Agreement, any more than Israel would agree that the United Nations could usurp its rights under that Agreement.

After further discussion on procedures, it was understood that Ambassador Eban would go to New York the following day and that the Israeli draft document requesting elucidation of the United States Aide-Mémoire would not be submitted until the following day.

⁸ The text of the four-power proposal was transmitted in Gadel 146, Document 114.

144. Memorandum of a Telephone Conversation Between the President and the Secretary of State, Washington, February 24, 1957, 6:45 p.m.¹

TELEPHONE CALL TO THE PRESIDENT

The Sec said the situation looks more promising. The big difficulty is the Gaza Strip. The Sec said he thought we could work out a satisfactory arrangement about the Gulf of Aqaba, but re the Gaza Strip they want something more re the total elimination of Egyptian authority there than is possible. However, the Sec said that was a matter to work out with Hammarskjold. The Sec said Eban was going to New York tonight to talk to Hammarskjold. The Sec said he thought they could get the substance of what they want but whether they could have the form or not he did not know. He did not think so. The Pres said the UN would stay in Gaza until the Sec Gen was satisfied that it could not be used as a source of raids, etc., against Israel, the refugee problem was solved—that would take years. The Sec said he did not know whether the UN would give that assurance. Egypt had the right to occupy the territory under the Armistice. The Pres said the Armistice had been proposed by the UN. The Sec said yes, but it had been agreed to by both, and Israel would be the last to admit the UN could unilaterally dissolve it. The Sec said it was a question of national pride. The Sec said Ben Gurion wants to make a speech saying they have ended once and for all Egyptian control. The Sec said they are willing to retire in the Gulf of Aqaba and according to our Aide-Mémoire. They will withdraw from Gaza and have UNEF forces go in, but they want to be sure that the old type of Egyptian administration will not come back. The Pres said we could assure them that it would not be a source of danger. We were now in there taking care of refugees, and could keep observers there indefinitely. The Sec read the statement which Eban made at the end of the meeting. The Pres said it was very good. The Sec said he was now going to call Lodge. The Pres said that we could say to the contending parties that if they want 20 million they better get on board—this was not really bribery. The Sec laughed. The Sec said he felt better tonight than he had for a long time.

The Pres said he had called Lyndon Johnson to thank him for his statement at the end of the Senatorial meeting in the morning. The Pres said he soothed him re the letter incident. The Pres said that what really made Johnson angry was that two syndicated columnists were

¹ Source: Eisenhower Library, Dulles Papers, White House Telephone Conversations. Transcribed by Carolyn Proctor.

waiting outside the door when Hill brought the letter.² The Sec said he knew that, that Hill had said it was just a coincidence.

² Reference is to Document 127.

145. Memorandum of a Telephone Conversation Between the Secretary of State in Washington and the Representative at the United Nations (Lodge) in New York, February 24, 1957, 7:02 p.m.¹

TELEPHONE CALL TO AMBASSADOR LODGE

The Sec said Eban had made a presentation of his new instructions which on the whole were good. The Sec said it cleans up the Gulf of Aqaba. Re Gaza they have dropped the demand for Israeli administration and police and are entirely prepared to accept some UN administration and policing of the area. The Sec said he thought what they asked for was what Hammarskjold said he would do in his statement of Friday. The Sec said they were not quite clear about that. Eban was therefore going to New York tonight or first thing in the morning to talk to Hammarskjold about the future administration of Gaza. The Sec said assuming that can be clarified, he thought the problem was resolved. L. said the thing is all over then? The Sec said they were prepared to take their troops out of Sharm el Shaikh and Gaza. They want to be sure that their administration is turned over to the UN and not turned back to Egypt as before. They will not agree to a resumption of the status quo ante in Gaza. The Sec said he believed the Hammarskjold statement met their views, according to his interpretation of it, but he felt that he could not take the responsibility for that, and the Israelis should talk to Hammarskjold. The Sec said they had one other question: before they pull out the UNEF forces, Hammarskjold should announce in advance so the UNGA could deal with the resulting situation—this would not be a veto power, but merely advance notice. The Sec said he presumed that would be the case. The Sec said what he feared re Gaza was that the problem is more of form than substance. They want to put Ben Gurion in a political position where he can say he had gotten the Egyptians out. Under the Armistice agreements Egypt has a right to the territory. The problem must be worked out according to Egyptian legal rights in Gaza. The Sec said

¹ Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Transcribed by Proctor.

we can meet what they want, but they cannot go about shouting about it. L. asked what he could tell the Arabs. The Sec said the Israelis are asking for postponement, and the Sec felt Hammarskjold should take the burden of asking for postponement now. The Sec read the statement Eban had made at the end of the meeting. The Sec said L. should talk this over with Hammarskjold and work out with him the procedure. The Sec said L. should not talk to the Arabs before Eban sees Hammarskjold, but L. should give the substance of the above report to Hammarskjold in strictest confidence. L. said he hoped they were not just stalling waiting for Congressional pressure to build up. The Sec said he thought they were sincere, they do not want to antagonize the Eisenhower Administration for four years. That is more important than any sanctions. The Sec said we should get another 24 hours postponement. We could wind up then, if Hammarskjold can give reasonable assurances re Gaza Strip. The Sec said the President feels strongly that we should be able to give such assurances; the UN had responsibility in the area, taking care of refugees, etc. The Sec said Israel had gone so far that he did not think we could ever vote sanctions. The Sec said it would all come out, the Israeli concessions, within the next 24 or 36 hours. They were prepared to, subject to the talk with Hammarskjold, to make an unconditional statement that they would withdraw from both areas. L. said he would call in the morning.

146. Memorandum of a Conversation Between the Minister of the Israeli Embassy (Shiloah) and the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Rountree), Department of State, Washington, February 25, 1957¹

SUBJECT

Israel Withdrawal

Mr. Shiloah wished to report on what his Embassy had done since Ambassador Eban's conversation with the Secretary on the previous day. An extensive report had been sent to the Government of Israel. The Israelis had prepared a working paper which summarized Mr. Eban's queries to the Secretary and the Secretary's comments. Mr. Shiloah handed several copies to Mr. Rountree emphasizing that the

¹ Source: Department of State, Central Files, 674.84A.2-2557. Confidential. Drafted on February 26 by Bergus.

paper had no status as a document.² Mr. Shiloah added that bad flying weather had caused a brief postponement of Mr. Eban's appointment with the United Nations Secretary General.

Mr. Shiloah repeated some of the substantive arguments put forth by Ambassador Eban on the previous day, emphasizing the need of some kind of formal action by the United Nations which would make it clear that the Egyptians would not return to Gaza. He felt that Israel had erred in presenting Gaza as a prize to be gained. Administration of the Strip would be a very difficult responsibility for Israel which he thought the United States should be urging on the Israelis, rather than vice versa. In any event, Israel had stopped insisting on an Israel civil administration in Gaza.

Mr. Shiloah urged at some length United States initiative in obtaining a further forty-eight hour postponement of debate in the UNGA. He said that the prospect of sanctions was like a pistol held at Israel's temple and that such an atmosphere was not conducive to further constructive progress. Mr. Rountree agreed that postponement of debate would be useful and said he hoped that Ambassador Eban could persuade the Secretary General to use his influence to bring about a postponement. He would pass on the Israel request to the Secretary and keep Mr. Shiloah informed of developments.

² See footnote 1, Document 143, and footnote 2, *infra*.

147. Memorandum of a Telephone Conversation Between the Secretary of State and the Minister of the Israeli Embassy (Shiloah), Washington, February 25, 1957, 4:41 p.m.¹

TELEPHONE CALL TO MIN. SHILOAH

The Sec said Rountree told me about his talk with S. The Sec wants him to know and perhaps he will tell Eban if your govt's position was there had to be a de jure extinction of Egypt's rights in Gaza the Sec does not think it obtainable. As the Sec said yesterday she has rights under the Armistice Agreement and may be acquiescent but the Sec does not think she will renounce those rights and hopes your govt will not ask for that because he thinks that may be the point where the whole thing will break down. S has talked to Eban and [Eban?] was glad to hear what S said and his impression in the first

¹ Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Transcribed by Bernau.

talk was less clear on the reserving of rights and not exercise them.² There was no distinction according to his impression between de jure and de facto arrangements where the Sec Gen was very reluctant to discuss the practical implication and they concentrated on it. S's impression was the issue was not so much the formalistic one but the practical one. There may be more clarity when they meet at 6. The Sec asked if S could answer and S said he would rather consult before answering. The Sec said to do that because there is not much use in our working on the paper until this is resolved.

² The Israeli account of the conversation of February 24 varied considerably from the memorandum prepared by Rountree (Document 143 and footnote 1 thereto) as to what Dulles had said in regard to the Gaza Strip. According to the Israeli working paper, Dulles said that it was difficult to imagine Egypt formally consenting to abrogate its rights under the 1949 Armistice Agreement, but it was possible to envisage Egyptian agreement to the non-exercise of these rights, and acquiescence in their exercise by the United Nations. Dulles then noted, according to the Israeli document, that Hammarskjöld's report of February 22 (see Document 137) indicated this possibility and that it might be possible for Egypt to reserve its rights without exercising them until the future of the Gaza area was finally determined. An unsigned handwritten notation on the Department of State's copy of the Israeli document indicates disagreement with the Israeli version.

148. Memorandum of a Telephone Conversation Between the President and the Secretary of State, Washington, February 25, 1957, 4:33 p.m.¹

TELEPHONE CALL TO THE PRESIDENT

The Sec said the word from NY is not very good. The Pres said oh gosh. The Sec said Lodge called² and the Sec called Hammarskjöld³ and H said at least as far as Gaza is concerned Israel is taking the position they will not be satisfied with a de facto UN adm with the acquiescence of Egypt but there must be a formal termination of all of Egypt's rights in the Strip which they have and the Sec does not see any chance in the world which will properly compel them to renounce. They have said they would acquiesce in UN adm. The Sec told re Rountree calling Shiloah to define their position. Eban said that is what they would like to have but not a sine qua non. The Sec said to

¹ Source: Eisenhower Library, Dulles Papers, White House Telephone Conversations. Transcribed by Bernau.

² Lodge telephoned Dulles at 3:51 p.m. that day. The memorandum of telephone conversation by Bernau is *ibid.*, General Telephone Conversations.

³ Dulles telephoned Hammarskjöld at 4 p.m. that day. The memorandum of telephone conversation by Bernau is *ibid.*

Eban he would not think they would want to claim the GA would have the right to require parties of the Armistice to give up their rights because that could operate against you and he made no reply. The Sec's feeling was when they left they would like all they could get but would accept a de facto adm. The Sec said we have been operating all the way through on the basis of Egypt's acquiescence. The Pres said Gaza has never been ceded to Egypt and has never been part of it so not the same as lower Sinai. The report Hammarskjold made to the UN re putting troops in—that has been approved by res? The Sec said no—it was done under a res and was a report to the GA by the Sec Gen as to his activities and some of the things he was doing under the res. The Pres said there has to be a lot in one res to get anything—something everyone would be pretty well for without losing face even though they don't like one part of it—condemn Israel—what has been done etc. Now say in the future something else will happen but don't know if anything like that has been done—but don't know why they could not. It seems funny the whole world is balked by 2 little countries worrying re local prestige etc. and other countries torn by troubles have to take this and make it their major business and get nothing else done. The Sec said he would let him know if there is anything further. Meanwhile the Sec thinks we have to prepare to take a position at the UN. It would be difficult to postpone the debate.

149. Memorandum of a Telephone Conversation Between the Secretary of State in Washington and the Israeli Ambassador (Eban) in New York, February 25, 1957, 5:34 p.m.¹

TELEPHONE CALL TO AMB EBAN IN NEW YORK

The Sec said he had a disheartening talk with Hammarskjold whom he called re their talk and it seemed to revolve about the adm of Gaza and E's insistence on more than a de facto acquiescence. E said that is not our position. Our interest is in a de facto exclusion of Egypt and interested in the formulation the Sec used—it was difficult to imagine Egypt formally consenting to abrogate and could envisage their agreeing to acquiesce. The Sec was not sure he meant agreeing but was thinking in terms of acquiescence. E was interested in eliciting from the SG if he meant exclusive jurisdiction of the UN and got a

¹ Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Transcribed by Bernau.

contrary impression that everything was subordinate to Egypt there in the civilian sense and maybe military and got an impression of the status quo. He mentioned an interim period—in any case no Egyptian jurisdiction while working it out with no prejudice to their rights, claims etc. On the basis of what E heard today he would have had to report the Egyptians would be coming back. That is the one point which is most crucial for us. He did not say he envisaged a de facto adm so long as we do not claim formal abrogation of rights. E mentioned clarifying this and the Sec indicated he would see what he could do about it.

150. Memorandum of a Telephone Conversation Between Secretary of State Dulles in Washington and Secretary-General Hammarskjöld in New York, February 25, 1957, 5:48 p.m.¹

TELEPHONE CALL TO MR. HAMMARSKJÖLD

The Sec said he talked to Eban—he tells him he is not asking for any relinquishment of rights or a de jure situation by Egypt but what he regards as a practical assurance that there will be some kind of an occupancy by the UNEF—some kind of a UN adm so that the situation will not revert to what it was. H said that is not what he said and H referred to BG's statement.² The Sec said he does not wonder at their saying it—that is a good slogan. You can't give him assurances and the Sec thinks he has to take a practical likelihood conditions will not revert. H said if he could accept our statement at face value. The Sec said it seems to him H should try to get him to accept that coupled with a statement if it did not work out that way Israel would reserve their rights so they would not be any worse off. We are getting out in expectation of these things happening and if not, we reserve our rights. They would not have lost much by getting out. H agreed. The Sec said it has become political in Israel—H said BG's statement does not help. The Sec said he thinks BG can't get what he wants exactly—he can get practical assurance. We gamble and if it does not work out take a fresh view and exercise their rights. H will see what he can do.

¹ Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Transcribed by Bernau.

² Reference is to Ben Gurion's address to the Knesset on February 21. See telegram 996, Document 132.

151. **Memorandum of a Telephone Conversation Between the Secretary of State in Washington and the Representative at the United Nations (Lodge) in New York, February 25, 1957, 6:08 p.m.**¹

TELEPHONE CALL TO AMB LODGE

I returned the call and the Sec said he talked to Eban and Hammaraskjold and reported. The Sec does not know if H will want to take the position the Sec suggested or not but that is about the only way out he can see. L asked where does that leave us for tomorrow. The Sec said they are working on the res. L thinks we are going to have to do it. The Sec said the Pres is heavy-hearted about it and L said so are we all. The Sec said we should be able to find a solution along the lines he suggested—but has the feeling E and H don't hit it off. L does not know—he thinks H has tried to be fair. The Sec said the Israelis don't think he has succeeded. L said with them you can't be neutral. The Sec went on about not asking either to surrender their rights. We are trying to create a de facto situation—better than the present one etc. etc. L said the acceptance of that thesis involves decisions by Eban but not the SG. The Sec agreed as long as Eban thinks of it. It would not do any harm for the SG to suggest to E we are not asking him to give up rights re pulling out. L might suggest that to him—he will be seeing Eban now. The Sec did put it in his mind though does not know if he is flexible and L thinks he is in trying to work it out. The Sec said he is not counting too much on us backing him up if it breaks down? The Sec is not sure you will get the necessary 2/3s vote. L said you can't poll anyone but think you probably can but won't be easy. L might try talking to him once more.

¹ Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Transcribed by Bernau.

152. Telegram From the Mission at the United Nations to the Department of State¹

New York, February 26, 1957—1 a.m.

Delga 806. Re Palestine/Israeli withdrawal. Lodge saw SYG this afternoon following latter's meeting at noon with Eban (Israel). Following is report on SYG's conversation:

Eban began by telling SYG Israel "firmly opposed any restoration of Egypt in Gaza in any form", and it was Israel's "overriding policy to oppose Egypt's return either directly or indirectly. On this Israel could not compromise."

Being pressed by SYG on Gaza, Eban suggested fact-finding commission go to Gaza and report back with recommendations. When asked whether commission would report before or after withdrawal, Eban said he could not reply. Eban went on to say Egypt had no rights under Armistice Agreement since Egypt claimed for itself state of belligerency. SYG commented to us that under Israeli interpretation Gaza would fall like ripe apple into Israel's lap since obviously UN could not hold Gaza forever. With no Egyptians permitted in, and with Israelis present in some form, nothing could prevent total annexation

. . . .

Bunche said Israelis made it clear in their discussion of Gaza that, contrary to impression they had maintained in past both publicly and privately, and which they still maintained publicly, they are not really worried from security angle.

On question of Sharm el-Sheikh, Israelis referred to SYG's memo of 5 January defining function of UNEF to prevent belligerency.² They urged that this governed duration UNEF in Sharm el-Sheikh. SYG reminded Eban that in addition to above description of UNEF's functions, he had clearly set forth idea, which GA had endorsed, that UNEF could not force solution of controversial questions, of which free passage in Gulf of Aqaba certainly was one.

On Israeli point about notification to GA prior UNEF's disbanding, SYG saw no problem at all. He said this was subsidiary point which should properly be left to Advisory Committee, which could decide whether to take issue to Assembly.

¹ Source: Department of State, Central Files, 674.84A/2-2657. Confidential; Niact. Received at 1:41 a.m.

² Reference is presumably to Hammarskjöld's report of January 15 concerning compliance with General Assembly resolutions calling for withdrawal of troops and other measures. (U.N. doc. A/3500 and Add.1)

Eban raised question of naval units in Gulf of Aqaba, telling SYG USG agreed support this idea with Hammarskjöld if circumstances warranted, but that it was up to SYG to decide whether or not use them. SYG said he felt this was outside original idea of UNEF since presence of naval UNEF units in Gulf not confined to single function of prevention belligerency. In fact real purpose would be to enforce innocent passage which was beyond original contemplation of UNEF.

Hammarskjöld raised with Eban question of UNEF on both sides armistice line. Eban, according to Bunche ridiculed this matter and refused to discuss it. Eban said he had no time to take up peripheral question unrelated to withdrawal. He said he had not discussed this question with anyone for weeks. SYG and Cordier felt this stand by Israel shortened life of UNEF. It could not remain long in Egyptian territory after a "no" from Israel as to its side of line. It created great problems in Egypt which could lead to Egypt demanding UNEF's withdrawal.

Lodge stated Eban's stand against ever having Egypt in any form in Gaza was different from story given in Washington. To this SYG said Eban told him he was reading to SYG from same paper as he had read to Secretary.

Cordier said Eban claimed Aqaba problem easier to solve than Gaza, implying that Aqaba could be dealt with whether withdrawal from Gaza agreed or not. SYG, Cordier and Bunche felt this could not work out in practice. Acceptance of separate solutions for two areas would mean that UNEF would be in impossible position vis-à-vis Egypt. UNEF would be trying to secure cease-fire in Aqaba against shipping if it chose [closed?]. Hammarskjöld sighed and said "there we are—stuck as ever". Hammarskjöld said he believed Israel's stand must be on record. He gave us copies of memoranda based on this conversation, which will probably form basis of report to GA tomorrow. (Memoranda sent in Delga 802.)³

³ Delga 802 from USUN, February 25, contained the verbatim texts of two memoranda from Hammarskjöld. The first listed the important points made by Eban and Hammarskjöld during their conversation of February 25 concerning the Gulf of Aqaba and Straits of Tiran, Gaza, and the deployment of U.N. forces. The second memorandum was prepared in response to a request from Eban for clarification of Hammarskjöld's statement of February 22 (see Document 137). In it, Hammarskjöld noted that his statement "obviously was made within the framework of the legal situation established by international agreement. He could neither detract from, nor annul any rights existing under the Armistice Agreement. His statement indicated practical arrangements, envisaged within the framework of Egyptian control of the territory as established by the agreement, and could, therefore, not be understood as limiting Egyptian rights within the area under the terms of the agreement." On February 26, Hammarskjöld released as U.N. doc. A/3563 his two memoranda of February 25 with an introductory note.

Hammarskjold expressed concern at public impression to be gathered from events last 24 hours. He fully expects Israelis will begin to make case that he (SYG) is one responsible for failure reach agreement. Eban had said in course of meeting that he "had been making progress until last hour," i.e., until Eban had begun talk to SYG.

In view way situation has developed, Hammarskjold said, "there is no possibility to ask for further postponements." "Deadlock" has been reached. Hammarskjold reported to Advisory Committee tonight on his talk with Eban.

Following conversation with Secretary this evening Lodge telephoned Hammarskjold who within few minutes was to have another meeting with Eban. Lodge said President and Secretary were very concerned over situation and that Secretary had suggested Hammarskjold might take position with Eban that neither Israel nor Egypt would be given [*giving?*] up any rights by agreeing to type of arrangement for Gaza that SYG had in mind. Israel could still assert whatever rights they had should arrangements there turn out to be unsatisfactory.

SYG said he would, of course, try his best with Eban to find way out and would follow up Secretary's suggestion, but he was very pessimistic about chances of success. He said Ben Gurion had today made statement in Knesset that Israel could not permit return of Egypt to Gaza. This was now public knowledge. This made negotiating situation extremely difficult but, Hammarskjold said, he would try. Lodge said the alternatives were hard to foresee, that getting a two-thirds vote on sanctions was looking increasingly difficult and that he did not know what would be possible if SYG's efforts did not succeed. SYG said he understood this and shared our concern and would do all he possibly could.

At 8:00 pm Cordier informed Lodge that in second meeting Hammarskjold had gone very far in effort to find common ground with Eban to reach solution. He said that he believed transcript of conversation which would be available to us later tonight would show how far Hammarskjold had gone and that we would be satisfied on this point. The issue was still whether Egypt could return in any form to Gaza or retain any rights there. Eban said that he wanted to give further thought to Hammarskjold arguments and wanted to talk to others (Cordier assumed Eban meant by this the Secretary), but Cordier doubted from Eban's attitude that there would be any change in the Israeli position. Cordier said that most that Eban had done had been to modify his formulation of the Israeli position on Egyptian rights in Gaza but that there had been no change in substance.

153. **Memorandum From Arthur H. Dean to the Secretary of State**¹

New York, February 26, 1957.

(1) Ambassador Eban telephoned to me last night after he had gotten through with his conference with Secretary General Hammarskjold and I saw him for about half an hour at 11 p.m.

Ambassador Eban said he found Secretary General very sympathetic to Israel's position and said he thought it a catastrophe that Egypt should resume the civil administration of the Gaza Strip, but that he, the Secretary General, had no authority to change the Armistice Agreement or the lines of the Armistice Agreement, and he did not see how he, the Secretary General, could avoid the restoration of the Egyptian civil administration. Ambassador Eban said he had told the Secretary General that this seemed to him to be standing on a legality and to be restoring a situation which all agreed would worsen matters. The Secretary General declined to take any other position.

Ambassador Eban and I then discussed what Ambassador Eban could say and, after some discussion, he outlined the following to me:

(1) Israel withdraws from the Gulf of Aqaba under assurances given and envisaged by the Secretary of State's statements of February 11 and February 24, 1957.

(2) Israel withdraws its troops from the Gaza Strip.

(3) UN mission is sent to Gaza to recommend measures for civilian administration, refugee relief, security, etc.

(4) Israel announces its willingness to cooperate fully with the UN mission.

(5) The US agrees that when Israeli forces are withdrawn from Aqaba and Gaza and Israel has agreed to a UN mission and to cooperate with it fully, Egypt cannot properly claim belligerent rights against Israel in the Gulf of Aqaba or elsewhere.

¹ Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Prepared by Proctor in the Department of State. The source text indicates that Dean dictated this memorandum over the telephone from New York at 9:05 a.m. on February 26. A marginal notation by Bernau indicates that Dulles saw the memorandum.

154. Note From the Secretary of State to the President¹

Washington, February 26, 1957.

DEAR MR. PRESIDENT: Here is the most recent draft of resolution, which was cabled up to Lodge last night,² and also a hastily dictated memorandum indicating roughly our present position.

Faithfully yours,

John Foster Dulles³

[Attachment 1]

Draft Resolution Prepared in the Department of State⁴

Washington, February 25, 1957.

The General Assembly of the United Nations

Conscious of the Purpose of the United Nations, expressed in Article 1 of the Charter, to suppress acts of aggression and other breaches of the peace and to bring about the settlement of international disputes by peaceful means and in conformity with the principles of justice and international law;

Recalling the disregard on many occasions by parties to the Israel-Arab Armistice Agreements of 1949 of the terms of such agreements;

Desiring to establish conditions under which justice and respect for the obligations arising from treaties and other sources of international law can be maintained;

Noting that Israel has since 29 October 1956, violated, with military force, the territorial integrity of Egypt, and has occupied by force the Gaza Strip, all in breach of the basic Charter undertaking of all members not to use force to settle international disputes and not to violate the territorial integrity of another state, and in disregard of the repeated efforts of the United Nations to bring about Israel's withdrawal behind the Armistice line;

¹ Source: Department of State, Central Files, 320/2-2657. Secret. A marginal notation on the source text reads: "Mollet & Pineau saw". Mollet visited Washington February 26-27. Documentation concerning his visit is *ibid.*, Conference Files: Lot 62 D 181, CF 833A.

² According to Gadel 154 to USUN, February 26, the text of the draft resolution was telephoned and not cabled to Lodge during the evening of February 25. (*Ibid.*, 674.84A/2-2657)

³ Printed from a copy that bears this typed signature.

⁴ Secret. Drafted by Dulles. Notations on the source text describe the document as an "unofficial working paper", and indicate that it is the ninth draft. A copy is in the Eisenhower Library, Whitman File, Dulles-Herter Series.

Noting further that Israel, despite the repeated calls of this General Assembly, continues in possession of the Sharm-el-Sheikh area on the Straits of Tiran at the entrance to the Gulf of Aqaba and in possession of the Gaza Strip;

Noting that the Secretary General's report of 24 January 1957 dealing with the Straits of Tiran states that no claim to belligerent rights should be exercised in the Gulf of Aqaba and the Straits of Tiran and that upon the withdrawal of Israeli troops from Sharm-el-Sheikh, the United Nations Emergency Force would move into the area to function in support of mutual restraints and that on 22 February this General Assembly adopted a resolution calling for the implementation of this report;

Noting further that the General Assembly in its Resolution of 2 February with reference to the Gaza Strip called for the placing of the United Nations Emergency Force on the Armistice demarcation line following the withdrawal of Israel from the Sharm-el-Sheikh and Gaza areas and that the Secretary General on 11 February made a further report indicating that there will be established in the Gaza area, with the acquiescence of Egypt, a United Nations administration designed to provide effective and efficient police protection; guarantee good civilian administration, assure maximum assistance to the United Nations Refugee Program and protect and foster the economic development of the territory and its people;

Renews its call upon Israel promptly to withdraw behind the Armistice line;

[Declares that failure of Israel to withdraw within ten days from the passage hereof calls for condemnation by the United Nations and also in that event;]⁵

Calls upon all governments, upon such failure and until Israel withdraws, to withhold assistance to Israel, and in general to regulate their peaceful intercourse with Israel as to bring about respect for the Purposes and Principles of the United Nations Charter and the recommendations of this General Assembly calling for withdrawal;

Urges the parties concerned to cooperate with the Secretary General in giving effect, immediately upon the withdrawal of Israel, to the provisions of its Resolution II of 2 February 1957 concerning the placing of the United Nations Emergency Force on the Egyptian-Israeli Armistice demarcation line and the implementation of other measures proposed in the Secretary General's report of 24 January 1957, with a view to assist in achieving situations conducive to the maintenance of peaceful conditions in the area;

⁵ Brackets in the source text. Marginal notations indicate "This is not the final change".

Pledges itself, when Israel has withdrawn, to assist the parties concerned to achieve by peaceful means the settlement of outstanding disputes between them, in conformity with the principles of justice and international law;

Requests the Advisory Committee, established by the General Assembly Resolution of November 7, 1956, to consider and recommend to this General Assembly from time to time, if need be in special session, the further measures appropriate to achieve the objectives of this Resolution.

[Attachment 2]

Memorandum From the Secretary of State to the President⁵

Washington, February 26, 1957.

With respect to the Straits of Aqaba Israel has the following:

1. Assurance that upon its withdrawal the forces of the United Nations Emergency Force will move in;
2. That their purpose, among other things, will be to restrain the exercise there of belligerent rights which would prevent passage;
3. The willingness of the principal maritime powers to declare that they recognize that the Gulf of Aqaba and the Straits of Tiran are free for passage and that this freedom will, in fact, be exercised;
4. Acquiescence by the United States, and presumably others, in an Israeli declaration that the use of armed force to prevent passage of Israeli ships would be and "are an armed attack" within the meaning of Article 51 of the Charter giving rise to the right of self-defense.

Israel has indicated that it, in fact, finds the foregoing as an adequate basis for withdrawal.

With respect to Gaza Israel has the following:

1. Assurance that upon its withdrawal the forces of the UNEF will move in;
2. That the function of the United Nations forces will prevent violation of the Armistice line;
3. That there will be established, with the acquiescence of Egypt, a United Nations Administration which for an undefined period will be designed to provide police protection, civilian administration, assist in the United Nations Refugee Program and protect and foster the economic development of the territory and its people.

⁵ The Department of State copy of the memorandum was detached from the covering note by Dulles and is in Department of State, Central Files, 674.84A/2-2657.

While it is indicated the duration is indefinite, it can be assumed that it will be for a considerable time in view of the fact that one of the accepted purposes is to "foster the economic development of the territory and its people" which is not a short-term proposition.

Israel so far finds this unacceptable because it wishes "guarantees" that Egypt will never return to the Gaza Strip. However, under the Armistice Agreement Egypt has a right of occupancy and there is no way in which the United Nations or Israel can take this right away without Egypt's consent and Egypt does not consent, although it acquiesces in the exercise of administrative functions through a United Nations Commission, as indicated.

It is submitted that Israel should withdraw on the basis of the foregoing. It will have a generally accepted right to use force again if its shipping is forcibly barred from the Gulf of Aqaba.

As regards Gaza, if Israel withdraws in accordance with the United Nations Resolutions and thus shows its regard for international opinion and if the situation subsequently deteriorates so that the Strip becomes a menace to Israel, then Israel will have a case for seeking relief by its own action which is at least as good a case as it can make for remaining in Gaza in defiance of the repeated appeals of the United Nations.

Israel will then have given the United Nations program a chance to work and there is a very good prospect that the program will work and that there will never be the deterioration which Israel professes to fear.

The enjoyment of the rights of Israel in Aqaba is dependent on the solution of the Gaza problem and vice-versa, and both require the continuance of the 1949 Armistice Agreement.

155. Memorandum of a Telephone Conversation Between the President and the Secretary of State, Washington, February 26, 1957, 10:15 a.m.¹

The Secretary has sent over the most recent draft resolution (with a memo of our position),² which Amb. Lodge wants to start discussing this morning with some of the countries that joined with us as co-

¹ Source: Eisenhower Library, Whitman File, Eisenhower Diaries. Prepared in the Office of the President. A briefer memorandum of this telephone conversation, prepared by Bernau in the Office of the Secretary of State, is in the Eisenhower Library, Dulles Papers, White House Telephone Conversations.

² See the two attachments to Dulles' note to Eisenhower, *supra*.

sponsors in the last resolution. Dulles thinks it ought to be discussed on a very urgent basis with Mollet—not to hold off for this afternoon's 2:30 meeting, but to bring it up at 10:30 this morning.

What we would like to have done is some French pressure being put on the Israelis to withdraw. With Pineau as President [*not present*], the Secretary of State is dubious about Mollet making any decisions on his own, particularly since this has been primarily Pineau's whole project.³

So if the President could bring up the subject, & if Mollet is willing, Dulles said to give him a call & he & Pineau will drop whatever they are talking about & come over to join in this conversation.

Meanwhile, Mr. Dulles would like to tell Cabot Lodge to start his talks on it. The resolution has a 10-day basis, which Lodge thinks very unwise, & suggests it would be preferable to adopt Indian form⁴ — that unless the Secretary General is able to report in 72 hours the beginning of the Israelis' withdrawal, then they shall stand condemned.

³ The memorandum of telephone conversation by Bernau has Dulles explaining that under the French Cabinet system, Mollet could not deal with the Israel withdrawal question without Pineau being present.

⁴ Delga 803 from USUN, February 25, transmitted to the Department of State the verbatim text of an Indian draft resolution which Lall was informally circulating among other delegations. The fourth operative paragraph of the Indian draft requested the Secretary-General to report not later than 72 hours after the adoption of the resolution concerning Israel's compliance with the call for withdrawal; and the fifth operative paragraph called upon member states to deny all military, economic, or financial assistance and facilities to Israel in the event that the Secretary-General was not able to report that Israel was withdrawing fully behind the armistice lines. (Department of State, Central Files, 674.84A/2-2557)

156. Memorandum of a Telephone Conversation Between the Secretary of State in Washington and the Representative at the United Nations (Lodge) in New York, February 26, 1957, 10:21 a.m.¹

TELEPHONE CALL TO AMB LODGE

L returned the call and the Sec said the Pres agrees for L to go ahead and talk about it with the group of our co-sponsors on the earlier res. Lodge said fine and will give them copies. The Sec referred

¹ Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Transcribed by Bernau.

to his [Dulles']² suggestion re talking with the French. L said it would be a big thing. L said Cyprus will last 10 minutes and this will come up this a.m. L said it probably will leak though he will mark it confidential and working paper and if caught he will say it was for exploratory talks to find a way. L will do nothing this a.m. Once they know we are working on a res then we can get it stalled and the Sec hopes it could be stalled until this p.m. Eban is coming down and the Sec may see him during the lunch hour. The Sec said if a virulent debate breaks out it might hurt. L thinks Hammarskjold's report should be factual and clear cut. The Sec said he would not have it slam the door shut. The Sec told re the Dean message and read from it³ —the possibilities of agreement are not wholly out. L said that Hammarskjold should put it out at the proper time and after the talk the Sec has with Eban and it should include the important points L has sent down. L will do that and if there are leaks he will say it was for informal consultations to find a way and that kind of a leak should help.

² During a previous conversation with Lodge that morning, Dulles expressed his intention to suggest that President Eisenhower try to get the French to put pressure on the Israelis. (Memorandum of telephone conversation by Bernau, 9:58 a.m., February 26; *ibid.*)

³ Document 153.

157. Memorandum of a Conversation, Department of State, Washington, February 26, 1957, 10:30 a.m.¹

SUBJECT

Israeli-Egyptian Problem

PARTICIPANTS

French:

Mr. Christian Pineau, Foreign Minister

Ambassador Herve Alphand, French Ambassador to U.S.

Mr. Louis Joxe, Secretary General of the Foreign Office

Mr. Jean Daridan, Director of Political Affairs, French Foreign Office

Mr. Emile Noel, Chief of Cabinet of Prime Minister Mollet

Mr. Jean Beliard, Assistant Press Chief, French Foreign Office

U.S.:

The Secretary

Mr. Robert D. Murphy, Deputy Under Secretary

Mr. C. Burke Elbrick, Assistant Secretary for EUR

¹ Source: Department of State, Central Files, 674.84A/2-2657. Secret. Drafted by Tyler.

Mr. C. Douglas Dillon, Deputy Under Secretary for Economic Affairs-Designate

Mr. Amory Houghton, Ambassador to France-Designate

Mr. J. Burke Wilkinson, Deputy Assistant Secretary for Public Affairs

Mr. William R. Tyler, Director, Office of Western European Affairs (part of the time)

Mr. Herman Phleger, Legal Adviser

Mr. William M. Rountree, Assistant Secretary for NEA

Mr. Fraser Wilkins, Director, NE

Mr. Charles Sedgwick, Interpreter

Mr. Pineau said he thought it would be appropriate to discuss first the most urgent question: that of Israel. He referred to the recent talk of Ambassador Alphand with the Secretary² and said that he wished to confirm officially what Alphand had said to the Secretary. He said that with regard to the situation in the Gulf of Aqaba, the French Government is in favor of a solution which recognizes that Israel would find herself in a state of legitimate defense in conformity with Article 51 of the United Nations Charter if an Israeli ship were attacked while in the Gulf. Mr. Pineau said that France would be willing to make a statement to this effect jointly with the United States and he thought that the United Kingdom would also be prepared to do so.

Mr. Pineau said that with regard to Gaza the situation is more difficult because there are a number of problems which have not been resolved, such as: whether Egypt is in a state of belligerency or not. If Egypt is to be considered a non-belligerent, then in so far as the United Nations are concerned, the situation would be determined by the terms of the Armistice Agreement, and Gaza should be administered by Egypt. On the other hand, if Egypt is a belligerent, there would be other problems. However, Mr. Pineau said, France could envisage the setting up of a neutral administration for Gaza. In order to achieve this he said that the French Government was prepared to exert pressure on Israel to withdraw her troops, so long as Egypt does not send her troops in.

The Secretary said that he did not see any insoluble problem with respect to the Gulf of Aqaba, because Israel had indicated that it would accept the assurances that would be given. The Secretary said he would, however, wish to qualify this by saying that any assurances which could be given to Israel on Aqaba would depend on a solution of the Gaza problem and the recognition by both sides of non-belligerency.

² Reference is presumably to the Dulles-Alphand conversation of February 23; see Document 140.

(At this point the Secretary handed Mr. Pineau a copy of an informal memorandum which the Secretary had given to the President for his talks with Prime Minister Mollet. This copy was subsequently returned to the Secretary by Mr. Pineau at the Secretary's request.)³

Mr. Pineau said he wondered whether Israel and the U.N. Secretary-General, Mr. Hammarskjold, both accepted the idea of a de facto U.N. administration in Gaza. The Secretary said that he thought that both agreed on the desirability of this. However, the difference was that Israel insisted that the administration should not be dependent on Egypt, but on the United Nations, as the power replacing Egypt. The Secretary said that Mr. Hammarskjold felt that the United Nations had no authority to substitute itself for the Armistice Agreements, and that any administration in Gaza required the acquiescence of Egypt. This meant that theoretically Egypt's acquiescence could be withdrawn at any time. However, in fact, said the Secretary, Egypt would probably not want to do this since she would not find it very desirable to come in again and take over responsibilities for the 200,000 refugees and all the attendant problems which they create. The Secretary said that the Government of Israel wanted to be in a position to say to its people that the Egyptian right of occupancy was ended for all time.

The Secretary said he thought that if Israel could take a chance on this and not insist that the administration of Gaza should depend formally on the United Nations in replacement of Egypt, the prospects for Israel's interests and security being protected would be the best possible.

The Secretary said he agreed that the situation with respect to Gaza is different and that this was why he had suggested on the first page of the memorandum for the President concerning the problem of Aqaba that he thought that agreement could be reached on a declaration. However, with regard to Gaza, it was not so certain whether Israel had a good case or not. The Secretary said that Mr. Hammarskjold considered the Gaza problem extremely important because it was necessary that any solution be consistent with the Armistice Convention and that this was an issue which threatened the collapse of current negotiations. The Secretary went on to say that if Israel should take the chance offered to her she would have gained a certain measure of support from public opinion by giving the United Nations a chance to succeed. If, on the other hand, this solution failed and if Egypt were to intervene and terminate the U.N. administration, or use the area as a base for attacks, then Israel would have world sympathy behind her and would be in a better position than if she now insisted on staying.

³ Reference is presumably to Dulles' memorandum to Eisenhower of February 26, Attachment 2 to Document 154.

Mr. Pineau observed that there was a distinction between establishing a case of aggression as a result of individual Fedayeen raids and specific shooting against an Israeli ship. It might be difficult to prove the former to be aggression. For this reason, the French Government felt that it was desirable that the international administration of Gaza should continue until the United Nations decided to the contrary. The Secretary said that Mr. Hammarskjöld was juridically correct in turning this down, as he had in his recent talk with Ambassador Eban, because of the existence of the Armistice Agreements, which the United Nations could not abrogate. Mr. Pineau said that perhaps Egypt might agree not to protest a de facto situation, but she could never be brought to agree publicly. The Secretary observed that the present proposal for a United Nations administration, outlined in Mr. Hammarskjöld's report of February 24,⁴ was cleared with Fawzi and Nasser and has Egyptian acquiescence. He added that while Israel was perfectly right in saying that this acquiescence might be terminated any time by Egypt, the question was: which risk is Israel prepared to take. The Secretary said that he thought that the risk would be less if Israel were to accept than if she were to stay on, for in the latter case the cease-fire would come to an end, the UNEF would be withdrawn, and the area might deteriorate into hostilities which the Arabs are not in a position to carry on now but which they might be tempted to provoke with the aid of the Soviet Union. The Suez Canal would almost certainly remain blocked and this was something which concerned all of us. Mr. Pineau raised the question of the possibility of a guarantee to Israel against future Fedayeen attacks, to which the Secretary replied that the United States could not extend such a guarantee, but that he agreed with Pineau that the United Nations was in a position to exert efforts along these lines. Mr. Pineau asked whether the Secretary thought that there would be a chance of a two-thirds majority for a United Nations resolution designed to save face for both parties. The Secretary said he thought this was a difficult matter to determine. Mr. Pineau said that perhaps the UNEF and the UN administration in Gaza could be established without any specific limitation of time, and that Israel could then accept this solution, while reserving its rights which it would exercise if and when this period came to an end. Other powers could take note of this de facto situation, which would continue indefinitely. The U.N. might pass a resolution by a two-thirds vote that both sides should undertake negotiations for a peace settlement, thereby linking in fact, although not explicitly, the duration of the period of administration to the duration of the period of negotiations. It might also be stated that if Egypt's

⁴ Reference is presumably to Hammarskjöld's statement to the General Assembly on February 22; see Document 137.

occupancy were resumed prior to the conclusion of a permanent peace settlement, this would create a new situation which would call for consultation either within, or outside the United Nations.

The Secretary stated that the present moment was critical. Ambassador Eban was returning at 11 a.m. If we could agree on a reasonable position for Israel to take within the next few hours, he thought that there was a good chance that Israel would accept it. If not, there might be tragic consequences. The positions of the two parties were so near to each other that he hoped that a final effort to bridge the gulf that remained would be successful. The Secretary agreed that if Egypt reoccupied Gaza prior to the peace settlement this would create a new situation requiring consultation to consider ways of ending acts of belligerency.

(Mr. Phleger and Mr. Rountree at this point consulted with the Secretary.)

Mr. Pineau then summarized the French suggestions under four headings:

1. The UNEF and a UN administration should be established for an indefinite duration, with the tacit acquiescence of Egypt.
2. Israel would reserve her rights with regard to the termination of this arrangement.
3. Other countries would take note of this arrangement, without approving or disapproving it.
4. It would be recommended to both parties that they undertake negotiations for a peace settlement.

The Secretary commented with regard to point three above that it would be desirable that other countries should also express the hope that the UN administration should last until the conclusion of a peace settlement, and that if negotiations were to break down and Egypt were to reassert her occupancy, this would create a new situation calling for consultation. Mr. Pineau nodded his acceptance of the Secretary's suggestion. The Secretary said that there was another problem: whether or not Israel admitted the continuing validity of the Armistice Agreements of 1949. He said that if Israel, as has been reported in the press, were to denounce these agreements, she could not obtain the non-belligerency rights which she needs for her position with regard to the Gulf of Aqaba.

(At this point the Secretary was informed that the President had asked that he and Mr. Pineau join Prime Minister Mollet and himself at the White House, and the meeting adjourned.)⁵

⁵ President Eisenhower had been meeting with Mollet at the White House since 10:30 that morning. At 11:38 a.m. they were joined by Pineau, Alphand, Joxe, Dulles, Phleger, Rountree, and interpreter Vernon Walters. (Record of the President's Daily Appointments; Eisenhower Library) No account of either conversation has been found in Department of State files or at the Eisenhower Library.

158. **Memorandum of a Telephone Conversation Between the Secretary of State in Washington and the Representative at the United Nations (Lodge) in New York, February 26, 1957, 1:19 p.m.**¹

TELEPHONE CALL TO AMB LODGE

L returned the call and said he gave the working paper² to Egypt, Norway, India . . .³ The Sec interrupted to question [about] Egypt and L said they would get it anyway and he thought it better to give it direct. L said they are getting the change to [from?] *states* to *governments*. He is showing it to Canada this p.m. which is risky because he leaks everything. On the other hand L rather he did not put his in because his would look better than ours and if they don't put theirs in ours will look better than the Arab one. L was going to say we are taking his views into account and prefers not to give him the text. He is in touch with Brazil and Colombia and hopes for reactions late today. The Sec said no night session tonight and L said no—not until we have a firm resolution and it is tabled. The Sec said we are making progress with the French and working something out and Eban will be in in 10 minutes and probably he will see the French later this p.m. The Sec referred to the mtg this a.m. and said if the French can sell this formula to the Israelis it would meet the case and he would like time. L said you have plenty of time. L will not introduce the res without further clearance—there will be changes. Not today but he thinks tomorrow. L is not speaking today either but thinks we should be ready to put the res in tomorrow and should be prepared to speak tomorrow.⁴

¹ Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Transcribed by Bernau.

² Reference is to the draft resolution printed as Attachment 1 to Document 154.

³ Ellipsis in the source text.

⁴ At 10 p.m. on February 26, Lodge transmitted to the Department of State a revised text of the draft resolution "as it presently stands after prolonged and difficult discussions with Indians and Egyptians" and requested the Department's comments. (Delga 810 from USUN; Department of State, Central Files, 674.84A/2-2657) The Department of State transmitted its comments to USUN in Gadel 155, February 27. (*Ibid.*) Lodge reported further on his discussions with Arab representatives concerning the U.S. draft text in Delga 816 from USUN, February 27. (*Ibid.*, 674.84A/2-2757)

159. Memorandum of a Conversation, Department of State,
Washington, February 26, 1957, 1:42 p.m.¹

SUBJECT

Israeli Withdrawal

PARTICIPANTS

Mr. Abba Eban, Ambassador of Israel
Mr. Reuven Shiloah, Minister of Israel
The Secretary
The Under Secretary
Mr. Francis O. Wilcox, IO
Mr. William H. Rountree, NEA
Mr. Herman Phleger, L

Ambassador Eban reported briefly on his meeting yesterday with the Secretary General on the problem of the withdrawal of Israeli troops from Egypt. He indicated that he believed that in spite of certain differences we were moving towards agreement. Indeed he thought the time had about arrived for Israel to announce that portion of its withdrawal schedule relating to Aqaba.

The Secretary intervened to point out that a matter that was giving us very great concern was Israel's attitude towards the Armistice Agreement. If the Armistice Agreement were voided, then there is a recurrence to belligerency and that would raise difficult problems about innocent passage through the Straits of Tiran.

Ambassador Eban replied that it was Israel's assumption that the UN Charter would prevail. In the event the Armistice Agreement does not apply, the relations between Israel and Egypt, he said, would be governed by the Charter. Israel in these circumstances remained in a state of non-belligerency even though the Armistice Agreement might be inoperative. The Secretary and Mr. Phleger pointed out that if we did not have the Armistice Agreement to guide us we would have only chaos in the area. The UN Charter in itself was not sufficient. Our assurances with respect to Israeli withdrawal were predicated upon the existence of the Armistice Agreement and the legal framework which it provided. The Secretary made clear that this point goes to the whole heart of Israel's position in the Gulf of Aqaba.

Ambassador Eban protested that Israel [Egypt?] had repeatedly asserted belligerency rights and had repudiated the Armistice Agreement. He maintained that Egypt wanted the Armistice Agreement minus its own non-belligerency.

¹ Source: Department of State, Central Files, 674.84A/2-2657. Confidential. Drafted by Wilcox. The time of the meeting is from Dulles' Appointment Book. (Princeton University Library, Dulles Papers)

Ambassador Eban then went on to say that with respect to Gaza, he thought we had come closer together. Israel had simplified and made more flexible its position. Any kind of jurisdiction, he said, which does not mean the return of Egypt would be acceptable to Israel. What Israel envisaged was de facto exclusion of Egypt; his government was interested in substance and not in form. He doubted, however, whether plans contemplated by the Secretary General conformed to this principle. In his exchanges with the Secretary General he said the latter had envisaged the return of Egyptian control with practical arrangements subject to Egyptian approval. The Secretary General, he said, even spoke of possible return of Egyptian forces to the area. What the Ambassador had learned at the UN therefore seemed at variance with the hope Israel had entertained about the future of Gaza. The Secretary General, said Eban, had made clear that he could not limit Egypt's rights as they were defined by the Armistice Agreement and by the resolutions of the General Assembly; that Egypt retained the rights which they had before and that any arrangements made would depend upon Egypt's consent. This was very important from the point of view of Israel.

The Ambassador then turned to procedural matters, pointing out that the problems involved in Gaza particularly could not be resolved in a matter of days. He said the Pearson proposal calling for a UN Commission to go to Gaza was an important development in New York although he did not know whether Mr. Pearson would press the suggestion. He felt, however, that the Secretary General was pretty thoroughly bound by the legal position in which he found himself and had not demonstrated very much flexibility.

The Ambassador then suggested the following procedure:

1. The withdrawal of Israeli troops from Aqaba together with finalizing of the arrangements contained in our aide-mémoire;
2. The entry of UNEF into the area which would prevent belligerent activities;
3. The withdrawal of Israeli forces from Gaza;
4. Arrival of the UN Commission or some other organ of the UN in Gaza. The Commission would establish itself there and make recommendations with respect to both interim and long-term arrangements for Gaza.

He admitted that all the problems involved would not be solved in this fashion, but that a good many of them could. He further pointed out that it would be impossible to change the administration of Gaza overnight anyway. Moreover, he felt that if the U.S. could cooperate, we would be able to show real progress in a matter of days without waiting until everything is agreed upon.

The Secretary stated that he doubted very much that this would constitute a practical procedure. He said there was a definite link between Gaza and Aqaba and he doubted that the U.S. would feel able to give any assurances with respect to Aqaba if there was not compliance on the part of Israel with UN resolutions relating to Gaza and if rights were asserted by Israel which were incompatible with the terms of the Armistice Agreement. The Secretary said that he believed a solution needs to be found for the *whole* problem and that the solution ought to involve the withdrawal of forces from both Gaza and Aqaba. He envisaged a gradual withdrawal of administrative forces from Gaza and the initial replacement by UNEF and by UN administrative machinery. It might be possible to retain on a *de facto* basis some of the administrative machinery now there. In any event, he said, the conditions would have to be such as to give to Israel confidence that the situation would not deteriorate again. Personally he did not think it would deteriorate. The Secretary General, according to his report of February 22, envisaged a long-term arrangement for the area.

The Secretary then commented on talks he had had that morning with M. Pineau and with the President. M. Pineau, he said, had some ideas which might be helpful but that he preferred to have Pineau discuss them with Ambassador Eban. In any event, the ideas M. Pineau put forth commended themselves to the President and to M. Mollet.

The Secretary then went on to say that the thing that disturbed us most is Israel's position that there isn't any Armistice Agreement; if that is the case, we will be on an uncharted sea. He hoped very much we could get a common understanding about that; otherwise our whole position would be undermined as would the status of the resolutions approved by the General Assembly. The Secretary expressed the view that there would be an adverse reaction by UN members with respect to any belligerency on the part of Egypt. It was not a situation, he said, which involves only two or three countries of the Middle East area; the potentialities are world-wide in scope.

Ambassador Eban protested that Israel had not repudiated the Armistice Agreement; his government has merely said that Egyptian action in violating the agreement and in denouncing it had brought the Armistice Agreement to naught. The Secretary commented that we were faced with the same problem in Korea; that an Armistice Agreement had existed for more than four years without any political settlement. The Armistice Agreement system, however, had been violated by North Korea. As a result, some people feel that we should treat the Armistice Agreement as void. We do not want to do that, however, because it acts as a restraining factor and gives at least a *de facto* status with respect to boundaries and other problems. If the agreement were

terminated, then the whole area would be in a state of chaos. He hoped, therefore, that Israel would not seek our support for any position involving a renunciation of the Armistice Agreement.

The Secretary then called attention to the situation in New York, stating that it was important to get quick action from Israel if we were to avoid a show-down on a resolution. He said that we were discussing the provisions of a possible resolution in New York; that we were most reluctant to proceed and that he hoped that such a resolution would not be necessary.

Ambassador Eban said that things were in a state of flux in New York; that Canada was putting forth certain proposals² and that the Secretary General had not been able to meet the positions which the U.S. and Israel had agreed upon. He could not understand the procedure we were following in discussing at this juncture with other governments measures against Israel. It did not seem to him to be logical or desirable for us to be talking with Israeli representatives on constructive measures to resolve the Aqaba and Gaza problems and at the same time carrying on discussions in New York about the kind of punitive measures to apply against Israel. On his part he would urge working day and night to try to resolve the basic problems. Moreover, he felt that the majority of the UN would not be in favor of sanctions. The African-Asian group would support such a move but he could not imagine the U.S. approving.

Mr. Rountree agreed that indeed a majority of the members would prefer to avoid the issue of sanctions and that they would prefer prompt solution through the process of Israeli withdrawal rather than any recourse to sanctions. For this reason, the Secretary had exerted so many efforts to postpone the debate and to find some formula which would permit progress. M. Pineau's proposal, he thought, might be helpful.

Ambassador Eban objected again to our discussions in New York relating to any sanctions proposals. He thought instead that the U.S. should make known its opposition to the resolution of the Asian-Arab states and in that manner avert a sanctions vote. He continued to believe that we had made enough progress in our discussions to permit us to go ahead along constructive lines.

The Ambassador then inquired with respect to Gaza and Aqaba; whether we took the view that the U.S. doctrine with respect to innocent passage would come into effect only when the entire Gaza problem is solved. Mr. Phleger replied that the Straits were international in character and that the principles outlined in the report of the Interna-

² On February 25, the Mission in New York transmitted to the Department of State the text of a draft resolution which the Canadian Delegation had made available to the U.S. Mission. (Delga 800 from USUN; Department of State, Central Files, 674.84A/2-2557)

tional Law Commission of the UN would uphold the right of innocent passage. This did not apply, however, to nations at war or in a state of belligerency. We did not feel we were bound to support the idea that passage through the Straits under such circumstances was in effect innocent passage. When Israel had withdrawn behind the armistice lines, then we would be in a position to agree. When the UN moved into Gaza, even if a few people were left from the Israeli administration, the rights could then be exercised. In any event, it ought to be clear that our rights in the Straits were not dependent on Israel's rights.

Mr. Rountree referred again to the press reports from Israel that the Israelis considered the Armistice Agreement as a dead letter. Mr. Phleger pointed out that we were trying to restore the validity of the Armistice Agreement and then require compliance on the part of Egypt.

With respect to Gaza, the Ambassador said that Israel wants to make sure that the solution is an international solution and not an Egyptian solution. They were not insisting upon a *de jure* change in the Egyptian position. He commented that there was a danger in emphasizing the Armistice Agreement—that this could work against the interests of Israel. The control of Gaza could go back to Egypt as the result of too much emphasis on the Armistice Agreement. He added that if our people thought that the new regime in Gaza would be in fact a return of Egyptian control, it would be serious indeed.

160. Memorandum of a Conversation, Washington, February 26, 1957, 2:30 p.m.¹

PRESENT

(U.S.)

The President of the United States

Secretary of State Dulles

Under Secretary of State Herter

Hon. C. Burke Elbrick, Assistant Secretary of State for European Affairs

Ambassador C. Douglas Dillon

Ambassador Amory Houghton

Mr. James Hagerty

General A. Goodpaster

Lt. Colonel Vernon A. Walters

¹ Source: Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199. Secret. Drafted by Walters. Another memorandum of this conversation by Elbrick is *ibid.*

(France)

Premier Guy Mollet

Foreign Minister Christian Pineau

Ambassador Herve Alphand

Ambassador Louis Joxe

M. Pierre Baraduc

M. Jean Daridan

M. Emile Noel

M. Paul Parpais

[Here follows discussion of various aspects of European integration.]

The President then thanked Mr. Pineau for his explanation and said that he felt that the day this common market became a reality would be one of the finest days in the history of the free world, perhaps even more so than winning the war. Before they went on to other subjects, he would like to get in one statement—he understood that Mr. Pineau was to meet Ambassador Eban and he would like to repeat what he had said in the morning. He couldn't believe there was anything more important than to get Israel to withdraw so we could support her future position and she would be able to get full rights in that area. As a corollary, we would see that other nations would act in accord with their obligations, that is to say Egypt, the Canal, etc. Whatever Mr. Pineau could do to convince Mr. Eban of this need would be a service to all.

The President asked whether Mr. Pineau had anything special he wished to bring up at this time. The Secretary of State then asked whether Mr. Pineau had read the Memorandum.² Mr. Pineau said he had just begun to read it and he had two main remarks concerning the text; the first was that he felt that if we wished to present a solution acceptable to Israel, it would be advantageous to make the least possible mention of the armistice agreement. Mr. Dulles then said that he had just talked to Mr. Eban and expressed concern regarding the fact that there were some indications that they wished to consider the armistice agreement as null and void. If they took this position, a serious problem would arise in that this would restore belligerency to full vigor and it would be difficult to assert rights of innocent passage into the Straits of Aqaba. He did not know where we would be in regard to the boundaries which had been fixed by the armistice agreement. These were not political but *de facto*, and if the armistice agree-

² Reference is presumably to the memorandum, *infra*. In Elbrick's memorandum of conversation, this memorandum is described as a "draft of a proposal which the French intended to take up with Eban at the meeting."

ment was considered null there would be only the 1947 agreement³ which the Arabs wanted and Israel did not. Mr. Eban was still talking with our legal advisers who saw dangers in considering the armistice agreement void. He agreed with Mr. Pineau, however, to the extent that the least reference to the armistice agreement in the Memorandum the more palatable it would be to Israel.

There was some discussion regarding the wording which was finally agreed to.

Mr. Pineau said he had his second point he wished to make. He thought we ought to give more emphasis to our desire to take advantage of the period of transition for peace negotiations which should be undertaken as soon as possible so as to give Israel the impression we were less trying to consolidate a past situation and more trying to create a new situation.

There was some further discussion regarding wording revolving around the words "permanent peaceful settlement" and finally the wording was agreed.

Mr. Pineau then said that he did not believe it would be wise to give Eban the impression that they were presenting him with a common ultimatum. If not, his task of rapprochement would be made even more difficult. He would like to see the President and the Secretary again after his meeting with Eban. He felt that if Eban wanted to change a few words here and there, that would not alter the substance, he should have a little latitude.

Prime Minister Mollet then said he felt it would be useful if Secretary Dulles would brief Mr. Pineau regarding his talk with Eban. Mr. Dulles then said that Eban indicated that he could see a way to solve the problem for the Gulf of Aqaba along the lines they had discussed on Saturday and Sunday⁴ but that was contingent upon an agreement, or common understanding, that the armistice still prevails and that there was no return to a state of belligerency. If there were, the right of innocent passage would disappear. With regard to Gaza he was disappointed with the results of his talks yesterday with Hammarskjold who continued to reiterate the legal position of Egypt in the Gaza Strip and that he (Hammarskjold) had no legal right to deny Egypt's right of occupancy. Eban read the Secretary a statement that Hammarskjold had given him the previous night in this respect, and this statement seemed to the Secretary to be quite correct. Eban felt, however, it was negative and had asked Hammarskjold not to publish the statement. The Secretary agreed with Eban that it would have a

³ Reference is presumably to the partition plan for Palestine adopted by the U.N. General Assembly on November 29, 1947. The text of the resolution is printed in United Nations, *Official Records of the General Assembly, Second Session, Resolutions, 16 September-29 November 1947.*

⁴ February 24-25.

bad effect on the situation in Israel if it were published. At that point, Eban suggested the possibility of a solution now covering Aqaba and to reserve for future consideration the problem of Gaza. Secretary Dulles did not consider this possibility from a legal standpoint. He saw no solution except for an Israeli withdrawal from both places. The Secretary told Eban that in the talks he had had with the French and the British on this matter that the French had come up with some new ideas and he hoped there would be an opportunity for Mr. Pineau to discuss them with Eban. He had not gone into the details of Pineau's formula as he understood that the latter had a tentative appointment at four o'clock with Eban to present his ideas.

At this point there was some discussion as to whether Mr. Mollet should go to the talks with Eban. He felt, however, that if it appeared that he had broken off his conversations with the President to go to this appointment, it would present their discussion in a false light. Mr. Pineau then said he might see Hammarskjold two days later to see what could be worked out at U.N. level. Secretary Dulles then said that unless we can have considerable assurance of progress along these lines he felt that a resolution would be adopted in the General Assembly the following day. Mr. Pineau then said he would see what could be done.

[Here follows discussion concerning European defense.]

161. Memorandum by the Secretary of State¹

Washington, February 26, 1957.

1. Israel announces that it is making a complete withdrawal in accordance with the United Nations Resolutions.

2. It further announces

a. That it is its understanding that on its withdrawal, the United Nations Forces will be deployed in Gaza, as contemplated by the United Nations General Assembly Resolution of 2 February and that

¹ Source: Eisenhower Library, Whitman File, Dulles-Herter Series. Drafted by Dulles. A typed notation on the source text indicates that this is a second draft. A first draft of the memorandum by Phleger is in Department of State, Central Files, 674.84A/2-2657. It bears a handwritten notation: "Sec took to WH". Eisenhower's handwritten changes appear on the White House copy of the memorandum, and evidently were made during the conversation with Mollet and Pineau which began at 2:30 p.m. on February 26. (See the memorandum of conversation, *supra*.) Cancelled type indicates deletions; brackets indicate additions made in Eisenhower's hand.

the United Nations will exercise the role in the administration of the Gaza Strip described by the Secretary General in his statement of 22 February.

b. That it is Israel's hope that the above mentioned role of the United Nations in the administration will continue for a transitory period until there is a permanent settlement.

c. That if Egypt creates in the Gaza Strip conditions which failed to comply with the ~~Armistice Agreement and~~ [its international obligations and] indicated a return to the condition of deterioration which had previously come about, Israel would reserve its freedom to act to defend its rights [.] ~~under the Armistice Agreement.~~

3. The United States and such other states as so decide will make a statement in the United Nations:

a. Taking note of the Israel statement.

b. Declaring its hope that the above mentioned role of the United Nations in the administration will continue for a transitory period until there is a permanent settlement, and that in the meantime there will be a strict compliance ~~of both parties with the terms of the Armistice Agreement~~ [with their international obligations.]

c. If after Israeli withdrawal in accordance with the United Nations Resolutions, there is a recurrence of belligerency or a violation of ~~the Armistice Agreement~~ [international obligations], then this will create a situation calling for United Nations consideration, and the United States will consult with other members of the United Nations to consider action within and without the United Nations appropriate to the circumstances to bring about a settlement in conformity with the principles of justice and international law.

[d. That these nations will immediately upon withdrawal devote their prompt and utmost efforts toward the settlement of the outstanding problems in the region.]

**162. Memorandum of a Conversation, Department of State,
Washington, February 27, 1957, Noon¹**

SUBJECT

Israeli Withdrawal

PARTICIPANTS

Mrs. Golda Meir, Israeli Minister
Mr. Abba Eban, Israeli Ambassador
Mr. Reuven Shiloah, Israeli Minister
The Secretary
Christian A. Herter—U

¹ Source: Department of State, Central Files, 674.84A/2-2757. Secret. Drafted by Rountree.

Francis O. Wilcox—IO
Herman Phleger—L
William M. Rountree—NEA

Mrs. Meir began by expressing the appreciation of the Israeli Government for the great personal effort which the Secretary had made to solve the Israeli-Egyptian problem. The Secretary responded that no effort had been spared, and he sincerely hoped for a successful result.

Mrs. Meir said the proposed formula which had been discussed the previous day by Ambassador Eban with Mr. Pineau² had been telegraphed to the Government in Jerusalem, and that the Ambassador had been in touch that morning with the Prime Minister. Mr. Ben Gurion's first reaction had been generally favorable, and he was calling the cabinet together urgently to consider the proposal. She hoped during the course of the day to have more definitive information. She thought there may be a "few corrections" but no major revisions. She was anxious that we reach a favorable conclusion as soon as possible, but as a democracy Israel must go through its democratic procedures before making a decision. She remarked that, with a favorable response from the Prime Minister it was to be hoped that "one or two or three days" might be provided to work out the details. She understood the difficulty of the U.S. position at the United Nations, but for Israel it was a strain and created great problems to have over its head a threat of certain action if Israel did not withdraw. It would be extremely helpful, she said, if a few days delay in the United Nations could be provided for discussions of the new proposal, without having to be concerned about possible new resolutions, sanctions, and so forth.

The Ambassador interjected that he had spoken to the Prime Minister while the Foreign Minister was enroute to Washington. He would thus like to describe the Prime Minister's reaction, which was one of "an affirmative spirit" although he had made one or two proposals for clarification. These would be discussed with Mr. Pineau at a meeting already arranged for 2:15 p.m. today. The Ambassador had stressed to the Prime Minister the urgency of the matter and hoped that by today he would have a decision in principle that Israel

² In his autobiography, Eban recalls that during a conversation with Dulles, Dulles informed him that Mollet and Pineau, who were currently in Washington, had made a proposal which Eisenhower and Dulles thought might help to solve the deadlock. When Eban later saw Pineau, Pineau handed him a memorandum in French together with an English translation. According to Eban, the French memorandum suggested that Israel announce its complete withdrawal in accordance with U.N. resolutions on the understanding that the initial takeover of Gaza would be exclusively by the U.N. Emergency Force; that the United Nations would be the agency used for civilian administration; that U.N. administration would continue until a peace settlement was achieved; and that if Egyptian actions led to a deterioration of conditions, "Israel would reserve its freedom to act to defend its rights." (*Abba Eban, An Autobiography*, p. 248)

would agree to solution along the lines proposed. It would not take several days before the basic attitude was determined, although some time might be required for all of the details to be worked out.

The Secretary said that the Israeli representatives must realize the very difficult situation in the General Assembly. Previous delays had been arranged by the exertion of great influence, and even then on a day by day, indeed hour by hour, basis. His last request from Prime Minister Ben Gurion had been to arrange for a postponement until last Monday. While it had not been possible technically to do so, it had been done in substance. Already it was Wednesday, and the problem of additional postponements was perhaps insurmountable. He could appreciate the fact that it might be embarrassing for the Israeli Government to seem to be acting under the threat of events in the General Assembly, and he had tried to avoid that as much as possible. He did not think it would be possible to hold off further unless we could say at least that there was agreement in principle to Israeli withdrawal, and request time to work out details regarding an exchange of views to accompany that withdrawal.

The Foreign Minister repeated the hope that by the end of the day they would have the decision in principle. We could then go over the proposed statement paragraph by paragraph. The Secretary responded that that procedure would be agreeable but he saw no reason why it could not be done in a few hours rather than days. Mrs. Meir maintained that it would be preferable to take two or three days, assuming a favorable cabinet decision. In the event of such a decision the pressure presumably would be lessened.

Responding to the Secretary's query, Mr. Wilcox said the Palestine question was the main item holding up the General Assembly recess. The New Guinea item was before the Assembly, and he thought it could be disposed of quickly. The members would be anxious not to prolong the session by further postponement.

Ambassador Eban remarked that perhaps a postponement would not be needed since there were a number of delegates to the General Assembly having ideas to express who might go ahead with their speeches, without the introduction of any new resolutions, particularly an American resolution. That would have the effect of slowing down matters while the details of the current proposal were being worked out. Mrs. Meir commented that speeches did not worry her; it was "rumors of United States resolutions and American consultations with other delegations" that worried her.

The Secretary said that we had to operate on two fronts to meet two contingencies: 1) that the efforts being made here to solve the problem would work out, and 2) that they would not. It was difficult to keep the situation in a proper state of development at both places. Ambassador Lodge had had talks with other delegations who co-

sponsored with us the second resolution of February 2, a proposed draft resolution which might be submitted in the unhappy contingency of failure here. We had made certain suggestions to him regarding this resolution and had received certain proposed amendments, which we had commented on. The Secretary said that he had just authorized a statement to be made by the Department's press officer saying in effect that the United States position remained as described by the President in his television address, and that we were considering at the United Nations how to implement that policy if it should become necessary to do so. The statement would say, however, that we hoped we would not have to pursue the matter at the United Nations and were meeting with the Government of Israel in that respect.

Repeating that she thought it possible to have a reply from Jerusalem during the course of the day, the Foreign Minister said she was sure the Secretary appreciated the difficult position for her Government in light of reports and rumors which were undoubtedly reaching Israel regarding a possible American resolution at the General Assembly. The Secretary responded that some of the stories regarding the American position should reassure Israel. He quoted an item in the *Baltimore Sun* to the effect that the Administration was in full retreat on the matter of pressure against Israel.

Mrs. Meir wondered about procedures, assuming that the reply from Jerusalem was affirmative. Time would be needed after the reply was received to consider how to implement the arrangement. The Secretary said he did not see why two or three days were needed to complete the matter. If the Israeli decision should be negative, that certainly would not present a prospect upon which we could call for suspension of United Nations consideration. If it were affirmative, relatively little time would be needed to make appropriate statements. He emphasized that we would have to have something definite today if we were to withhold further action on the resolution in New York. The Ambassador said the Prime Minister's first reaction had been such to provide hope that the matter could be worked out, and it would be a tragedy if this opportunity should be lost. He said the statements being made at New York were primarily by people who were not interested in a constructive approach and he was not aware of great pressure from the more moderate delegations. The Secretary responded that most delegations were awaiting knowledge of the United States position. They did not want to commit themselves prematurely and, for our part, we were glad there were those who wished to take our attitude into account.

Mrs. Meir repeated that it was indeed the American attitude which concerned Israel. She recalled that after the meetings over the weekend, we all had been hopeful that a solution was possible and felt

that we had travelled a long way toward a solution, but that Monday those hopes had been shattered. Surely she said, we should make every attempt this time to succeed.

The Secretary said that Mrs. Meir had previously raised the question of procedure. He wondered why we could not discuss procedure now on the assumption that the Israeli Government's decision would be favorable. He felt there was no need to lose time. We must find a way to put the decision into effect without delay. He would like to have Mrs. Meir's ideas as to what procedures should be followed, then we could move instantly when a decision was rendered.

Responding to Mrs. Meir's comment that she would appreciate the Secretary's ideas in this regard, he said he hoped that, in the main, the arrangements would be carried out in the United Nations, with the Israelis making their statement to be followed by statements by the United States and other delegations who wished to join. The Israelis might say that they were withdrawing and then state what Israel would expect would happen after that withdrawal. That would not need Assembly action. It was important that what was said not be inconsistent with the factual situation as regards the Secretary General, since we must avoid a situation in which Mr. Hammarskjold would feel compelled to "throw a spanner into the machinery". The Ambassador said, regarding the proposed American statement, that the Secretary had indicated the United States would express its hope that the UNEF would not withdraw from the Straits area without prior notice. He hoped that would be included.

The Secretary replied that we would say something along the lines that we hoped the United Nations forces would not be suddenly withdrawn without appropriate notification to the United Nations.

Responding to Mrs. Meir's comment that, after the statements on withdrawal, some delegations which would not like them might put in resolutions, the Secretary said the important thing was that Israel would be stating that it was withdrawing. He hoped that there would be no resolutions submitted after that.

Ambassador Eban remarked that he had promised to let the Secretary know the precise language which Israel would employ regarding the defense of its shipping through the Straits. He hoped a draft would be completed in the course of the day and that he would promptly thereafter give it to the Secretary.

The Secretary suggested that we have further talks about procedures. It was important to get the arrangements down concisely. He would talk with Ambassador Lodge and thought it would be useful if some of his associates could meet with Israeli representatives to pursue the matter.

Mr. Herter emphasized the view we must have something specific if matters in the General Assembly were to be delayed.

163. **Memorandum of a Telephone Conversation Between the Secretary of State in Washington and the Representative at the United Nations (Lodge) in New York, February 27, 1957, 12:15 p.m.**¹

TELEPHONE CALL TO AMB LODGE

The Sec said he just had a meeting and they have talked to BG re this new formulation and say his reaction is favorable but has to have a Cabinet meeting which he is now having and probably get word this p.m. This means we cannot make a statement or put in a res this p.m. They say they don't mind if others make speeches. L asked if the Sec thinks this may be it and the Sec said he thinks so. L can stall for this p.m. and said he has had interesting reactions. He talked with the UK, NZ, Australia and Canada and apparently they are willing to have the question of Egyptian rights in Gaza mentioned in the res. L did not show it to them. The Sec said it is a question of getting votes. If keeping it in gets votes o.k. If the only support it gets is people who are not going to vote for it at any rate not so² The Sec said that is a debatable question—L should have discretion. L has not come to a decision yet. Fawzi is in the next room and the element in the Arab world that leans towards going along with Russia is putting pressure on him and giving him a hard time today. Canada and Australia are shifting to our viewpoint. The question of getting the Arabs to agree to anything that is not plain sanctions is worse. Fawzi asked L and the other sponsors to meet with the Arabs. The Sec said we might hear c.4–5 [circa 4–5 p.m.?] today and after that work to be done to perfect the drafting of these things and how it is presented. L said if they get out then drop sanctions business—don't need anything. The Sec said they would make their withdrawal statement in the UN and state their understandings and expectations etc for their public opinion. The Sec wondered re calling Hammarskjold and L said yes. The Sec said we may want to send L the formulation and L wants it. (I think the Sec decided against this after they hung up.) The Sec gave the essence of it. The Sec said Mrs. M is difficult on this—Eban is better. Wilcox got on or had been on and said they thought it would be helpful if it goes off if the SG made a statement and L thinks so and he should get out there immediately and the Sec mentioned getting the Canal opened.

¹ Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Transcribed by Bernau.

² Ellipsis in the source text. The word "good" immediately preceded the ellipsis, but was struck through; presumably Bernau was unsure of what was said.

**164. Memorandum of a Conversation, Department of State,
Washington, February 27, 1957, 4 p.m.¹**

SUBJECT

Israeli Withdrawal

PARTICIPANTS

The Secretary of State
Christian Pineau, French Foreign Minister
H. Alphand, French Ambassador
Mr. Rountree, Assistant Secretary
Mr. Wilcox, Assistant Secretary
Mr. Phleger, Legal Adviser
Mr. J. W. Jones, Deputy Asst. Secretary

The French Foreign Minister and the French Ambassador called on the Secretary at 4 this afternoon with the latest suggested modifications by the Israeli Embassy of the unilateral declaration to be made by the Israeli government.² There were four specific modifications of the earlier draft which the Secretary and the Foreign Minister considered and after some discussion agreed generally to accept.

M. Pineau said that the Israeli Embassy had suggested that an effort be made to obtain Mr. Hammarskjold's agreement to the implementation of the arrangements following the Israeli declaration. The Secretary replied that it was not practical to attempt to obtain a new agreement with Mr. Hammarskjold and expressed the opinion that since this was a unilateral declaration on the part of the Israeli government, it did not require the approval or even the comments of the Secretary General of the UN. M. Pineau said that in any event he would like to talk to Mr. Hammarskjold about this development in New York tomorrow and that the best that might be expected would be that the Secretary General would remain silent following the release of the Israeli announcement. At M. Pineau's request the Secretary promised to telephone Mr. Hammarskjold before the French Foreign Minister approaches him in New York.

The Secretary and the Foreign Minister then discussed procedure and agreed that if the Israeli government approved of the declaration, Mrs. Meir would make the announcement in the General Assembly of the UN to be followed by the statements of the American and French UN representatives. The French Ambassador asked whether it would be desirable to inform the British of the Franco-American efforts with the Israelis. The Secretary replied that once the decision had been

¹ Source: Department of State, Central Files, 674.84A/2-2757. Secret. Drafted by Jones.

² The declaration concerned the Israeli position on transit through the Gulf of Aqaba. Its text is in footnote 2, *infra*.

made by the Israeli government to issue the declaration, it might be useful for the French and American representatives to get in touch with other delegations at the UN to obtain their support. The Secretary expressed his satisfaction with the progress that had been made.

At this point Mr. Phleger and Mr. Wilcox left to meet with the Israeli Minister-Counselor to reach agreement directly with him on the final draft of the Israeli declaration.

The Secretary and the Foreign Minister then turned to the last and still incomplete paragraph of the Mollet-Eisenhower communiqué (paragraph 3) dealing with the Middle East and the Suez problem. The Secretary dictated a proposed paragraph in the Foreign Minister's presence which was finally agreed by the two Foreign Ministers. The communiqué was then considered completed and ready for release early tomorrow morning.³

³ For text of the joint U.S.-French statement released at the end of the Mollet visit, see Department of State *Bulletin*, March 18, 1957, pp. 438-439.

165. Memorandum of a Conversation, Department of State, Washington, February 27, 1957¹

SUBJECT

Israeli Withdrawal Declaration

PARTICIPANTS

Ambassador Abba Eban, Embassy of Israel
Mr. Reuven Shiloah, Minister Plenipotentiary, Embassy of Israel
Dr. Jacob Robinson, Counsellor, Israeli Delegation to the 11th General Assembly
Mr. Francis O. Wilcox, IO
Mr. Herman Phleger, L
Mr. Leonard Meeker, L/UNA
Mr. Fraser Wilkins, NE
Mr. Samuel DePalma

Ambassador Eban and his group called to discuss the arrangements and procedures envisaged in connection with the Israeli withdrawal declaration suggested by Mr. Pineau. Ambassador Eban began by presenting a copy of the proposed Israeli statement concerning its

¹ Source: Department of State, Central Files, 674.84A/2-2757. Secret. Drafted by De Palma.

intention to assert the right of free passage through the Straits of Tiran and the Gulf of Aqaba (attached).²

Turning next to the points which were discussed on February 24 in the meeting with the Secretary, Ambassador Eban and Mr. Shiloah pointed out that it would no longer be necessary to work out an agreed version of the clarifications sought by Israel and the responses received from the United States since several of the points in question have either been superseded or are no longer being pressed by Israel, and others will be covered in statements to be made by Israel and the United States. Mr. Phleger agreed, but pointed out a number of inaccuracies and clarifications in the responses attributed to the United States in the Israeli memorandum of that conversation. It was further agreed that some of the points covered in the February 24 meeting might be covered in a bilateral exchange of notes.

Ambassador Eban asked if in our statement concerning the Israeli declaration we would be prepared to refer to the question of innocent passage through the Straits of Tiran. Mr. Phleger indicated that we would reaffirm our views as set forth in the Aide-Mémoire of February 11 and, if we elaborated on this point, we would do so on the basis of the statement of the International Law Commission. In this connection, Mr. Wilcox pointed out that Article 2 of the Egyptian-Israeli Armistice Agreement would appear to prohibit the passage of Israeli warships through Egyptian territorial waters, and by implication through the Straits of Tiran. Ambassador Eban made no response. Mr. Phleger pointed out that the United States might take note of the proposed Israeli declaration concerning its rights in the Gulf of Aqaba, but of course would not subscribe to the Israeli statement. The United States would continue to assert its rights independently.

Ambassador Eban then noted that Israel would no longer press its proposal for a United Nations naval patrol in the Gulf of Aqaba in view of the Secretary General's negative reaction.

Ambassador Eban also asked that the United States reiterate in its statement following the Israeli declaration the statements made by Ambassador Lodge on January 28 and February 2 with regard to UNEF's role in the Sharm el-Sheikh area. He stated that Israel's former apprehension concerning a unilateral departure of UNEF from its various positions has been allayed by the statement of the Secretary General that he would expect to consult with the UNEF advisory commit-

² The text of the Israeli Declaration, which is attached to the source text, reads: "Israel will protect ships of its own flag exercising the right of free passage on the high seas and in international waters.

"Interference by the use or threat of force with ships of Israel flag exercising free passage in the Gulf of Akaba and through the Straits of Tiran will be regarded by Israel as an attack entitling her to exercise her inherent right of self-defence under Article 51 of the Charter, and to take such measures as are necessary to ensure the free passage of her ships in the Gulf and in the Straits."

tee concerning any withdrawal of UNEF. Ambassador Eban also suggested that the United States take note of the Secretary General's statement in its statement. Mr. Phleger indicated that we could in our statement indicate our expectation that reasonable advance notice would be given to the Assembly of any plans for the withdrawal of UNEF so that the Assembly would have an opportunity to express its views.

Ambassador Eban then asked whether we would include in our statement any reference to the Suez Canal. Mr. Phleger replied that we did not think it would be productive to relate this matter in any specific way to the present situation.

The discussion then turned to the procedures for dealing with the Israeli declaration in the General Assembly. Ambassador Eban indicated that the Israeli Cabinet was still meeting on this question but that he expected a final and affirmative reaction in the course of this evening. In response to Mr. Wilcox's suggestion that it would be necessary for Israel to take some action tomorrow morning in order to head off further Assembly debate on the basis of the current resolutions being discussed in New York, Ambassador Eban indicated that he would seek authority to make a statement by tomorrow morning which would signify in a general way Israel's intentions and would thus serve as a basis for seeking a postponement of further discussion until Friday, March 1. He hoped that the declaration could be issued by March 1.

It was agreed that it would be important for other governments to be informed of Israel's intentions so that as many as possible could be prepared on Friday to join the United States in making appropriate statements taking into account the Israeli declaration. Ambassador Eban said that he hoped to be able to give the Secretary a final draft of the proposed Israeli declaration tomorrow morning which could serve as the basis for the preparation of a United States statement.

Ambassador Eban next raised the question of a further exchange of communications between Prime Minister Ben Gurion and President Eisenhower. He noted that the need for such an exchange with regard to Israel's intention to assert her rights in the Gulf of Aqaba appeared to be clear. Mr. Shiloah raised the question of a more general statement which would serve to terminate the series of exchanges that have taken place between the Prime Minister and the President on these matters and to do so on a note of agreement. Ambassador Eban said he assumed that Prime Minister Ben Gurion would want to inform the President that Israel's decision to withdraw had been taken partly as an act of faith and in reliance upon the statements of United States policy which it had received. He assumed that the Prime Minister

might communicate with the President, notifying him of his government's decision to withdraw and that he would then expect an appropriate reply.

Mr. Phleger stated that this was a matter which would have to be decided in consultation with the Secretary, but expressed the view that a further exchange of communications bearing on at least some of these points would appear to be appropriate.

Ambassador Eban then summarized the Israeli position with regard to the Armistice Agreement and said that his government would continue to take the view that Egypt's assertion of belligerency and its continued behavior as if it were in a state of war with Israel have rendered the Armistice Agreement academic. Mr. Phleger pointed out that the United States has constantly asserted the need to restore full compliance by both sides with the Armistice Agreement. He added that in responding to Israel's request that we state our position with regard to free passage through the Canal and the Gulf of Aqaba, we have done so and are continuing to do so on the basis of the normal rules of international law. This meant that in this particular case it is the Armistice Agreement which provides the basis for contesting any assertion of belligerent rights on the part of Egypt. It is the view of the United States that the whole structure of the peace in the area depends on the continuation of the Armistice Agreement. Mr. Meecker added that if Israel maintained its position with respect to the Armistice Agreement, it would itself create a basis for Egyptian claims to belligerent rights.

166. **Notes of the Secretary of State's Staff Meeting, Department of State, Washington, February 28, 1957, 9:15 a.m.**¹

Israeli Withdrawal

1. The Secretary said he was forced to leave shortly to go to the White House. He said he believed that messages should be sent promptly to the Middle East regarding the status of our negotiation with the Israelis and the United Nations lest the Israelis put an aspect on it which would not accord with our policy objectives. Mr. Rountree reported that the Israelis began last night a concerted propaganda campaign by furnishing background information to the press. Mr.

¹ Source: Department of State, Secretary's Staff Meetings: Lot 63 D 75. Secret. The source text does not indicate a drafting officer.

Phleger called attention to the Arab Four Power statement which took a strong stand on the question of territorial waters and the Suez Canal.² Mr. Phleger also suggested we inform Hammarskjold of the results of our negotiations with the Israelis at the earliest possible moment. Mr. Phleger and Ambassador Richards pointed out that the US position on the Gulf of Aqaba and the Straits of Tehran [*Tiran*] was made public two weeks ago in our Aide-Mémoire and was restated by the President in his recent speech.

The Secretary said the next step as he saw it was to speak to Secretary General Hammarskjold, the Arab countries, and Members of Congress. He asked Mr. Rountree to draft a circular message to our posts in Arab countries which could be dispatched as soon as a definite statement was received from the Israelis later in the morning;³ he also asked Mr. Rountree to prepare a personal message on the same subject from the President to King Saud and said the draft should be sent to him at the NSC meeting.⁴ In addition he requested Mr. Rountree to confer with Mr. Hill and propose the method and timing that the Department should adopt in informing members of Congress. The Secretary said he felt that the question of talking to Secretary General Hammarskjold could await a decision by him after lunch.

Action:

Asked NEA to prepare a circular message to all posts in Arab countries on the results of our negotiations regarding an Israeli troop withdrawal from Gaza and the Coast of the Gulf of Aqaba; also requested NEA, in coordination with H, to propose the method and timing to be used to inform members of Congress.

[Here follows the intelligence briefing by Armstrong.]

Basis for Israeli Withdrawal

3. Senator George asked what commitments Israel sought in return for withdrawal from Gaza and the coast bordering the Gulf of Aqaba. Mr. Phleger stated that Israel will announce its withdrawal based on the UN resolutions without conditions but will reserve its freedom of action if peaceful conditions do not continue to exist in the Gaza area. He emphasized that no contractual situation existed; and that no commitments or secret undertakings had been given by the

² On February 27, King Saud, King Hussein, President Quwatly, and President Nasser, who had been meeting in Cairo since February 25, issued a joint communiqué which summarized the contents of their talks and the conclusions reached. For text of the communiqué, see *United States Policy in the Middle East, September 1956-July 1957*, pp. 321-322.

³ See circular telegram 720, Document 170.

⁴ Eisenhower's message to Saud was transmitted to the Embassy in Jidda for delivery at 8:17 p.m. that evening in telegram 661. (Department of State, Central Files, 684A.86/2-2856)

US. With regard to the Gulf of Aqaba, Mr. Phleger observed that we made our position clear both in the Aide-Mémoire and in the President's speech.

[Here follows discussion of unrelated subjects.]

167. Memorandum of a Conversation, Department of State,
Washington, February 28, 1957, 3:05 p.m.¹

SUBJECT

Israeli Withdrawal Declaration

PARTICIPANTS

The Secretary
L—Mr. Phleger
NEA—Mr. Rountree
IO—Mr. Wilcox
NE—Mr. Wilkins

Ambassador Abba Eban, Embassy of
Israel
Mr. Reuven Shiloah, Minister
Plenipotentiary, Embassy of Israel
Mr. Rafael, Israeli Delegation to 11th
Session of the General Assembly

Prior to the meeting in the Secretary's office, Ambassador Eban stated that the Israeli delegation would make a statement at this afternoon's meeting of the General Assembly indicating Israel's intention to make a declaration tomorrow of its plans for withdrawal.

Opening the discussion in the Secretary's office, Ambassador Eban suggested that the group examine the revised text of the Israeli declaration as approved by his Government.² In the course of the ensuing discussion a number of modifications and corrections were made in the text.

The Secretary suggested that a series of paragraphs summarizing the position of the United States as expressed in its February 11, 1957 aide-mémoire be replaced by a more general reference to the United States aide-mémoire. Ambassador Eban agreed.

The Secretary and Mr. Phleger suggested, and Ambassador Eban agreed, that a sentence referring to the statement by President Eisenhower of February 20³ to the effect that the function of the UNEF is to assume non-belligerency in the area of the Straits of Tiran be deleted

¹ Source: Department of State, Central Files, 674.84A/2-2857. Secret. Drafted by De Palma. The time of the meeting is from Dulles' Appointment Book. (Princeton University Library, Dulles Papers)

² Not found in Department of State files.

³ See footnote 4, Document 120.

and replaced by a statement that it is generally recognized that UNEF's function in this area includes the prevention of belligerent acts.

At Mr. Wilcox's suggestion, Ambassador Eban also agreed to modify a paragraph which stated that "Interference by *the use or threat of force* with ships of the Israel flag in the Gulf of Aqaba will be regarded by Israel as an attack entitling her to exercise her inherent right of self-defense under Article 51 of the Charter" ⁴ The Secretary pointed out that Article 51 speaks of "armed attack" and not the threat of attack as a justification for self-defense. The language was changed accordingly.

Mr. Phleger noted that in the section dealing with Gaza, the declaration spoke of Israel's expectation that the UN "will be the sole agency" to be utilized in Gaza for performing the functions set forth by the Secretary General in his statement of February 22. He suggested that the word "sole" be deleted as unnecessary. Ambassador Eban replied that his Government attached the greatest importance to this idea.

The Secretary pointed out that if the word "sole" were deleted, the remaining language ("will be the agency") would imply the same meaning without attracting a contradictory statement from Egypt. Ambassador Eban agreed to consider this point further. [Note: The word "sole" was omitted from the declaration as read by Mrs. Meir in the Assembly, March 1.] ⁵

The Secretary also expressed the hope that Israel would not take an extreme position which would exclude even one or two Egyptian civilians in some appropriate capacity under the UNEF. He pointed out that the situation might even require a few Israeli civilians. He hoped that Israel would not regard "sole" administration by the UN as a breaking point.

A number of other changes, largely of a clarifying or stylistic nature, were also agreed upon. Ambassador Eban undertook to have a revised copy of the Israeli declaration delivered to the Department later in the evening. ⁶

After expressing the hope that they might soon see a text of the U.S. statement, Ambassador Eban stated that his Prime Minister intended to write to President Eisenhower pointing out that Israel is undertaking its withdrawal largely on the basis of the President's statement of February 20 and the U.S. memorandum of February 11,

⁴ All ellipses in this document are in the source text.

⁵ Brackets in the source text. For text of Meir's address to the General Assembly on March 1 (U.N. doc. A/PV.666), see *United States Policy in the Middle East, September 1956-July 1957*, pp. 328-332.

⁶ Attached to the source text and printed below.

and as an act of faith in the continued vigilance of the U.S. with regard to this situation. The Secretary said he believed he could assure the Ambassador of a prompt reply by the President.

There followed a brief discussion of the need for associating as many other governments as possible in general supporting statements. The Secretary noted also the need for bringing the Secretary General up to date and undertook to talk with him. He expressed the view that Israel should not expect any statement from the Secretary General beyond a brief remark referring to General Burns' readiness to make the necessary arrangements for a speedy take-over.

[Attachment]

**TEXT OF ISRAELI DECLARATION AS REVISED FOLLOWING
DISCUSSION IN SECRETARY'S OFFICE, FEBRUARY 28**

The Government of Israel is now in a position to announce its plans for full and prompt withdrawal from the Sharm-el-Sheikh area and the Gaza Strip, in compliance with Resolution I of February 2, 1957.

We have repeatedly stated that Israel has no interest in the strip of land overlooking the western coast of the Gulf of Aqaba. Our sole purpose has been to ensure that, on the withdrawal of Israeli forces, continued freedom of navigation will exist for Israel and international shipping in the Gulf of Aqaba and the Straits of Tiran. Such freedom of navigation is a vital national interest for Israel. But it is also of importance and legitimate concern to the maritime powers and to many States whose economies depend upon trade and navigation between the Red Sea and the Mediterranean Sea.

There has recently been an increasingly wide recognition that the Gulf of Aqaba comprehends international waters in which the right of free and innocent passage exists.

On February 11, 1957, the Secretary of State of the United States of America handed to the Ambassador of Israel in Washington a Memorandum on the subject of the Gulf of Aqaba and the Straits of Tiran.

This statement discusses the rights of nations in the Gulf of Aqaba, declares the readiness of the United States to exercise those rights on its own behalf, and to join with others in securing general recognition of those rights.

My Government has subsequently learnt with gratification that other leading maritime powers are prepared to subscribe to the doctrine set out in the U.S. Memorandum of February 11, and have a similar intention to exercise their rights of free and innocent passage in the Gulf and the Straits.

The Memorandum conveyed by the United States to the Government of Israel on February 11 notes that, in the contemplation of the General Assembly's Resolution (II) of February 2, 1957, units of UNEF will move into the Straits of Tiran area on Israel's withdrawal. It is generally recognized that the function of UNEF in the Straits of Tiran area includes the prevention of belligerent acts.

In this connection my Government recalls the statements by the representative of the United States in the General Assembly on January 28 and February 2, 1957, with reference to the function of UNEF units which are to move into the Straits of Tiran area on Israel's withdrawal. The statement of January 28, repeated on February 2, said:

"It is essential that units of the United Nations Emergency Force be stationed at the Straits of Tiran in order to achieve there the separation of Egyptian and Israeli land and sea forces. This separation is essential until it is clear that the non-exercise of any claimed belligerent rights has established in practice the peaceful conditions which must govern navigation in waters having such an international interest."

My Government has been concerned with the situation which would arise if the UNEF, having taken up its position in the Straits of Tiran area for the purpose of assuring non-belligerency, were to be withdrawn, in conditions which might give rise to interference with free and innocent navigation, and, therefore, to the renewal of hostilities. Such a premature cessation of the precautionary measures taken by the U.N. for the prevention of belligerent acts would prejudice important international interests and threaten peace and security. Accordingly, my Government has sought and obtained an assurance, embodied in the Secretary-General's Report of 26 February, 1957, that any proposal for the withdrawal of UNEF from the Gulf of Aqaba area would first come to the Advisory Committee, which represents the General Assembly in the implementation of its resolution of November 2, 1956. It is our understanding that this procedure would give the General Assembly an opportunity to ensure that no precipitate changes were made which would have the effect of increasing the possibility of belligerent acts. We have reason to believe that in such a discussion many members of the U.N. would be guided by the view expressed by Ambassador Lodge on February 2 in favor of maintaining UNEF in the Straits of Tiran until peaceful conditions were in practice assured.

In the light of these doctrines, policies and arrangements by the U.N. and the maritime powers, my Government is confident that free and innocent passage for international and Israel shipping will continue to be fully maintained after Israel's withdrawal.

It remains for me to formulate the policy of Israel both as a littoral State and as a country which intends to exercise its full rights of free passage in the Gulf of Aqaba and through the Straits of Tiran.

The Government of Israel believes that the Gulf of Aqaba comprehends international waters and that no nation has the right to prevent free and innocent passage in the Gulf and through the Straits giving access thereto, in accordance with the generally accepted definition of those terms in the law of the seas.

In its capacity as a littoral State, Israel will gladly offer port facilities to the ships of all nations and all flags exercising free passage in the Gulf of Aqaba. We have received with gratification the assurances of leading maritime powers that they foresee a normal and regular flow of traffic of all cargoes in the Gulf of Aqaba.

Israel will do nothing to impede free and innocent passage by ships of Arab countries bound to Arab ports, or to any other destination.

Israel is resolved on behalf of vessels of Israel registry to exercise the right of free and innocent passage and is prepared to join with others to secure universal respect of this right.

Israel will protect ships of its own flag exercising the right of free and innocent passage on the high seas and in international waters.

Interference, by armed force, with ships of Israel flag exercising free and innocent passage in the Gulf of Aqaba and through the Straits of Tiran, will be regarded by Israel as an attack entitling her to exercise her inherent right of self defence under Article 51 of the Charter, and to take all such measures as are necessary to ensure the free and innocent passage of her ships in the Gulf and in the Straits.

We make this announcement in accordance with the accepted principles of international law under which all states have an inherent right to use their forces to protect their ships and their rights against interference by armed force. My Government naturally hopes that this contingency will not occur.

In a public address on February 20, President Eisenhower stated: "We should not assume that if Israel withdraws, Egypt will prevent Israeli shipping from using the Suez Canal or the Gulf of Aqaba." This declaration has weighed heavily with my Government in determining its action today.

Israel is now prepared to withdraw its forces from the Gulf of Aqaba and the Straits of Tiran in the confidence that there will be continued freedom of navigation for international and Israeli shipping in the Gulf of Aqaba and through the Straits of Tiran.

We propose that a meeting be held immediately between the Chief-of-Staff of the Israel Defence Army and the Commander of UNEF in order to arrange for the U.N. to take over its responsibilities in the Sharm-el-Sheikh area.

Gaza

The Government of Israel announces that it is making a complete withdrawal from the Gaza Strip in accordance with the General Assembly's Resolution (I) of February 2, 1957. It makes this announcement on the following assumptions:

(a) that on its withdrawal the U.N. Forces will be deployed in Gaza and that the takeover of Gaza from the military and civilian control of Israel will be exclusively by the UNEF;

(b) it is further Israel's expectation that the U.N. will be the agency to be utilised for carrying out the functions enumerated by the Secretary General in Document A/PV/659,⁷ namely, "safeguarding life and property in the area by providing effective and efficient police protection; as will guarantee good civilian administration; as will assure maximum assistance to the U.N. refugee program; and as will protect and foster the economic development of the territory and its people."

(c) It is further Israel's expectation that the above mentioned responsibility of the U.N. in the administration of Gaza will be maintained for a transitory period from the takeover until there is a peace settlement, to be sought as rapidly as possible, or a definitive agreement on the future of the Gaza Strip.

It is the position of Israel that if conditions are created in the Gaza Strip which indicate a return to the conditions of deterioration which existed previously, Israel would reserve its freedom to act to defend its rights.

Accordingly, we propose that a meeting be held immediately between the Chief-of-Staff of the Israel Defence Army and the Commander of UNEF in order to arrange for the U.N. to take over its responsibilities in the Gaza area.

For many weeks, amidst great difficulty, my Government has sought to ensure that on the withdrawal from the Sharm-el-Sheikh and the Gaza areas, circumstances would prevail which would prevent the likelihood of belligerent acts. Israel considers that there is no state of war between Israel and Egypt and will refrain, on the basis of reciprocity, from any hostile action against Egypt.

We record with gratitude the sympathetic efforts of many Governments and Delegations to help bring about a situation which would end the insecurity prevailing for Israel and her neighbors these many years. In addition to the considerations to which I have referred, we place our trust in the vigilant resolve of the international community that Israel, equally with all member States, enjoy its basic rights of freedom from fear of attack; freedom to sail the high seas and interna-

⁷ Reference is to remarks made by Hammarskjöld at the 659th plenary meeting of the General Assembly on February 22. (U.N. doc. A/PV.659)

tional waterways in peace; freedom to pursue its national destiny in tranquility without the constant peril which has surrounded it in recent years.

In this reliance we are embarking upon the course which I have announced today.

168. Memorandum of a Telephone Conversation Between the Secretary of State in Washington and the Representative at the United Nations (Lodge) in New York, February 28, 1957, 4:55 p.m.¹

TELEPHONE CALL TO AMB LODGE

The Amb returned the call and the Sec reviewed the statement to be made by Israel and ours. L said off-hand it sounded pretty good. There were wild rumors there we had adopted the French view re Gaza etc. The Sec said no doubt Israel hopes and will express the hope that the UN will carry out the adm functions in Gaza. The Sec pointed out you can't keep them out and undoubtedly anything done would be done under the authority of Egypt and they would be going back and forth in the area; the actual adm of the refugees would be entrusted to the UN. L said the statement was made this p.m.² re making it tomorrow p.m. and the Sec said we are working on a draft of our statement and will get it to L as soon as possible. L will have to make a statement following the one by Israel and there will be a lot of statements and no doubt the Arabs are going to contradict the Israeli statements. We don't expect to prevent their giving their views—this is getting them out. L asked if the Sec thinks they would say if you talk this way we won't withdraw. The Sec does not think so but if they go back on prior assurances on which H has based his statements and repudiated all of that then there would be trouble. They agreed it could be ticklish tomorrow. L said Fawzi made a bitter speech this p.m. re Mollet after what M said here yesterday. And having M with the Sec made them suspicious. L said we are in a perfectly clean position and the Sec agreed. The Sec said if H should repudiate what he has said or if the Egyptians should say we are not going to let the

¹ Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Transcribed by Bernau.

² During the 664th meeting of the General Assembly, which began at 3 p.m. that day, Israeli Representative Kidron informed the Assembly that "the Israel delegation will be in a position to make a statement on Israel's plans for the withdrawal of its forces at a meeting of the General Assembly tomorrow afternoon." (U.N. doc. A/PV. 664)

UNEF go into these areas they could kick it over and that would be an act of very bad faith on their part and world opinion would be against them. L thinks he should talk with H and wondered re the Arabs. L will be around and if he gets bumped into by the Arabs³ The Sec said the important thing is to dispel the thought we have made a secret deal. There is nothing that is not in the aide-mémoire or the Pres's speech. If we could get this settled and then Suez then we are in a position to help these countries. The Sec thinks the Arabs have been hoping it would bring a break between us and Israel and they will be disappointed—L said they can't admit it in public. L said it is a wonderful job and he will go to work to pave the way.

³ Ellipsis in the source text.

**169. Memorandum of a Conversation, Department of State,
Washington, February 28, 1957, 5:36 p.m.¹**

SUBJECT

Israeli Situation

PARTICIPANTS

The Secretary
Sir Harold Caccia, British Ambassador
Mr. Arnold Heeney, Canadian Ambassador
Mr. Lucet, French Minister
Mr. Coulson, British Minister
Mr. de Laboulaye, French Counselor
Mr. Wilcox
C. Burke Elbrick

The Secretary said that he thought it desirable to review with the representatives of the three countries the developments in connection with Israel's withdrawal from the Gaza strip and the Gulf of Aqaba. He read to them portions of a draft statement which the Israeli representative would make on the following day in the General Assembly regarding the withdrawal of Israeli forces. As for the U.S. position, our attitude toward the problem of the Gulf of Aqaba remains the same as expressed in our aide-mémoire to the Israelis of February 11. As for the Gaza strip we hope that the UN will continue to administer the

¹ Source: Department of State, Central Files, 674.84A/2-2857. Secret. Drafted by Elbrick. The time of the meeting is from Dulles' Appointment Book. (Princeton University Library, Dulles Papers)

area in the period prior to the final settlement of the Israeli-Egyptian problem and we would hope that conditions could be created during the interim period which would make a final settlement possible. We hope that there will be no withdrawal of the UN Emergency Force without consultation with the Advisory Council in the UN. If there should be any change in the situation resulting from forceful action on the part of Egypt, following Israel withdrawal, we believe that this would create a new situation calling for UN consideration.

The Secretary said that the statement to be made by the Israeli representative in the General Assembly will make certain assumptions which have already been embodied in UN resolutions and in reports by the Secretary General. The statement will also express certain "expectations" on the part of the Israeli Government. Israel will announce, in effect, its unconditional withdrawal in the areas now occupied, and the Secretary emphasized that Israel will not receive anything in return except what has been provided for in prior UN resolutions. The Israeli Government would not find it easy to make this statement regarding withdrawal and it is entirely possible that the announcement in the General Assembly might cause internal disturbances within Israel. The Secretary pointed out that the successful implementation of the Israeli announcement would be subject to Egyptian acceptance as well as to Hammarskjold's reaction regarding Israel's "expectations" as outlined in the statement.

The Secretary said that it is obvious that the Arab states wish to create a breach between Israel and the United States and for this reason they had been highly pleased by President Eisenhower's recent speech. He felt that they would be disappointed now that Israel plans to comply with the conditions laid down in the President's speech. The Secretary said he wished to make it very clear that there had been no private understanding of any kind between the U.S. and Israel in developing this solution of the problem.

In reply to Ambassador Caccia's question, the Secretary said that it was hoped that as many governments as possible will make statements in support of the Israeli statement. Ambassador Heeney asked how Hammarskjold could be expected to react to the Israeli statement. The Secretary said that he had spoken to Hammarskjold yesterday and had informed him of the way matters were progressing. The Secretary felt that Hammarskjold should not make any comments on, or reply to, the Israeli statement and he felt that Foreign Minister Pearson of Canada could be very helpful in this connection. Ambassador Heeney asked if the Secretary expected a violent reaction from the Afro-Asian countries. The Secretary said that Egypt may challenge the concept of an international waterway in the Straits of Tiran. While it is true that

the Straits come within the territorial limits of the bordering states they have an international character due to the fact that they provide access to an international waterway, namely, the Gulf of Aqaba.

It was agreed that it would be useful to carry on further discussions and consultations on this matter in New York. The Secretary said that Ambassador Lodge had been authorized to discuss with other delegations the question of additional statements in support of the Israeli declaration.

170. Circular Telegram From the Department of State to Certain Diplomatic Missions¹

Washington, February 28, 1957—6:25 p.m.

720. Barring unforeseen developments Israel will announce March 1 withdrawal Sharm el-Sheikh and Gaza. Following for your background and guidance in discussions with local Middle East addressee (except Israeli) governments only on assumption this announcement is made.

As reaffirmed by President February 20, US has been prepared support UN pressures against Israel to effect withdrawal in accordance pertinent resolutions. At same time, US has exerted every effort directly with Israel to effect immediate withdrawal. We have had in mind that even with UN sanctions resolution Israeli withdrawal might be long delayed. Israel has now stated that it will announce in GA March 1 complete withdrawal in accordance UN resolutions. We understand Israel will say this action is based upon certain assumptions or expectations notably re deployment of UN forces and role of the UN in administration of Gaza in accordance pertinent UN resolutions and reports of Secretary General. (Further details re Israeli assumptions will follow). Israel will also make clear that in withdrawing it reserves its rights under Article 51 of Charter to defend its interests re any possible future incursions from Gaza or interference use of Straits in accordance with international law.

Planned US and other nations in GA will take note of Israeli statement and express their attitude regarding certain pertinent aspects of situation which would then exist. Substance US views as set forth Aide-Mémoire February 11 (made public on February 20 and commu-

¹ Source: Department of State, Central Files, 674.84A/2-2857. Secret; Priority. Drafted by Rountree, cleared with Dulles and Phleger in draft, and approved by Rountree who signed for Dulles. Sent to Ottawa, Cairo, Paris, New Delhi, Tehran, Baghdad, Tel Aviv, Amman, Beirut, Tripoli, Islamabad, Jidda, Damascus, Ankara, and London.

nicated through USIA channels) will be reasserted and expanded in GA statement. This will include statement US attitude toward transit of Straits, US hope that UN role in administration of Gaza will continue along lines set forth by Secretary General on February 22 for transitory period until final settlement; belief that conditions for peace should be vigorously sought; and hope that in meantime there will be strict compliance of both parties with their international obligations. If after Israeli withdrawal in accordance UN resolution there should be recurrence of belligerency or violation of international obligations, situation will be created calling for UN consideration and US will consult with other members UN to consider action within and without UN appropriate in circumstances to bring about settlement in conformity with principles of justice and international law.

Every effort should be made locally to place Israeli withdrawal in context successful US effort to achieve purposes UN resolutions without rewarding Israel for military operation. Withdrawal gives Israel nothing to which she was not already entitled (e.g. right to transit Straits in accordance international law and Egyptian note to US Ambassador January 28, 1950) once state of belligerency on part of Israel ended. Also it makes less likely reestablishment of conditions in Gaza which would lead to hostilities that area. Assumption stated by Israel as basis for withdrawal already covered by UN resolutions and Secretary General reports, or are inherent sovereign rights. US has made no unpublicized commitments to Israel regarding Israeli withdrawal and given Israel no guarantees. We have held fast to the original position expressed in President Eisenhower's address of Feb. 20. US will however note Israeli statement and recall previously announced US positions in pertinent matters. Any rumors of secret US-Israeli understandings or commitments may be vigorously denied.

Dulles

171. Telegram From the Embassy in Egypt to the Department of State¹

Cairo, February 28, 1957—2 p.m.

2744. Re Embtel 2733.² King Saud asked me call on him late last night after conclusion of conference and signature communiqué.³ Since he was occupied on my arrival, I had half hour with Youssif Yassin who took lines conference had gone well and that there had been agreement on all points. He then dwelt at considerable length and with considerable heat on two points which he said had caused especial difficulty for Saudis in conference. First was economic pressure exerted by West, including US, on Egypt with result that it forced turn to Soviet bloc to dispose of products and satisfy needs. This subject, including blocked funds, had apparently been discussed at length in conference and Saudis had not only been at loss defend US position but had been convinced of justice of Egyptian case. Second point was Straits of Tiran. Without going into legal aspects of matter Yassin worked himself into a fine lather on this subject, going so far as to say it was unthinkable that Israeli ships should be able to transit Straits of Tiran either in foreseeable future or at any time whatsoever. Furthermore, he maintained, with display of belligerency which is his trademark, that any country which undertook to assist Israel in securing right of navigation in Gulf of Aqaba would be regarded as placing itself in same position as British and French in their attack on Egypt. I said I knew Yassin had discussed this matter recently with responsible American officials⁴ and I would not therefore undertake to debate substantively with him. However, I also knew that this was matter to which we had given great thought and expressed ourselves publicly for the purpose which we mutually sought of effecting Israeli withdrawal from Sharm el Shaik. In circumstances, my suggestion was that as between friends any discussion of matter should be kept on calm note. Yassin indicated agreement but still insisted was up to us to find way to avoid any support of Israeli case.

At this point King Saud came in. . . . General situation, he said, had not changed from that which he had described night before and communiqué finally agreed on. Actually communiqué contained little that was new and consisted largely of repetition themes of communiqué after last conference. This was his nearest approach to direct criticism.

¹ Source: Department of State, Central Files, 786.11/2-2857. Secret; Priority. Received at 7:18 p.m. Repeated to Jidda, Amman, Damascus, Beirut, Baghdad, Tel Aviv, and London.

² Telegram 2733 from Cairo, February 27, transmitted a report which Hare received from King Saud concerning the recent Arab conference in Cairo. (*Ibid.*, 786.11/2-2757)

³ See footnote 2, Document 166.

⁴ See Document 126.

King then gave me personal letter to President⁵ having as enclosure memorandum mentioned in reftel.⁶ He asked this be given special handling. He then went on to ask that in transmitting this letter I should also convey to President that he was a friend of United States, that he would remain our friend and that his trip to US had meant great deal to him. When I responded with few words regarding success of his trip, he brightened up noticeably. . . .

King left this morning, being seen off by Nasser, members Cabinet, and number diplomatic representatives, including Russian. I had no opportunity for further exchange with him except wish him bon voyage but did have short talk with Abdullah Balkhair, Saudi director general of press, who frankly admitted that communiqué was sorry product as far as Saudis concerned but was best they could do in circumstances.

Letter to President and enclosure being transmitted in two separate and following telegrams. Originals being forwarded by pouch. Since these telegrams subject Presidential handling they will not be repeated addressee posts.

Embassy will submit its comments on conference from Cairo angle as soon as possible pull loose ends together. Our immediate reaction is naturally one of regret that some constructive progress could not have been registered but by no means one of despair that this did not come about. Saud at least put up a fight and fact that his efforts did not bear immediate results does not necessarily mean effort was in vain.

Hare

⁵ In this letter, King Saud described his efforts during the Arab conference to bring the U.S. point of view closer to that of King Hussein, President Quwatly, and President Nasser. Saud's message was transmitted to the Department of State in telegram 2745 from Cairo, February 28. (Department of State, Central Files, 684A.86/2-2857) A copy of telegram 2745 in the Eisenhower Library, Whitman File, International File bears a marginal notation by Goodpaster: "President has seen".

⁶ Telegram 2746 from Cairo, February 28, not printed. (Department of State, Central Files, 684A.86/2-2857)

172. Telegram From the Mission at the United Nations to the Department of State¹

New York, February 28, 1957—8 p.m.

Delga 819. Re Palestine—Israeli withdrawal. Lodge conveyed to SYG at Secretary's request, main points Israeli statement on withdrawal as he had taken them down over phone at 5 p.m.

Hammarskjold indicated that Pineau (France) had, earlier this afternoon, shown SYG his copy of Israeli text, on which SYG had already had a chance to reflect. Pineau had also indicated lines of US speech.

Hammarskjold felt biggest area of progress was in Israel now not publicly insisting on exclusion Egypt from Gaza in any form direct or indirect. He was, however, relatively pessimistic as to implementation in connection Israeli withdrawal. He feared, speaking as Devil's advocate, that Israel would very shortly seek clarifications regarding his intentions for take over. For instance, he envisaged Israelis seeking to pin him down on UN being "the agency" to take over in Gaza. In this connection he understood from his talk with Pineau that Israel had dropped reference to "initial" take over and spoke only in terms of exclusive UN responsibility for indefinite time. He understood Israel intending express expectation UN would be maintained in Gaza until final peace settlement not merely settlement Gaza status.

SYG also concerned over formulation under which Israel reserved freedom of action. He felt that formulation left it to Ben Gurion to decide for himself whether there was any change in the situation which indicated (to Ben Gurion) a renewed risk of deterioration which would free Israel to take action. Pineau had indicated US, UK, France and others would endorse this.

Hammarskjold said that Pineau had shown him text purporting to be draft of US statement which together with statements from UK, France, Canada, Netherlands and others would follow Israeli declaration. Point in this text which concerned him was that which stated if situation did not lead to peaceful conditions these states would take action inside or outside UN. Lodge said he understood US statement would only indicate that if there were change in the situation which affected peaceful conditions that would be matter for UN to consider.

Hammarskjold was most pessimistic about how things would develop in GA debate. He and Cordier predicted that in addition to those who spoke in support of Israeli declaration 50 speakers would get up and ask questions. He felt this would lead to a very unsatisfactory situation.

¹ Source: Department of State, Central Files, 674.84A/2-2857. Confidential; Priority. Received at 8:38 p.m.

Lodge saw Pearson (Canada) right after speaking to SYG. Pearson, too, was most pessimistic as to whether this scheme would work out. Commenting on Fawzi's (Egypt) statement today, which he said was rather strong for Fawzi, Pearson said this nothing compared with statements we would get after Israel's declaration.

Georges Picot (France) enquired this evening whether USDel was asking other delegations to make statements similar to US. We said our understanding was that certain other countries were to make similar statements, but that we had received no instructions re asking specific countries to do so.

Lodge

173. **Memorandum of a Conversation Between the Secretary of State and the Israeli Ambassador (Eban), Secretary Dulles' Residence, Washington, February 28, 1957, 9 p.m.**¹

Ambassador Eban called me on the telephone about 8:30 and asked to see me urgently. He came in about 9.

I first took up with him the draft statement to be made by Israel² and said I thought this represented a scrupulous effort to conform to our understanding. I suggested, however, that in the fourth paragraph there be introduced "among other things" after "subject", and that in the first paragraph of page 2 the reference be direct to the UN resolution and not via the US memorandum.

I then showed the Ambassador the draft statement for Ambassador Lodge on Israeli withdrawal, draft #3.³ He glanced through it and said it seemed to be admirable. I pointed out I had not yet myself read it; undoubtedly there would be some change, but I thought the general tenor would remain unchanged.

He then said that his Government (and I judge particularly Mrs. Meir) felt a grave concern over the danger that the Egyptians might in fact come back into Gaza and that that would be intolerable to them and create a very difficult situation for the Government. He wondered if I could not give him any reassurances on this point and whether I had any unpublicized information as to what were in fact the Egyptian intentions. . . . I said to the Ambassador that I had no information

¹ Source: Eisenhower Library, Dulles Papers, Suez Problem. Secret; Personal and Private. Drafted by Dulles on March 1.

² Not printed. (Department of State, Central Files, 684A.86/3-157)

³ A copy of draft statement #3 is attached to the copy of this memorandum of conversation, *ibid.*, Secretary's Memoranda of Conversations: Lot 64 D 199. It is printed below.

whatsoever beyond what was equally available to him in the reports of the Secretary General. We both I think assumed the Secretary General would not have made the statements he had made without having obtained what he thought were assurances from Egypt that they could be carried out, but even so there was of course the risk that Egypt might subsequently repudiate these understandings or disavow them. I did not see how there could be an avoidance of some risk on this score. I said it was up to Israel to judge whether it was better to take these risks or to take the risks of staying on in occupation with the antagonism that that would create toward Israel and with unpredictable future consequences.

I said that the attitude of the Arabs toward Israeli withdrawal indicated to my mind at least that the Arabs judged that Israel would gain by withdrawal, particularly in terms of the reestablishment of better relations with the US. Obviously the Arabs had hoped for a permanent breach between Israel and the US and were grievously disappointed that this prospect was disappearing. They certainly felt that Israel would gain more by withdrawal than by staying, and I myself felt this was a fair estimate of the situation. However, that would have to be judged independently by Israel.

I said of course the US would use whatever influence it had to bring about the conditions for which we both hoped, but that it could not be assumed that just because the US wanted something that it would automatically happen. I said we had no authority over Egypt.

The Ambassador thanked me and expressed his great appreciation for the time and effort which I had devoted to this matter. He said he wished very much that I would be in New York to make the US presentation. I said this would not be practical. He said he hoped if Lodge did it that Lodge would be thoroughly instructed so he would not be drawn into secondary debate which might qualify or alter the formal position first put forward. I said he could be confident that Lodge would be adequately instructed in this matter.

A few minutes later I received from him a written memorandum asking me to include a passage that the US considers that the assumptions and expectations expressed by Israel were legitimate or reasonable or something of that sort.⁴

JFD

⁴ Not attached to the source text nor found in Department of State files.

[Attachment]**DRAFT STATEMENT FOR AMBASSADOR LODGE ON ISRAELI
WITHDRAWAL**

During the long weeks in which the General Assembly has been occupied with the grave situation in the Near East, the United States has sought a solution which would be based on justice and which would take account of the legitimate interests of all the parties. The United States position was manifested from the very beginning in its Resolution before the Security Council which called upon Israel to withdraw and which called for the withholding of assistance to Israel if it did not withdraw. The United States views in this respect have been steadfast and were most recently and most authoritatively set forth by President Eisenhower in his public address of February 20. In this endeavor we have recognized that it is incompatible with the principles of the Charter and with the obligations of membership in the United Nations for any Member to seek political gains through the use of force or to use as a bargaining point a gain achieved by means of force.

It now appears that the General Assembly's efforts to restore peaceful conditions in the area following the hostilities of four months ago are about to come to fruition. In its most recent efforts to find a solution, the Assembly, on February 2, adopted two resolutions. The first of these reiterated the earlier calls for Israeli withdrawal behind the armistice line. The second requested the Secretary-General, once that withdrawal is completed, to carry out the measures proposed in his report of January 24. The implementation of these measures would constitute solid progress toward lasting conditions of peace in the area.

The United States welcomes Israel's announcement that it is making a complete and unconditional withdrawal behind the armistice line in accordance with the United Nations resolutions. The United States takes note of the declarations made in the statement of the delegate of Israel.

The United States has from the beginning made clear its belief that after the withdrawal of British, French and Israeli forces, there should be established conditions different from those which had previously prevailed. As Secretary Dulles stated before the Assembly on November 1, 1956: "There needs to be something better than the uneasy armistices which have existed now for these eight years between Israel and the Arab neighbors."

Regarding the United Nations measures contemplated for the Gaza Strip, the United States has taken note of the statement made by the Secretary-General on February 22. [Here follows a verbatim quotation of the Secretary-General's statement of February 22; see Document 137.]

It is the hope of the United States that the above mentioned role of the United Nations in the administration of the Gaza Strip will

continue for a transitory period until there is definitive settlement respecting the Gaza Strip or a final agreement between the parties. It is also our hope that conditions of lasting peace will be vigorously sought by the parties with the active assistance of the United Nations.

With respect to the situation in the area along the Gulf of Aqaba and Straits of Tiran, I stated on January 28, and again on February 2, that:

"It is essential that units of the United Nations Emergency Force be stationed at the Straits of Tiran in order to achieve there the separation of Egyptian and Israeli land and sea forces. This separation is essential until it is clear that the non-exercise of any claimed belligerent rights has established in practice the peaceful conditions which must govern navigation in waters having such an international interest. All of this would, of course, be without prejudice to any ultimate determination which may be made of any legal question concerning the Gulf of Aqaba."

It is appropriate at this time to recall the position of the United States on navigation through the Strait of Tiran and the Gulf of Aqaba. In a memorandum of February 11, 1957, made public the following week, my Government stated:

[Here follows a lengthy quotation concerning the U.S. position on the Gulf of Aqaba taken from the Aide-Mémoire of February 11, Document 78.]

These views are to be understood in the sense of the relevant portions of the report of the United Nations International Law Commission on the law of the sea, covering the Commission's work at its Eighth Session, from April 23 to July 4, 1956.

In connection with the duration of the deployment of the United Nations Emergency Force in this area, the question has been raised whether the Secretary-General would give notice to the General Assembly before the Emergency Force would be withdrawn. We have noted the Secretary General's statement in his memorandum of February 26 that "an indicated procedure would be for the Secretary-General to inform the Advisory Committee of the United Nations Emergency Force, which would determine whether the matter should be brought to the attention of the Assembly."

I should like to emphasize at this time the vital necessity of full and strict compliance with the Armistice Agreement between Israel and Egypt. Governed by their obligations under the Charter, Israel and Egypt must base their relations on full observance. The General Assembly in its various resolutions dealing with the present problem has recognized this necessity. Indeed, the Assembly in its first resolution dated November 2, 1956 noted that disregard on many occasions of the terms of the armistice agreements by the parties thereto was a forerunner of the hostilities which broke out in late October.

Once Israel has completed its withdrawal in accordance with the resolutions of the General Assembly, the Armistice Agreement between Israel and Egypt will again be fully operative. In these circum-

stances, and in view of the measures taken by the United Nations to deal with the situation, there can be no basis for either party to assert or exercise any belligerent rights.

The United States would like to see as rapidly as is practical a definitive settlement of the Palestine problem; such a peace as is contemplated by the Armistice Agreements. We recognize that this cannot be attained at the present. Therefore, one of our principal tasks is to create peace and tranquility through the prevention of aggression. We believe that even if formal peace with definitive settlements may not now be obtained, we should vigorously seek to bring about the conditions of security and tranquility which may as rapidly as possible hereafter make a peace settlement practicable, and that in the meantime there should be a strict compliance by both Israel and Egypt with their international obligations.

If, following the Israeli withdrawal, there should be any recurrence of hostilities or any violation by either party of its international obligations, including those of the Armistice Agreement, then this would create a situation for United Nations consideration. The United States would consult with other Members of the United Nations to consider appropriate action both within and outside the United Nations, with the object of restoring peace and harmonious relations in conformity with the principles of justice and international law.

In these difficult matters, the United Nations has a basic obligation set out in our Charter to suppress acts of aggression or other breaches of the peace and to bring about by peaceful means, and in conformity with the principles of justice and international law, adjustment or settlement of international disputes or situations which might lead to a breach of the peace. We also recall that Article 2 of the Charter provides that Members in order to get the rights and benefits resulting from membership shall themselves fulfill in good faith their obligations under the Charter, and that among such obligations is that of settling their international disputes by peaceful means and refraining from the use of force against the territorial integrity of any state.

We have reached a turning point in the long efforts of the United Nations to bring order and stability to this troubled area in the Near East. We have just heard Israel's announcement that it will respond to the call of the General Assembly for withdrawal. It is now incumbent upon all Members of the United Nations, and particularly those directly concerned, to give their full cooperation in carrying out the measures proposed by the Secretary-General in his report of January 24 and endorsed by the General Assembly on February 2. With good will and a determination to serve the purposes of the Charter, we can make significant progress toward a more settled, prosperous, and happy world.

174. Notes of the Secretary of State's Staff Meeting, Department of State, Washington, March 1, 1957, 9:15 a.m.¹

[Here follows an intelligence briefing by Armstrong.]

2. *Palestine Situation*—The Secretary discussed his preoccupation yesterday with this subject; Mrs. Meir's statement planned for 3 p.m. this afternoon; Lodge's proposed statement to follow Mrs. Meir. He said that the Israelis were to withdraw without commitment or expectation beyond what the Secretary General had in his report or was in the aide-mémoire. He remarked upon the Arab objections which now are being vociferously voiced even though they were strongly supporting our actions when it was leading to troubles with Israel. He noted the danger that the Egyptians might now withdraw the assurances previously given on the acceptability of the UNEF moving into Gaza and the straits: the Egyptian acquiescences, he felt, would need to be continuous and that there would be real danger if Egypt repudiated its earlier assurances. He mentioned that he was seeing the Arab Ambassadors at 11 this morning and might experience difficulty in convincing them that there had not been any "deal" with Israel as the Russian propaganda is now suggesting.

[Here follows discussion of unrelated subjects.]

¹ Source: Department of State, Secretary's Staff Meetings: Lot 63 D 75. Secret. Drafted by Howe.

175. Memorandum of a Telephone Conversation Between the Secretary of State in Washington and the Representative at the United Nations (Lodge) in New York, March 1, 1957, 10 a.m.¹

TELEPHONE CALL FROM AMB LODGE

L said last night after we talked the French laid it on heavy about how the Egyptians had no business being in Gaza and had to be excluded always. Hammarskjold's worry is on point 3 of the Israeli statement re the UN using force if they return and H thinks the French are egging the Israelis on to this position. The Sec does too. L said the text of his speech is good. The Sec mentioned the additions he sent up this a.m.² He told re Eban's coming over last night. L wants to add immediate withdrawal to the statement. He mentioned adjourning

¹ Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Transcribed by Bernau.

² Not found in Department of State files.

over until Monday³ and that gives them the weekend to start moving. L wants to get his speech timed so it does not look as if tied up with the French. They agreed they can ruin it. The Sec referred to his talk with the ambs yesterday.⁴ He urged we should not speak in this order: US, France, Britain—have to try to get somebody else to speak. Any Asian who will express gratification? L knows of none but can get someone from SA.⁵ L will speak right afterwards and then get SA. The Sec said someone should say what a victory it is—the greatest the UN has achieved. L said the reason they are sad is no one thinks they will withdraw. The Sec does unless the Egyptians backtrack. L may call back this a.m.

³ March 4.

⁴ See Document 169.

⁵ Presumably South America.

176. Memorandum From the Assistant Secretary of State for International Organization Affairs (Wilcox) to the Secretary of State¹

Washington, March 1, 1957.

SUBJECT

Conversation with Fawzi in New York

USUN just reported that they had a conversation with Fawzi about the GA meeting this afternoon.² Fawzi said that he would state in the GA that no declaration by Israel or other governments can be binding upon Egypt. He left the impression that he had no intention of upsetting the plans with respect to this afternoon's session. USUN repeated, however, that Fawzi is often inclined to be more flexible on these matters than Cairo. USUN took the line which you had given to Lodge this morning, stressing the idea that it was important that Egypt not take back anything they had said to the Secretary General for this might provide an excuse for Israel not to carry through with its promises to withdraw.

¹ Source: Department of State, Wilcox Files: Lot 60 D 113, Middle East. Secret.

² Evidently the report was transmitted to Washington via telephone. At 8 p.m. the Mission transmitted in Delga 826 a written report of Lodge's conversation with Fawzi which took place the morning of March 1. (*Ibid.*, Central Files, 674.84A/3-157)

**177. Memorandum of a Conversation, Department of State,
Washington, March 1, 1957, 11:41 a.m.¹**

SUBJECT

Israeli Withdrawal from the Sharm el-Sheikh Area and the Gaza Strip

PARTICIPANTS

Dr. Ahmed Hussein, Egyptian Ambassador
Dr. Abraham Anis, Sudanese Ambassador
Dr. Victor A. Khouri, Lebanese Ambassador
Dr. Farid Zeineddine, Syrian Ambassador
Dr. Moussa Al-Shabandar, Iraqi Ambassador
Mr. Faisal Hegelan, Third Secretary, Embassy of Saudi Arabia
Mr. Mahmoud A. Rousan, Embassy of Jordan
Mr. Assayed Ahmad Ali Zabarrah, Chargé ad interim, Legation of Yemen
Mr. Mahmud Galbun, Second Secretary, Libyan Embassy
The Secretary
Mr. William M. Rountree; Mr. Fraser Wilkins, NEA

The Secretary said that he had asked the Chiefs of Mission of the Arab states to call because he thought it might be of interest to them if he were able to report our efforts at the United Nations and directly through diplomatic channels to bring about an Israeli withdrawal from the Sharm el-Sheikh area and the Gaza Strip.

The Secretary said that it was a matter of public record that we had given an Aide-Mémoire to Israel on February 11 and that President Eisenhower had made a radio-television address on February 20. Meantime, we had pushed forward with a proposed resolution which would condemn Israel and provide for sanctions if it remained obdurate. The Secretary thought the President's statement had had an effect in Israel and on the friends of Israel in this country. He wished to note in passing that the President had been criticized regarding the substance of this statement to a greater extent than on any other he had made. The Government of Israel had endeavored to obtain more extensive commitments from the United States but we had declined to give them. Yesterday afternoon Ambassador Eban had informed the Secretary that, following recent meetings of the Israeli Cabinet, Israel had decided to withdraw promptly and unconditionally. According to the Ambassador, Israel was taking into account developments in the United Nations and the substance of the President's remarks of February 20. The Secretary understood that the Israeli Cabinet was now having another session regarding the matter and, while he could not

¹ Source: Department of State, Central Files, 674.84A/3-157. Confidential. Drafted by Wilkins. The time of the meeting is from Dulles' Appointment Book. (Princeton University Library, Dulles Papers)

say for certain what final action Israel would take, he understood Israeli withdrawal would be announced to the General Assembly this afternoon.

The Secretary said he understood that rumors were circulating, based on a Tass report, that there was a secret agreement between the United States and Israel under which the United States would receive bases in Israel in return for \$125 million. The Secretary said that absolutely nothing whatsoever had been offered by the United States to Israel which was not a matter of public record. There was not one iota of truth in the rumor. There had been no agreement or understanding, expressed or implied, to induce Israel to withdraw. It was true that Israel had suggested that the United Nations provide more definite assurances but we had replied that they could not expect any prize or reward to result from their invasion of Egypt. It was our view that the arrangements which were being made by the Secretary General, based on action of the General Assembly, provided the assurances which Israel desired and that nothing further could be granted by the United Nations or its individual members, including the United States, until Israel had withdrawn.

The Secretary said that although we did not know what Israel would say this afternoon, we believed matters had advanced sufficiently to discuss it with the Arab representatives, especially with Egypt. We considered the withdrawal as of utmost importance to the United Nations and to the world because, as indicated in Article I of the Charter, acts of aggression should be suppressed. If Israel now withdrew, it would be a great achievement for the United Nations.

The Secretary added that at the United Nations in October he had presented the first resolution calling for Israel's withdrawal. He had indicated at that time that hostilities in the area were the result of unstable conditions, in which there had been breaches of the general Armistice Agreements by the parties. He had hoped that the United Nations could suppress these breaches and could re-establish conditions in accord with justice and international law. There was a heavy responsibility in this respect; peace and justice were two sides of a single coin and were so recognized in the Charter. He hoped that out of the present unhappy experience a new brighter prospect for the nations of the area and for the United Nations would develop.

The Syrian Ambassador thanked the Secretary for the information which he had given and said that each of them would convey it to their governments. He added that they understood that the Israeli agreement to withdraw had not yet been announced but wished to ask questions about it. How quickly would it be effected? The Secretary said that he expected that Israeli withdrawal would commence at once. He assumed that physical arrangements would be made between Gen-

eral Burns of the United Nations and Israeli officials. They would probably meet to work out the details. He hoped the withdrawal would not be dilatory.

The Syrian Ambassador asked what arrangements had been made regarding the UNEF? The Secretary said that we had not discussed this subject with the Government of Israel other than in the terms laid down by the General Assembly and the Secretary General. We did not consider that we had any authority to speak for the United Nations or for Egypt. We understood that Israeli representatives had discussed this question with the Secretary General.

The Syrian Ambassador inquired what arrangements had been made regarding the return of Egypt to Gaza. The Secretary said that this question had risen in discussions with Israel and we had replied that we had no authority to speak for the United Nations or for Egypt. We considered that any steps taken regarding the Gaza area should be within the framework of the general Armistice Agreement between Israel and Egypt. We had pointed to the report of the Secretary General of February 22 which dealt with this question and had not expanded upon it in any way.

The Syrian Ambassador observed that the Israeli-Egyptian Armistice Agreement was not a decision of the United Nations but an agreement between two states which could not be changed without the consent of either Egypt or Israel. The Secretary said he assumed that Egypt had consented to what the Secretary General had said in his report.

The Syrian Ambassador suggested that the General Assembly should adopt a resolution providing for sanctions keyed to the pace of Israeli withdrawal. He added that the whole question should be handled through United Nations action rather than through statements of its individual members in the General Assembly. He noted that the Arab states had endeavored to cooperate by not pressing for action in the General Assembly during the past few days.

The Secretary said that if there were a positive pledge from Israel to withdraw it did not seem possible to vote sanctions. On the other hand, if Israel did not carry out its pledge it might then be possible to vote sanctions. Ambassador Lodge had been discussing these possibilities with Egyptian Foreign Minister Fawzi and with others. The Syrian Ambassador said that they had been so informed but they found their own resolution more acceptable than the proposed American resolution.

The Secretary said that the practical problem of obtaining a majority of two-thirds confronted us. The proposed American resolution had been designed to take into account other views. We believed any vote for sanctions would be very close. If Israel did not withdraw a stronger resolution might then be adopted. However, we have no

grounds at this moment for believing that Israel would not withdraw. The Syrian Ambassador hoped that the United States Delegation and the Arab Delegations in New York would keep in close touch.

The Lebanese Ambassador inquired how long Israel would take to withdraw. The Secretary said that he believed withdrawal would commence immediately but he did not know exactly how long it would take. He had the impression from Ambassador Eban that he was anxious to complete withdrawal promptly and fully. The Secretary said we would endeavor to ascertain when the Israeli withdrawal would be completed.

The Syrian Ambassador again referred to the question of the deployment of the UNEF in relation to the exercise of Egyptian rights. The Secretary said that it would be unfortunate if, following Israeli withdrawal, a better situation could not be created than had existed in the past. He did not believe that any one wished a return to conditions of hostilities in violation of the general Armistice Agreement. We would have forces on the demarcation line between Israel and Egypt and a return of peaceful conditions to the area. There would be no change in the juridical situation and nothing would be taken away from Egypt, but there would be a better situation than had existed before.

The Syrian Ambassador observed that the question of Aqaba and Gaza had arisen as a result of the Palestine situation and were inseparable from it. He added that none of the Arab representatives had any new information from their governments except the recent declaration of Syria, Jordan, Egypt and Saudi Arabia. The Secretary said that no one wished a return to conditions of warfare but rather desired the establishment of a new peaceful order. If a final peace settlement did not now seem practicable, conditions of tranquillity could at least prevail as had been indicated in the Declaration of the four Arab nations.

The Egyptian Ambassador said that in returning to peaceful conditions Israel should receive no gain in any way from its aggression. The Secretary replied that Israel should not be rewarded but that actions approved by the United Nations as in the general interest should not be rejected. He thought that we should not deny to ourselves forward moves merely for the purpose of denying them to Israel. The Secretary added that we could not repudiate the steps which had already been taken by the United Nations and the Secretary General, such as the establishment of the UNEF and the arrangements worked out by the Secretary General in consultation with the Advisory Committee. The Syrian Ambassador said that the Arab states wished to cooperate with the United States and believed that consultation should take place between them in advance rather than with other countries that were less concerned with the area.

The Secretary continued that the United States had endeavored to persuade Israel to withdraw in accordance with the appeals of the United Nations. We had made no additional commitments. We would welcome further consultation with the Arab states leading to tranquility in the area. One of the purposes of the Eisenhower Program would be consultations and talks with the individual states. We had considered, however, that it was necessary first to persuade Israel to withdraw; otherwise, there would have been a serious deterioration of the situation which might have resulted in hostilities. It had taken tremendous courage for the President to make his radio-television statement on February 20. This statement had subsequently been bitterly denounced as had the views of the Secretary. Israel was now apparently in the process of deciding to withdraw. The American stand accordingly seemed to deserve a certain respect. In the final analysis this stand should prove to be more effective than sanctions itself. Economic and financial sanctions were exceedingly difficult to formulate and hard to place into effect.

The Secretary believed that, if Israel withdrew as he thought it would, a real success would have been achieved. He hoped the Arab representatives would agree that adherence to principles had been useful. We had done so because of the importance we attached to the establishment of international peace and justice as spelled out in the Charter of the United Nations, although it had made it necessary for the United States temporarily to split with such old friends as the United Kingdom, France and Israel. If Israel now withdrew, its relations with the United States would return to normal as had United States relations with the United Kingdom and France. If Israel did not withdraw, United States relations with Israel would not be improved. The Secretary thought it essential that the position of the United States be based on principle.

The Syrian Ambassador thanked the Secretary for his remarks and said that the Arab representatives admired the courage with which the President and the Secretary had approached current matters relating to Aqaba and Gaza.

178. **Memorandum of a Conversation Between the Minister of the Israeli Embassy (Shiloah) and the Deputy Under Secretary of State for Political Affairs (Murphy), Department of State, Washington, March 1, 1957, 12:30 p.m.**¹

SUBJECT

Israel

Minister Shiloah called on me at his urgent request. He said he wanted the Secretary to know of the extreme difficulties which are facing his Government internally. For example, he said ten minutes ago Golda Meir had been talking with Ben-Gurion on the telephone and the latter was urging that she obtain a delay in the announcement today because the situation of the Government was so delicate. She persuaded Ben-Gurion that this was just not in the cards, according to Shiloah. The latter said that no doubt at least one or two parties will withdraw from the coalition and the crisis may destroy the present coalition.

2. He expressed the urgent hope that the American statement in New York would contain language regarding American recognition of the considerations Israel had advanced regarding Gaza. He said the Secretary had read to Eban language from the U.S. draft statement which they liked and hoped this would not be omitted.²

3. Shiloah said that while it may be reaching for the moon, they urged that the Secretary proceed to New York to handle the matter in the Assembly personally. He said that this did not mean any lack of confidence in Lodge, but that they believe that the Secretary has so much better feel and understanding of the delicate problems involved that they would be much easier in their minds if he were to handle matters personally in the General Assembly.

I told Mr. Shiloah that this would be conveyed to the Secretary immediately.

¹ Source: Department of State, Central Files, 674.84A/3-157. Confidential. Drafted by Murphy. A handwritten notation on the source text by Bernau reads: "Sec saw & read pencilled portion to NY".

² At this point in the source text appears a handwritten insertion by Murphy: "(This seems to refer to the 2d para. page 2 of our draft)". The paragraph to which Murphy refers is the third paragraph in the draft statement for Lodge attached to Document 173.

179. **Memorandum of a Telephone Conversation Between the President and the Secretary of State, Washington, March 1, 1957, 3:59 p.m.**¹

TELEPHONE CALL TO THE PRESIDENT

Mrs Meir made her speech precisely as agreed and L made his.² The Sec is leaving now. The Pres thinks our best bet is instead now of fooling around is to have our people begin to talk with the Arabs. They agreed it is too bad the Richards Mission is not in shape to move.³ The Sec said it will probably be a couple of weeks more and it is a pity.

¹ Source: Eisenhower Library, Dulles Papers, White House Telephone Conversations. Transcribed by Bernau.

² Meir and Lodge delivered their statements during the 666th plenary meeting of the General Assembly, which began at 3 p.m. on March 1. (U.N. doc. A/PV.666) For text of their statements, see *United States Policy in the Middle East, September 1956-June 1957*, pp. 328-332 and 322-327, respectively. Lodge's statement is also printed in *Department of State Bulletin*, March 18, 1957, pp. 431-434. In her statement, Meir announced her government's plans for a full and prompt withdrawal from the Sharm el-Sheikh area and the Gaza Strip, in compliance with General Assembly Resolution 1124 (XI) of February 2, 1957.

³ See Document 207.

180. **Telegram From the Mission at the United Nations to the Department of State**¹

New York, March 2, 1957—noon.

Delga 831. For Wilcox from Lodge. Re Palestine—Israeli withdrawal. This evening,² I attended the French reception where I saw Mollet and Pineau. I referred to the importance of the Israelis beginning their withdrawal this weekend and urged the French to advise the Israelis as we were doing.³ Mollet said nothing, but Pineau spoke up in a frigid voice and said that he did not think that they would be

¹ Source: Department of State, Central Files, 674.84A/3-257. Confidential. Received at 1:37 p.m.

² Presumably March 1.

³ At 2:45 p.m. on March 1, Lodge informed Dulles by telephone that, according to Eban and Rafael, the Israeli Government was not planning to do anything about withdrawing until the General Assembly debate was finished. (Memorandum of telephone conversation by Bernau, March 1; Eisenhower Library, Dulles Papers, General Telephone Conversations) At 8 p.m. that evening, Lodge transmitted a written report of his conversation with Eban and Rafael to the Department of State in Delga 824. (Department of State, Central Files, 674.84A/3-157)

able to do so. He said that withdrawal would have to be phased and that UNEF was not ready to move in. I said I understood UNEF was in a position to move in but that in any case plans should be set in motion for withdrawals and arrivals. Pineau said that he didn't think so.

I left Mollet and Pineau and shortly thereafter Pineau came up to me and said that my speech this afternoon was different from what they expected.⁴ He said that this was the kind of thing which made Franco-American relations bad.

I asked if he had been shown a copy of my speech. He said that he had seen a copy in Washington and then just before the meeting a teletype copy of my speech had been sent to him from Washington and he was following it as I spoke. He said he was with others and was embarrassed having shown them what had been purported to be the US statement and then had found it was different on delivery.

I said I thought that there had been no changes in meaning. If anything had changed it was merely a matter of tone. Alphanth, who was present, agreed that there had been no changes in meaning, but the changes that had occurred had upset Mrs. Meir considerably. Pineau and Alphanth both said they understood of course that the changes in the text had been authorized in Washington.

By this time the French seemed to have got their feelings worked out and I said that I still thought they ought to get the Israelis to begin withdrawal this weekend, since in the absence of some move on the Israelis' part, a very bad situation could develop and make difficult all that we had hoped to accomplish.

Alphanth then talked to Eban and after his conversation told me he believed that Eban would try to get something done.

This incident demonstrates how undesirable it is to circulate advance texts of statements to be delivered here particularly before my conversations with the Dept concerning the text have been concluded. It has been standard procedure for 4 years for all texts to be given a last minute revision in the light of the tactical situation here. To show a foreign government a text which in fact is not final makes a great deal of trouble and accomplishes nothing that is good. I hope Dept will avoid this in the future.

Lodge

⁴ Following the General Assembly session on March 1, the Israeli press officer noted during a briefing that in his speech, Lodge had dealt satisfactorily with the Aqaba question, but that Lodge's comments concerning Gaza required further study before Israel could comment. (Delga 823 from USUN, March 1; *ibid.*)

181. Memorandum of a Conversation, Secretary Dulles' Residence, Washington, March 2, 1957, 2:25 p.m.¹

SUBJECT

Israeli Withdrawal

PARTICIPANTS

Mr. Abba Eban, Israeli Ambassador
Mr. Reuven Shiloah, Israeli Minister
The Secretary
U—Christian A. Herter
L—Herman Phleger
NEA—William M. Rountree

Ambassador Eban said he had been in touch with Jerusalem at 3 a.m. and again had telephoned from the airport just before the meeting. The text of the United States statement at the United Nations had been misunderstood, and there was something of a political crisis going on in Israel. He had therefore come to see how to remove this misunderstanding. It was the feeling of his Government that Mrs. Meir's statement of Friday had taken into account every American suggestion, the text having passed through the closest scrutiny by the Secretary and his associates. Israel thought it had had reason to believe that the speech would evoke a corresponding American statement. The first point of concern to his government with respect to Ambassador Lodge's speech was fundamental. It had been hoped that our endorsement of the legitimacy of the assumptions stated by Israel would be wholehearted, and Ambassador Lodge's indication only that the hopes and expectations expressed by Mrs. Meir were "for the most part not unreasonable" had caused considerable difficulty. He cited the positive statement of the French as being more in line with what the Israelis had expected.

Continuing, the Ambassador said that from the Israeli viewpoint the crux of the proposal, in defining the United Nations' functions, was to extract from the Secretary General's report of February 22 only certain portions and omit that part which said or implied the arrangement would depend upon the sufferance of Egypt. They had intentionally refrained from speaking of the dependency upon Egypt of the arrangement, and that was extremely important to Israel. In Ambassador Lodge's speech, however, this had lost its value since he had enlarged the quotation and had placed the United Nations function in

¹ Source: Department of State, Central Files, 674.84A/3-257. Secret. Drafted by Rountree. The Department of State transmitted a summary of the conversation to the Embassy in Cairo as telegram 2936, to the Embassy in Tel Aviv as 845, and to USUN by pouch on March 5. (*Ibid.*, 674.84A/3-557)

the context of Egyptian consent. This, the Ambassador felt, had taken the crux out of the whole plan, since it had put forth Egypt as the source of authority.

The Ambassador recognized that there was a controversy between Israel and the United States regarding the Armistice Agreement. His government was disturbed, however, that in his speech Ambassador Lodge had referred to the Armistice Agreement as the context within which the arrangement should be made. Also, he said, it had been understood that the United States would make it clear that if, after Israel had withdrawn, a situation should arise which threatened peace and tranquility, the United States would take action "within and without the United Nations". Ambassador Lodge had stated only that the United States would act within the United Nations. The Ambassador complained that this represented a change which, if the Israelis had known was planned, they would have resisted.

The Secretary interjected that what Mr. Lodge had said in lieu of the phrase "within and without the United Nations" was reported incorrectly in the *New York Times*, and that Ambassador Eban's comments apparently were based on that inaccurate version. Mr. Lodge had in fact altered the wording somewhat to get away from a phrase used in the Tripartite Declaration, but there had been no change in substance. He quoted the text correctly, which made it clear that under the circumstances mentioned the United States would consult with other members of the United Nations to determine what action they or the United Nations should take.

Summing up, the Ambassador said that his Government had been disturbed by the lack of forthrightness in the American endorsement of the Israeli position; by divergences regarding Gaza between what had been said by Ambassador Lodge and what had been agreed; by wording which had involved Egypt in the responsibility for the administration of Gaza; and by the fact that Ambassador Lodge brought in the Armistice Agreement in connection with a Gaza settlement. He felt the sensitive balance for his Government had been adversely affected. He might have been wrong in not having asked for more assurances regarding United States' support for the Israeli speech. He had subjected the text of the Israeli speech to scrupulous United States review. From what we had told him, he had gained the impression that there was nothing in the Israeli speech which would not have a United States counterpart, and he had assumed that the American statement would not take up any subjects which had not been discussed. He felt the situation might endanger what had been accomplished, and proposed that the United States try to help overcome the problem thus created.

Responding, the Secretary stated that Ambassador Lodge's speech was basically what he had shown Ambassador Eban on the evening of

February 28.² Mr. Eban had glanced through it and had thought it was all right. He had a copy of the draft which the Ambassador had seen and had checked it carefully against the text delivered by Ambassador Lodge and against the memorandum discussed among the Israeli, French and American officials. There was not in this early draft an expression regarding the hopes and expectations stated by Israel. In his letter delivered after the Ambassador had seen the text, Mr. Eban had asked that something be said to the effect that the hopes and expectations in the Israeli statement were legitimate, or reasonable, or something of that sort. Certainly what Ambassador Lodge said was "something of that sort". The phrase "for the most part" in Ambassador Lodge's statement did not qualify the "not unreasonable". While the negative might have been avoided, the Secretary felt that Mr. Lodge's statement had adequately met Ambassador Eban's request. The Secretary repeated that we had not omitted the substance of the wording which had been agreed upon regarding United States consultation with other Nations as to action to be taken if the situation should break down following the Israeli withdrawal. The only reason for any change was to get away from the wording of the Tripartite Declaration.

Concerning Ambassador Eban's complaint that the Armistice Agreement was mentioned in Ambassador Lodge's speech, the Secretary pointed out that such a reference had been included in the draft which the Ambassador had seen. The Secretary had written in pencil "within the framework of the Armistice Agreement"³ as something to be picked up in the next draft. The Ambassador knew, the Secretary said, our view with respect to the Armistice Agreement, and recognized that there was a difference of opinion between us. We believed that the Armistice Agreement, unless formally removed, provided the legal framework for any action, and without the Armistice Agreement we could not call for the non-belligerency of the parties and endorse the Israeli right of free passage through the Straits as a non-belligerent. The Secretary could not accept the proposition that Ambassador Lodge's statement was a derogation of what he thought was the understanding. Perhaps Ambassador Eban should have gone over the draft more completely. Ambassador Lodge, he commented, has had difficulties of a slightly different character from those of the Secretary, since Mr. Lodge was working largely with the Arabs and the Secretary was carrying out close consultation with Israel. He thought that perhaps one of the reasons for the Israeli concern might have been that Ambassador Lodge, in delivering his speech, spoke more emphatically

² See the attachment to Document 173.

³ This notation does not appear on the copy of the draft statement printed as the attachment to Document 173. No other copy has been found in Department of State files.

regarding points which would satisfy the Arabs; that, however, was a matter of inflection and represented no departure from the text. Only at the end of the speech did Ambassador Lodge add anything not in the text, which otherwise conformed with what was prepared in Washington. The Secretary repeated that the only change of importance was related to the phrase "within or without the United Nations", and he did not feel that was an important change. He considered it was a matter of extreme importance that Israel go forward with the implementation of the decision announced on Friday, and said he would be pleased to receive the Ambassador's present views on that subject.

The Ambassador commented, in connection with the Secretary's reference to his having seen a draft of Mr. Lodge's speech, that he had not understood he was being invited carefully to study the text, and of course he did not have time to consult his Government. The Secretary responded that he had not thought there was anything in the text not in harmony with what had been discussed.

Ambassador Eban stated that in view of the detailed discussions which had been held, he recognized that Israel was not entitled to anything beyond that already agreed. The question was what could be done within that context. He wondered whether some way might be found to express the thought that the United States welcomed Israeli assurances regarding full and prompt withdrawal, and to state our understanding that Israel intended to implement this decision forthwith through a meeting with the Chief of Staff of the United Nations forces. The statement might then recall the efforts of the United States, notably the dispatch of the Aide-Mémoire of February 11, to the end that prompt withdrawal would be carried out; refer to the Israeli assumptions; and state positively that those assumptions were reasonable and valid in the light of previous actions by the General Assembly. It might be said specifically that the United States believed that ships of all nations, including Israel, had the right of free passage through the Straits, and that in the United States view the United Nations should carry out the responsibility for the administration of Gaza until a settlement was reached. The statement might point out that this view appeared to be shared by others, and that Israel should place its faith in the United Nations and the determination of friends of justice in implementing with great speed its decision to withdraw. Two points would be extremely valuable: an affirmative rather than a negative statement with respect to Israel's hopes and expectations, and a definitive statement of the United States view that the United Nations should administer Gaza until there was a settlement.

The Ambassador referred again to the fact that the Secretary General in his statement of February 22 had referred to the Egyptian element with respect to the responsibility for Gaza, and this appeared

to have been endorsed by the United States in Ambassador Lodge's statement. Inclusion of the whole quotation from the Secretary General's report had weakened the Israeli position.

The Secretary said he did not see how the arrangement for the United Nations forces and administration could be made without Egyptian acquiescence, and he did not want to give the impression that he thought otherwise. He had grounds to hope that the prior consent given by Egypt to the Secretary General would not be withdrawn, but of course he had no assurance that Egypt's consent would go on indefinitely. He did not know how we could destroy the Armistice Agreement in that respect, and he did not want to imply that we could. He had considerable doubts concerning the desirability of trying to rewrite Ambassador Lodge's speech. He did not feel that we could or should give any unpublicized assurances to Israel. We had found a very great deal of suspicion that there had been secret understandings and our influence in the United Nations in this matter and our ability to be helpful to Israel depended upon our being able to dissipate suspicions of this sort. The Arabs would be furious, and others would sympathize with them, if it were thought that secret arrangements had been made. What we both wanted was, in fact, to bring about the conditions which Ambassador Eban had described with respect to passage through the Straits and de facto United Nations presence in Gaza. The best way to do this, he thought, was to have Egypt realize that we could not challenge its rights under the Armistice Agreement but that we sought an arrangement whereby Egypt would waive those rights in favor of the United Nations. If we should try to override what we believed to be Egyptian rights, then any acquiescence would disappear. We thought certain aspects of Ambassador Lodge's speech which Ambassador Eban did not like were in fact aspects which would do most to give the Israelis what they wanted, if what they wanted was to have peace. If Israel desired the arrangement to collapse—and there was suspicion on the part of some, not including ourselves, that either Israel or the Arabs or both desired this—the best way to cause a collapse would be to insist upon the proposition that Egypt had no rights in the Gaza area. Some people thought that what Israel was endeavoring to do was to obtain a General Assembly adjournment on the basis of undertaking to withdraw, and then delay that withdrawal without the disadvantages of the General Assembly being in session to invoke sanctions. The Secretary felt that if Israel did not move with the greatest urgency, and was not prepared on Monday to demonstrate that concrete progress had been made, great trouble would arise. He felt that the Assembly would not adjourn until the Israelis had in fact moved out, since some delegations feared that what was involved was a "stalling operation". The Secretary thought that the matter could be worked out satisfactorily

but, as he had already said, Israel must take some risks. The United States would do all it could to see that the United Nations continued in Gaza, but there could be no guarantees in this regard.

The Ambassador commented that he would not suggest a secret arrangement, and that whatever was done must conform to what had been said between the two governments. It might be possible to find some way of saying publicly that the Israeli hopes and expectations were reasonable, rather than "not unreasonable".

While the Secretary did not himself see any difference between the two, he was willing to consider this. Mr. Shiloah said he did not suggest rewriting Ambassador Lodge's speech, but perhaps a statement might be made saying in different words some of the things in that speech.

At this point the Secretary and his associates withdrew so that Ambassador Eban and Mr. Shiloah might consider the type of statement which they felt would be helpful. When the discussion was resumed, Ambassador Eban showed the Secretary the draft.⁴ The Secretary expressed doubt regarding the wisdom of issuing such a statement. He said the President had in mind sending to Prime Minister Ben Gurion today an expression of his gratification that Israel had decided to withdraw. That might be an occasion to express in general terms our hopes for the area and our belief that Israel was not unjustified in relying on the resoluteness of the friends of justice, using words similar to those employed in previous statements. This would, of course, be very general but it might be helpful.

Ambassador Eban thought that the framework for a further American expression would be very good. He wondered whether the President might make some reference to Mrs. Meir's speech, and say that the President considered her statements reasonable and just in the light of prior action by the General Assembly. The President would not be bound in such a letter to use the same terms as those employed by Ambassador Lodge.

At this point the Secretary left the group to draft the text of the proposed communication from the President. Upon his return he showed the text to Ambassador Eban and Mr. Shiloah. After minor modifications were agreed, Ambassador Eban expressed the view that the proposed letter would be extremely helpful. It was arranged that the Ambassador would telegraph the text informally prior to its formal

⁴ Not found in Department of State files. Evidently, Dulles telephoned Eisenhower while he was out of the room. A memorandum of conversation by Asbjornson indicates that at 3:40 p.m. Dulles called the President and discussed "a message to Ben Gurion expressing gratification at the outcome of the Middle East problem". The memorandum of conversation then indicates that Asbjornson was unable to monitor the conversation between Eisenhower and Dulles because "I was taking dictation from Eban". (Eisenhower Library, Dulles Papers, White House Telephone Conversations)

delivery by Ambassador Lawson. Arrangements were made for its release to the press with an embargo until 12 midnight. The Secretary said that if the letter were sent he did not want to make a statement along the lines proposed by Ambassador Eban.

Ambassador Eban asked if the Secretary had given any thought as to what would happen Monday at the General Assembly. He had hoped that the session would end, and expressed concern regarding the prospects for a continuation of the debate.

The Secretary replied that the principal question was whether the Israelis would in fact withdraw. Today there were rumors that the government would reverse its decision of Friday, and such rumors were of course not helpful. He felt that the United Nations members must have an indication of irrevocable steps being taken by Israel to withdraw before adjournment of the General Assembly. The Secretary had himself no doubt that Israel would carry out its commitment; however most delegations did not share that confidence. Their doubts were to a considerable degree based upon mistrust of Israel's motives.

The Secretary asked whether the Ambassador had heard of the current Tass reports purporting to set forth secret agreements made between Israel and the United States. The communists were saying that the United States had agreed to give Israel \$125 million, and Israel had agreed to provide American military bases in that country. That was why the Secretary had arranged a meeting with the Arab Ambassadors, during the course of which he had denied that any unpublicized arrangements had been made. It was obvious that the Soviet Union was playing a vicious game, and did not want a settlement since it believed that by keeping the waters troubled it could gain in the area.

The Ambassador expressed the view that the Soviets did not want a war in the Middle East, but at the same time did not want peace. Mr. Shiloah felt that the Soviets sought an equal position in the area and would settle for arrangements such as USSR-US control over a Suez board. The Secretary had no doubt that the Soviets had some such an arrangement in mind, at least as a possibility. He said that in London Shepilov had sought something like a US-Soviet condominium over the area. He referred to the great and historical ambitions of the Soviets with respect to the Middle East.

Reverting to the President's letter to Prime Minister Ben Gurion, Ambassador Eban expressed the hope that Ambassador Lawson could, in delivering the message, say orally in reply to a question from Ben Gurion, that the United States accepted the Israeli formulation regarding its rights to act in self defense.

Mr. Phleger thought it important that any discussions of this matter should be between Ambassador Eban and the Department in Washington rather than by Ambassador Lawson with the Government of Israel. The Secretary agreed and said if Ambassador Eban wished to write a letter stating what he proposed we would be glad to reply.

Concluding the discussion, Ambassador Eban thanked the Secretary for his continued efforts and said that he would press for prompt action on withdrawal. Mr. Shiloah observed that it would take time actually to effect a withdrawal, particularly from the Sharm el-Sheikh area, which was a long distance from Israel or the UNEF. The Secretary pointed out that UNEF forces were in the general vicinity, and he thought they could be placed in the area without substantial delay. Ambassador Eban expressed the hope that he would be able to announce on Monday that there had been a firm agreement on the schedule for the withdrawal and the United Nations takeover.⁵

⁵ At 5:25 p.m., Dulles telephoned Eisenhower. The memorandum of telephone conversation by Asbjornson reads as follows: "After drafting a message to Ben Gurion which he cleared with Eban (see attached) the Secretary telephoned the President, read the message to him and the President cleared it. The Secretary also told the President that Eban thought the message would be very helpful." (*Ibid.*) The text of Eisenhower's message to Ben Gurion is *infra*.

182. Message From President Eisenhower to Prime Minister Ben Gurion¹

Washington, March 2, 1957.

MY DEAR MR. PRIME MINISTER: I was indeed deeply gratified at the decision of your Government to withdraw promptly and fully behind the Armistice lines as set out by your Foreign Minister in her address of yesterday to the General Assembly. I venture to express the hope that the carrying out of these withdrawals will go forward with the utmost speed.

¹ Source: Department of State, Central Files, 674.84A/3-257. Confidential. The Department of State transmitted the text of this message to the Embassy in Tel Aviv in Niact telegram 835, March 2, 6:08 p.m., with the instruction: "Please deliver immediately to Prime Minister following message from President. Pursuant arrangements made with Ambassador Eban, text will be released midnight Washington time March 2." Telegram 835 was drafted by Dulles and cleared with Herter, Phleger, and Rountree. The message was released at midnight, March 2; the source text is the White House press release.

I know that this decision was not an easy one. I believe, however, that Israel will have no cause to regret having thus conformed to the strong sentiment of the world community as expressed in the various United Nations Resolutions relating to withdrawal.

It has always been the view of this Government that after the withdrawal there should be a united effort by all of the nations to bring about conditions in the area more stable, more tranquil, and more conducive to the general welfare than those which existed heretofore. Already the United Nations General Assembly has adopted Resolutions which presage such a better future. Hopes and expectations based thereon were voiced by your Foreign Minister and others. I believe that it is reasonable to entertain such hopes and expectations and I want you to know that the United States, as a friend of all of the countries of the area and as a loyal member of the United Nations, will seek that such hopes prove not to be vain.

I am, my dear Mr. Prime Minister,
Sincerely,

Dwight D. Eisenhower²

² Printed from a copy that bears this typed signature.

183. Telegram From the Embassy in Israel to the Department of State¹

Tel Aviv, March 3, 1957—9 p.m.

1021. Re Deptel 835.² I delivered President's letter to Ben Gurion at his Jerusalem residence at 4:30 local time this afternoon. He told me that on basis of his previous knowledge of contents he had already instructed Eban to request one more appointment with Secretary tonight and hoped that conversation, if appointment granted, would give him basis for decision and reply to President well before GA reconvenes Monday.

He said he very much wanted "little more on Gaza"; something that would give him confidence to face his Cabinet tomorrow and Israel at large later in day. It would not matter, he said, if he could not make it public; if it were just something that would reassure him in

¹ Source: Department of State, Central Files, 674.84A/3-357. Confidential; Niact; Presidential Handling. Received at 4:44 p.m.

² Telegram 835 transmitted Eisenhower's message, *supra*.

taking step that was very critical one for Israel. "Will we have right", he asked, "if there is renewal of trouble originating in Gaza to defend ourselves according to charter or will we be blamed as in past?"

We talked about 30 minutes in what was largely his review of GA proceedings. Ambassador Lodge's speech he said had been very bitter surprise. "It was not as we had reason to expect—there were surprises of omission and commission. Certainly something in it had been changed at last minute and it was French who said what I had hoped to hear from you. I don't know what was changed but let us hope it can be cleared up in time".

He said his troubles would have been great enough even if Lodge had said what GOI had every reason to hope he would. Public which is emotionally greatly exercised about withdrawal would have been upset at decision to withdraw even if Assembly proceedings had gone as Ben Gurion had anticipated. But he thought he could have defended decision and public disgruntlement would have dissolved as ships began to move through Aqaba and tranquility Gaza border settlements had enjoyed since Sinai continued. "Gaza is not political issue, but deeply human question. I cannot persuade my people I am making right decision if Lodge's reference to armistice agreements, which means simply Egypt can come back, is last word on subject".

I expressed appreciation of difficulty persuading his people that this decision was wise one. I told him that whole act was based on confidence and assured him such confidence was justified. He could be certain that Secretary meant whatever he had told Eban, even if it had not been announced in that form at UN. He agreed but added, "under most favorable reading of our circumstances, it is still wholly matter of confidence on our part. We would have had no real guarantees even if Lodge's speech had been as we hoped".

Ben Gurion plans to see his Cabinet early Monday, hoping at that time to have encouraging report from Eban. In afternoon he will announce his decision to Knesset which generally meets Monday afternoon in any case, but which tomorrow of course will devote session to this matter.

He was obviously very pleased with President's intervention at this stage and said with sincerity I found convincing that he "shares President's hope we will be able to withdraw and that things will be better in future. His words that he believes "Israel will have no cause to regret' mean a very great deal to us".

Comment: Ben Gurion and I talked in completely relaxed atmosphere. He was in calm, philosophical mood but nevertheless fully expected lively battle with his Cabinet tomorrow. He is, I believe, prepared to see Achdut Avod and Mapam bolt (Embtel 1020)³ and not

³ Dated March 3, not printed. (Department of State, Central Files, 784A.00/3-357)

concerned if anything Secretary may tell Eban is sufficient to reassure him he is not making bad mistake. It would not even be necessary to divulge such reassurance to others. I think he wants to withdraw without further delay but feels that Ambassador Lodge's speech should not stand on record as our last word on Gaza.

Lawson

184. Memorandum of a Telephone Conversation Between the Secretary of State and the French Ambassador (Alphand), Washington, March 3, 1957, 6:30 p.m.¹

Ambassador Alphand said that he had received from M. Pineau the following suggestion of a formula which was based on a conversation which he had had with the Israeli Ambassador to Canada.² It would be somewhat as follows:

(1) France understands (or assumes) that the United Nations will take exclusive responsibility for the civil and military administration of the Gaza Strip until there is either a general peace settlement or settlement with respect to the area.

(2) If the United Nations abandons this responsibility to Egypt, then Israel would be entitled to exercise the rights specified by Foreign Minister Meir in Paragraph (c) of her statement of March 1.³

JFD⁴

¹ Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Secret; Personal and Private.

² Michael Comay.

³ Another memorandum of this telephone conversation by Proctor is in the Eisenhower Library, Dulles Papers, General Telephone Conversations. According to Proctor's version, Alphand also said that the suggested formula was "something which would not be published but would be said to the Israelis" and that Pineau had "wanted it stressed that the important thing was abandonment of *responsibility* of administration, not merely abandonment of administration of the area."

⁴ Macomber initialed for Dulles.

185. Memorandum of a Conversation, Secretary Dulles' Residence, Washington, March 3, 1957, 6:40 p.m.¹

SUBJECT

Israeli Withdrawal

PARTICIPANTS

Mr. Abba Eban, Israeli Ambassador
Mr. Reuven Shiloah, Israeli Minister
The Secretary
U—Christian A. Herter
NEA—William M. Rountree

Ambassador Eban said he could describe the position of his Government more definitively than yesterday. The Prime Minister would like tomorrow to complete the arrangements for withdrawal. He planned to carry the matter through the Government and Parliament in the morning, to arrange a meeting between the Israeli Chief of Staff and General Burns "to finalize everything" during the early part of the day, and to be prepared for the Israeli representatives to make an announcement in the General Assembly during the afternoon, New York time. The Prime Minister had asked whether, on this basis, the United States would be willing to help in one more respect. Carrying the program through the Government and Parliament would be very difficult. The Prime Minister would, however, be able to overcome these difficulties if he had an "inner-conviction" regarding the American attitude in certain respects. He wanted to know, in order to facilitate his efforts, whether we understood each other fully with respect to Gaza. If Egypt, while in a state of war with Israel, were to return to Gaza and thus recreate conditions set forth in Mrs. Meir's statement, Israel would be prepared to act in defense of its rights. The Ambassador hoped that we would be able to understand this position. This would not involve a public statement on our part. The Secretary had indicated last night that if the Ambassador wrote a letter setting forth Israel's position regarding its intentions to act under Article 51 to defend its right of transit of the Straits, he would consider replying to the letter. Perhaps, the Ambassador said, a similar arrangement could be made with the United States taking full cognizance of what the Israelis said with respect to Gaza. In her speech Mrs. Meir had said, on the basis of the arrangements worked out with Mr. Pineau and the Secretary, that Israel reserved its right to act under Article 51 if conditions in Gaza should impose a threat. The problem was whether we understood each other regarding the circumstances in which Israel

¹ Source: Department of State, Central Files, 674.84A/3-357. Secret. Drafted by Rountree.

would act. His Government believed that such a situation calling for Israeli action would be created if the United Nations abandoned Gaza and Egypt should return. His Government would like to say to us that in such a case of a premature breakdown of the United Nations in Gaza, and a return of a belligerent Egypt, Israel would be justified in considering that rights of defense would become operative. He did not know how exactly Israel would protect its rights, but it would expect to be able to act effectively. This matter had been discussed with Mr. Mollet in Canada by the Israeli Ambassador there. Mr. Mollet had suggested a text which in his opinion would be consistent with the original suggestion discussed in Washington.

The Ambassador showed the Secretary the text of the Mollet proposal. He said it is not intended that the statement be public and that it would not necessarily be formally submitted, but a similar statement from the United States on an informal and personal basis would give the Prime Minister the feeling that we had not misunderstood each other.

As to the form, the Ambassador said he might address himself to the Secretary concerning the statements made by Mrs. Meir and state the determination of the Israeli Government to protect its rights regarding shipping through the Straits of Aqaba. He might go on with regard to Gaza and spell out that the occupation by Egypt of Gaza would place into operation Israel's rights to act. He would request the United States to take cognizance of that policy declaration. The basis of the proposal was that there was not a feeling, especially after the Friday General Assembly session, that Israel was producing a situation in which Egypt would not move back, and the Israeli Government would like to make it clear that in fact such a situation preventing the Egyptian return had been created. The Prime Minister's feeling was that the Aqaba problem was of greater importance to Israel in the future, and he believed that the arrangements made with respect to Aqaba were adequate. On the other hand, although the Gaza problem was of less importance in the long run, it evoked much stronger feelings particularly among the people in the general area. It was therefore urgent to obtain some recognition of Israeli rights of self-defense in the Gaza, even though this might be on a confidential basis. His Government hoped that it would be possible to effect a speedy withdrawal. If things went well it was the expectation that arrangements would be completed before the Monday General Assembly meeting.²

The Secretary observed that the United Nations already had assumed that the departure would be prompt, based upon what Mrs. Meir said on Friday. Unless there were a concrete move, the situation

² March 4.

would deteriorate very rapidly. Mrs. Meir had stated her Government proposed that a meeting be held immediately with the United Nations Commander with regard to withdrawals from both Aqaba and Gaza.

The Ambassador said that four members of the Cabinet had voted against the plan, which had created a considerable problem. If the parties which they represented took a strong position in the Parliament, a real difficulty might be involved, and that could bring about new elections.

The Secretary observed that if he understood the Ambassador clearly he was suggesting that we acquiesce at least in the Israeli position that termination of the United Nations' exclusive control in Gaza, both civil and military, would in itself be a cause for action by Israel. The Ambassador interposed that this would be true only if it were at a time, as at present, when Egypt considered itself to be at war with Israel. Continuing, the Secretary said that while it might be said that if Egypt should return that would involve threats to Israel such as those which existed before, he did not think we would from a juridical standpoint be entitled to make such an assumption. What Mrs. Meir had said was that if conditions were created which would threaten Israel, then Israel would be entitled to act. It would not be our view that Israel would have such rights merely because Egypt occupied territory which under the Armistice Agreement Egypt was entitled to occupy. One might consider that to be a threat, but he did not as a legal proposition agree that the mere fact of occupation would give rise to a claim that Israel was threatened to the extent that it was entitled to take action. We of course did not want Egypt to exercise its legal rights and move back in the Gaza. We had said that we would try to obtain a continuation of a situation in which the United Nations would carry responsibility for the administration of Gaza. We had some influence in the matter, and there were various ways in which that influence might be exerted. We did not think, however, that our influence would be effective if we should maintain that merely because Egypt exercised certain rights it has under the agreement that would give rise to the use of force to oust Egypt. This, the Secretary said, involved a difficult problem of determining how long Israel would have to wait after the return of Egypt, and of how imminent the danger must be, before there was the right of defense. Israel took the view that any Egyptian participation in Gaza would carry a threat. On the basis of past experience that was not surprising, but it was not a conclusion to which we would come.

Mr. Shiloah said the Secretary had previously stated that Egypt, for various reasons, was not keen on returning to Gaza. For all practical purposes they might not be keen, although there were perhaps political and prestige reasons why they might feel that they should go back. If they did make an effort to restore their position in Gaza, he

would assume that their motives would be evil. The Secretary responded that while they might be evil, they probably would be motivated first by questions of national prestige, which any of us were prone to be.

The Ambassador said perhaps a new formulation could be agreed. He asked whether the Secretary would regard the Israeli safeguards as coming into effect not only upon the return of Egypt but upon the recreation of conditions which would threaten Israel's security, using the words in Mrs. Meir's statement. The Secretary said that even that would be an over-simplification. There were many variations, and it would be difficult to say exactly what our position would be in the many contingencies which might arise. It might be, for example, that an Egyptian return to Gaza would be accompanied by so many belligerent statements that Israel might feel justified in acting without waiting to be struck first. We would not want to set ourselves up as arbiters to say how long Israel should wait before taking action. On the other hand if the Egyptian return were merely for prestige reasons, and involved no large numbers of Egyptians, clearly there would be no such rights on the part of Israel. This situation simply did not lend itself to an expression of opinion in advance. He thought that Israel would be much better off to let the matter stand as at present. He thought it essential to the integrity of the United States position that we be able to state that we had not given any secret assurances or guarantees to Israel. We could honestly state that now, and must keep it that way. He did not think that any public statement which we could make would make it easier for Israel to withdraw, and perhaps with the qualifications which we have to impose it would make it more difficult. The United States could not assume the position of being the guardian of Israel's rights and he did not think Israel wished to put us in that position. Any statement which we made would lack any binding effect and would serve to confuse rather than clarify the situation. The matter should be left to stand as it was. If, after completion of the withdrawal, Israel wished to ask us questions about any such matters, we would consider making replies, although even then we would not want to work too much on a hypothetical basis. We knew what the Israelis wanted and they knew what we wanted. Surely we both understood that there was no guarantee that things would happen as we would like. We would try, but if the situation should not develop according to our wishes and Israel should feel itself threatened, Israel had unilaterally reserved its freedom of action. He did not think that Israel could be any better off than that in the circumstances.

The Ambassador said he would of course have to accept the Secretary's position. He wondered whether the situation might be looked at in this broader context: The Israeli representative had made a statement in the General Assembly; the American representative

said he had taken note and commented that the Israeli hopes and expectations were not unreasonable. The Ambassador wondered whether he could address a letter to the Secretary saying that he attached great importance to two specified aspects of Mrs. Meir's statement, which would be quoted along with parts of Ambassador Lodge's statement. The Secretary would reply that he had taken note of what Mrs. Meir had said in this specific regard.

In response to the Secretary's question as to what he thought about the suggestion, Mr. Rountree said he was concerned with the implications of a further exchange along these lines. The fact that part of the statements made by Mrs. Meir and Ambassador Lodge had been extracted from their total context and were the subject of a special exchange between the Israeli and United States Governments would undoubtedly lead to widespread speculation as to their import.

The Secretary told Ambassador Eban that he would consider the matter. He felt that no time should be lost in this respect, however. He was afraid that if the withdrawal was not well underway before the General Assembly met on Monday, Arab representatives would make statements to the effect that the Israeli assumptions were unjustified and unacceptable. If that should happen, the Israeli position would be much weaker than if they proceeded with the withdrawal program under the assumptions which had not been knocked down. The Israeli position would be stronger if they could proceed on the basis of the statements made and which up to the time of the announced withdrawal had not been denounced.

It was agreed that the Ambassador would immediately prepare the text of the letter which he would like to send to the Secretary asking that the United States take note of the specific statements made by Mrs. Meir. He would then consider whether he felt it would be possible or useful to reply along the lines requested. The Ambassador said he would return to the Embassy and send back a draft promptly for the Secretary's consideration.

186. Memorandum of a Telephone Conversation Between the President and Secretary of State, Washington, March 3, 1957, 7:47 p.m.¹

TELEPHONE CALL TO THE PRESIDENT

The Sec reported on his talk with Eban. The Sec said they were writing a letter quoting the words of the Meir speech. The Sec said they are all right, they had been agreed on. The Sec said they may claim the letter assumes a new significance in the light of the talks between him and Eban. The Sec said they would say they had a right to defend their rights. Any nation has a right to defend their rights, the only question is what are the rights. The Sec said he had told them that we have to be in a position of saying that we have no secret understandings with them. He said he would do nothing with Eban which could not see the light of day. It was terribly important that there be no suspicions that we had any secret agreements with them. The Sec said he told them they were losing valuable time. He said they had had the opportunity to get out on the basis of what they said and their assumptions, which had gone unchallenged. Now he was afraid that the Arabs would challenge at the UN. The Sec said he suspected that Ben Gurion had a lot of troubles.

¹ Source: Eisenhower Library, Dulles Papers, White House Telephone Conversations. Transcribed by Proctor. The Secretary was at his home in Washington. The source text indicated that Proctor could only hear Dulles' side of the conversation.

187. Memorandum of a Telephone Conversation Between the Israeli Ambassador (Eban) and the Secretary of State, Washington, March 3, 1957, 10:25 p.m.¹

SUBJECT

Israeli Withdrawal

Following the meeting which began at 6:40 p.m. Sunday March 3, Ambassador Eban drafted a proposed note to the Secretary setting forth Israel's position with respect to its rights to act in certain circumstances with respect to the Straits of Aqaba and Gaza, and requesting

¹ Source: Department of State, Central Files, 674.84A/3-357. Secret. Drafted by Rountree.

the United States to take note of that position. He also submitted a suggested reply which might be made by the Secretary. These drafts are attached.

After discussing the problem with Messrs. Herter, Phleger and Rountree, the Secretary telephoned Ambassador Eban at 10:25 p.m. He said that after thorough consideration he had come to the conclusion that we should not proceed with the exchange of letters, but that the United States should stand on the President's letter of March 2 to Mr. Ben Gurion. He said that we did in fact have a difference of opinion regarding Gaza, and he saw no use of spreading that difference on the record as would have to be done if we undertook the exchange. Our reply would have to be very guarded in order to express our feelings, and that would not be helpful for the purposes which Ambassador Eban had explained. Moreover, the Secretary said, we would have to make public any such exchange of letters since the United States had carefully maintained a position that there was nothing secret or unpublicized with respect to assurances and understandings with Israel on the matter. He said that if the Ambassador wanted to write a letter, as previously discussed, regarding the Israeli position with respect to transit of the Straits, we would be glad to answer, setting forth our views. However, he thought that exchange should not be handled on a crisis basis but should take place after the Israelis had proceeded with the withdrawal.

[Attachment 1]

Draft Note by the Israeli Ambassador (Eban)²

Washington, March 3, 1957.

DEAR MR. SECRETARY: On March 1, 1957 the Government of Israel announced its decision to withdraw fully and promptly from the Sharm-el-Sheikh area and the Gaza Strip. As you know, in the Sharm-el-Sheikh area we uphold the need to assure the maintenance of free and innocent passage. In the Gaza Strip, we seek the prevention of a return to the conditions of deterioration such as would arise if the continuity of the U.N. role were to be prematurely broken.

In a statement of policy to the General Assembly the Israel Minister for Foreign Affairs included the two following passages:

(a) With reference to the Gulf of Aqaba:

"Israel is resolved on behalf of vessels of Israel registry to exercise the right of free and innocent passage and is prepared to join with others to secure universal respect of this right.

² A marginal notation on the source text by Bernau reads: "Sec saw".

Israel will protect ships of its own flag exercising the right of free and innocent passage on the high seas and in international waters.

Interference, by armed forces, with ships of Israel flag exercising free and innocent passage in the Gulf of Aqaba and through the Straits of Tiran, will be regarded by Israel as an attack".

(b) With regard to Gaza:

"It is further Israel's expectation that the above mentioned responsibility of the United Nations in the administration of Gaza will be maintained for a transitory period from the takeover until there is a peace settlement, to be sought as rapidly as possible, or a definitive agreement on the future of the Gaza Strip.

It is the position of Israel that if conditions are created in the Gaza Strip which indicate a return to the conditions of deterioration which existed previously, Israel would reserve its freedom to act to defend its rights."

My Government, naturally, hopes that the contingencies envisaged at the end of these two passages will not occur.

In view, however, of the importance of these two problems, the Prime Minister has asked me to bring them to your cognisance and to invite the United States Government to take note of them.

[Attachment 2]

Draft Note by the Israeli Ambassador (Eban)

Washington, March 3, 1957.

SUGGESTED REPLY

(a) In his address to the General Assembly on March 1, the United States representative took note of the declarations made by the Israel Minister for Foreign Affairs on the same date. The United States has, therefore, taken note of the two passages which you have quoted from that address.

(b) I would also refer you to the letter from President Eisenhower to Prime Minister Ben-Gurion dated March 2, 1957 in which the President said:

"Already the United Nations General Assembly has adopted Resolutions which presage such a better future. Hopes and expectations based thereon were voiced by your Foreign Minister and others. I believe that it is reasonable to entertain such hopes and expectations and I want you to know that the United States, as a friend of all of the countries of the area and as loyal member of the United Nations, will seek that such hopes prove not to be vain."

188. Memorandum of a Telephone Conversation Between the Secretary of State and the French Ambassador (Alphand), Washington, March 3, 1957¹

In the light of the French Ambassador's previous telephone call to me urging acceptance of the new formula suggested by Ambassador Eban, I called the French Ambassador following the departure of Eban. I reached him a little after eleven p.m. and told him that we had not found it practical to accept any new formula and felt that the President's letter must be the last word.

JFD²

¹ Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Drafted by Dulles.

² Macomber initialed for Dulles.

189. Telegram From the Embassy in Israel to the Department of State¹

Tel Aviv, March 4, 1957—2 p.m.

1022. Foreign Ministry official telephoned Embassy at 1:00 p.m. local time to say Ben Gurion has decided to withdraw, and Dayan has been instructed meet Burns earliest opportunity to discuss details. He has already cabled Burns asking for meeting.

Official added that while decision will be announced this afternoon, Ben Gurion's address to Knesset, earlier scheduled for today, has been postponed until tomorrow.

Lawson

¹ Source: Department of State, Central Files, 674.84A/3-457. Confidential; Niact. Received at 7:28 a.m.

190. Telegram From the Mission at the United Nations to the Department of State¹

Washington, March 4, 1957—8 p.m.

Delga 834. Re Palestine/Israel's withdrawal. Fawzi (Egypt) called on Lodge at his request regarding further proceedings in GA. Fawzi said it was "natural" expect to have further meeting to see what had happened on withdrawals. He did not say how soon he "expected" such meeting.

Fawzi also stated that today he and Arab colleagues would avoid saying anything which might prevent forward movement. This not entirely dependent on Arabs, however. There was obviously certain limit beyond which they would not go in allowing statements to go unanswered. In this connection he noted there was "something in the air" which he was confident did not exist except as rumor in suspicious minds; namely, that US had given promises or committed itself to actions not known to others.

Lodge interrupted Fawzi to say there was nothing hidden, that Fawzi knew everything there was to know. All that existed was Lodge's speech and President's letter to Ben Gurion over weekend. That was all.

Fawzi said he assumed US position remained as stated last Friday, i.e., that whereas US had expressed its view re Aqaba, that did not amount to "legislation" or a "recommendation"; nor was it part of US policy to use force to put across that policy. Lodge said that was correct. Re Gaza Fawzi understood US to maintain that Egypt's position was absolutely according to Armistice Agreement—nothing more and nothing less. Lodge replied that this too was US stand.

Fawzi assumed that what US claimed for itself, i.e. to state own point of view, it would concede to others. He therefore wanted make clear where Egypt stood. Egypt believed, he said, Charter clearly set out ways and means for resolving differences.

Egypt "quite willing" settle its disputes, enter into discussions "according to processes set out in Charter". Beyond this, Egypt not ready, nor should UN be, to subscribe to idea that aggressor be rewarded for its aggression. After Israel's withdrawal Egypt willing follow Charter processes. "It would not say Assembly not competent take up other matters. Egypt would in fact approve their inscription on agenda." (This presumably refers to basic Palestine settlement issues.)

On Gaza, Egypt saw situation as similar although not identical to one in Canal Zone where UN forces had first taken over and then Egyptian forces had come in. Take over would be theoretically identi-

¹ Source: Department of State, Central Files, 674.84A/3-457. Confidential; Priority. Received at 9:01 p.m.

cal, but actually only similar since in Gaza UNEF would remain along demarcation line "for a while". Otherwise, everything would be strictly in accordance with Armistice Agreement.

When Fawzi had concluded, Lodge said he had listened carefully to everything Fawzi had said and he had detected no change in Egypt's policy from what it had already been stated to be. Fawzi replied in affirmative, saying that he had merely summarized his govt's position in order be completely fair to UN and to US.

Lodge stated it had, from beginning, been US policy to end war through cease-fire and withdrawal, without bribes or rewards. At same time US wanted work for better state of affairs. We had said this from beginning, and it was still our hope. Indispensable first step, however, was prompt Israeli withdrawal. Fawzi broke in to say this would be in Israel's own best interests, too. He concluded by saying as Israel withdraws some of other difficulties will gradually disappear.

Lodge

191. **Memorandum From the Assistant Secretary of State for International Organization Affairs (Wilcox) to the Secretary of State**¹

Washington, March 4, 1957.

I have just received the following information from New York:²

"Mr. Cordier has just told us he has gotten a cable from General Burns who says the Israeli forces and civilian administration would be out of Gaza by 1600 hours March 7.

"The Israeli forces would be out of Sharm-el-Sheikh (excepting a small group to have charge of Israeli equipment to be shipped out) by March 8.

"General Burns requested that these dates not be divulged before the actual turn-over is to be completed in order to avoid riots, etc. Mr. Cordier doubts that it will be possible to avoid leaks and thinks that rioting will be avoided by moving in the UNEF before the Israelis leave. Mr. Cordier believes that there should be no more General

¹ Source: Department of State, Central Files, 684A.86/3-457. Official Use Only. A marginal notation on the source text by Bernau reads: "Sec saw".

² Lodge reported to the Department of State information received from Cordier in Delga 835 from USUN, March 4 (*ibid.*, 674.84A/3-457), which was received in the Department of State at 9:01 p.m. on March 4. According to the telegram, Cordier reported this information to the Mission during the afternoon of March 4.

Assembly meetings after today until the withdrawal is over. The Secretary General will go to Cairo after the withdrawal but doesn't feel he can go before this. On the basis of the Burns telegram, Cordier believes we could hold a meeting of the General Assembly on March 9, and then we can recess and announce Hammarskjold's plan for going to Cairo which would be sometime around Monday or Tuesday of next week.

"Mr. Cordier also says there may be some question concerning the U.N. administration in Gaza and finances which would have to be taken up before the General Assembly recesses."

192. Memorandum From the Secretary of State to Ambassador C. Douglas Dillon¹

Washington, March 5, 1957.

I request you to take primary responsibility for the negotiations which will relate to the Suez Canal, i.e., the matter of payment of tolls and the matter of the future status of the Canal and its operations.

You will in these matters keep in touch with Mr. Rountree with relation to the area, with Mr. Elbrick in relation to our Western European allies, and with Mr. Phleger with respect to the legal aspects of the matter.

While I think it important to try to preserve unity with the British and the French, I think you should remember that they are not the only users of the Canal and not the only nations concerned, and that a great many of our friends would not be as rigid as they are disposed to be.

I assume that the actual negotiations with the Egyptians will be conducted by and through Hammarskjold.²

JFD³

¹ Source: Department of State, Central Files, 974.7301/3-557. Dillon was appointed Deputy Under Secretary of State for Economic Affairs on March 14, 1957.

² Dillon accepted the responsibilities during a telephone conversation with Dulles which began at 1:01 p.m. on March 5. (Eisenhower Library, Dulles Papers, General Telephone Conversations)

On March 9, Dillon established two organizations to facilitate his work on the assignment: (1) a Senior Advisory Group, consisting of Rountree, Elbrick, Phleger, and Wilcox; and (2) a working group to coordinate and initiate action, consisting of Shaw, Moline, Metzger, John Fobes (IO), Sisco, and Corbett. (Memorandum from Dillon to Senior Advisory Group, March 9; Department of State, Central Files, 974.7301/3-557)

³ Macomber initialed for Dulles.

193. Telegram From the Mission at the United Nations to the Department of State¹

New York, March 5, 1957—10 p.m.

Delga 847. For the Secretary and Wilcox. Re: Israeli withdrawal. Hammarskjold requested further urgent meeting this evening. (For previous meeting see Delga 848).² He had just had long and disturbing talk with Mrs. Meir in which she had stated Israel position to be as follows:

(1) Israel will exercise right to go through Straits of Tiran next week and will use warships if necessary. Innocent passage meant conduct not character of shipping.

(2) Return of Egypt "in any way, shape or form" to Gaza would bring into action Israel's right of return to Gaza. This applied not only to initial takeover period which Israel wished extend as long as possible but for future as well. Israel wished Secretary-General consult in Jerusalem before end of initial takeover in order to work out Israel's participation in long-range Gaza administration.

(3) Mrs. Meir stated that Israeli position as set forth above had been endorsed by all those who stated in General Assembly debate that Israel's assumptions and expectations were reasonable. In fact, Mrs. Meir stated that every single word of her statement of March 1 had been so endorsed, including the reference to Israel's rights under Article 51. She said, moreover, that her statement had been written not by Israel but by those with whom Israel had consulted.

Hammarskjold asked specifically whether Secy Dulles had endorsed the Israeli position as Mrs. Meir had given it. Her answer was yes.

Hammarskjold stated he had carefully avoided taking any position on substance of Mrs. Meir's statement because he wished avoid any excuse for stopping withdrawal. He could not, however, in these circumstances negotiate in Cairo either on Suez or arrangements for Gaza. Israel's position and that of Egypt and rest of Assembly, except France, were totally irreconcilable. Hammarskjold said that Israeli statement to him today put clash clearly on the record, and precluded further action by him. If he were to negotiate with Egypt re Gaza, it would have to be on the basis of Egypt's coming in in some way. That would bring Israelis in, as they have now clearly announced, and fighting would be resumed. UNEF meanwhile would collapse. He could not alone take responsibility for these consequences.

¹ Source: Department of State, Central Files, 674.84A/3-557. Confidential; Niact. Received at 10:45 p.m.

² *Infra.*

Alternative would be for him to accept the Israeli thesis, but this would lead Egyptians to demand withdrawal of UNEF and consequent withdrawal of UNEF units by participating countries. The result in this case also could be a resumption of the fighting.

In either event, if this issue now came to the Assembly, as it might well do, Israeli withdrawals would undoubtedly be jeopardized, if not totally stopped.

At end of meeting, Engen (Norway) who had been present throughout, reported conversation with Eban this afternoon which substantiated all of above. In addition, Engen said Eban showed him text of French note to Jerusalem in which France explicitly guaranteed Israel's position regarding right of action if Egypt were re-established in Gaza. Hammarskjold interpreted French guarantee, together with other indications of French involvement in present situation, as indicating France might be laying groundwork for renewed military intervention on Israel's side.

Hammarskjold's conclusion was that he did not know what to do. He was aware of the Secretary's imminent departure and asked that this situation be brought to his immediate attention.³

Lodge

³ Dulles left Washington on March 6 for the Ministerial Council meeting of the Southeast Asia Treaty Organization in Canberra.

194. Telegram From the Mission at the United Nations to the Department of State¹

New York, March 5, 1957—11 p.m.

Delga 848. Re Palestine/Israel withdrawal. UN SYG Hammarskjold asked to see me at 2:30 p.m. regarding various immediate problems.

He noted that Egypt had agreed that when General Assembly had concluded its present debates on Middle East situation, they would negotiate all outstanding issues. In fact, he would negotiate them with Nasser directly. However, there were two definite points on which Hammarskjold foresaw trouble.

¹ Source: Department of State, Central Files, 684A.86/3-557. Confidential; Priority. Received at 12:32 p.m., March 6.

First point was that UNEF's duration depended upon balancing its presence on Egyptian side of demarcation line with its presence on Israeli side. This was position consistent with resolution of UN; it was one that Pearson (Canada) had made in debate and with which, SYG understood, United States did not disagree.

Second point involved Gaza. Egypt would say they were glad to have UN assistance, but on understanding that future status of Gaza remained to be settled in peace negotiations. In those negotiations Egypt could not permit Israel basis for claiming that Egypt had given up Gaza in March 1957. While Egypt would not put it this way, Hammarskjold said they wished to retain Gaza for its bargaining value in an ultimate peace settlement. SYG said US statement of March 1 in GA was consistent with this stand in saying ultimate disposition would have to be made within framework of Armistice Agreement.

Hammarskjold feared that, although UN and US agreed basically with Egyptian position on these points, if they emerged only after Hammarskjold had gone to Cairo they would immediately be pictured in world press and particularly by British and French, as UN's submission to Nasser's dictation. SYG felt it would be unfortunate psychologically to permit consistent UN stand on these points to remain ignored.

When we pointed out that Res II of February 2 offered basis for putting UNEF on Israel's side of line, Hammarskjold replied he feared that on basis of UK/French press statements and Mrs. Meir's speech, it would be said that SYG had ignored major development in Washington that superseded Res II.

Hammarskjold therefore asked for simple statement from US before Secretary departs for SEATO meeting as to US understanding of legal basis of UN activities in Gaza.

Hammarskjold outlined three current theories regarding UN's legal status in Gaza upon Israel's withdrawal:

(1) Extreme Israel stand was that Gaza would be given to UN by Israeli occupation force. This implied that Israel would delegate to UN re Gaza authority stemming from such occupation (Israel contended that Armistice Agreement—at least insofar as it applied to Gaza—was dead). As result UN could not permit anything in Gaza which Israel would not have permitted. In Hammarskjold's opinion, to accept this thesis would be to legalize Israel's claims to occupation of Gaza and at same time annul Armistice Agreement.

(2) UK/French theory, which Dixon (UK) had expounded to him today, was that "UN would be in Gaza because UN had decided to be there."

Hammarskjold has pointed out to Dixon undesirable precedents such thesis established. For instance, if Algeria or Kashmir or some other disputed area could not be agreed upon, UN could under this theory decide to take it over. Dixon had immediately reacted that such

legal theory would be unacceptable. Hammarskjold had replied to Dixon that if General Assembly could not take such action, neither could Secretary-General.

(3) Third and only tenable theory in SYG's opinion was that UN's legal status for activities in Gaza stemmed from Armistice Agreement. It followed from such thesis that extent of UN's activity there depended upon Egypt's agreement. It was also clear that Egypt would not permit UN activities in Gaza to go so far as to give rise to appearance that Egypt had given up its rights in Gaza.

Hammarskjold wished to have US statement on above question to fall back on when, as he fully expected, Israel challenged basis of his negotiations with Nasser regarding UN activities in Gaza. Hammarskjold had asked UK for expression of its opinion and did not expect receive any reply. He would, he felt, have to ask French for their opinion and sincerely hoped they would not reply. He now asked for US opinion. He felt he already had clear-cut statement of points of view of Canada, Colombia, Norway and India supporting 3rd theory above.

Hammarskjold raised question of whether any further authority was needed from General Assembly regarding UN activities in Gaza and future UNEF. He said he felt no further authority was needed as far as UN administration in Gaza, except insofar as financial aspects arose. He said it would not in present atmosphere be possible to obtain two-thirds for substantive resolution on all desirable aspects.

He had, therefore, concluded that desirable course was for him to have available as UN document report from him Friday morning prior to General Assembly renewed consideration of Middle East question. In that report, he felt, he could make a reasonable statement regarding withdrawal. While all Israeli forces would not be out by then, he could, as he put it, "put all the cards on the table," i.e., set out timetable for completion of withdrawal.

He again cautioned strongly against any premature leaks regarding timetable for withdrawal in order to avoid riots, etc.

In his report on Friday, in addition to stating that all Israeli forces would be withdrawn, he could bring up substantive parts of Resolution II of February 2. In this fashion, he could, in effect, "re-date" that resolution in his report.

With regard to Gaza, he said it would be somewhat extraordinary to set up UN administration there, although it was nothing more than "marriage" of UNEF and UNRWA, without terms of reference or any concrete mandate for UN administration in Gaza. He felt he should spell out in more detail just what that administration would be, while making it clear it would be dependent upon agreement being reached with Egypt. As he put it, it would be "UN administration in Gaza, not of Gaza."

Hammarskjold intended to get unanimous agreement of members of Advisory Committee on text of his report. With such broadly representative agreement, he would then hope GA could note Israel's withdrawal and note with approval his report.

After Hammarskjold concluded his presentation, I asked him when he expected to go to Cairo. He said early next week. . . .

In response to further questions, Hammarskjold said he felt he would have to meet issue of having UNEF on both sides of armistice line next week in Cairo. He would also have to face problem then of Egypt's "return" to Gaza. If Israel absolutely refused to have UNEF on its side of armistice line, UNEF's life expectancy was two months at most.

I said problem for him was how these issues could be put so as to avoid charge being leveled that UN was subject to Nasser's dictation. I suggested that it ought to be tied in in some way with something else so that unpleasant aspects for Israel could be submerged in something more pleasant for Israel.

Hammarskjold replied that he had thought of trying to get from Israel and Egypt a reaffirmation of Article I of the Armistice Agreement as a kind of non-aggression pact. He was afraid, however, that Nasser would immediately ask about Articles VII and VIII of the Armistice Agreement which were tied in with Article I.

Cordier said he felt there was nothing in present situation which could be developed, given present position of parties, which would be pleasing to Israel.

I said I thought UNEF was popular idea in this country and idea of prolonging its life would be well received. Indications that UNEF's life expectancy was only two months would cause disappointment in this country.

Hammarskjold replied that only way to prolong UNEF was to balance its presence in Egypt by placing it also on Israel's side of line.

I pointed out that February 2 resolution had already made that point.

Hammarskjold said we could never get two-thirds majority for keeping UNEF in Egypt in face of Israeli refusal to permit UNEF on Israel's side of line. That being Israel's present position, he could see no way out of this impasse, other than to make it clear-cut, on public record, that views as stated by U.S., Canada, and others were UN policy.

While it was there in UN documents, no one looked at them.

I asked Hammarskjold to let me mull over what he had said and I promised him an early reply.

Recommended action:

(1) I recommend that Secretary verbally convey to Secretary-General our understanding of legal authority for UNEF being in Gaza or that I be authorized to do so verbally for him.

(2) I recommend that intensive study be begun immediately to avert mortal danger to life of UNEF which is implicit in Israeli unwillingness to station it on her side of demarcation line. It should be possible to persuade Israel to allow a token force which would preserve appearances. Ending of UNEF and re-entry of Israel into Gaza would be a disaster of immense proportions which would at least once again bring up pressure for sanctions and could well result in an immediate Russian entry into area at Egypt's request.

(Above drafted before conversation reported Niact Delga 847.)²

Lodge

² *Supra.*

195. Memorandum by the Representative at the United Nations (Lodge)¹

New York, March 7, 1957.

**NOTES ON STATEMENTS MADE BY SECRETARY DULLES TO
AMBASSADOR LODGE, WEDNESDAY, MARCH 6, 1957²**

There was an understanding that if the situation deteriorated, Israel would exercise its rights. No agreement was reached as to what the rights were. It seems self-evident that any nation has a right to exercise its rights. That is all that we have understood to be the case.

It is inevitable that Egypt would come into the Gaza Strip in some way in a token capacity and we always made it clear that such was our belief. Mrs. Meir's speech is not the same as what you report her as having said yesterday to the Secretary General. The Secretary General should ignore what Mrs. Meir said yesterday. He should go right ahead. No private statement can alter the public record.

¹ Source: Department of State, Wilcox Files: Lot 60 D 113, Middle East. Confidential. Lodge dictated the memorandum over the telephone to the Department of State at 11:45 a.m. on March 7. An inscription on the source text in an unidentified hand reads: "Lodge sent reply to Sec." (See Document 197.)

² Presumably Dulles made the statements to Lodge over the telephone during the morning of March 6. No record of the conversation has been found.

The United States would never have agreed to what was said in Mrs. Meir's statement to the Secretary General yesterday. The United States specifically refused to accept the Israeli contention concerning the Egyptian status in Gaza.

As far as Mrs. Meir's statement yesterday is concerned the Secretary General should forget about it.

He should go to work to get the Israeli troops out and the UN troops in.

He should bring out just as effectively as he can the necessity of stationing the UNEF on both sides of the demarcation line. In this case Israel is very much in the wrong. The Secretary General should make clear Israel's refusal to agree to this. He should press this point hard in public and make it clear to all the world.

The President did not underwrite everything Mrs. Meir said. See what I said in my press conference yesterday.³

Please give my best wishes to the Secretary General.

³ For excerpts from the transcript of Dulles' press conference of March 5, see *United States Policy in the Middle East, September 1956-June 1957*, pp. 333-342. The complete transcript is printed in *Department of State Bulletin*, March 25, 1957, pp. 482-489.

196. Memorandum of a Telephone Conversation Between Secretary of State Dulles in Washington and Secretary-General Hammarskjöld in New York, March 6, 1957, 12:55 p.m.¹

TELEPHONE CALL TO SEC. GEN. HAMMARSKJÖLD, NY

The Secretary said Lodge had told him he had been rather disturbed after his talk with Mrs. Meir, the Israeli For. Min. The Sec. said he was not surprised since we had had similar talks in a strong effort on the part of the Israelis to commit us to the proposition that if Egypt should come back, that would automatically give the Israelis the right to reoccupy the area by force. The Sec. said the Israelis had struggled very hard to get him to agree to that. He had kept rigidly to the proposition that it would have to be worked out within the terms of the Armistice Agreement. I said I had thought it probable that Egypt would want to have someone back there in at least a token capacity to

¹ Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Transcribed by Asbjornson.

symbolize their rights there. I said I hoped very much that the actual administration would be done through the UN because actually it was primarily a task of taking care of the refugees there.

The Sec. said it was quite true we saw in advance Mrs. Meir's statement in the UN. Her statement as given was quite different. Hammarskjold thanked the Secretary for his clarification and wished him well on his trip. Hammarskjold said that while he discounted what he had heard he did want to check.

The Sec. said the thing to do was to ignore these private statements and go ahead. If we get them out and if Egypt is decent, probably these terrible things will not happen.

197. Telegram From the Mission at the United Nations to the Department of State¹

New York, March 6, 1957—9 p.m.

Delga 854. Re Palestine: Israeli withdrawal; interim arrangements. After phone call with Secretary this morning,² Lodge called on SYG Hammarskjold to convey Secretary's views. Lodge told him we felt he should disregard completely what Mrs. Meir said yesterday and proceed with withdrawals on basis of public record. Israel knew US did not subscribe 100 percent to their viewpoint and US position fully contained in public documents. Secy felt Hammarskjold should try to get UNEF stationed on Israeli side of line. Israel's position on this had been completely in wrong and SYG should make this issue fully public. Secretary referred SYG to his press conference yesterday. He extended his best wishes and thanks for good job SYG doing.

Hammarskjold expressed grateful appreciation for Secretary's message. He referred to one section of Secretary's press conference in which Secretary said Mrs. Meir's March 1 speech, on UN being exclusive agent during initial takeover in Gaza, directly used words in SYG's statement to plenary of February 22.³ SYG noted that his language of February 22 referred to exclusive UN role "in the first instance". He said when Pineau (France) had shown him notes on what Mrs. Meir would say to GA on March 1, sentence read "initial takeover," but word "initial" had been crossed out. When Israeli statement

¹ Source: Department of State, Central Files, 674.84A/3-657. Confidential; Priority. Received at 9:47 p.m.

² See Document 195.

³ See Document 137.

delivered, it omitted word "initial". SYG said Secretary Dulles was relying on his understanding of Israeli text, but Israelis had made this slight but significant change obviously without informing Secretary.

Hammarskjold went on to note that Mrs. Meir had . . . told her press luncheon yesterday Israel was opposed to Egypt's return to Gaza in "any shape or form." Lodge noted there was difference between her saying that in private, or to press luncheon, and on floor of GA. SYG agreed it was not same thing, but all the same regarded it as dangerous.

SYG then reported call from Eban late last night in which latter expressed concern as to length of initial takeover period. Hammarskjold had told Eban he had no fixed plan, and as far as he was concerned, "the longer the better". Reasons he had as yet no plans included fact of Mrs. Meir's statement to him of Israel's position, which, as Eban knew, was not completely endorsed. SYG said Eban . . . sought to restate their understanding of Washington position as "wanting to see Israel's expectations fulfilled, but not being able find legal formula therefor."

Hammarskjold had concluded he must proceed in spite of risks. He said there was still basic contradiction in positions, but he prepared to accept its being partly "artificial" (or bluff) from Israeli side. If greater clarity were sought, regardless of how carefully it was done, he felt there was risk of new confusions. On balance he was inclined to gamble, proceed on basis present record and take calculated risks.

SYG therefore intended make report to GA, according to schedule reported yesterday. In it he would set out schedule for complete withdrawal. He would then say, in effect, "let's get on with implementation of Res II of February 2", and in particular parts of his January 24 report which GA called for putting into effect. This would include placing UNEF on both sides of Armistice Demarcation Line.

Lodge said at this point he heartily endorsed this procedure and would publicly state, probably in GA, that having UNEF on Israel's border, inside Israeli territory, would be greatest assurance of security Israel could possibly achieve.

SYG then outlined risks as he saw them. He would hope to have initial takeover period last as long as possible. There was possibility Egypt could continue to live with lack of clarity on administration in Gaza. He felt he might be able convince Egypt of desirability of moratorium on public comment on Gaza issue. That would work so long as there was no provocation. For his part, he would "lie low, and appear reasonably happy." It would be likewise incumbent upon Israel to refrain from public bragging or otherwise "de facto provoking" Egyptians.

If things went well, SYG hoped for 5-6 week period of calm in which to work matters out. By then, some Egyptians might quietly come into Gaza. Israel should by then have no reason fear adverse domestic reaction, although Egypt for its part should not try to make big thing of it.

SYG said he was more concerned about Israel's intention, announced to him yesterday, of having Israeli shipping ready and waiting at entrance Suez Canal for opening of Canal. They should not, in his opinion, try to force Canal issue at start, because Egypt would be bound to deny passage.

Hammarskjold said Cairo was keen on making publicity out of his going to Cairo for negotiations. He would hope to avoid any negotiations for a while on Gaza and stick to Suez issue. However, it was difficult avoid question of Gaza since there were always issues on which he might have to negotiate with one side or other. As example, last night Burns had cabled about currency problem in Gaza. Burns had apparently issued instructions to exchange all Israeli pounds for Egyptian piasters. Israelis were insisting on their right to pass upon such transactions. Since currency issue involved aspects of sovereignty, this was very ticklish issue for Burns and UN to handle. This was part of risk, however, which he felt he and UN must run.

Lodge

198. Telegram From the Mission at the United Nations to the Department of State¹

New York, March 6, 1957—9 p.m.

Delga 855. Re: Palestine: (1) Israeli withdrawal; (2) interim arrangements for Canal. Further Delga 854:

1. In subsequent conversation with SYG after Secretary had called him and personally conveyed US views,² SYG expressed gratification for clarity of situation as it developed in Washington, and for confirming in his mind agreement between US position and his own. He said he had that afternoon "rubbed it in" with Georges Picot (France)

¹ Source: Department of State, Central Files, 674.84A/3-657. Confidential; Priority. Received at 10:17 p.m.

² See Document 196.

telling him he had had chance to cross-check situation in greatest detail with Washington, and there was no doubt of accuracy of his understanding of US position.

Hammarskjold then reported on hour's talk he had had with Fawzi (Egypt) in early afternoon. Latter was in complete agreement with SYG's intention to put out short report noting withdrawal and bringing out in some fashion that thing to do now was proceed with implementation Res II of Feb 2. Fawzi had asked him whether he really felt further res endorsing his report was necessary. Fawzi said moment there was further paper it invited people's comment which would not be too helpful. From his talk with Fawzi SYG concluded all that was needed was to make clear in his report that nothing had superseded Res II; i.e., that what took place in Washington over last weekend could not be deemed to have modified Assembly's previous stand. If this were case, then all that would happen in plenary would be debate on report, no res, and then recess.

We raised with Hammarskjold somewhat discouraging conversation with Crosthwaite (UK) this afternoon, in which latter had raised question of UNEF placement on Israel side of armistice line. He argued that since this had apparently not been raised in Washington, nor in Mrs. Meir's speech, nor in speeches on Monday, February 2 Res II, particularly that part calling for stationing of UNEF in Israel, had been superseded. We informed SYG we could not accept such interpretation of erasing previous resolutions by omission of comment. Hammarskjold agreed with our interpretation, but explained that his having raised subject in general way with Dixon (UK) may have stimulated Crosthwaite's thinking and he (Crosthwaite) had pushed idea so far in his thinking as to imagine all unfortunate consequences which might follow from bringing up this issue, and had therefore been arguing against it on this somewhat strange basis. Hammarskjold felt that Israel, however, might very likely argue that Res II had been superseded, so he intended to give slight push to idea of UNEF on both sides of line at this point, to avoid impression it was dead. If Israel objected, we would have to take another look at what to do, but he felt he could so state the matter as to avoid prompting negative Israeli stand in public. In this connection he thought it useful have statement from US supporting idea as being good from Israel's own standpoint.

Returning to his conversation with Fawzi, SYG said he had "checked out" ideas on Fawzi that he had mentioned this morning to us. Fawzi not only had agreed 100 percent but had even elaborated on SYG's line. Fawzi had said if SYG did not feel he had to "crack the nut" of talking with Egypt about administration in Gaza at this time, he believed it would not be necessary for SYG go to Cairo next week, and in fact it would be useful to have period of calm and quiet, with no

border raids or incursions, so that Egypt could move into stage of serious talks. He suggested, and SYG agreed, that if SYG did not need go to Cairo next week, SYG should wait until after his trip to Tunisia to attend Independence Day celebration (March 20?) and after Cairo, Fawzi said, should go to Jerusalem. In this connection Fawzi expressed satisfaction at Ben Gurion speech to Knesset yesterday, not of course where it spoke of Israel returning to Gaza, but because it in effect recognized future possibility of Egypt going into Gaza. This took burden off Cairo.

2. Fawzi told SYG he would try within next three or four days to obtain from Cairo a unilateral declaration re interim arrangements for Suez which would make negotiations this regard unnecessary. It would not be bargaining position but would go "all the way". SYG said if Fawzi succeeded, he felt we would get more through him out of Cairo than through anyone else negotiating for users' interests. He felt it would be declaration to which no one could reasonably object although there would be some "screams" about it. He said it would probably provide for payment into account which Egypt would draw upon only up to about 50 percent for operating expenses. Remainder Egypt would not touch, and would hold for final settlement which should not be too long in following. Egypt's scheme would apparently allow for "all kinds of reservations" so that US system of payments would be fully recognized.

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If Fawzi did not succeed in getting above out of Cairo in three or four days, he thought in those circumstances Hammarskjöld would have to go to Cairo next week. That would be only condition on which SYG would, in Fawzi's opinion, have go there, until after March 20.

In this general connection SYG returned to what he said before: that it would be folly for Israel to try to force issue of Israeli passage through Canal on opening day, or in immediate future. That could wreck everything. Moreover he said he felt if Israelis sent warships through Straits Tiran he would, as lawyer, feel Egypt justified in stopping Israeli commercial shipping in Canal, on grounds that warship in Egypt's claimed territorial waters had obvious appearance of hostile act which would entitle Egypt to assert its belligerency by stopping enemy shipping through Canal. He therefore hoped US at appropriate time might use its influence to persuade Israelis of wisdom of not pushing this issue at this time.

199. Letter From the Secretary of State to the Representative at the United Nations (Lodge)¹

Washington, March 6, 1957.

DEAR MR. AMBASSADOR: You have asked me to set forth the position which the United States has taken in discussions with Israeli representatives with respect to certain aspects of the statement concerning Gaza made at the General Assembly by the Israeli Foreign Minister on March 1.

In her statement, Mrs. Meir set forth certain assumptions, hopes and expectations in connection with the Israeli withdrawal from the Gaza Strip in accordance with the General Assembly Resolution (1) of February 2. She also stated, but not as an "assumption or expectation" that "it is the position of Israel that if conditions are created in the Gaza Strip which indicate a return to the conditions of deterioration which existed previously, Israel would reserve its freedom to act to defend its rights".

In your own statement of that date, you took note of the declarations by Mrs. Meir and stated that "For the most part, the declarations constitute, as we understand, restatements of what has already been said by this Assembly or by the Secretary General in his reports, or hopes and expectations which seem to us not unreasonable in the light of the prior actions of this Assembly".

Following this session of the General Assembly, the Ambassador of Israel discussed with me on March 2 and March 3 the extent to which the United States would support or understand Israel's position with respect to the circumstances in which Israel would feel that it had the right to act under Mrs. Meir's declaration quoted above. In these discussions with the Israeli Ambassador there was an often expressed desire on the part of his Government that the United States should in some way acquiesce in the view that Israel's "rights" would include the right forcibly to reoccupy the Gaza Strip if Egyptian administration recurred in any form or to any degree. I constantly made it clear that the United States could not accept this thesis. We naturally could not object to Israel in the future exercising its "rights" but we refused to agree in advance as to what its rights might be under various hypothetical conditions. We adhered scrupulously to the position set out by you in your statement that "It is the view of the United States that from a juridical standpoint the future of the Gaza Strip must, as the Secretary General said, be worked out within the framework of the Armistice Agreement.

¹ Source: Department of State, Central Files, 674.84A/3-657. Confidential. Drafted by Rountree.

"Obviously these matters are not for the United States alone to decide, but the United States can, I think, properly entertain the hope that such a useful role for the United Nations and its appropriate subsidiary bodies as the Secretary General has described could usefully continue until there is a definitive settlement respecting the Gaza Strip or some final general agreement between the parties."

I also recall your statement as follows:

"If, following the Israeli withdrawal, there should be any recurrence of hostilities or any violation by either party of its international obligations, including those of the Armistice Agreement, this would create a situation for United Nations consideration. The United States would consult with other members of the United Nations to consider appropriate action which they or the United Nations might take with the object of restoring peace and harmonious relations in conformity with the principles of justice and international law."

I steadfastly informed the Ambassador that I felt the matter should be left to stand as described in various public documents, notably your speech in the General Assembly of March 1 and the President's letter of March 2 to Prime Minister Ben Gurion in which he said with respect to the hopes and expectations voiced in the speech of the Foreign Minister of Israel and others based on resolutions of the General Assembly: "I believe that it is reasonable to entertain such hopes and expectations and I want you to know that the United States as a friend of all the countries of the area and as a loyal member of the United Nations will seek that such hopes prove not in vain."

Sincerely yours,

John Foster Dulles²

² Printed from a copy that bears this stamped signature.

200. Letter From Foreign Minister Meir to Secretary of State Dulles¹

March 6, 1957.

DEAR MR. SECRETARY: I received your personal telephone message through the Embassy on Monday for which I thank you very much.²

I appreciate the sustained interest which you have shown in this problem. The many long hours which you have devoted to studying the questions involved and your dynamic effort to reach practical solutions have been a major factor in the progress that has been made. I think that we were in agreement that decisive weight and importance is to be attached to President Eisenhower's letter to the Prime Minister of March 2 and to his assurance that he will seek that the expectations and hopes which I expressed on March 1 shall not be in vain. This assurance has been a decisive element in my Government's action.

Ambassador Eban will work closely with the Department of State to maintain cooperation on the objectives set out in President Eisenhower's letter of March 2, your memorandum of February 11, and in my address of March 1, which was so fully and carefully considered with you.

We venture to hope that there will be speedy action to give effect to the readiness of the United States to exercise free and innocent passage in the Gulf of Aqaba.

On the question of Gaza, I urge the most serious consideration of the point which Ambassador Eban explained to you last Thursday³ night, and again on Saturday and Sunday. If the United Nations does not maintain full military and administrative control, the situation could speedily get out of hand. It is a compelling element of my Government's policy to ensure that Gaza, for the transitory period described in my statement, continue under the exclusive control of the United Nations.

The abandonment to Egypt by the United Nations of any part of its responsibility for the civil and military administration of the Gaza area would create, in the view of my Government, a situation which

¹ Source: Department of State, Central Files, 674.84A/3-657. Personal. Typed on the stationery of the Israeli Delegation to the United Nations. Delivered to the Department of State by Eban on March 9; see telegram 860, Document 208.

² Reference is presumably to a telephone conversation which Dulles had with Shiloah at 6:10 p.m. on March 4. According to the memorandum of conversation by Bernau, Dulles told Shiloah, among other points, that he was very gratified about the Israeli withdrawal and that the United States had sought to do what was right. (Eisenhower Library, Dulles Papers, General Telephone Conversations)

³ February 28.

would compel it to defend its rights as envisaged in my statement at the General Assembly on March 1, 1957. This is a situation which I fervently hope will not arise.

It is our view that Egypt, which proclaims and practices a "state of war" forbidden by the 1949 Armistice Agreement cannot legally claim a return to Gaza on the grounds of that agreement. But irrespective of any views on the legal position, we agreed that an arrangement for a "de facto exclusion of Egypt" would meet the very vital security problems of the area, and it was this that my Government had in mind when it took its decision.

I do not doubt, Mr. Secretary, that you will understand our anxieties and determination on this point in the light of the tribulations to which my people were exposed for so many years during the Egyptian occupation of the Gaza area.

I hope that there can now be a quietening down period during which we can turn to constructive tasks. Ambassador Eban will be in touch with the Department on many aspects of direct United States-Israel cooperation which have been in abeyance since the end of October, through our preoccupation with other matters.

May I wish you success in your present mission and in your tireless efforts for world peace.⁴

Yours sincerely,

Golda Meir

⁴ In a letter to Meir on March 14, Acting Secretary Herter acknowledged receipt of Meir's letter, stated appreciation for her expressions of gratitude to the Secretary, and restated briefly U.S. positions on Aqaba and Gaza. Herter reminded Meir that, while the United States foresaw no obstacles to the passage through the Gulf of Aqaba by ships of U.S. registry proceeding on commercial voyages to ports in the Gulf of Aqaba, it differed with the Israeli Government on the subject of Gaza, as the United States did not feel that "the mere presence of Egyptian personnel in territory which under the Armistice Agreement Egypt is entitled to occupy would give Israel the right to act". According to Herter, the United States maintained that "arrangements for the administration of Gaza must be within the legal framework brought about by the Armistice Agreement," although it was the American desire "that the United Nations remain in Gaza pending an agreement on the future of that area or a permanent settlement." (Department of State, Central Files, 674.84A/3-657)

201. Message From Prime Minister Ben Gurion to President Eisenhower¹

Jerusalem, March 7, 1957.

DEAR MR. PRESIDENT: Now that we have evacuated the whole of the Sinai Desert, as promised in my letter to you of 8 November, and in addition also the Gaza Strip, which in my profound conviction—for both political and security reasons—we ought not to have had to evacuate, permit me to say to you that we have done so largely on the strength of your letter to me of 2 March, in which you expressed your belief that “Israel will have no cause to regret” her action, and that the “hopes and expectations” voiced by our Foreign Minister will “prove not to be vain”.

I need not say how much we value the continuance and deepening of the friendship between the United States and Israel, and how great is the esteem in which all of us, and I myself in particular, hold you as a noble and moral personality. And I should like to tell you why we found it so difficult, as you indicate in your letter, to evacuate the Gaza Strip. During the past four months, for the first time in eight years, the settlers in our villages in the South and the Negev have been able to live in peace, in the knowledge that grenades would not be thrown into their houses during the night, and that they would not be shot at from ambush when they went out to till the fields by day. These pioneers are some of our finest young people, who have left behind well-to-do families in Haifa and Tel Aviv, given up their studies after high-school, and gone out to live on the frontier facing danger in order to settle the wasteland. You will understand why since yesterday our hearts are heavy, and the peace of mind of our settlers is shaken. Our anxiety is the greater lest the U.N. Secretary-General, out of merely formalistic interpretations of his own, may seek to bring the Egyptians back to Gaza, which never belonged to them. We have, however, relied on your attitude as expressed in your letter, and on your belief that the hopes and expectations expressed by our Foreign Minister will not be vain.

¹ Source: Department of State, Central Files, 674.84A/3-1157. Secret. Transmitted to the Department of State in telegram 1054 from Tel Aviv, March 7, received at 5:42 p.m., March 8. Telegram 1054 also contained the following comment: “At Ben Gurion’s request I [Lawson] saw him in his office in Jerusalem at 6:30 this evening [March 7]. He handed me his reply to President’s March 2 letter. Foreign Office is keeping text and contents strictly confidential and will not release to press. Only fact reply has been given me will be announced. Ben Gurion’s oral comments in elaboration his letter will be reported in separate telegram.” The “separate telegram” is telegram 1056, Document 204. A copy of telegram 1054 in the Eisenhower Library, Whitman File, Dulles-Herter Series bears Eisenhower’s initials. The signed copy of Ben Gurion’s message was transmitted to the Department of State in despatch 454, March 11. (*Ibid.*, International File)

I am confident that we shall, in your own words, have no cause for regret.

I also believe that the statements made by yourself and your Secretary of State, Mr. John Foster Dulles, on Akaba and the Straits of Tiran will in the very near future become a lasting reality.

You may be assured, Mr. President, that we for our part will cooperate fully in your efforts to bring peace to our area, for the benefit of all its people, and for world peace.

With best wishes,
Yours sincerely,

D. Ben-Gurion

202. Memorandum From the Director of the Executive Secretariat (Howe) to the Acting Secretary of State¹

Washington, March 8, 1957.

THE PRESIDENT'S INTEREST IN CURRENT EGYPTIAN DEVELOPMENTS

General Goodpaster called to report that the President, after reading the reports from the Department and intelligence reports, had said that he would like to know from the State Department "exactly what we are going to ask from Egypt", whether we have yet made it known to Egypt, and, if not, how we plan to make it known to Egypt. He wished to know also "what steps we plan to take if Egypt resists".

I explained to General Goodpaster that we were currently taking a hard look at this very problem of "next steps" on an urgent basis. General Goodpaster said that he thought the President would be interested in knowing the nature of the problem as we visualize it and the manner in which we are planning to attack the problem, if we could not give him the complete answers to his question.

In terms of timing, General Goodpaster thought that the President would like to set up a meeting with you this afternoon "if you had something to tell him". He said that he would like to hear from me as soon as possible whether such a meeting is probable.

¹ Source: Department of State, Central Files, 611.74/3-857. Christian A. Herter was Acting Secretary in Dulles' absence at the SEATO Council meeting at Canberra.

I have reported this to Ambassador Dillon who says that he is meeting with Messrs. Phleger, Rountree and Wilcox at 11:00 a.m. and that he would be able to report fairly soon the recommendations of this group on the requested meeting.

H

203. Memorandum of a Conference With the President, White House, Washington, March 8, 1957, 4:16-4:50 p.m.¹

OTHERS PRESENT

Governor Herter
Ambassador Dillon
Mr. Rountree
Mr. Phleger
General Goodpaster

The President said that the reason he had asked State for a summary of what we are asking of Egypt, how we are making it known, and what would be done if they oppose us, was that he had received a report he did not like from Ambassador Whitney earlier in the day.² Whitney reported that Lord Salisbury had told him that the British public opinion was "simmering" and was likely to explode if the Egyptians required tolls to be paid to them directly for Suez passage—even if the United States opposed the Egyptian action. There were certain features of pressure almost amounting to blackmail in this.³

¹ Source: Eisenhower Library, Whitman File, Eisenhower Diaries. Secret. Drafted by Goodpaster on March 9. The time of the meeting is from the record of the President's Daily Appointments. (*Ibid.*) Another memorandum of the conversation by Rountree is in Department of State, Secretary's Memoranda of Conversations: Lot 64 D 199.

² Rountree's memorandum of conversation identifies the telegram as telegram 4686 from London, March 6. (*Ibid.*, Central Files, 974.7301/3-657)

³ The following day, the Department of State dispatched the following message to the Embassy in London: "You should make it clear to Salisbury and others who may comment to you in same vein that US is doing everything possible to achieve just and fair solution of this problem. While it may not be advisable for you to over-emphasize fact that we responded promptly and generously to sterling crisis, this fact nevertheless shows our concern for and readiness to help in solving British problems, and we would hope that British would bear this in mind as an indication of US feeling toward Great Britain.

"Finally, it would be well to point out that we have no magic means to compel Egypt to accept solutions which we desire and that such solutions can only be reached by patient and persevering negotiation which is the course we are following and will continue to follow." (Telegram 6231 to London, March 9; *ibid.*)

Mr. Rountree reviewed a memorandum that had been prepared in draft in answer to these questions.⁴ In the discussion which took place as the memorandum was presented, Mr. Phleger recalled that the United States, together with the British, French and Norwegians, had given a proposition to Hammarskjöld for him to present to the Egyptians with the hope that they would put it forward as their own. The British, however, broke the story in London presenting the proposition as a "demand" upon Egypt. Apparently they did this for domestic political reasons, but their action has greatly lessened the chances of achieving an effective solution.

At a later point in the discussion it was suggested that, with Israel now in compliance with the United Nations, the Egyptians must take great care as to the propriety of their position. The President agreed, stating that if they do not cooperate, world opinion would mount against them. He recalled that because of the pressure that had to be put on Israel, the Israelis have lost a great deal of sympathy and support in the United States and elsewhere.

The President questioned closely the statement that we "hope" Egypt will stay out of Gaza, indicating that he thought we were committed to more than that. Mr. Rountree said that the United States made clear throughout that we were seeking a de facto non-return of Egypt to Gaza and that we could not and would not go further than that. Governor Herter referred to a statement by Hammarskjöld which "assumed" that the UNEF and UNRWA would handle the Gaza situation alone for the time being.

With regard to the interim Suez arrangement, Mr. Phleger said that Egypt may put the matter on a first-come, first-served basis. He said the Secretary wants to pay tolls to the SCUA, and let the SCUA make payments to Egypt, thus creating a body which can bargain with Egypt.

The President said that he thought our influence should be devoted to getting Egypt to make a proposal. He thought we have been compromised by the premature British release, which is all the more provoking because anything we try to do now may result in the British saying that we are "reneging" on them.

G

Brigadier General, USA

⁴ According to Rountree's memorandum of conversation, at Herter's request Rountree gave the President an oral briefing in response to the three questions. Subsequently, the briefing was put in memorandum form and sent on March 9 to Goodpaster. The memorandum is printed as Document 206.

204. Telegram From the Embassy in Israel to the Department of State¹

Tel Aviv, March 8, 1957—3 p.m.

1056. Reference Embtel 1054.² After handing me his reply to President's March 2 letter Ben Gurion said he wished add few words to what [was] in letter.

On Straits of Tiran he said Government of Israel thought it reasonable withdraw after studying February 11 Aide-Mémoire, reports of Eban discussions with Secretary and declarations various states at United Nations although he had found Lodge statement "very disappointing". Government of Israel now sees freedom of navigation in Straits and Gulf of Aqaba "more or less assured." He indicated belief General Assembly Advisory Council must decide on question withdrawal UNEF from this area and implied he thought conditions permitting withdrawal unlikely prevail.

Regarding Gaza, Ben Gurion said Israel should not have evacuated area and that best solution to problem would have been joint Israel-United Nations Administration. He reviewed in familiar terms Egyptian violations of GAA and emphatically restated his view GAA now dead letter and no longer in force. In any case Egyptians must never return to Gaza . . . ³ "We don't accept Lodge view of this". He added "I didn't promise President to evacuate Gaza in my letter November 8" since Gaza not Egyptian territory. UNEF occupation of Gaza he said may be only "smoke screen" under cover of which Egyptians will return. Even if this not case UNEF alone cannot prevent border troubles since even Israel administration alone could not. Nevertheless Israel had had to evacuate Gaza and had arrived at this decision on strength of President's letter March 2. In deciding on withdrawal he had taken upon himself and his colleagues great historical responsibility. He added firmly that if anything happens Israel has right defend itself and will do so . . . "If we drove Egyptians out once we can do it again".

He emphasized at some length feeling of insecurity which now returned to Israel border settlements and said government and he personally had reassured settlers simply on basis of belief in word of United States. "While there is no clear undertaking still we feel President gave us assurances".

¹ Source: Department of State, Central Files, 674.84A/3-857. Secret; Priority; Presidential Handling. Received at 3:21 p.m. A copy of the telegram in the Eisenhower Library, Whitman File, Dulles-Herter Series bears Eisenhower's initials.

² Telegram 1054 transmitted Ben Gurion's message to Eisenhower, Document 201.

³ All ellipses in this document are in the source text.

Ben Gurion asked me particularly to convey to Department his conviction there must be no return of Egyptians to Gaza. Again he noted there no clear undertaking on this point by United States but he relied heavily on belief that United States would do what it could to prevent their return.

Turning away from security problems Ben Gurion then introduced subject of return to normal economic relations. He noted Exim Bank negotiations had come to a halt with Sinai campaign and expressed hope there would be early resumption these negotiations. He also said "we really expect American ships will come to Eilat as was promised by Lodge". The arrival of ships including tankers would mean that Tiran in fact was free passage and that right of innocent passage had been established.

Speaking in broad terms Ben Gurion said he wanted soon to propose to Knesset deep water port at Eilat, construction of railroad through Negev as well as Roxos and if possible larger oil pipeline to Haifa or Wadi Sucreia. "I hope United States will take part in these projects".

With regard Gaza border security problem I remarked it had once been proposed to erect patrolled double fence along border. In response Ben Gurion said this had once been proposed by Israel but rejected by Egypt. He had just met with general staff and told them to prepare plan for defense border settlements and he expected to have plan in about week or 2. He did not know whether such fence part their planning.

I told him I thought he had done statesmanlike job (in accepting our advice to withdraw in accordance with United Nations resolution) in face of his existing difficult domestic position. He had been able to convey effectively to his people confidence he enjoyed. I added that I sure he would find that his confidence well justified and his decision a proper and realistic one. Ben Gurion said "speaking personally" he had mixed feelings. He referred again to people living in Gaza border settlements as "best we have" and said he had acted against their feelings which he shared. But he only did so "because it had to be done." Only history would tell whether his decision had been correct but he sure it would work out if President is right and Israel has no cause for regret. In conclusion Ben Gurion repeated as he has frequently before that he had met President "when he was only General" and that he took away impression that President is "man upon whom you can rely".

Comment: Ben Gurion relaxed but showed real emotion when he spoke of insecurity of Gaza border settlers a point he underscored heavily as he evidenced his concern for them and his special responsibilities for their security. They so essential to his fundamental philosophy of Negev settlement and basic combined social-military program

which bear his trade-mark that he probably more uneasy as to wisdom of withdrawal decision in that relation than in any other respect domestically. I noted he again returned emphatically to his insistence in connection with Gaza particularly that GAA with Egypt is dead . . . killed by Egyptian violations over long period of time . . . and Israel would no longer recognize its existence. He again underscored points contained in his letter i.e. Egypt must not return to Gaza and that Israel reserved right defend itself if threatened from Gaza. In making these points clear he firm but not emotionally emphatic. Throughout entire conversation he referred again and again to his confidence in President and very strong influence of encouraging phrases appearing in President's letter. Although he may well have been greatly influenced by those factors it is not inconceivable that he also double underscoring them for the record and for politico-tactical reasons.

Lawson

205. **Telegram From the Department of State to the Secretary of State, at Canberra**¹

Washington, March 8, 1957—8:06 p.m.

Tedul 5. For Secretary from Acting Secretary.

1. At his request, I saw the President today with Rountree, Dillon and Phleger to discuss Egyptian situation including Canal, Gaza, Tiran, etc. At his request we outlined what we seek from Egypt, how we have made known what we would like, and steps which might be taken if Egypt does not undertake measures desired. I do not believe that he was seeking any specific conclusions nor did we reach any.

2. You will have seen the SYG report of this afternoon and Lodge's following statement.² We felt here and Lodge agreed that since SYG had not specifically mentioned subject of troops on both

¹ Source: Department of State, Central Files, 674.84A/3-857. Secret. Drafted by Howe, cleared with Rountree, and approved by Howe. A copy of this telegram, *ibid.*, Conference Files: Lot 62 D 181, CF 847, bears the marginal notation: "Sec saw".

² For texts of Hammarskjöld's report (U.N. doc. A/3568) and Lodge's remarks at the 668th plenary meeting of the General Assembly on March 8, see *United States Policy in the Middle East, September 1956-July 1957*, pp. 342-346, and Department of State *Bulletin*, April 1, 1957, pp. 543-546. In his report, Hammarskjöld affirmed that Israel was in full compliance with General Assembly Resolution 1124 of February 2 and had withdrawn behind the Israeli-Egyptian Armistice Demarcation Line.

sides of border preferable have Lodge support SYG's statement and not himself raise question. We are satisfied that SYG position on this point and our own are adequately clear and on the record.

3. In conversation today, Lodge told me SYG was uncertain whether he would proceed Egypt Monday or week from Monday. He expects momentarily to receive from Fawzi Egyptian position re interim canal arrangements. If this reasonably satisfactory, he would hope delay visit for another week in order provide "cooling off" period in Gaza, particularly since he confident Egyptians will make no immediate move re Gaza. We are emphasizing urgency of visit unless entirely satisfactory interim agreement can be made here, which would involve more than unilateral Egyptian declaration.

4. Eban is coming in tomorrow morning at his request. Meanwhile, Ben Gurion's reply to the President's message of March 2 which was made public has just come in and we are repeating to Canberra. I shall probably emphasize to Eban the importance of having some UNEF on the Israeli side of the border and that acceptance of this is quite definitely in Israeli interests. In view Ben Gurion's repeated statements to Lawson when letter handed to him March 7, that Armistice Agreement is "dead letter", I plan also to restate our attitude concerning relationship existence Agreement to claim that Egypt cannot legitimately exclude Israeli shipping through Straits and Canal.

I hope that you had a pleasant and not too exhausting trip out and that the conference goes well.

Herter

206. **Memorandum by the Officer in Charge of Israel-Jordan Affairs (Bergus)**¹

Washington, March 8, 1957

UNITED STATES OBJECTIVES AND POLICY FOR EGYPT

I. United States Objectives With Respect to Egypt

Our long term, broad objectives with respect to Egypt are the restoration of close relations with an Egypt which lives up to its international obligations, recognizes the advantages of close relations with

¹ Source: Eisenhower Library, White House Central Files, Suez Canal Crisis. Secret. Drafted by Bergus on March 8. Herter transmitted the memorandum on March 9 to the White House with a copy of a memorandum of a March 9 conversation between Eban

the West and is prepared to curtail its relationships with the USSR. Specifically, this would involve on Egypt's part satisfactory arrangements regarding the Suez Canal, scrupulous observance of the Armistice Agreement with Israel, cessation of anti-Western propaganda, an end to attacks on the Baghdad Pact, and termination of efforts to establish Egyptian domination of neighboring countries, undermining for this purpose established regimes.

It will obviously require a considerable period to attain these objectives. There are few prospects of an immediate reorientation in Egypt's basic attitudes. Therefore, it is necessary to proceed step by step, disposing of immediate pressing issues working by this process towards an eventual overall betterment of relations.

In the short term, two problems are paramount: 1) Satisfactory arrangements regarding the Suez Canal; 2) Implementation of the recent United Nations resolutions, and the reports made by the Secretary-General in conjunction with them, regarding the Israel-Egyptian situation.

Suez Canal. Egypt has now agreed to resumption of work on clearance which should be completed within two weeks. The immediate need is Egypt's acceptance of interim arrangements along the lines of the US-UK-Norwegian-French proposal recently given to Secretary-General Hammarskjold for transmission to Egypt. The principal points are:

- 1) Payment of Canal tolls to a neutral agency, perhaps the IBRD;
- 2) Only 50 percent of the funds accruing to be turned over to Egypt, the remainder being held by the agency for disposition in connection with a final settlement;
- 3) That the operation of the Canal, pending a final settlement, will be in accordance with the Six Principles.

Israel-Egyptian Situation. The immediate requirements are: 1) Strict observance of the Armistice Agreement; 2) elimination of the Fedayeen raids into Israel; 3) acquiescence in continued United Nations administration of the Gaza Strip pending an agreement on the future of the Strip or a permanent general settlement; 4) acquiescence in the passage of Israel ships as well as the ships of other countries through the Straits of Tiran and the Suez Canal, in the absence of a contrary opinion by the International Court of Justice.

and Herter (see telegram 860, Document 208). In the covering memorandum, Herter described the memorandum as "a written summary of the oral briefing" Rountree gave on March 8 to the President (see Document 203). A marginal notation by Goodpaster on the covering memorandum indicates: "President informed of substance".

Copies of this memorandum are attached to the memorandum of conversation by Rountree of the White House conversation on March 8; see footnote 1, Document 203.

We also seek from Egypt in the period immediately ahead acceptance of the objectives of the President's proposals on the Middle East or at least absence of opposition to them.

II. How We Have Made Known to Egypt the Actions We Would Like To See Egypt Take

A. General Steps

On December 15, 1956, Ambassador Hare, in response to instructions from the Department, met with Nasser for three hours, to set forth the steps the United States would like to see Egypt take. The Ambassador recalled the benefits which had come to Egypt as a result of the strong United States action at the time of the invasion of Egypt, action which placed the United States in the position of strong opposition to the policies of its oldest friends, the United Kingdom and France. The Ambassador asked Nasser to take the following steps:

1. Offer full cooperation in the urgent clearance of the Canal.
2. Offer full cooperation in the renewal of negotiations on a future Canal regime.
3. Place no obstacle in the way of fulfillment by the United Nations force of its responsibilities under the November 2 General Assembly Resolution in Egypt.
4. Take effective measures to prevent Fedayeen operations.
5. Cease operations by Egyptian agents in violation of the sovereignty and authority of neighboring states and cease inflammatory radio attacks on these states.
6. Move toward the settlement of outstanding problems between the Arab states and Israel.

The Ambassador made clear that the United States believed it had the right to ask Egypt to do these things in the interests of peace and stability in the area.

On February 15, 1957, Ambassador Hare had another long conversation with Nasser on American-Egyptian relations, pointing out that we had done just about all we could to show our good faith, without appropriate response from Egypt.

On both these occasions, Nasser's reaction was defensive and evasive. He took occasion to refer to United States actions which he regards as unfriendly and not indicative of good United States intentions toward Egypt, such as the continued freezing of Egyptian funds, and the suspension of United States aid programs. He also stressed Egyptian determination to follow a foreign policy of "positive neutrality", or non-alliance. He maintained that Egypt had no choice but to turn to the Soviet Union for economic assistance if this were cut off by the West.

B. Interim Regime for Operation of the Canal

We have reached agreement with the British, French and Norwegians on the elements of an interim arrangement governing the operation of the Suez Canal, which we consider to be consistent with the Six Principles endorsed by the Security Council and with the 1888 Convention and which we hope, if it is agreed by Egypt, will lead to a permanent settlement on the same basis. We have forwarded this plan to the UN Secretary General, who has given it to the Egyptians but who has not yet received any specific comment from them on it. However, the Egyptian Foreign Minister in New York has adopted an optimistic attitude toward an interim Canal arrangement and has expressed the opinion that Cairo will in the next few days forward suggestions for such an arrangement in the form of unilateral declaration by Egypt. We do not view this development with confidence and have pointed out to the Secretary General the need for a firm agreement with Egypt based on our suggestions for an interim arrangement. We have also suggested that the Secretary General should in the near future proceed to Cairo to secure the necessary Egyptian agreement from Nasser.

C. Discussions with King Saud and Response to Four Power Memorandum

During the visit of King Saud, we fully discussed with the King the current status of United States-Egyptian relations, in response to his own request. We clearly pointed out to him the steps which we would like to see Egypt take, and we assured him that if Egypt would adopt a constructive attitude on these problems we were certain that progress could be made toward establishing a more cordial relationship between Egypt and the United States.

The King brought with him a memorandum from the Chiefs of State of Jordan, Egypt, Syria and Saudi Arabia, which largely reflected Egyptian views. The memorandum dealt in general with relations between the Near East and the West. We gave to King Saud for transmission to the same Chiefs of State a written reply to this memorandum. In this, we referred to the need for cooperation to assure progress toward the solution of the Palestine issue and for implementation by Egypt, through an agreement, of the principles of the 1888 Convention and the Six Principles agreed on in New York governing the operation of the Suez Canal. In the same reply we reviewed the problem of economic relations between the United States and Egypt, with particular reference to the Egyptian funds frozen in this country. We indicated the obstacles standing in the way of the solution of these problems. King Saud delivered copies of this reply to Nasser and the other Chiefs of State.

D. The United Nations

In the United Nations recently we have clearly set forth our desires and opinions regarding such problems as freedom of transit through the Suez Canal, the right of innocent passage through the Straits of Tiran and the Gulf of Aqaba, and the status of the Gaza Strip. We can have left no doubt in Egypt's mind that we favor free transit through the Canal for all nations including Israel, that we believe the Gulf of Aqaba comprehends international waters and that the ships of all nations, including Israel, have the right of free and innocent passage through the Straits of Tiran and the Gulf, and that while we agree that Egypt has the rights of occupation in the Gaza Strip accorded it by Egyptian-Israeli Armistice Agreement, we believe that Egypt should not exercise those rights for the time being in the interests of peace and security of the area, and should acquiesce in the United Nations' administering the Strip.

E. Approaches in Washington

In informal conversations with officers of the Embassy of Egypt, officers of the Department of State have from time to time discussed problems outstanding between the United States and Egypt and have indicated ways in which these could be solved.

III. Steps Which Could be Taken if Egypt Does Not Undertake the Measures Desired by the United States

Before proceeding to a discussion of this point, it is important to set forth three considerations. First a boycott of the Suez Canal is not practicable. A wealthy nation like the United States might be able to stand the expense of diverting its ships around the Cape, but the European nations, and particularly those with heavier traffic through the Canal than we have, could not afford on any long-run basis to do this. Secondly Egypt, a poor country which for centuries has had an extremely low standard of living, is not, except possibly over a relatively long period of time vulnerable to economic and political warfare measures which would in the case of other countries, and particularly those highly dependent upon foreign trade and assistance, be effective. Thirdly, the USSR would no doubt increase its already sizeable assistance to Egypt should the latter become desperate in the face of long term sanctions by a group of nations.

A. Continue our Present Policy

If Egypt does not take the steps we would like to see her take, obviously we will not do the things we could do if Egypt adopted a constructive attitude. In the latter case we could take such steps as: remove restrictions on tourist travel; release blocked Egyptian funds;

resume economic assistance and technical aid, including PL 480 surplus agricultural products; resume the CARE program; terminate export licensing restrictions on goods destined to Egypt; and finance repair or replacement of Suez Canal equipment and assist in widening and improving the Canal. We know that our present policy of correct but unhelpful relations with Egypt has caused Nasser great concern, particularly in view of the deteriorating economic situation in Egypt. However, it is not likely that the continuation of this policy will have the desired effects *in the short run*.

B. Direct Approaches to the Egyptian Government

If Egypt fails to do what we would like, we would doubtless wish to make new high level approaches in order strongly to request constructive action. Any such approach probably should include an indication of what the United States might be prepared to do in response to favorable Egyptian action.

C. Recourse to the United Nations

If Egypt fails to cooperate on problems involving threats to world security, such as obstructing passage through the Straits of Tiran for Israel, and raids from the Gaza Strip or elsewhere into Israel, we would doubtless raise these matters urgently in the United Nations. We could bring them first before the Security Council, and if frustrated there by the Soviet veto, we could have recourse to a special session of the General Assembly. Measures which might be proposed in this process would depend upon the circumstances, but they might include an attempt to institute sanctions against Egypt, although as it has been pointed out above these would not likely be effective in the short run, nor is it certain that sufficient support for sanctions could be obtained. An important consideration in this connection is that Egypt has occupied a favorable position in the United Nations' consideration of the problem of military action against Egypt, being portrayed as the relatively innocent victim of aggression. Egypt would be reluctant to be placed in the role of the villain and might assume a conciliatory attitude to avoid such a situation.

D. Mobilization of World Opinion

In the cases described in C above, we would doubtless seek to exert moral pressures against Egypt through the United Nations and by means of appropriate action taken in this country and abroad.

E. Administrative Return of Egypt to Gaza

If Egypt seeks to reassume the administration of Gaza, she would be exercising her rights under the Egyptian-Israel Armistice Agreement, rights which we believe that Egypt is entitled to. We would seek to dissuade Egypt from taking this action in view of the threat to the peace of the area inherent in it. If, however, Egypt proceeded and did not bring her armed forces into Gaza or engage in any way in hostile action against Israel from there, a threat to the peace would not exist and we would seek to persuade Israel of this.

F. Canal Tolls

We should seek to create an arrangement whereby the nation members of the Suez Canal Users Association would agree to pay their tolls to the Association which would in turn pay to Egypt or to the agent designated by Egypt, pursuant to an interim arrangement, the sum necessary to obtain passage of the ships. We should also try to persuade as many additional nations as possible to become members of SCUA and follow the same procedure with respect to tolls, in order to avoid a situation whereby individual nations followed separate policies vis-à-vis Egypt.

United States Diplomacy and Developments Subsequent to the Israeli Withdrawal, March 9–December 31, 1957

REESTABLISHMENT OF AN EGYPTIAN PRESENCE IN GAZA; HAMMARSKJOLD'S EFFORTS AT MEDIATION; ANGLO-AMERICAN DISCUSSIONS AT BERMUDA; REOPENING OF THE SUEZ CANAL; U.S. EFFORTS TO ALTER THE EGYPTIAN DRAFT DECLARATION ON THE SUEZ CANAL; THE NORTH ATLANTIC COUNCIL MEETING AT BONN; SCUA CONSIDERATION OF THE CANAL QUESTION; SAUDI CONCERN OVER THE GULF OF AQABA; QUESTION OF A SUEZ INTELLIGENCE FAILURE; BRITISH DECISION TO RESUME TRANSIT OF THE SUEZ CANAL, MARCH 9–MAY 13

207. Editorial Note

On March 9, while signing into law the Middle East Resolution which had been adopted by the Senate on March 5 and by the House of Representatives on March 7, President Eisenhower announced that Congressman James P. Richards would leave for the Middle East on March 12, as the head of a special mission to explain the Middle East Resolution to leaders in the region. (Department of State *Bulletin*, March 25, 1957, page 480) The previous January, Eisenhower had appointed Richards to the post of Special Assistant to the President with the personal rank of Ambassador, and had commissioned him to head a special group of State Department, Defense Department, and International Cooperation Administration officials, who would advise the President and help implement Middle East policy. Documentation concerning the origin and focus of the Richards' mission as a whole is scheduled for publication in volume XII. Briefing papers prepared for the mission, telegraphic reports related to Richards' travels, and other pertinent documents are in Department of State, Central Files 120.1580.

208. Telegram From the Department of State to the Embassy in Israel¹

Washington, March 9, 1957—3:30 p.m.

860. (Following based on memo conversation unclassified by Acting Secretary.)² Eban called his request Acting Secretary March 9. Handed letter from Israel Foreign Minister to Secretary³ expressing appreciation for Secretary's efforts, discussing Aqaba and Gaza, expressing hope for quieting period, and hope US-Israel cooperation in other fields could now be resumed.

Israel hoped US would quickly exemplify its intention to exercise its rights in Gulf Aqaba and send US flag vessel through Straits Tiran. Phleger suggested that Israel approach US shipowners on commercial basis with cargo for delivery to Eilat. If shipowner then asked USG concerning its attitude, we could reply along lines Secretary's March 5 press conference.⁴

Acting Secretary said we had real concern re desirability stationing UNEF on both sides armistice line. While, contrary to press reports, Lodge had not expressed himself on this issue in March 8 GA,⁵ preferring that it not arise as matter of contention, we thought it might be necessary station UNEF on both sides line in order keep UN force in Gaza area.

Eban remarked UNSYG wished proceed area shortly plan next stage in administration Gaza which would follow present military stage. Israel wanted UNSYG put off discussion of next stage which raised difficult juridical questions. Present stage should be fully crystallized through use UNEF civil affairs officers and UNRWA. Eban had discussed this with others and now thought UNSYG saw wisdom of going slowly in matter. He therefore hoped UNSYG would not soon

¹ Source: Department of State, Central Files, 674.84A/3-957. Confidential. Drafted by Bergus and approved by Rountree who initialed for Herter. Also sent to Cairo, USUN, and to Secretary Dulles in Canberra; pouched to London, Paris, Baghdad, Beirut, Damascus, Jidda, and Amman.

² Eban and Shiloah met with Herter, Phleger, Rountree, Wilcox, and Bergus at 10:30 a.m. on March 9. A memorandum of that conversation by Bergus is *ibid.*, 684A.86/3-957, attached to a covering note from Herter to Goodpaster. See footnote 4, Document 203.

³ Document 200.

⁴ The transcript of Dulles' press conference of March 5 is printed in Department of State *Bulletin*, March 25, 1957, pp. 482-489. Excerpts from the press conference pertaining to the Middle East are printed in *United States Policy in the Middle East, September 1956-June 1957*, pp. 333-342.

⁵ For text of Lodge's statement of March 8, see Department of State *Bulletin*, April 1, 1957, pp. 543-544, and *United States Policy in the Middle East, September 1956-July 1957*, pp. 345-346.

make trip. Acting Secretary pointed out US interest in arrangement for Suez Canal and that UNSYG would have make decision about proceeding to area to discuss Suez problem as well as Gaza.

Phleger pointed out section of Armistice Agreement which forbade passage of war vessels within three miles of coastline of other party. We thought would be unwise if Israel attempted move war vessels through Straits Tiran (as Israel reportedly considering). This prohibition would also apply to warships in waters in area of Suez Canal. Mr. Eban said he would have take up this matter. It presented possibility that Israel warships presently stationed at Eilat would be bottled up in Gulf Aqaba. Israel had no intention bringing any more warships into Aqaba. Acting Secretary said there were reports Israel intended bring its warships out. He hoped Israel would not do so since such an act would have unfortunate psychological or practical repercussions as well as raise legal questions.

Eban stressed necessity of urgently raising through test case question of passage of Israel ship through Suez Canal. Citing Egyptian press reports that Egyptian officials still intended exclude Israel vessels, said question should be raised the very day Canal opened. Phleger said we interested in creating at least interim arrangement for use of Canal. Bases for our proposals are 1888 Convention and Six Principles. He thought it would be unwise to precipitate issue Israel shipping at least until we obtained interim arrangement. Eban said Israel would not precipitate issue before interim arrangement had been reached.

Eban referred to matters held in abeyance between two Governments and sought speedy action on FY 1957 economic aid; PL 480 transactions; return of US technicians to Israel; lifting of passport restrictions on tourists; Israel ExImbank loan application.

Acting Secretary said we would give Israel request serious consideration. One of factors had to be our own judgment regarding possibility of resumption hostilities. Risk of hostilities would be inevitable if there were test cases which might precipitate reaction. Eban said Israel would do nothing without consulting US. Only matter on which he had consulted US on today had been passage of US ship through Aqaba. He had merely mentioned Egyptian attitude on Canal.

Acting Secretary stated we disturbed at Ben Gurion's recent remark to Lawson that Armistice Agreement was "dead letter". It was pointed out that whole premise of US positions on Aqaba and Suez had been November 2 UNGA resolution and SC 1951 interpretation of Armistice Agreements as foreclosing rights of belligerency.⁶ Important

⁶ Reference is to the Security Council resolution of September 1, 1951, which called on Egypt to end restrictions on commercial ships passing through the Suez Canal. (U.N. doc. S/2322)

that Israel not attempt to denounce Armistice Agreement but live up to it and insist Egypt do likewise. Eban said Prime Minister's statement had been political and not legal. Shiloah indicated Israelis were working on statement meet US point. Perhaps Israel could re-examine matter now that it was in fact complying with agreement.

Herter

209. Editorial Note

On March 9, the Department of the Navy directed United States Naval forces in the Eastern Atlantic and Mediterranean that no United States Navy or military supply ships would transit the Suez Canal (scheduled to reopen on March 15) until an agreement was reached, satisfactory to the United States Government, regarding tolls and other interim arrangements for the operation of the Canal. These orders were transmitted to CINCNELM in telegram 20522, March 9. (Department of State, NEA/IAI Files: Lot 69 D 488, Suez Canal Settlement 1957)

210. Telegram From the Mission at the United Nations to the Department of State¹

New York, March 11, 1957—2 p.m.

608. Re Palestine. Hammarskjold requested meeting this am to inform us of results his talks with Fawzi prior Fawzi's departure for Cairo this afternoon and latest developments. He began by showing us ticker report from Jerusalem concerning Israeli allegations of resumption Fedayeen raids and report from Burns concerning Egyptian announcement on appointment Governor of Gaza. He said these two developments taken together produced disturbing situation and might well mean reconvening of GA within the week. While Israeli announcement might be to large extent propaganda, the fact they had issued it was ominous.

¹ Source: Department of State, Central Files, 674.84A/3-1157. Confidential; Niact. Received at 2:32 p.m.

During discussion Hammarskjold dealt with various points as follows:

1. Gaza. Hammarskjold gave us text of Egyptian communiqué which he had received from Burns during earlier meeting with Fawzi (Egypt) and which announced appointment of Hassan Abdul as "administrative governor" of Gaza Strip. Communiqué further stated that Abdul should take over immediately as UNEF had overstepped its functions by shooting over heads Arab refugees.

Later in conversation, Hammarskjold pointed out this communiqué did not oppose presence UNEF but referred to its limited functions. Hammarskjold pointed out we had all said in past we could probably not avoid some administrative functions in Gaza strip and communiqué was so worded not to suggest UNEF should leave. Once shooting occurred in Gaza strip UNEF was bound to become political issue.

SYG said he planned to put this move to Advisory Committee² this afternoon and recommend Advisory Committee follow problem and assume responsibility as to whether this requires further action, i.e., should GA be convened.

Hammarskjold said he had talked over this announcement with Fawzi this morning and he said Fawzi "got solid farewell greetings". Fawzi's only answer was to differentiate between an announcement and a policy and to differentiate between UNEF's duty to patrol armistice line and administrative questions.

2. Suez. SYG said he had long unfruitful talk with Fawzi on this question. Fawzi "had not been able to get anywhere from here". Fawzi still thought it was a good idea for SYG to come to Cairo.

SYG said he told Fawzi he thought Egypt should advise us first before taking any action. Hammarskjold said "in blunt simple terms it hasn't been tied up either for or against four-power proposals", but said it was his impression that Egypt was "moving in pattern of four-power proposals".

3. Straits. Hammarskjold said he had "pre-warning" Egyptians may be moving toward use ICJ on question of transit of Straits, not necessarily because they think ICJ will decide in their favor but as a face-saving device. Also he said this was ticklish legal question as straits are both international and yet territorial waters. ICJ could well rule that commercial ships could pass but warships could not.

² General Assembly Resolution 1001 (ES-I), November 7, 1956, established an Advisory Committee, chaired by the Secretary-General and composed of representatives from Brazil, Canada, Ceylon, Colombia, India, Norway, and Pakistan, "to undertake the development of those aspects of the planning for the [U.N.] Force and its operation not already dealt with by the General Assembly and which do not fall within the area of the direct responsibility of the Chief of the Command". For a summary of the resolution, see the editorial note, vol. XVI, p.1053.

Towards the end of discussion Hammarskjold received first part of message from Bunche, saying that he believed Gaza situation required reappraisal. He based this on his observations there during last 24 hours. Rest of message had not yet come in and Hammarskjold agreed inform us of its contents when received.

Lodge

211. Telegram From the Department of State to the Mission at the United Nations¹

Washington, March 11, 1957—7:55 p.m.

689. Re urtel 608.² We are disturbed by reports indicating immediate return of Egyptians to Gaza Strip and appointment Egyptian "administrative governor UN". We agree with SYG thinking that now not time for Egyptians seek resume administrative responsibilities in Gaza Strip, though early return small number Egyptian officers for MAC duty perhaps not unreasonable. We would hope that GOE would demonstrate continued forbearance that has marked its public position in recent past and that, while maintaining its rights, would cooperate fully in implementation measures set forth SYG's report of February 22 as best means assure peace and quiet in area. It will be recalled SYG presented report in expectation there would be reasonable period of time during which practicable arrangements for the Gaza Strip could be worked out by UN.

Please ask SYG whether he would consider it helpful if Department were to instruct Ambassador Hare approach Nasser urging him refrain from any precipitate action that would serve to undo what has been achieved in area.

We would view such US approach as complementary to any made by SYG and in support his own efforts. In view potentially deteriorating situation Gaza we believe US approach to Nasser should be made soonest with view stressing desirability deferring for time being any moves implementing Egyptian control.

If SYG agrees, you should also convey above views to selected members Advisory Committee, urging they also seek persuade GOE continue cooperate fully with SYG as recommended by GA.

¹ Source: Department of State, Central Files, 674.84A/3-1157. Secret; Priority. Drafted by Gamon and approved by Wilcox who initialed for Herter.

² *Supra*.

Re urtel 610³ Dept believes SYG in best position determine, in light Bunche's report and recommendation, desirability immediate trip to Cairo. We inclined agree early trip desirable.

Herter

³ In telegram 610 from USUN, March 11, Lodge reported that, according to Cordier, the remainder of Bunche's message contained a recommendation that Hammarskjöld go to Cairo earlier than planned in light of the Gaza developments. Lodge then expressed his own opinion that it would be best for Hammarskjöld to go immediately to Cairo because "he is in position to tell Nasser things which others may not be able to say, and to leave no doubt in Nasser's mind as to what Egyptian position in world opinion will be if he continues pursue narrow, nationalistic approach." (Department of State, Central Files, 674.84A/3-1157)

212. Editorial Note

On March 12 in New York, Ambassador Lodge discussed with Secretary-General Hammarskjöld the suggested approach to Nasser described in telegram 689 to USUN, *supra*. The Secretary-General indicated his approval of the approach, but also suggested that Hare might speak with Nasser along the same lines as had been sent as instructions to Bunche. Hammarskjöld quoted from those instructions:

"We do not question Egyptians legal right. We consider that no steps should be taken which prejudice a settlement of problems mentioned in the Secretary General's statement in the General Assembly, 22 February, prior to such a settlement. We further consider that if such steps are decided upon they should not be implemented until after the settlement. In the present case we do not deny that a liaison group may be useful or that there should be an Egyptian "administrative" governor in Gaza, but we consider it politically inadvisable, and in relation to us a serious complication, if such administrative arrangements were to be put into effect before an understanding is reached on the whole set of problems regarding future cooperation. . . . I feel you should strive for . . . delay in implementation of all administrative measures until after agreement with me [as] essential if Egypt is not [to] blow its cooperation with UN to pieces." (Telegram 615 from USUN; Department of State, Central Files, 674.84A/3-1257. The ellipses are in telegram 615.)

The Department of State forwarded an account of the Hammarskjöld-Lodge conversation, including the quote from Bunche's instructions, to Ambassador Hare in telegram 2993 to Cairo, March 12. (*Ibid.*)

213. **Telegram From the Secretary of State to the Department of State¹**

Canberra, March 12, 1957—7 p.m.

Dulte 7. For Acting Secretary from Secretary. Have received message from Macmillan² expressing concern Suez tolls situation and seeking "any thoughts which you may feel able to share with us". Have stated this matter being dealt with Washington and undesirable risk crossing wires. My general feeling is that we could bring about reasonable agreement by a negotiation which on one hand offered inducements in way of various relaxations of present pressures and other hand threatened to develop long-term alternatives to canal through northern pipeline, tankers and accelerated atomic development. However, am not clear as to how negotiation could most effectively be conducted and also wonder whether British prepared accept implications of Egyptian acceptance.

Dulles

¹ Source: Department of State, Central Files, 974.7301/3-1257. Secret; Priority. Drafted by Dulles. Received at 7:18 a.m.

² Prime Minister Macmillan had asked the British Secretary of State for Commonwealth Relations, Lord Home, then in Canberra for the SEATO Council meeting, to inform Dulles as to current British thinking on the Suez Canal situation and to elicit Dulles' views. Home's letter to Dulles, dated March 12, 1957, is *ibid.*, Presidential Correspondence: Lot 66 D 204: UK officials corres. with Secy Dulles/Herter 7/54 thru 3/57 Vol I incoming. It bears the handwritten notation: "This is the message referred to in Dulte 7, Mar 12."

In his letter, Home emphasized that Egypt should not obtain complete control over the dues when the Canal reopened, as it would destroy all incentive for Egypt to make concessions. Lord Home posed the question of what action should be taken if Egypt rejected the Four-Power interim proposals. After noting that a boycott would be difficult to organize and would probably inflict more harm on many countries in Europe and Asia than it would on Egypt, Home considered several other means of pressure, the success of which "would seem to depend primarily on the attitude adopted by the United States Government". These included: continued blockage of Egyptian accounts, refusal to extend all forms of economic and financial aid until the Canal matter was properly resolved, and encouraging plans to build larger tankers and new pipelines while reducing the volume of shipping through the Canal.

214. Telegram From the Department of State to the Embassy in Egypt¹

Washington, March 12, 1957—2:15 p.m.

2993. Department deeply concerned reports re Egyptian attitude regarding Gaza. While US has consistently recognized that arrangements following Israeli withdrawal must be within framework legal situation arising from Armistice Agreement, we have placed importance on arrangements, in which Egypt acquiesced, for UNEF administration at least for some time following withdrawal and, we hoped, until there is agreement on future of Strip or permanent overall settlement. While we recognized Egypt might for prestige reasons insist upon some participation, at least symbolic, it obviously of utmost importance Egypt take no precipitate action which in present circumstances would involve grave danger that UN efforts to achieve peace will fail.

You are requested to seek appointment with Nasser soonest and, in foregoing context, urge him refrain from any precipitate action that would serve to undo what has been achieved. We hope GOE will continue demonstrate forbearance that has marked its special position in recent past and that while retaining its rights Egypt will cooperate fully in implementation measures set forth SYG Report February 22 as best means assure peace and quiet in area.

You might discreetly allude fact that recurrence of hostilities or creation new dangerous situation which would call for further urgent consideration by UN might, if Egyptian cooperation in this important matter not forthcoming, place Egypt in position entirely different from that occupied during recent GA discussions. We now have opportunity capitalize upon success of UN in restoring peace and achieving withdrawal occupying forces, in which U.S. played major role and any Egyptian action which would endanger that opportunity would be viewed with grave concern and disfavor by overwhelming majority UN members.

FYI We are urging Hammarskjold proceed immediately to Egypt to discuss with Nasser Gaza question and interim Canal arrangements. We hope his present plans arrive about March 21 will be altered to provide substantially earlier arrival.

Herter

¹ Source: Department of State, Central Files, 674.84A/3-1257. Secret; Priority. Drafted by Rountree, cleared by Wilcox and Phleger, and approved by Herter. Repeated to USUN.

215. **Telegram From the Department of State to the Embassy in Israel**¹

Washington, March 13, 1957—6:02 p.m.

868. Following message based on memo of conversation un-cleared by Acting Secretary:

On urgent instructions from GOI Shiloah called on Acting Secretary 12th to express concern over Gaza Strip developments.² He cited Nasser appointment of Military Governor and recurrence of fedayeen activity from Strip as indicative Egyptian mood and considered alleged tacit UN approval to permit return of Military Governor with civilian staff of 25 as most ominous and indication Egypt intends reoccupy Strip. All this boded no good for security Israel and area. He expressed opinion Nasser and Soviet sponsors did not desire peace in area and Nasser was using return to Gaza as diversion in order open Canal in advance of agreement on regime of Canal. He asked US use influence both with SYG and Egypt to prevent another crisis.

Acting Secretary referred to conversation on 9th with Shiloah and said we anxious no inflammatory action on part of either Egypt or Israel; that we were taking steps to utilize our influence to try prevent any inflammatory action by Egypt and expressed concern saying we doing what we could avoid any move which might aggravate situation.

Shiloah stated he had informed Rountree GOI not planning precipitate test case in Tiran Straits but these overt actions by GOE much more inflammatory than suspected Israeli action.

Shiloah then raised question possibility Danish merchant ship transiting Tiran, saying he hoped USG would find it appropriate raise question with Danish Government as GOI thought US Aide-Mémoire indicated we would give encouragement and join with others to secure recognition Straits as free waterway. Rountree replied both USG and Danes made their positions clear in UNGA. Specific cases would be handled as normal commercial matters. It was not proper for USG take initiative in this matter. If consulted by Danes would say if asked by US ship owners, we would state no objection to US ship transiting Straits and that US ship would be entitled to our protection.

¹ Source: Department of State, Central Files, 674.84A/3-1357. Confidential; Priority. Drafted by Roberts and approved by Rountree who initialed for Herter. Repeated to Cairo and USUN.

² A memorandum of the conversation among Shiloah, Herter, and others, by Roberts, is *ibid.*, 674.84A/3-1257.

Shiloah said FonMin Meir described Israel internal situation as "very, very grave and becoming graver from hour to hour." He emphasized necessity stabilizing situation and preventing surprises by Nasser.³

Herter

³ Also on March 12 in Jerusalem, Foreign Minister Meir summoned Ambassador Lawson to make what she termed a "twelfth hour appeal" for U.S. intervention to avoid the "calamity" of Israel sending its forces back to Gaza. Meir urged that the United States weigh in heavily with Hammarskjöld (whom she claimed was biased against Israel) to prevent the Egyptian return to Gaza. She reminded Lawson that U.S. officials, including Dulles, had approved every part of her March 1 speech to the General Assembly and that Israel had reason to believe that Dulles meant it when he had permitted Israel to assume that there would be a UNEF administration of Gaza for the indefinite future. Lawson forwarded a summary of this conversation to the Department of State in telegram 1076, March 12, with the comment: "I cannot evaluate Meir's remarks in definite terms of probable Cabinet decisions but I am convinced that if decision were hers to make, it would be reoccupation of Gaza if Governor General in fact does show himself there." (*Ibid.*)

216. Telegram From the Secretary of State to the Department of State¹

Canberra, March 13, 1957—noon.

Dulte 9. In private discussion with Menzies² I explained our dilemma re Suez. We do not know and never have known whether UK-French primary objective was to overthrow Nasser or get reasonable canal settlement. US cannot effectively pursue both goals. I said I thought US might accumulate enough inducements to settle reasonably outstanding issues with Egypt but only if thereafter Nasser was eligible to be treated as member in good standing of world community. We don't know whether UK and France accept this or whether they accept economic consequences of not doing so.

Menzies felt that settlement should be sought and Nasser thereafter accepted. He will so express himself to Lord Home.³

Dulles

¹ Source: Department of State, Central Files, 974.7301/3-1357. Secret. Drafted by Dulles. Received at 10:46 p.m., March 12.

² A memorandum of this conversation by Dulles is in the Eisenhower Library, Dulles Papers, General Memoranda of Conversations.

³ Later on March 13 in Canberra, Dulles met with French officials and made the following remarks concerning Nasser and the Canal situation: "The Secretary pointed out that we faced a dilemma in relation to Nasser. If the purpose was to reach a

217. Telegram From the Embassy in Egypt to the Department of State¹

Cairo, March 13, 1957—11 p.m.

2887. Saw Nasser tonight and gave him our views on Gaza situation along general lines of Deptel 2993.²

Essence his reply was "what's all the fuss about?" He had merely taken action following precedent of Port Said and saw no reason why Gaza should be treated differently. He knew, of course, that many ideas had been advanced for some sort of transitional arrangements for Gaza but he had always opposed and, with that in mind, had publicly taken exception to second part of February 22 statement of SYG which he considered vague and liable to lead to misunderstanding. He had also instructed Fawzi to make clear his views in this regard.

That had been his basic thinking. Immediate cause of his announcement had been abrupt refusal of General Burns to allow Egyptian liaison officers to go to Gaza and reports that civilian situation there was getting out of hand, especially as result rumors that Gaza would be placed under international regime. In circumstances he had decided that prompt action was required to dispel uncertainty. In so doing he had acted entirely within his rights and failed to understand what all the commotion was about.

I replied cause perfectly clear. For period of about 5 months now men of good will from most countries of world had been preoccupied with problem created by attack on Egypt and great and heartening progress had been made by cooperative effort in UN. In fact, Nasser himself had told me on several occasions of his original doubts re UN but of his later satisfaction that he had put Egypt's fate in hands of UN. Now, however, just as success of this great experiment is about to be realized, he had taken action brusquely and in such way as to indicate he was taking crack at organization that had saved him. If it was true that he had reached his decision in thinking merely of a little agitation in Gaza and a slight misunderstanding with General Burns, then he had indeed acted in disregard of things far more important and Egypt's reputation could only suffer thereby.

settlement, he believed we had considerable influence to bring it about, but it could only be effective if Nasser believed that having reached a settlement he could live in peace with us. . . ." (Department of State, Secretary's Memoranda of Conversations: Lot 64 D 199)

¹ Source: Department of State, Central Files, 674.84A/3-1357. Secret; Niact. Received at 10:06 p.m. Also sent Niact to USUN. A copy was sent by Howe to Goodpaster for his information on March 13; Howe's covering memorandum is *ibid.*

² Document 214.

Nasser admitted that he had perhaps not considered all implications of the matter but added that there really was not much point in taking Western opinion too seriously since anything he did would be turned against him by the British and French, as well as American press. This was game where cards stacked against him and he just could not win.

After further discussion along lines foregoing in which I endeavored put matter in more rational perspective, I asked Nasser what he intended in fact to do. He said that Governor and 6 officers would go in tomorrow and that Bunche and Burns fully informed. Did I have any suggestions? I said I did and that was to hold up action until time could be given to think things over more carefully and act accordingly. When Nasser indicated that matters had gone too far for this, and that, in any event, he felt immediate action necessary to meet necessities of situation, I said then had second suggestion. This was to plan publicity and action in such a way as to indicate full recognition and appreciation of UN role and intention to cooperate constructively with UNEF and other UN agencies in Gaza. This was second best to withholding action but it could make real difference if it were done in forthright way and followed up by sincerely cooperative acts. Of course, he had it in his power to stage a turbulent reception for Governor which would leave UN ignominiously in background but it would be great mistake. Much water had gone over dam but still not too late for helpful action. Decision lay with him. I sincerely hoped he would decide wisely.

For moment at least this approach seemed to sink in and Nasser said he would think over seriously. Conversation closed on that note.

Am seeing Bunche and Burns as soon as this telegram sent and will fully inform.³

Hare

³ Hare reported to the Department of State on his conversation with Bunche and Burns in telegram 2896 from Cairo, March 14. (Department of State, Central Files, 674.84A/3-1457)

**218. Memorandum of a Conversation, Department of State,
Washington, March 13, 1957, 6:15 p.m.¹**

SUBJECT

Gaza and United States-Israeli Relations

PARTICIPANTS

Mr. Abba Eban, Israeli Ambassador
Mr. Reuven Shiloah, Israeli Minister
The Acting Secretary
Robert Murphy—G
Herman Phleger—L
William M. Rountree—NEA

Ambassador Eban, who had just returned from a curtailed vacation in Florida, handed to the Acting Secretary a letter from Prime Minister Ben Gurion to the President, and read the substance aloud (a copy of the letter is attached). The Ambassador said he wished to supplement the message by stressing the Prime Minister's reliance upon the assurances received from the President and other officials made in conjunction with the Israeli withdrawal, and expressing on behalf of the Prime Minister the fervent hope that such reliance would suffice to avoid a new and serious crisis. He had been asked to sum up the expectations of Israel as to how his government saw the situation. He reviewed, with respect to the Gaza strip, the expectations which had been stated concerning the employment of the UNEF and its exercising exclusive responsibility, the UNEF serving as the agency to perform the civil functions set forth by the Secretary General on February 22, and the tenure of the UNEF which should be until there is reached an overall settlement or an agreement on the future of the Gaza strip. These assumptions had been drafted in close consultation with the Department in order to be sure the United States agreed with them. Ambassador Lodge had affirmed that these expectations were reasonable, as did the President on March 2, and as other members of the United Nations had also done in the General Assembly. There had therefore developed a clear picture of a solution which we wanted to operate on a de facto basis. The Secretary had told the Ambassador repeatedly that although the United States had no idea of circumventing any legal rights of Egypt, the assurances of the Secretary General encouraged the belief that this de facto arrangement would ensue.

¹ Source: Department of State, Central Files, 674.84A/3-1357. Confidential. Drafted by Rountree. The Department of State transmitted a summary of this conversation to the Embassy in Tel Aviv in telegram 874, March 14. (*Ibid.*, 674.84A/3-1457)

Continuing, the Ambassador said these expectations were set in a framework of a broad association which the Secretary had envisaged. It was understood that if Israel withdrew the United States and "all humanity" would owe a debt of gratitude to Israel and the Secretary believed that this debt would be fulfilled. The Ambassador had understood that the United States would not merely go back to the pre-occupation position, but in fact looked toward an even more intimate association with Israel.

The Ambassador was sure that the Acting Secretary was as shocked as Israel was to learn of the situation developing in Gaza. Tension of great depth now existed all around the frontier. In Gaza there had been a relatively stable administration under Israeli control which had now left. The fedayeen were roving free and there were incidents each day on the Israeli side of the border near Gaza. So-called refugees were coming from Egypt into Gaza, and these included many fedayeen personnel. The UNEF was not controlling the situation, and had in fact liberated a notorious agent who had been held in prison. It was hard to perceive that such a swift reversal of the situation could ensue. The Government of Egypt was exacerbating the problem and increasing tensions by repeatedly making statements concerning its belligerency toward Israel and its objective of the extinction of Israel, and of reiterating its position regarding the territorial nature of the waters of Tiran from which Israeli ships would be excluded. The issue, the Ambassador said, was whether Nasserism and the moral standard of Nasser would dominate the Middle East. He believed the answer to that question would depend upon the nature and character of United States' action with respect to the United Nations, the area and to Israel. Commenting that it might be impertinent of him, the Ambassador had thought that immediately upon the withdrawal of Israeli forces there would be a renewal of normal relationships between the United States and Israel. This, however, was still being withheld particularly as it affected economic aid, the return of tourists to Israel, technical assistance, etc. The Government of Israel had taken a difficult and historic step in placing its hopes in the United States. That was why the Ambassador had stated on several occasions that the last paragraph of the March 2 letter from the President to Prime Minister Ben Gurion had been decisive.

The Ambassador said the Secretary had stated that while the United States did not control the Gaza situation, it did have considerable influence and what the United States wanted very much to happen would have a good chance of happening. Israel expected the United States and others who had urged the Israeli withdrawal to help bring about these things which we wanted to happen.

Israel believed that this was a period in which exclusive United Nations control of Gaza should be maintained. Nasser was practicing policies which the United States and the United Nations were against. The situation in Israel was grave. The return to Gaza of an Egyptian Governor might not sound so bad, but it was extremely bad if that Governor was dedicated to the destruction of Israel. The Ambassador concluded his remarks by urging that the Acting Secretary tell him something reassuring regarding the American attitude on these crucial questions.

The Acting Secretary responded by informing Ambassador Eban that we were acutely conscious of the situation, which was receiving our urgent consideration. He did not feel that at the moment he could be specific in responding to the message conveyed by the Ambassador, but he could say that we viewed the situation with seriousness and hoped that we could be successful in helping to bring about realization of the aims which we had discussed with Israel. He said that the Prime Minister's letter would be brought immediately to the attention of the President and that an answer would be provided without delay.

Ambassador Eban inquired whether the Acting Secretary could express any views regarding the Egyptian situation and the impending Egyptian decision regarding the dispatch of personnel to Gaza. The Acting Secretary replied that we had understood that Egypt was considering sending a Governor and five assistants, and there were indications that they expected to depart for Gaza tomorrow. We were handicapped by a lack of information, and of course we could not check the accuracy of the reports which we had received. We had made representations to Nasser but had not yet learned of the outcome of discussions between Ambassador Hare and the Egyptian President.

Ambassador Eban said that Israel was convinced that the Secretary General had power to require that Egypt not move into Gaza. Israel considered that the United Nations had exclusive jurisdiction in Gaza, at least for the time being. He thought that that authority derived from the United Nations' resolutions setting forth the functions of the UNEF for the "initial period" following Israeli withdrawal. Legally, he emphasized, the Secretary General could say which people could come into Gaza and which could not come in. He asked whether Mr. Phleger would agree with this interpretation.

Mr. Phleger responded that he did not think that the Secretary General had the legal power stated by the Ambassador, but that his operation in Gaza would be in the context of the Secretary General's report of February 22 to the General Assembly. The Secretary General could, of course, recall what Egypt had agreed to as set forth in that report.

Mr. Shiloah felt that the Secretary General would have greater authority if he went back to the basis of the establishment of the UNEF. The force would need Egyptian consent for its entry and deployment, but the United Nations had authority for deciding what tasks it would perform. Continuing, he said that his Government had received information that 25 Egyptian "contractors" had been permitted to come back into Gaza. Taken with others already in Gaza, these could provide the nucleus of an effective staff to run the organization in Gaza. The Acting Secretary observed that Egypt had been complaining that the UNEF was taking into Gaza former employees who were not acceptable to Egypt.

In a general discussion of the rights of Egypt in Gaza, Ambassador Eban restated his view that Egypt should have no right to reoccupy Gaza so long as it considered itself in a state of belligerency. He wondered if Mr. Phleger would agree. Mr. Phleger responded that he did not agree. An Egyptian return to Gaza would in itself be no violation of the Armistice Agreement. Mr. Shiloah interjected that Egypt had stated publicly that it was in a state of belligerency and that was a violation of the Armistice Agreement. He thought the Armistice Agreement would cover threats as well as acts. Mr. Phleger responded that while acts of belligerency would be inconsistent with the claim of rights under the Armistice Agreement, there was a considerable difference between statements and acts. He thought there had been no recent reports of significant Egyptian violations of the Armistice Agreement. Mr. Shiloah said operations of the fedayeen were well known, and he would now report formally that there had been Egyptian violations of the Armistice Agreement through fedayeen activities. Mr. Phleger inquired whether these violations had been reported to the United Nations. The proper procedure was, he thought, to report them to the Truce Supervisory Commission and to the Secretary General.

The Ambassador said that the basic question was whether we approved the policies of Nasser. The Israeli opposition to those policies included the fact that Nasser wanted to get back into Gaza so that he could carry out acts of aggression against Israel. He also wanted to exercise control over the transit of the Suez and Tiran Straits in order to exclude Israeli vessels.

Responding to a comment by Mr. Murphy that Nasser's desire to send some Egyptian personnel to Gaza might be motivated by public pressure, Ambassador Eban said all dictators had this problem. In order to achieve his purposes, Nasser pursued policies with respect to Gaza, the Suez and Aqaba which would not contribute to an improvement in the situation. One might inquire where he obtained the sense of strength to pursue such a policy. That strength, the Ambassador

thought, must be the Soviets. It appeared that whenever the Soviet Union said something should happen regarding Egyptian policies, that would happen within a few hours.

Mr. Shiloah observed that Nasser's purpose might be to get "all of us" involved in Gaza so that we would forget about the Suez until it was opened and its operation in his hands. Negotiations would then begin at a time when all the cards were with him. Mr. Phleger said that these questions were of course very much in our minds. The Canal had not yet been opened, and would not be opened in the immediate future. We expected to receive word shortly concerning arrangements for an interim solution to the Canal problem.

The Ambassador said he would like to emphasize one particular point of importance to his Government. There was a certain anomaly in the situation whereby, on the one hand, Israel had been asked to withdraw as an act of faith in the intentions of the United States and other likeminded nations, and in the interest of world peace; and, on the other hand, United States-Israeli bilateral relations following that withdrawal continued on the same basis as before. The Israeli representatives had discussed with American officials "at low levels" the resumption of programs of interest to Israel, but these approaches had been coolly received. The Acting Secretary responded that these matters were receiving our attention now and we should be in a position to discuss them with the Ambassador in the near future.

It was agreed that in responding to questions by the press the Ambassador and the Department would say something along the lines that the Ambassador had called to convey a message from his Government to the Government of the United States regarding the current situation. The Ambassador said he would comment that Israel viewed the situation with great concern.

[Attachment]

Letter From Prime Minister Ben Gurion to President Eisenhower²

Jerusalem?, March 13, 1957.

DEAR MR. PRESIDENT: Not a week has passed since our evacuation of the Gaza and Sharm-el-Shaikh area and I must unfortunately draw your attention to the extremely grave turn which events are taking.

² The text of this message was contained in a letter from Eban to Dulles, which requested that the message be delivered to President Eisenhower. Eban's original letter is in the Eisenhower Library, Whitman File, International File, and bears the handwritten notation by Goodpaster: "President has answered 16 Mar 57". A copy is in Department of State, Central Files, 974.7301/3-1359.

Colonel Nasser's agents have already rekindled a dangerous tension in the Gaza Strip. He has now appointed and is about to send back there an Egyptian military Governor and staff. We have grave apprehension that the Secretary General of the United Nations may acquiesce in this. In addition, Fedayeen units have already begun to operate against our settlements.

At the same time, Cairo Radio has officially announced that Egypt will not permit any ship, Israeli or other, including American tankers, to exercise the right of free passage through the Straits of Tiran. If immediate and effective steps are not taken to ensure, in the words of Secretary Dulles, the "de facto exclusion" of the Egyptians from the Strip, and to halt the regression to the status quo ante of tension, violence and blockade, I fear that the area will once more be cast into the throes of a most grave crisis.

It is my fervent hope that Israel will not have to make use of her right of self-defense as we announced in the General Assembly of the United Nations on March 1 that we might have to do under certain circumstances, and as was noted by the United States and other governments.

Mr. President, I place my reliance on your assurance that we shall have no cause to regret our withdrawal.

Sincerely yours,

David Ben-Gurion³

³ Printed from a copy that bears this typed signature.

219. Memorandum From the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Rountree) to the Acting Secretary of State¹

Washington, March 13, 1957.

SUBJECT

Israel Immigration

Discussion

Reference is made to Mr. Phleger's memorandum to you of March 11, 1957 (copy attached)² concerning the Israel Ambassador's statement that Israel expected to receive about 100,000 refugees during 1957—35,000 from Poland; 16,000 from Hungary; 25,000 from Egypt; and the residue from North Africa and Yemen.

An immigration totalling 100,000 to Israel during 1957 will represent a considerable increase over the last few years. Israel had 17,485 immigrants in 1954; 36,227 in 1955 and 22,149 during the first five months of 1956. The peak of Israel immigration was reached during the first three years of the establishment of the State when over 600,000 immigrants were received in Israel.

The expected immigration from Poland will represent almost the totality of Polish Jewry which survived Hitler. American Zionist leaders have informed us that the new regime in Poland has expressed its willingness to permit these people to depart because of a fear of the recurrence of anti-semitism in Poland. This decision by the Poles represents a reversal of a policy which had previously followed the Soviet line in discouraging emigration generally. The immigrants from Hungary are refugees who fled the country during and after the bloody events of 1956. Those from Egypt have been subjected to pressure from the Egyptian Government since the Israel invasion of October 29, 1956. We surmise that the immigration from Yemen will be primarily in the nature of a clean-up operation, as the bulk of the Jewish community of Yemen was transported to Israel in 1948. There is continuing pressure from North African Jews to go to Israel. The North African Jewish communities are, on the whole, in difficult economic straits, and doubtful of their future as French influence declines in their countries. Israel is less enthusiastic about receiving North

¹ Source: Department of State, Central Files, 884A.18/3-1357. Secret. Drafted by Bergus on March 12 and cleared by Henderson.

² Not printed. In this memorandum, Phleger reminded Herter that during his talk with Eban on March 9, Herter had not commented when Eban broached the subject of increased immigration. Phleger then advised Herter: "It may be that at some future date Israel will take the position that it informed the United States fully of its plans with respect to refugees and that no criticisms or comment was made thereon."

African Jews than those from other parts of the world, because of their lack of skills and resources. American Zionist leaders have frankly told us that Eastern European Jews come much higher on the priority list.

Internal United States policy statements have expressed the United States objective of convincing Israel leaders that continued emphasis on large-scale immigration increases area tensions. Arab leaders are fond of claiming that further immigration into Israel's small territory can only lead to an explosion and further Israel territorial expansion. Mr. Henry A. Byroade, speaking as Assistant Secretary of State for NEA in Philadelphia in May 1954, expressed publicly the view that Israel should de-emphasize immigration in the interest of area peace and stability. The official Israel reaction to such suggestions on the part of the United States has been quite violent. It has been stated that immigration is a matter completely within Israel's sovereignty and that one of the primary aspects of Israel's mission on earth is the "ingathering of the exiles." It is doubtful that Israel will ever alter its official position on this question. Israel has, however, quietly but effectively controlled immigration in the past, by limiting the funds to purchase passage for immigrants. The present ruling class in Israel comes almost entirely from Eastern European stock and can be expected to exert every effort to encourage and absorb immigrants from behind the Iron Curtain.

It is believed that United States policies of failing to favor large-scale immigration into Israel have become sufficiently known to the Israelis. United States failure to increase its economic aid to Israel on the basis of increased immigration has probably been the most effective way of making our point with the Israelis.

Recommendation

That we say nothing further to the Israelis on the subject of increased immigration unless they raise the matter with us in an attempt to justify increased United States Government aid to Israel, in which case we could reiterate our position on this.³

³ Herter initialed his approval on the source text.

220. Telegram From the Department of State to the Embassy in Egypt¹

Washington, March 13, 1957—10:56 p.m.

3030. Eyes only Ambassador. FYI French Minister Defense informed Chargé March 11² that in concert with British he is making preparations to provide air cover for Israelis in case they find it necessary reoccupy Gaza. He stated Soviet pilots flying Egyptian planes could not be permitted bomb Israel. He felt certain that if Nasser sent Governor with Egyptian forces into Gaza, Israel would act.

Acting Secretary tonight discussed foregoing with French Ambassador and British Chargé emphasizing US concern.³ He stated any indication to Israel of such support might lead Israel to take precipitate action in circumstances not warranting employment force. UK-French representatives disclaimed knowledge any military planning and undertook seek information soonest. From this and other conversations it clear both strongly of opinion that implementation of Nasser's decision to send in military Governor even with token administration group would bring about situation in which Israelis would act, at least in French opinion justifiably. They emphasized that Nasser should be told that implementation decision would entail grave risks.

As you know, US position is that administration Gaza should be within framework legal situation arising from Armistice Agreement and that consequently participation by Egyptians in administration would not necessarily bring about situation which would justify Israeli reaction. Nevertheless, it has been our strong hope that Egyptians would refrain from exercising rights re Gaza leaving exclusively to UNEF administration pending definitive settlement re strip or some final agreement between parties. End FYI.

We believe present situation extremely grave. We concerned that Nasser for prestige reasons might proceed with implementation plan to send Egyptians back into Gaza on basis miscalculation seriousness this move and world reaction thereto. You should therefore seek urgently to see Nasser notwithstanding approach based Deptel 2993 (report of which we have not yet had time to receive)⁴ to emphasize

¹ Source: Department of State, Central Files, 674.84A/3-1357. Top Secret; Niact. Drafted by Rountree, cleared in draft with Eisenhower and Herter, and approved by Rountree who signed for Herter. Repeated Niact to Tel Aviv and USUN.

² French Defense Minister Bourguès-Maunoury conveyed this information to Chargé Charles W. Yost on March 13. Yost informed the Department of State of the conversation in telegram 4706 from Paris, March 13. (*Ibid.*, 684A.86/3-1357)

³ A memorandum of that conversation by Sisco is *ibid.*, 674.84A/3-1357.

⁴ Hare spoke with Nasser on the night of March 13 pursuant to instructions in telegram 2993, Document 214. Hare transmitted a report on the conversation to the Department of State in telegram 2887, Document 217.

this fact. In so doing you should make it clear purpose of démarche is not to define US attitude on legal situation or rights of Egypt but to state President Eisenhower's deep concern lest Nasser has grossly miscalculated dangers involved in such action. Statement February 22 by Secretary General made with acquiescence of Egypt provided firm hope that following Israeli withdrawal quieting period would be provided without the situation being inflamed by Egyptian acts re Gaza which, however justifiable from the legal standpoint, would be considered as provocative. US has diligently sought to restore peace and effect withdrawal forces occupying Egyptian territory and Gaza. In context this role which the President feels has resulted in enormous benefit to Egypt, he earnestly expresses the view that Egypt should act with utmost caution in this explosive matter.

In communicating above to Nasser you may want to indicate that the sooner outstanding difficulties with the UN are satisfactorily adjusted the sooner will we be able to discuss resumption normal economic relations including possible assistance programs.

Herter

Subsequently, the British Foreign Office assured the U.S. Embassy in London that British involvement in a plan to provide air cover for the Israelis was "absolute nonsense". (Telegram 4857 from London, March 14; *ibid.*, 684A.86/3-1457) The French Foreign Ministry disavowed the Defense Minister's remarks and accused Bourghès-Maunoury of taking "mere military planning exercises and perhaps his own desires for fact". (Telegram 4763 from Paris, March 15; *ibid.*, 684A.86/3-1557)

221. Message From Prime Minister Mollet to President Eisenhower¹

Paris, March 14, 1957.

DEAR MR. PRESIDENT: I believe that the American Government attaches like us great importance to the agreement which we have concluded with Israel on Sharm-el-Shaikh and on Gaza.

¹ Source: Eisenhower Library, Whitman File, International File. Secret. The source text indicates this is an "unofficial translation". According to telegram 3630, which transmitted this message to Paris, Mollet's message was delivered to Herter by Alphand on March 13. (Department of State, Central Files, 974.7301/3-1457) A copy of the original message in French, however, is dated "14 Mars 1957". (*Ibid.*, Presidential Correspondence: Lot 66 D 204, DeGaulle, Mollet, Gaillard exchange of corres. with Pres/Sec 2/53 thru 1/61)

The Egyptian attitude justifies, in my opinion, the reservations which Israel had made, with our agreement; if the situation were to deteriorate, Israel would be justified in occupying anew the Gaza Strip.

In this eventuality, the effort which we have achieved in common would prove to be vain and the situation in the Middle East would be gravely compromised.

I accordingly take the liberty of urging you strongly to bring into play your personal authority, both in the United Nations and with the Egyptian Government, in order that Israel be given no reason to go back on the decision taken concerning the two areas in question.

We are ready, on our part, to urge moderation and patience on Israel if the situation evolves within the framework of our common accord.

Very faithfully yours

Guy Mollet²

² Printed from a copy that bears this typed signature.

222. Memorandum for the Record by the Acting Secretary of State¹

Washington, March 14, 1957.

SUBJECT

Conversation between Mr. Herter and Ambassador Lodge

Ambassador Lodge phoned Mr. Herter to say that he had just talked with the Secretary General, who is planning departure on Saturday and wants guidance from us. He wants to be told what we would be telling Hare, if Hare were doing the job. He wants us to realize the room for negotiations is very small and what point he breaks off in terms of the General Assembly that would follow a break off. He says there are several different positions to consider: (1) presence of token Egyptian personnel, which is unsatisfactory to Egypt because they want more and unsatisfactory to Israel because it recog-

¹ Source: Department of State, Secretary's Memoranda of Conversations: Lot 64 D 199. Confidential. The signed original of this memorandum is in the Eisenhower Library, Herter Papers. Lodge confirmed the contents of this telephone conversation in telegram 635 from USUN, March 14. (Department of State, Central Files, 674.84A/3-1457)

nizes Egypt has status; (2) what Nasser himself is now asking, namely a complete civil administration but no military, which means taking over Palestine police and bossing them and which he thinks will make raids and fedayeen activities less likely but, of course, is enough to trigger Israel. He says the big question is how far the US would be willing to go beyond the idea of token Egyptian forces.

Mr. Herter remarked that anything beyond token forces would put the US right in the "hopes and expectations" area and that the President has gone on record on this point. He added that there are terrific pressures on the President now to put the heat on Nasser in the same fashion as was done earlier on Israel. Mr. Herter also called Ambassador Lodge's attention to the last points in last night's wire to Ambassador Hare,² i.e., the "carrot" of an early resumption of normal US-Egyptian relations, including the possibility of economic aid, provided Egypt complies with the UN resolution. Ambassador Lodge stated that there has not yet been time for the influence of Fawzi to have been felt in Cairo but that the Secretary General is hopeful this will take place before he arrives. Mr. Herter said he thought the best the US could say would be that we are doing everything possible to bring about a lessening of tensions and resumption of normalcy. He personally could not conceive that the Israelis would take the risk of trying to move in through the UNEF in Gaza, that this would be incredibly stupid. He added that Mr. Rountree does not entirely agree with him. Mr. Herter also gave the highlights of last evening's session with Ambassador Eban,³ which he summarized as the "playing up of tension between Egypt and Israel", and specifically the manning of border watch towers, raids and other border incidents. Mr. Lodge said that Nasser had pledged to Bunche there would be no more commando raids. Mr. Herter observed that if Nasser could deliver on this point it would help a lot. Ambassador Lodge suggested that the crux of our policy should be the development of an issue on which we could go to the General Assembly and get a strong vote against Egypt. He suggested that he would draw up a statement to be given to the Secretary General and that he would give it to Mr. Herter for his approval this afternoon. He concluded that his staff is already making a study on possible bases for a resolution against Egypt.⁴

Christian A. Herter⁵

² Document 220.

³ See Document 218.

⁴ On March 20, Lodge forwarded to Dulles a memorandum by Richard F. Pederson of the U.S. Delegation on the subject of "Egyptian Actions Which Would Violate Its Obligations Under UN Resolutions". Lodge's covering note and the paper are in Department of State, Central Files, 320.5780/3-2057.

⁵ Printed from a copy that bears this typed signature.

223. Message From President Eisenhower to Prime Minister Mollet¹

Washington, March 14, 1957.

DEAR MR. PRESIDENT: I fully share concern expressed in your letter, which I received through your Ambassador late March 13, regarding situation between Israel and Egypt.

I can assure you I am making great efforts to end that objectives which we seek of peace and tranquility in area will be achieved. We are in constant touch with both parties to dispute, with Secretary General, and with other friendly governments. Our purpose has been to avoid precipitate action by Egypt or by Israel which might result in deterioration leading to renewal of hostilities, thus undoing all that has been accomplished, with consequences of most grave character.

We must realize, of course, that current difficulty stems from problems of long standing which require greatest patience and perseverance in their solution. I am sure you will agree that Governments of both Israel and Egypt should be urged to exercise utmost restraint.

United States, along with other powers, stated in United Nations its attitude regarding international character of Straits of Tiran, and expressed its view that United Nations forces should be deployed at Sharm el-Sheikh following Israeli withdrawal. It endorsed Secretary General's statement of February 28 regarding notice to United Nations before Emergency Force would be withdrawn from that area. Further, United States set forth its views concerning United Nations functions in Gaza Strip following Israeli withdrawal. I assume that statement of our respective positions regarding these matters made in UN Assembly is what you mean by our "accord commun". We continue to stand by these positions, although it is of course obvious that these matters are not for United States alone to decide.

As you know, it is our belief that arrangements for administration of Gaza Strip can only be within legal framework brought about by Armistice Agreement. While that Agreement gives Egypt certain rights with respect to Gaza, it is our expressed hope that Egypt will not exercise those rights but will permit United Nations, pending some

¹ Source: Department of State, Central Files, 974.7301/3-1457. Secret. Transmitted to Paris in Priority telegram 3629, March 14, 6:57 p.m., which is the source text. Telegram 3629 was drafted by Rountree, cleared by Elbrick and Tyler, and approved by Howe. A copy of the suggested message was transmitted to the White House on March 14 under cover of a note from Howe to Goodpaster; it bears Eisenhower's signature and a handwritten notation by Goodpaster: "14 Mar 57 State notified OK to dispatch". (Eisenhower Library, Whitman File, International File)

Also on March 14, Dulles was informed by cable: "Separately we are repeating message to President from Mollet and President's reply. I can only add that President as you can imagine did not enjoy Mollet's letter." (Tedul 22 to CINCPAC; Department of State, Central Files, 674.84A/3-1457) Mollet's letter is printed as Document 221.

suitable agreement or settlement, continue responsibilities Gaza along lines of Secretary General's report February 22. If, notwithstanding our efforts achieve this in its entirety, Egypt should exercise its legal rights and insist upon return to Gaza of some Egyptian personnel, we would not feel that would create situation in which Israel would be justified taking military action. We made our attitude on latter point clear to Israeli officials prior Israeli decision withdraw behind Armistice lines. It is our position, however, that if there should be any recurrence of hostilities or violation by either party of its international obligations, including those of Armistice Agreement, situation would be created for United Nations consideration. United States would consult with other members of United Nations to consider appropriate action which they or the United Nations might take.

In view of the seriousness of this matter our two Governments should, of course, continue close consultation as the situation develops.²

Sincerely yours,

Dwight D. Eisenhower³

² Telegram 4744 from Paris, March 15, reported that Mollet appreciated Eisenhower's message and said he would counsel restraint and prudence to the Israelis. Mollet also, however, said he was disturbed and shocked by the latest developments in the Middle East, and accused Nasser of acting in flagrant contradiction to the Franco-American understanding reached in Washington. According to Mollet, Nasser would continue to maintain his hold over the Arab world until he was successfully restrained. (*Ibid.*, 974.7301/3-1557) A copy of telegram 4744 in the Eisenhower Library, Whitman File, International File bears Eisenhower's initials.

³ Telegram 3629 bears this typed signature.

224. Telegram From the Embassy in Egypt to the Department of State¹

Cairo, March 15, 1957—2 a.m.

2899. Have just returned from seeing Nasser (11:30 p.m.) and delivering message contained Department telegram 3030.² He received it soberly and thoughtfully but seemed at loss to know what to reply except to repeat statements of last night to effect he had thought his action was within his rights and also justified by circumstances,

¹ Source: Department of State, Central Files, 674.84A/2-157. Top Secret; Niact. Received at 12:02 a.m. Repeated Niact to Tel Aviv and to USUN.

² Document 220.

both immediate (preserving calm in Gaza) and longer range (removing uncertainty re internationalization of Gaza). He referred repeatedly to effect of provocative and challenging statements of Ben Gurion and also mentioned declaration of Selwyn Lloyd today as being indicative of problems GOE facing.

However, burden of conversation tonight was on fact that matters have progressed to point where difficult reconcile with admonition of "utmost caution." Not only did Governor of Gaza actually enter city this afternoon but (Nasser volunteered this) Egyptian troops have been moved into Sinai (but not into Gaza) and are now as far forward as El Arish. Nasser repeatedly maintained that these actions were entirely normal and had been taken without provocation or aggressive intent but, by dint of considerable argument, he finally admitted that others might view them in another light and that this was fact to be seriously considered as far as world opinion, especially as formulated in UN, concerned. He would not concede, however, that there was much point in trying to court Israeli opinion.

I then referred to the deep concern of President Eisenhower in this matter and asked what I might report to him regarding his (Nasser's) intentions. He said he wanted to express his appreciation for the President's advice and to give assurance that he had no aggressive intentions. I asked if that was all. He looked rather helpless and asked what more could be said in the circumstances. I replied that it was not merely question of assuring the President of what he had in mind but also a question of taking some action to reduce tension and apprehension. To be specific, would he withdraw the Governor from Gaza and his troops from Sinai or both. Nasser said he did not see how this could be done. Would he then undertake to act as prudently as possible and also to make a public statement himself in which he would clearly state his good intentions to reduce pressure pending arrival of Hammarskjold? Nasser replied would certainly attempt follow cautious line but hesitated make statement for fear of becoming embroiled in argument with Ben Gurion. I replied that, if one's intentions good, there is no reason become involved in dispute. He said he would think it over and mentioned that he had already instructed the Director of Information, Hatem, to issue a statement as result of our conversation last night.

Despite fact that Nasser had already taken action which we sought to prevent before this message delivered, I believe that it made real impression on him re gravity of situation and there is some reason to hope that he will think twice before he makes any further moves.

As a consequence, message certainly served useful purpose despite being largely repetitive of that delivered night before and fact that possible use President's name seemed have telling effect.

Hare

225. **Telegram From the Department of State to the Mission at the United Nations**¹

Washington, March 15, 1957—3:48 p.m.

708. Re USUN 635² deliver following orally to SYG:

1. It is highly important to get answer promptly from Nasser on interim arrangement re canal, including payment of tolls, and Hammarskjold should press this point vigorously.

2. U.S. stands on Four Power proposal. Hammarskjold should make every effort to obtain Egyptian approval and should have no idea that U.S. will accept anything less.

3. If Egypt nevertheless rejects proposal, and makes counter proposal, Hammarskjold should forward such counter proposal to Four Powers promptly. He should in no event attempt to negotiate any compromise himself.

4. If Egypt makes no reply and attempts to open canal and collect 100 percent of tolls, determining unilaterally the disposition of the tolls, U.S. would consider such action a violation of the six principles adopted by Security Council and accepted by Egypt.

5. Lodge can tell Hammarskjold for his information only that Lodge assumes that if an interim solution for canal satisfactory to U.S. is reached and if agreement is reached on Gaza, U.S. would be prepared discuss regularizing economic relations with Egypt.

Herter

¹ Source: Department of State, Central Files, 974.7301/3-1557. Confidential; Niact. Drafted by Dillon; cleared by Herter, Phleger, Rountree, and Elbrick; and approved by Wilcox who signed for Herter. Repeated Priority to Cairo. President Eisenhower also approved the message; see footnote 1, *infra*.

² See footnote 1, Document 222.

226. Telegram From the Department of State to the Mission at the United Nations¹

Washington, March 15, 1957—3:49 p.m.

709. Re USUN 635² deliver following orally to SYG:

"The United States greatly appreciates being consulted by the Secretary General, prior to his departure for Cairo, regarding negotiations that he will undertake there. We are in agreement regarding difficulties and dangers inherent in this situation. As the Secretary General is aware, the United States has in the last few months taken positions counter to those held by some of its close associates among members of the United Nations out of the conviction that it was necessary to do so in order to restore and preserve peace and to uphold the Charter. The United States position on the issues involved has been stated in numerous public pronouncements. Our position in response to the Secretary General's inquiry can be summarized as follows:

1. We consider that UNEF is to remain in the area of Sharm el Sheikh and Gaza 'until its task is completed' (A/3375).³ This means that Egypt is not entitled unilaterally to terminate the mission of UNEF. UNEF should be withdrawn only when the United Nations is satisfied that it should be. There ought to be ample opportunity for consideration by the General Assembly prior to any decision on withdrawal.

2. No Egyptian force should return to the Sharm el Sheikh area until it is clear that non-exercise of any claimed belligerent rights has established in practice peaceful conditions that must govern navigation in waters having such an international character.

3. We firmly believe that no Egyptian military or paramilitary forces should return to the Gaza Strip, and the UNEF should remain in Gaza until there is a definitive settlement respecting the Gaza Strip or some final general agreement between the parties.

¹ Source: Department of State, Central Files, 974.7301/3-1557. Confidential; Niact. Drafted by Dillon; cleared by Herter, Phleger, Rountree, and Elbrick; and approved by Wilcox who signed for Herter. Repeated Priority to Cairo.

After transmitting telegrams 708 (*supra*) and 709, Herter instructed that the texts of the two telegrams be repeated urgently, for information and possible comment, to President Eisenhower and that the President be informed that Hammarskjöld would not leave for Cairo until March 16. Howe forwarded the texts of the messages to the White House under cover of a memorandum to Goodpaster, which repeated Herter's directive, and promised that the President's comments would be conveyed promptly to Lodge. Howe's memorandum to Goodpaster of March 15 and the attached texts of the two telegrams are in the Eisenhower Library, White House Central Files, Suez Canal Crisis. Also in the file is a message from Hagerty to Goodpaster, dated March 15, indicating that Eisenhower approved of the two telegrams and had no changes to make in a message to Ben Gurion, which he had approved earlier. The message to Ben Gurion is printed as Document 229.

² See footnote 1, Document 222.

³ Reference is to Hammarskjöld's report of November 20, 1956, on UNEF.

4. Regarding civil administration in the Gaza Strip, it was our understanding from the Secretary General's statement of February 22 that in the initial period the United Nations takeover would be exclusive and there would be no elements of Egyptian administration present. We very much regret the arrival of the Egyptian administrative governor and his staff. However, the presence of these individuals will be less damaging so long as it is only symbolic. Responsibility for administration in the Gaza Strip must remain in United Nations agencies until there is a definitive settlement respecting Gaza or some final general agreement between the parties. There is otherwise not only the danger of some Israeli reaction but also the prospect of a renewal of fedayeen raids and the outbreak of serious disorders in the Strip. While the United Nations maintains UNEF in Gaza and continues to care for the Arab refugees, such developments must not be allowed to occur.

5. We believe that any recessions from above positions would seriously undermine confidence in the United Nations since these positions were reasonable to expect from the resolutions of the General Assembly and the Secretary General's statements to the General Assembly."

Herter

227. Telegram From the Embassy in Egypt to the Department of State¹

Cairo, March 15, 1957—2 p.m.

2905. Following are supplemental notes on conversation with Nasser last night as reported in Embassy telegram 2899:²

1. Regarding movement of Egyptian troops into Sinai, it will be recalled that Gohar had mentioned it tentatively to Burns (Embassy telegram 2896).³ In talk last night I asked if he had appropriately informed Burns. He feigned surprise my question and asked why. I replied that such advice would seem obvious procedure in view of function of UNEF to maintain quiet in connection withdrawal non-Egyptian troops. Furthermore, irrespective of actual requirements, simple courtesy to General Burns as representative UN would have dictated prior consultation with him. Nasser said idea had not occurred to him; perhaps someone else in GOE had told Burns; he did not know.

¹ Source: Department of State, Central Files, 674.84A/3-1557. Top Secret; Priority. Received at 3:56 p.m. Repeated Priority to Tel Aviv and USUN.

² Document 224.

³ Not printed. (Department of State, Central Files, 674.84A/3-1457)

With further reference to movement troops into Sinai, I said this was new item on which I had no instructions but, speaking personally, seemed be another example of bad timing and method. Nasser had presented matter as normal development but to outside eyes move would unavoidably be connected with appointment of Gaza governor and unfavorable implications drawn.

2. Text Hatem statement mentioned paragraph 3 of Embassy telegram 2899 transmitted in Embassy telegram 2900,⁴ believe possible put to constructive use and would indicate some slight dent made in Nasser's armor in our preceding conversation. However, to be noted that, although first reports indicate reception of governor in Gaza was peaceful, occasion was apparently used for large propaganda demonstrations contrary to my recommendation. Nasser maintained this had not been staged and that hour of arrival had purposely not been publicized so as avoid turbulence.

3. Nasser last night gave number of officers accompanying new governor as four rather than six as he had stated night before.

4. I did not make use of discretionary authority to mention resumption normal economic relations and possible economic assistance in context Gaza problem. My reason was that Nasser was obviously and deeply impressed by grave evaluation of situation as seen by President Eisenhower and introduction of idea of economic quid pro quo would certainly have had effect of diluting rather than strengthening impact of presentation. However, this would be useful card to play in more appropriate situation.

5. In stressing danger of miscalculation I reminded Nasser of previous warning which we had given him on October 28 which he had been inclined to take somewhat lightly. I hoped he would not make same mistake again. He said he remembered.

6. In contrast with his somewhat argumentative attitude of night before, Nasser last night gave impression, real or simulated, of person who had unwittingly become involved in difficulty which he found hard not only to meet but actually to understand. Part of this may have been mere pose after mischief done but also true that Nasser not infrequently does have tendency to leap before he looks. In any event, am convinced presentation did have sobering and therefore useful effect.⁵

Hare

⁴ Not printed. (*Ibid.*, 320.5780/3-1557)

⁵ Telegram 3088 to Cairo, March 18, instructed Hare that since he had chosen not to mention to Nasser the possibility of the United States resuming normal economic relations with Egypt, he should consult with the Department before mentioning it to Nasser in another context. (*Ibid.*, 674.84A/3-1557)

228. Telegram From the Mission at the United Nations to the Department of State¹

New York, March 15, 1957—8 p.m.

644. Re (1) Gaza; (2) Interim arrangements for Suez.

(1) Lodge delivered copy memorandum U.S. position (Deptel 709)² to SYG this afternoon, reading it aloud to him.

Hammarskjold first noted his timetable changed because of arrival Israeli Foreign Minister. Since she going Washington for discussions, he felt it very unwise depart prior knowing outcome those talks. He intended see her probably Monday morning,³ and depart for Cairo 3 p.m. Monday afternoon.

For our very private information, he said it very unlikely he would now go Jerusalem and therefore it essential he have contact with Israelis at some point and this provided obvious opportunity.

Then commenting upon U.S. memorandum, Hammarskjold said "it is understandable that is what is desired. What remains is to get it." Lodge pointed out it obviously difficult for us prescribe any exact course action for him, particularly since he had not given us any list various matters on which decisions would be required. Hammarskjold replied he had given good deal thought to matters involved, but had intentionally not presented us with list because he had not wanted influence kind reply we would give him.

Commenting on text, Hammarskjold noted U.S. believed positions set forth therein were "reasonable." He agreed they were reasonable per se, but pointed out resolutions and his statements had not covered Gaza in any explicit fashion. He noted his statement February 22nd spoke of "first instance", i.e., initial takeover period, and also referred to "helpful arrangements". These two sentences required very careful examination since they were crux his February 22 statement. Question therefore was what sort arrangements would be helpful and what would not.

Turning to paragraph 4 of memorandum, Hammarskjold indicated it stated quite well desideratum. How to achieve that was another matter. Egypt in exercise its rights could reduce UN control in Gaza practically to nothing. Contrasted to that on other extreme, he said, was Israeli public position. In this connection he said in conversation today Eban (Israel) had been "very moderate" and appeared have swallowed token element of Egyptian element civil administration already present. Eban had accented Timing consideration rather than

¹ Source: Department of State, Central Files, 674.84A/3-1557. Confidential; Priority.

² Document 226.

³ March 18.

substance. Hammarskjold noted Eban said they regarded matters as primarily between Israel and Washington in connection assumptions under which Israel had withdrawn.

Hammarskjold returned to question of how achieve desired results. He said he could use only persuasion, with or without governmental support. He said it might be possible get some help from India. He must seek substantial UN element in Gaza which would mean more UN there than in past and as much as possible. But, he reiterated, it was only persuasion which he could bring to bear upon Egypt.

Hammarskjold referred to UK Foreign Secretary's statement on internationalization of Gaza, saying it was "bad luck" to have been made at this time. He also felt Washington announcement regarding renewal economic talks with Israel would be "counterproductive" in Cairo.⁴ His whole problem boiled down, he said, to point at which he should make "drama" out of matter.

Lodge referred to paragraph 4 of memorandum saying "responsibility" for administration Gaza which U.S. believed must remain in UN agencies referred to "major" responsibility. In such circumstances, Lodge said, Hammarskjold himself would obviously have to be guided by common sense as to whether this basic objective attained.

Hammarskjold said it natural for him seek fill gaps in UN's role in Gaza but it equally natural for Egypt seek push UN back as far as possible. Within that range there was wide margin in which Egypt could assume civil administration tasks without any real risk resumption raids and without Egypt appearing to be unreasonable. Hammarskjold said his only political tool was referral to GA. This would have to come at point when Egyptian position had become "non-substantive and foolish".

In considering referral back to GA, Hammarskjold said he would have to bear in mind need for getting through GA with two-thirds backing for whatever he decided was reasonable. So many factors governed this it would be very subtle calculation. If he went too far in Egypt's direction, he said, there would be explosion from Israeli side, backed up by Israel supporters. If he tried break off at point of having given in very little to Egypt, then he ran equal risk not being backed up by GA majority.

Hammarskjold concluded this part of discussion by saying he inclined stage matters so his talks in Cairo appear to be somewhat exploratory, giving impression he not expecting come out of them with final agreement. This would fit in with his desire to check as much as possible status of his talks with U.S.

⁴ On March 15, the Department of State notified the Israeli Government that it was prepared to resume consultations on economic problems and aid. (Telegram 879 to Tel Aviv, March 15; Department of State, Central Files, 784A.5-MSP/3-1557)

(2) Re interim arrangements, Lodge delivered orally message contained Deptel 708.⁵

Hammar skjold said he could not at this moment turn on more pressure on Egypt than he now had. With regard paragraph (4) he not at all sure situation described therein covered by six principles adopted by SC.

Hammar skjold said he expected, as he had all along, obtain counter-proposal from Egypt. It was his own feeling Egypt should accept something like our four-power proposal. However, there was serious problem in connection total blockage 50 percent until final settlement reached. From various comments and reactions in conversations with Fawzi, Hammar skjold understood Egypt to feel acceptance of this stipulation was tantamount to putting Egypt's neck in noose. In other words, Egypt would in effect be accepting in advance any conditions which "other side", i.e., users, might put forward because otherwise 50 percent would be held indefinitely. Fawzi had said to him "how can any government put itself in position of accepting in advance ultimate defeat?" In order to meet this argument, which he felt could not be brushed aside, it would be, in his opinion, better to have time limit for duration of blockage or, as British had once proposed, attaching certain conditions regarding dispersal of blocked 50 percent, such as specific purposes for which blocked part could be spent.

Hammar skjold said he would of course try to play his negotiations in way Department desired. If, as he expected, Egyptians came up with counter-proposal, he would ask them show it to us directly. If they would not, he would do so. He said Egypt would undoubtedly not be willing give it to all four powers because they could not recognize British and French as empowered speak for users. Hammar skjold said Egypt had put him in between themselves and four powers as kind of screen or buffer. It was possible, therefore, they would agree only to having SYG relay counter-proposal to U.S.

Barco

⁵ Document 225.

229. Message From President Eisenhower to Prime Minister Ben Gurion¹

Washington, March 15, 1957.

DEAR MR. PRIME MINISTER: I have received your message of March 13 delivered through Ambassador Eban.² I want you to know that we are following recent developments affecting Gaza with concern and are working hard to the end that the objectives of peace and tranquility in the area will be achieved.

The United States has made clear its hopes with respect to the situation which should prevail following the Israeli withdrawal. We shall continue to strive to see to it that those hopes materialize. It is, of course, obvious that this will involve many difficulties and will raise questions which the United States alone cannot decide. The problems with which we are confronted have been for a long time in the making, and patience and forbearance are required in our task of seeking a solution to them. I am sure you will agree that it is of the utmost importance that the greatest restraint be exercised by all concerned and that there be avoided any precipitate action which might result in a deterioration of the situation and a risk of undoing all that has been accomplished.

My personal interest in the establishment of stability and tranquility in the area continues deep. I look forward to continuing close consultation with your Government on the problems involved. With kind regard.

Sincerely yours,

Dwight D. Eisenhower³

¹ Source: Department of State, Central Files, 674.84A/3-1657. Secret. Transmitted to the Embassy in Tel Aviv for delivery in Niact telegram 883, March 16, which is the source text. Telegram 883 was drafted by Rountree and cleared by Herter and President Eisenhower.

² Attachment to Document 218.

³ Telegram 883 bears this typed signature.

230. Telegram From the Embassy in Israel to the Department of State¹

Tel Aviv, March 17, 1957—4 p.m.

1093. Reference Deptel 883.² Ben Gurion interrupted Cabinet meeting to receive me and President's letter at noon today. (Message delayed in transmission until 9 a.m. local time today.) His personal gratification obvious and after our quarter hour conversation he returned to Cabinet clutching letter under arm apparently pleased to have this evidence U.S. Government interest at time when his coalition more fractious than any he headed in years.

He said he most grateful and hoped President's wishes and expectations would be fulfilled. "We terribly concerned with what is happening to us in Gaza much sooner than anyone expected. And these events did not transpire without participation of United Nations Secretariat (euphemism for SYG). You did not participate but your influence is great and can be decisive".

He stated firmly "we will take no precipitate action. We going to do nothing to contribute to deterioration of situation. But United Nations administration must be established in Gaza pending peace and must do its full share to make its administration effective. I still think United States has enough influence to bring that about before it too late. As I told President in my letter we hope there will be no need to use freedom of action which we have reserved".

I told Ben Gurion I thought Meir's visit will be useful in obtaining clarification our position in light of what has happened. "It very laudable decision on part of Israel" I said "to make thorough exploration every possibility of progress through diplomatic action before coming to its decision".

He repeated that if "United States does what I know it can do problem will be solved".

He reiterated concern he constantly expresses for safety and livelihood of Gaza border settlements stating he planned visit them personally in next few days.

We agreed we would make no mention of Presidential communication merely stating I had called on my initiative to discuss current developments. This consistent with GOI's desire not to reveal Ben Gurion had sent March 13 letter to President.

¹ Source: Department of State, Central Files, 674.84A/3-1757. Secret; Niact. Received at 12:15 p.m.

² Telegram 883 to Tel Aviv, March 15, transmitted Eisenhower's message to Ben Gurion, *supra*.

Comment: I think President's letter effective both in timing and content and will assist Ben Gurion in keeping his colleagues in check until Meir has thoroughly explored situation with Department. However both in acutely embarrassing position with their colleagues and Israel public which increasingly convinced Prime Minister and Foreign Minister were duped. This sort of reaction not one which Ben Gurion (Meir either for that matter) temperamentally equipped to endure quietly.

Lawson

231. **Telegram From the Embassy in Egypt to the Department of State**¹

Cairo, March 17, 1957—10 p.m.

2929. Re Embtel 2926.² Following is text of tentative draft communiqué on Suez Canal received from Fawzi as "strictly personal and confidential". In view 48 hour period before release mentioned by Fawzi, suggest any representations which Department might wish Embassy make should be sent as soon as possible tomorrow (Monday).

"Draft Communiqué: (tentative draft):

(Strictly Personal and Confidential)

"Official communiqué from the Government of Egypt.

"Since the day Egypt took over the operation of the Suez Canal she reaffirmed her determination to abide by her policy of respecting the 1888 Constantinople Convention, and has proved herself thoroughly able to manage the navigation in the Canal in spite of the great obstacles which were put before her until the aggression against her caused the closing of the Canal.

"On the occasion of the resumption of the navigation in the Suez Canal the Government of Egypt declares the following:

¹ Source: Department of State, Central Files, 974.7301/3-1757. Confidential; Niact. Received at 8:28 p.m.

² Telegram 2926 from Cairo, March 17, reported that, according to Foreign Minister Fawzi, the Egyptian Government would be sending to the Embassy within a few hours the text of a draft communiqué which the Egyptian Government would possibly make public in 48 hours. After hearing a summary of the document, Hare told Fawzi that it seemed at considerable variance with the four-power interim proposals for the Suez Canal. Fawzi acknowledged this fact and explained that the communiqué should not be considered as a response to the four-power proposals. He added that there probably would be no response to the proposals, as the Egyptian Government did not believe it would be proper to recognize any group of countries as the spokesman for the world users as a whole. (*Ibid.*)

"1. That Egypt is still determined to respect in letter and in spirit the Constantinople Convention concluded in 1888.

"2. The system of levying of Canal dues will remain as it used to be according to the last agreement concluded between the Egyptian Government and the nationalized Suez Canal Company.

"3. The question of compensation and claims resulting from nationalization would be settled by either direct agreement or by arbitration.

"4. Canal dues are to be paid in advance to the Suez Canal Authority either in Egypt or elsewhere as determined by the Authority.

"5. The Authority of the Suez Canal shall create a special fund for the improvement programs or any other programs destined to meet the increase of traffic in the Canal, the said fund to be fed by allotting to it a certain proportion of the dues, which shall not be less than the average proportion allotted by the former Suez Canal Company to such programs.

"6. The Government of Egypt will make another detailed statement in this connection soon.

"This determination of the Government of Egypt proves that notwithstanding the great sacrifices which Egypt sustained as a result of the aggression against her, she is still loyal to the purpose of cooperation with the world community of nations so as to make her contribution to the realization of humanities, hopes for peace and prosperity.

"The Government of Egypt wishes the Canal to be once again a link of prosperity and peace between all the peoples of the world."

*End Draft Communiqué.*³

Hare

³ At the Secretary's Staff Meeting on March 18, the Egyptian communiqué was discussed as follows:

"Mr. Dillon said that they now had an advance copy of the communiqué which Fawzi had spoken to Hare about and the communiqué is slightly worse. Mr. Phleger said that it was tantamount to the rejection of the Committee of Four proposal and was sinister in not even mentioning the six principles."

"The Secretary asked whether we could issue Treasury licenses to permit paying tolls only in certain directions and Mr. Phleger replied that this was extremely complex in that although we could so issue licenses it might well run contrary to the laws of the flag country and it was not entirely clear what controls over US owners we had." (*Ibid.*, Secretary's Staff Meetings: Lot 63 D 75)

232. **Telegram From the Department of State to the Embassy in Egypt**¹

Washington, March 18, 1957—6:46 p.m.

3094. Embtels 2926,² 2929.³ Request you inform Fawzi immediately following views US Government regarding contemplated Egyptian communiqué:

1. US Government strongly opposes issuance proposed communiqué which it would consider a step leading to further deterioration of situation. It sincerely hopes GOE will not issue this or any communiqué until after imminent meeting with Hammarskjöld.

2. US Government has not yet learned Egyptian response to 4-Power Proposal of February 19 which was submitted to SYG at his request. US Government cannot view proposed communiqué as response to 4-Power Proposal submitted by SYG.

3. US Government considers there should be early meeting between SYG and GOE respecting interim arrangements for the Suez Canal pending negotiation of final settlement based upon six requirements of Security Council Resolution October 13, 1956 and Hammarskjöld-Fawzi exchange letters October 24 and November 2, 1956.⁴

Dulles

¹ Source: Department of State, Central Files, 974.7301/3-1757. Confidential; Niact. Drafted by Metzger and Shaw and approved by Dillon.

² See footnote 2, *supra*.

³ *Supra*.

⁴ Later on March 18, Hare notified the Department of State that, according to Fawzi, the Egyptian Government would be issuing the communiqué in the form of a memorandum which would be circulated that evening to diplomatic missions in Cairo. Fawzi also gave Hare formal assurance that the door was open to working out a reasonable arrangement concerning the Canal, and that the only idea definitely excluded from discussions would be the issue of foreign sovereignty over Egyptian territory. (Telegram 2944 from Cairo, March 18; Department of State, Central Files, 974.7301/3-1857)

**233. Memorandum of a Conversation, Department of State,
Washington, March 18, 1957¹****SUBJECT**

The Situation Since Israel's Withdrawal

PARTICIPANTS

Mrs. Golda Meir, Foreign Minister of Israel
Mr. Abba Eban, Ambassador of Israel
Mr. Gideon Raphael, Counselor, Israel Foreign Ministry
Mr. Reuven Shiloah, Minister, Embassy of Israel
The Secretary
The Under Secretary
NEA—William M. Rountree
L—Herman Phleger
IO—Francis O. Wilcox
NE—Donald C. Bergus

Mrs. Meir stated that she had only been in Israel a few days before it had been decided that it would be best for her to return to the United States. Mrs. Meir had left the United Nations for Israel under certain assumptions which had made it seem that Israel withdrawal was the best course. The basic things which Israel had expected were non-belligerency and a UN takeover of both Gaza and Sharm el Sheikh. In Gaza, it was expected that the UNEF would exercise both military and civil functions including security.

Before leaving the United Nations for Israel, Mrs. Meir had talked with the Secretary General regarding "the initial period" of the UN takeover. She had been shocked by the fact that the Secretary General was already talking about the next step before the UN was even in Gaza. Mr. Lodge had agreed that discussion of the next step should be deferred.

The Israelis were perturbed because it was a question of hours between the Israel withdrawal and Egypt's practically taking over. Not only had an Egyptian General come in as Governor of Gaza, but he had brought a staff with him. On whose authority had he come into Gaza? Mrs. Meir was sure that she could not enter Gaza without UN authorization. The Egyptian General must have received word permitting him to enter Gaza. There were Egyptian police in Gaza. The Egyptian Army was controlling the road between El Arish and Gaza and might be in Gaza within a matter of hours. Israel's information was that Nasser planned to put the Army into Gaza and then ask the UNEF to withdraw to the border. UNEF would then be on the border to watch over the Egyptian occupation of Gaza. What Nasser did not

¹ Source: Department of State, Central Files, 674.84A/3-1857. Confidential. Drafted by Bergus. The Department of State transmitted a summary of this conversation to the Embassy in Tel Aviv in telegram 891, March 19. (*Ibid.*, 674.84A/3-1957)

do for the four months during which Israel occupied Gaza, he was doing now. He had been quiet during that period; now he was making declarations such as his statement of this morning that Israel had no right to exist and that passage through Suez and the Gulf of Aqaba should be denied Israel. King Saud had joined with him with respect to Aqaba.

For the first time in two generations, people in Israel did not understand what the Israel Government had done. There had not yet been time for a complete review of the pre-withdrawal discussions before the Knesset. The cry in Israel was, "What are those assumptions under which you withdrew?" The situation in the agricultural settlements near Gaza was bad again after four months of quiet. Israel leaders were not afraid of taking a stand with their people when they were convinced they were right. Mrs. Meir did not know what to say to the Israel people now because she was not convinced. Israel had not relied on the United Nations, it had relied on the United States and the President. There had been an understanding among the United States, Israel, and the French. The United States might say that it was not the United Nations but it had strong influence there. These developments in Gaza would not have taken place if the United Nations had opposed them. Who was in charge of the UNEF? Who carried the responsibility? Israel had had no doubt that the United States would use all its influence to oppose these developments. Israel was disappointed. In his most recent message to Prime Minister Ben Gurion, the President had expressed the hope that Israel would take no precipitate action. Israel had replied that it would not. This was not child's play. Israel could take Gaza again but did not want to. The question had been before the Israel Cabinet yesterday, but no decision had been taken. She wished she could state that all would be fine and peaceful but it did not depend on Israel. Not only the Israelis, but others wanted to know who was in charge—the eighty-one members of the UN or Nasser? Did Israel have to live with a Gaza under the control of a belligerent Egypt?

The Secretary said he did not wish to disguise the fact that developments had not been entirely as we anticipated. In saying that, he should say that our anticipations were not quite as optimistic as Israel's. There had been no lack of frankness on either side in that respect. We took the position that what was done had been done within the framework of the General Armistice Agreement which gave Egypt the right of occupancy. We had assumed that there would be token Egyptian occupation, and had hoped that it would remain token although a certain amount of fanfare was probably unavoidable. We hoped for a de facto UN administration even though Gaza was nominally under Egypt. The Secretary General, and we through him, felt that this was a likely result. We had no direct negotiations during this

period with Egypt, but relied on the Secretary General. We thought it would be improper and inexpedient to do otherwise. The expectations outlined by Ambassador Lodge, who had quoted the Secretary General, were, we believed, acquiesced in by Egypt. Egyptian activity regarding Gaza had gone somewhat farther than we had expected and Israel had hoped. The attitude of Nasser with respect to the Canal had not been what we had hoped for. The Secretary did not think the situation was hopeless because the fact was that while we had exerted considerable pressure on Nasser, we had not exerted the full weight of our influence on the situation. One of the difficulties was how this might be done, particularly in the light of the Secretary General's responsibilities and activities. We had not yet found an adequate way to coordinate our activities with his. Nasser was anxious to know such things as the future attitude of the U.S., etc., which he could not get through the Secretary General. We were thinking intensively on how to deal with Nasser. We did not know when the Secretary General was going to Cairo. We imagined that Mrs. Meir would be seeing the Secretary General.

Mrs. Meir said she was prepared to meet him but honestly did not expect much good to come from such a meeting. Israel would not have withdrawn if it had been subject to his expressions. They had read all his reports and he had never said that he had approached the Egyptian Government and the Egyptian Government had stated something. Regarding Egypt, the Secretary General always used such language as "assumes," "has reason to believe," or "can state with confidence." Israel on the other hand had made public statements, sent letters to the Secretary General, etc. Israel would not have withdrawn on the basis of the Secretary General's February 22 statement. Israel left Gaza when the United States Government had advised it to work the matter out with a statement regarding assumptions. Except for a few sentences regarding a call for peace to the Arabs, Mrs. Meir's statement of March 1 had been worked out in the Department. That was why Israel had left Gaza. Israel had failed to withdraw before this, not because it sought a political victory but because the lives of its people were involved. The Israel people now felt either that their Government had misled them or that they had not understood what they were doing.

Mrs. Meir had called on Prime Minister Mollet when she had passed through Paris. She had asked him if Israel had been right in assuming that developments would take place along the lines of her statement. He agreed. Mrs. Meir admitted that the United States had a difference of opinion on the validity of the Armistice Agreement. Israel held that Egyptian action had been such as to prevent it from claiming

rights under that agreement. Nevertheless the United States had spoken of the de facto exclusion of Egypt. All this had been turned topsyturvy. Nasser was de facto in Gaza.

The Secretary said that it was premature to assume that the things we had hoped for were not going to happen. He did not think that the game, if you could call it such, was played out. The United States did not assume it had reached the end of the road. At present, there was no evidence which demonstrated that Gaza would be used as a fedayeen base and that Israel shipping would not pass. There had been a lot of words which were not in the right spirit. It was too early to assume that these expectations and compliance with international law would not happen. There were actions still in the making, such as the Secretary General's trip to Cairo. If he went there, the U.S. would support him strongly. The Secretary hoped that Israel would not come prematurely to feel that the basis of its action in withdrawing had been unwarranted. Whatever happened, he did not feel that Israel would be worse off for doing what it had done. This applied to the British and French as well. Israel was starting again from a sound juridical and moral basis. The Secretary did not think it was necessary to assume things would be as disastrous as Israel and Nasser had forecast. These things may happen but they should not be assumed. In his long experience in foreign affairs matters, the Secretary realized that problems of this type were not easily resolved. Often when things look gloomy, when you realize that you are on the right track, you know that right will prevail in the long run. It need not be such a long run in this case. The Secretary could understand that the Israel Government was going through a difficult period. He had known that we would be in for a tough time and thought that Israel had known so too. He knew that Israel's withdrawal would bring on the second phase of dealing with the Egyptians. We had not found a way to bring maximum pressure to bear, in the light of the Secretary General's role. The Secretary felt that if we could get more directly to grips with Nasser it might be better. This had to be reconciled with the power and influence of the UN which was considerable. Although Mrs. Meir had said that she did not rely on the UN, the United States did. What we were trying to do was to bring about the supremacy of the principles which we were backing, not individual nations. We believed that the United States occupied a role requiring it to support principles. We were working for Article 1 of the Charter. The first thing to do was to get the stage set for a peaceful settlement in conformity with the principles of justice and international law. If Egypt was at fault regarding Aqaba and Suez, Egypt should conform. On the question of border raids there was room for a difference of opinion. The Secretary thought that Israel should accept the UNEF on its borders and put an end to Israel raids. If Egypt did not conform on Aqaba and Suez, all the weight of world

opinion should be brought to bear on Egypt. The UN might not be the only place to do this but it was a real place. The Secretary realized that nations voted by bloc and could not be relied upon to reflect accurately the moral judgment of mankind. Perhaps you could not get a condemnation of Egypt, but the UN was a place where a considerable degree of moral judgment could be expressed. We did not write off the UN nor did we wish to displace it. The problem of accommodation was difficult. We were giving this our most active attention and were planning to continue our study. We certainly felt that it was not yet time to say that the effort on which we embarked had failed.

Mrs. Meir said that she did not know why the British and French went into Suez, but she knew why Israel did. She did not know what interests dictated their withdrawal. Israel had been in danger of an Egyptian attack. Israelis were as sensitive as others to moral values. You could not discount the moral value of people who wished to live and to work out their own destiny. Egypt was trying to destroy Israel. Not for one moment did Mrs. Meir envisage a Gaza of this kind. Had she done so, she would have said no to requests for Israel withdrawal. When Mrs. Meir had gone to Israel in December, she had exaggerated the possible consequences to Israel if it failed to withdraw. Nevertheless, Israel had decided at that time to stand firm. She was convinced that nobody could prove that Israel had started the border raids. She began history with the signature of the Armistice Agreements. Years had passed with Arab raids into Israel and Israel had done nothing. With regard to the value of the United Nations, when the U.S. is so attached to the UN, that attachment arises from a wonderful position of strength. The Israelis were little people who had a life and death interest in the UN. Representatives of countries in the UN had approached Israel and said Israel should not withdraw, even if their own countries voted against Israel.

Israel had envisaged a Gaza from which Egypt was de facto excluded. If Egypt wanted to be there, let the UN go, and let Egypt face Israel. If Nasser wanted to disregard the United States, Britain, France, and even the United Nations, then Israel had played with the fate of its people. The Secretary had said that Nasser had not yet done anything about Aqaba. The Captain of a Danish ship which Israel had chartered was afraid to go through Aqaba in the light of Nasser's statements. Israel had approached the Danes who had said they would consult the UN. The Danish ship was going to Djibouti and then decide whether to risk the voyage through the Straits. There had been fine declarations but there were no ships. The U.S. had approached Israel, made statements about Israel's behavior, etc., but there had been no public announcement regarding Egypt's actions.

Mention had been made of stationing UN forces on Israel's side of the armistice line. The U.S. had taken a public position that Israel consent for this was something very vital. Why should they be placed there? The only basis for placing them was the Armistice Agreement which Egypt had flouted. What kind of an agreement was there when it was one-sided? Israel did not understand why Egypt had to be handled so delicately. Egypt was returning to Sinai and not alone. The USSR was sending arms again to Egypt. Israel had heard that the Russians would not make the same mistake twice, this time they would have plenty of technicians and pilots to operate the arms. We were coming back in giant steps to the same situation which prevailed before October 29.

Israel had already had casualties from infiltrators from El Arish and Gaza. Israel had spoken to a UNEF representative at El Arish. He had said that he had no authority to arrest people or search for arms. Settlers in Erez, about 200 metres from the armistice line, north of the Gaza Strip, had chased back an Arab who had crossed the line. When they complained to the UNEF man on the border he had said that the settlers would have to shoot at such people. The only ones who could keep peace and quiet were Israel. Israel could not live with a Gaza of this kind. If Nasser said that he wanted to have peace, a new leaf would be turned over. The Secretary General would not even ask Nasser if he would follow a policy of non-belligerency after withdrawal, despite Israel entreaties that he do so. Now Nasser had volunteered the answer. Israel could not live with the United Nations giving de facto protection to the Egyptians against Israel.

Mr. Eban said he would like to make an observation with respect to the discrepancies between Israel and U.S. thinking about Gaza. There had been agreement that we should try to achieve de facto control of both civil and military functions in UN hands. The U.S. had spoken about symbolic Egyptian presence and token representation. The Secretary said that this was a fair statement. Mr. Eban said that he compared this with a wholehearted Egyptian takeover. There was an Egyptian Governor on the spot and he was pushing the UN into a corner. What had happened was not a difference in emphasis, but a total, substantive, reversal.

The Secretary said he would not dispute the statement that things had moved contrary to our anticipations. Unless the present trend of Nasser's thinking were altered, it might lead to a dangerous situation. We were not satisfied that the present trend was definitive and could not be altered. We had intentions but could not guarantee that they would succeed. He had said at the time that there were risks involved, but he still thought Israel did right. He still thought there was a good chance that Israel's forebodings would not be realized. He could understand popular apprehension in Israel. Israel had jumped to the

conclusion that the full scope of its forebodings had been realized. He still hoped there was a chance we could prevent Gaza's becoming a fedayeen base and open Aqaba. A difference between us was the assumption that these would follow automatically Israel withdrawal. We foresaw stress and strain and the possibility that Egypt would go back on its assurances. We knew that Nasser was unreliable. The dependability on what he said was not on the fact that he said it but pressures to make it expedient. The question was whether we could find ways to make it expedient for him to live up to what he said. The possibilities were not exhausted. If this effort failed, there would be a new situation. Israel had said it would exercise its rights of self-defense, we had said that we would consult with other UN members. This contingency might come about but had not yet done so. The Secretary realized that this was a difficult situation to live with but must urge Israel to live with it for a longer period.

Mr. Eban said that world opinion did not know that the United States was trying to reverse trends in Gaza. The Secretary said that we would give thought to that aspect of the matter. He asked if anything had been done in his absence. The Under Secretary replied that there had been a background statement to the press on March 15.

Mr. Shiloah said that newsmen were quoting State Department sources that the Secretary intended to warn Israel today. There had been press conferences which had been construed to blame Israel as well as Egypt since Israel would not permit the stationing of troops along its side of the border. An effort might be made to correct these impressions. The Secretary said that we would try but he doubted whether it would pay. He had been asked about the stationing of UN forces while he was in Canberra and had answered the question, he thought, accurately.

The Secretary said that although this was not a central point, he could not understand Israel's objections to the stationing of the UNEF in Israel and greater mobility for the UNTSO. It was hard to reconcile this attitude with Israel's bitter complaints.

Mrs. Meir said all this had its source in the Armistice Agreement. The Agreement provided that the El Auja (Nitsana) area should be demilitarized and Israel lived with it for a while and permitted UN observers there. The Agreement had also said that there should be no Egyptian forces for a certain distance behind the Egyptian border. This Egypt violated. Israel took up this matter with the Secretary General in April stating that either the Armistice Agreement bound all sides or else it didn't exist. We asked the Secretary General if he could get Nasser to live up to Article 1 of the Agreement. The Secretary General had said that if Nasser agreed to this, his Government would fall. Israel had then said that if Egypt allowed Israel shipping through the Suez Canal, Israel would get out of Nitsana. The Secretary General

had said that this was fair, that if Nasser promised to open the Canal to Israel shipping and then did not do so, he would support Israel's remaining in El Auja.

Israel had a small territory but long boundaries. If they had the UNEF on the border with Egypt, then there would be pressure to bring them along the Jordan and Syrian borders. The UNEF's remaining on the Egyptian side of the line in Sinai created no problems, because there were no people there. If they were brought to the Israel side of all the frontiers, Israel would be an occupied country and, with all kinds of soldiers on its soil, would no longer be independent. In any event, this would not be necessary. Israel would live up to the Armistice Agreement. The United States should ask Nasser if he was still in a state of war with Israel.

The Secretary mentioned that we had similar problems with regard to Korea and Communist China. We did not recognize Red China. Despite the fact that there was an armistice agreement with Communist China, we still applied our Trading with the Enemy Act. When he talked about stationing troops along Israel's side of the boundary, he was not thinking that Israel was obligated to do so anymore than Egypt was obligated to forego some of its rights under the Armistice Agreement. This did not answer his question.

Mrs. Meir said that Israel had tried the UNTSO but it had not worked. The UNEF had no more power. The Secretary thought that exposing the facts of a situation through an impartial source was a preventive. Mrs. Meir said that Israel had lived through this for eight years. Bad things had happened even though there had been UN observers. The Secretary said that the hope had been to make it less grim. The UNTSO had been inadequate in numbers and authority. Mrs. Meir said that they would not have to watch over Israel. Israel would not cross borders. The Secretary pointed out that Israel had crossed borders. Mrs. Meir said that Israel had acted the same as any other people in the world would have acted.

Mrs. Meir asked what she could tell her Government. The Secretary hoped that she would report what he had said. We had not given up hope that the conditions we anticipated could be brought about. We had not mobilized fully our influence on the situation. We were in touch with the Secretary General. This was not an easy situation but he believed that it was not hopeless. We hoped for quiet in which to work. We hoped we could achieve a condition such as described in the Secretary General's February 22 statement. Mrs. Meir said that to be fair to the Secretary General she wished to know how we interpreted the statement. The Secretary said he had always assumed that there would be some Egyptian presence in Gaza. He hoped it could be kept down to nominal with a de facto UN administration.

Mrs. Meir said that there seemed to be a full process of the liquidation of the UN. The Secretary General was already in the area in the persons of Dr. Bunche and General Burns. He had his Advisory Committee on the UNEF. Mr. Pearson of Canada had informed Mrs. Meir that he had opposed what was going on in Gaza in the Committee.

Mr. Shiloah said that the UNEF was acting as a shield for Nasser to reorganize his fedayeen bases. It would be better to remove the UNEF in such circumstances. Mrs. Meir said that there would be nothing more simple than for Israel to go get this Egyptian General in Gaza and parade him through Tel Aviv, but the UN forces there protected him. Mr. Eban said the UN was protecting a situation it could not control.

The Secretary asked if this was not a new viewpoint. Mrs. Meir said that if Nasser would not give Gaza to the UN then he shouldn't expect a UN screen.

Mr. Eban referred to the President's letter to Mr. Ben Gurion where it mentioned close consultation. The Secretary said he would like to have such consultation. He would like Israel's own thoughts as to how this matter might be handled. He hoped above all else that Israel would not move abruptly without notice to the United States. He knew this was difficult, and was not asking for a veto, but he did not think that our attitude was arbitrary. He assumed there would be normal consultations between Messrs. Eban and Shiloah and Mr. Rountree. It would be useful if Mrs. Meir talked to the Secretary General this afternoon.

Mrs. Meir said that the world should know what the U.S. thought and what it still thinks should be. This should be made public. Mr. Eban said this was as true with respect to Aqaba as well as Gaza. Mrs. Meir said that Saud wouldn't have made his statement about Aqaba if he were sure of the U.S. position. The Secretary felt that Saud was more sensitive on the question of Aqaba than Egypt was.

It was agreed that a joint press statement would be drafted and issued.

234. Memorandum of a Telephone Conversation Between Secretary of State Dulles in Washington and Secretary-General Hammarskjöld in New York, March 19, 1957, 9:48 a.m.¹

TELEPHONE CALL TO MR HAMMARSKJÖLD

The Secretary asked if H is getting off today. H guesses so. He will see what comes out of some cables. The Sec thinks it would be useful if he went, and H thinks so.

H said the chances of what the newspapers call "success" are close to zero, but nothing should be left untried. The Sec feels the situation is deteriorating in the sense the expectations which H and we had, and the Israelis had, at the time of their withdrawal are being diluted by the Egyptians. H agreed. And the Sec is afraid a situation is being created where Israel might feel they could resort to the use of force under conditions where it would be difficult to get a UN condemnation of them.

H said it is a little bit on the fantastic side and then spoke of psychology and speaking in brutal frank language. If Nasser is not a fool he will play with us and if he is a fool he can break up the whole game. H mentioned Hare has done a fine job. Sometimes one does not get anywhere in negotiating. H mentioned a cable from [Burns]² and read it roughly. It was to the general effect that the situation in Gaza was satisfactory from the standpoint of the UN; that the UNEF was in evidence throughout the area and that the Egyptians' presence was not generally noticeable. This is different from the story in the paper. The Sec said no doubt the news is influenced by the Israeli viewpoint.

The Sec said on the other hand he feels the Egyptians are anxious to reestablish the status quo ante. It is very basic in the US position and he expressed it on November 1 that out of this must come something better than the conditions which preceded it. H said he could not agree more. And the Sec went on: Egypt must cooperate or the whole effort of the UN might prove to be in vain.

The Sec mentioned sticking to Article 1 of the Charter re peaceful means in accordance with justice and international law. We have gotten the peaceful aspect but now there must be cooperation on the

¹ Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Confidential; Personal and Private. Transcribed by Bernau. A marginal notation on the source text indicated that it is a corrected copy. Another memorandum of conversation by Rountree, who could hear only Dulles' side of the conversation, is in Department of State, Central Files, 674.84A/3-1957. The Department of State transmitted a summary of this telephone conversation to USUN in telegram 725, March 20. (*Ibid.*, 674.84A/3-2057)

² At this point, the source text shows the name "Bunche" typed and struck through, and the name "Burns" inserted by hand but also struck through. The cable was from Burns, as indicated later in the conversation, and not from Bunche.

part of Egypt in applying the principles of justice and international law. And the continued assertion by Egypt of its right to exercise belligerent acts in the occupancy of Gaza is in consistent with the Armistice and finding better conditions. The Sec does not think Egypt can have it two ways: We can exercise belligerent rights but Israel can't.

The Sec asked if there is anything we can do? H said no, but he promised Cabot if there is anything he will get in touch. He did say something re the financial situation.

The Sec said one of the important aspects which may be in Nasser's mind is whether if he behaves respectfully he will come back again into normal relations with the US. H said he knows that figures in his mind. The Sec said he thinks our purpose is that he should (be thinking that way). That does not mean we will pay him an extravagant sum to behave properly but it means we would get back in normal relations re trade, blockage of funds and tourists. The Sec expects to talk more about it with the British in Bermuda.³ He thinks the basic problem the British must face is are they going to carry on political and economic warfare against Nasser regardless of what he does. If that is their purpose, it will be difficult to arrive at a solution. H mentioned difficulty in timing.

H said he talked with Mrs Meir for two hours and it did not add any new factor. The Sec said the same. H hopes he convinced her that within limits of what we can do we will do what we can. They must lend some cooperation also. The Sec agreed.

H guesses he will get away.

The Sec said he does not think we have yet marshalled the full weight of persuasion on Egypt, and, as H says, the question of timing⁴ The Sec said, as H says, while it will not become a success at this stage, he thinks H should go and it should not lead to a break because it is too early. We have not used all our ammunition. H said there is a long road getting around corners. The Sec said to Mrs M it would not be automatic. It took a long time to get them out, and it will take a long time etc. The Sec said to Mrs M you must be persistent and resourceful and don't precipitate things. H said he took the same line. This is a new experiment internationally.

H said the cable from Burns indicated things are not too bad. The Sec asked if Mrs M spoke about the possible dissolution of the UNEF. H said cautiously. The Sec said she spoke positively about it to him. The Sec said that is a possibility that must be envisaged. H said it can

³ President Eisenhower and Secretary Dulles attended a summit conference with Prime Minister Macmillan and Foreign Secretary Lloyd at Bermuda March 20-23. Documentation concerning U.S. participation in this conference is in Department of State, Conference Files: Lot 62 D 181.

⁴ Ellipsis in the source text.

never be left out of account. Unless reasonable working conditions covering fully their function are created for the UNEF, H does not think the Canadians will stay.

The Sec wants H to know we support him absolutely fully if he goes and he can speak with confidence that the US backs him up. H said he thanked the Sec, and if there is anything, the Sec can get in touch with Hare.

235. Telegram From the Department of State to the Mission at the United Nations¹

Washington, March 19, 1957—12:27 p.m.

723. Re: UNEF in Gaza. We are seriously concerned Egyptian return to Gaza assuming character complete rather than token administrative takeover. Cairo 2924² contains press reports indicating: (a) local public security functions have been turned over to "Palestinian police" under supervision Egyptian administration; (b) turnover of frontier check-post to Egyptians; (c) headquarters building being handed over Egyptian governor; (d) UNRWA agreed turn over to Egyptians supply, health and education functions former temporarily had assumed.

However, SYG this morning in phone conversation with Secretary³ said that reports from Burns indicated UNEF very much in evidence in Gaza and Egyptians very little in evidence.

We believe SYG should inform Bunche and Burns of our concern over press reports and if proved to be correct to instruct them to take all feasible measures limit present Egyptian takeover to symbolic basis only and refrain from entering into new arrangement with Egyptian officials or finalizing those in process. We assume discussion of these and other problems will of necessity be undertaken by SYG in Cairo on basis arrangements contemplated by GA.⁴

Dulles

¹ Source: Department of State, Central Files, 674.84A/3-1757. Confidential; Niact. Drafted by Sisco and Howe, approved by Dulles, and initialed by Howe for Dulles.

² Not printed. (*Ibid.*)

³ See the memorandum of telephone conversation, *supra*.

⁴ In telegram 656 from USUN, March 19, Lodge reported that, when he relayed this request to Hammarskjöld, the latter replied that emphatic instructions had been sent to Burns to resist Egyptian pressures pending his consultations in Cairo. Hammarskjöld also said that the only promise which he had given to the Israelis about UNEF in Sharm al-Sheikh had been not to withdraw without notifying the Advisory Committee. (Department of State, Central Files, 674.84A/3-1957)

236. Telegram From the Department of State to the Embassy in Egypt¹

Washington, March 20, 1957—9:16 a.m.

3120. For Ambassador from the Secretary. I am sending herein a personal message to Nasser which it seems to me might usefully be communicated to Nasser in connection with Hammarskjold's visit. You are requested show text to Hammarskjold upon latter's arrival and discuss with him question whether it should be delivered. If you both agree that it should, you may hand it to Nasser without further instructions.

Effectiveness of letter might be diluted if Nasser, having impression we intended publish it, responded with public reaction primarily in mind. Believe, therefore, you should make it clear to Nasser that I regard this as a private communication and have no plans for its publication. (FYI we cannot of course guarantee that text will not eventually become public.)

Verbatim Text.

My Dear President Nasser: I venture to communicate with you directly to portray the spirit in which the United States Government approaches the present acute problems with which the United Nations is now dealing.

President Eisenhower and I have consistently sought to assure that the friendship of the United States would be impartially displayed to all of the nations of the Middle East. I explained that to you and others when I was in Egypt four years ago. We have persistently adhered to that policy. Although the relations between your government and ours have not always been what we would have desired, or perhaps what you would have desired, this has not led us to alter our basic attitude as above described.

When you acted to "nationalize" the Universal Suez Canal Company, we did not approve of this action, but we did exert all our influence to prevent a forcible reaction to it on the part of nations who felt particularly aggrieved and endangered thereby.

When, despite our intensive efforts for peace during the preceding three months, Israel and then France and Britain forcibly intervened in Egypt, we stood by the United Nations principle that international disputes should be settled by peaceful means and in conformity with the principles of justice and international law. We did so even though this insistence on peaceful methods involved a sharp break with the

¹ Source: Department of State, Central Files, 674.84A/3-2057. Secret; Priority. Drafted by Rountree and approved by Dulles.

policies of nations with which our people have historic ties of friendship and many close ties of race, religion, and culture. Rarely, if ever, has a government's adherence to principle been so strikingly manifested.

The forces of Britain and France promptly withdrew from Egypt, and the forces of Israel have now wholly withdrawn behind the Armistice lines. In this connection, the United States gave no private assurances or undertakings of any kind. Our position has been fully set forth in public documents.

The withdrawals by Israel, France and the United Kingdom were, however, accomplished with such hopes and expectations as I voiced on November 1 at the United Nations General Assembly in supporting the United States' ceasefire and withdrawal resolution. I then said "All of us, I think, would hope that out of this tragedy there should come something better than merely a restoration of the conditions out of which this tragedy came about . . . ² there needs to be something better than the uneasy armistices which have existed now for these eight years between Israel and its Arab neighbors; there needs to be a greater sense of confidence and security in the free and equal operation of the Canal than has existed since three months ago when President Nasser seized the Suez Canal Company." Such hopes were encouraged by the recent Reports of the Secretary General, describing a role for the United Nations in the Gaza Strip and expressing the view that claimed belligerent rights should not be exercised in relation to the Straits of Tiran and the Gulf of Aqaba. The Secretary General has also concerned himself with the Suez Canal problem, as to which the Security Council had acted last October, with concurrent progress in negotiations to apply the principles prescribed by that Council and accepted by Egypt.

I have today spoken to the Secretary General on the telephone as he departs for Cairo for talks with you.³ I greatly hope that these talks will permit of advance along the lines to which I refer and the establishment of "security and tranquillity". I recall that this phrase was used in the important Four Power Memorandum which was brought to us by King Saud on behalf of himself and the governments of Egypt, Jordan and Syria.

Certain recent utterances from Cairo have given rise to widespread concern that it was the purpose of your Government, now that the withdrawal of Britain, France and Israel has been finally accomplished, to return merely to the uneasy conditions which preceded the attack; that your Government intended to exercise claimed rights of belligerency and to avoid the kind of a settlement of the Suez Canal

² Ellipsis in the source text.

³ See Document 234.

controversy which had been regarded as reasonable and as was forecast by the negotiations which preceded the events of October–November of last year. This concern is heightened by your government's memorandum on Suez Canal tolls, which I have just received. As a result there is occurring in much of the world, including the United States, a large shift of popular sympathy away from Egypt and an undermining of confidence in the United Nations principles espoused by President Eisenhower and myself when we opposed policies of violence against Egypt. There is renewed danger of an outbreak of hostilities.

I greatly hope that you will find it possible so to act as to evidence a willingness on your part to contribute to security and tranquillity. Such action need involve no derogation of Egyptian sovereignty, but only the exercise of that sovereignty in conformity with the high principles of the United Nations Charter. I feel confident that by so doing you will have contributed to the welfare and prestige of the Egyptian nation, and the Arab world, as well as the great cause of international peace with justice to which both of our nations are dedicated through our membership in the United Nations.

Sincerely yours, John Foster Dulles. *End Verbatim Text.*⁴

Dulles

⁴ In telegram 2981 from Cairo, March 21, Hare reported that Hammarskjöld said, after being advised of the proposed message to Nasser, that he appreciated the offer of such stalwart support but would suggest that the United States postpone delivery of the message. Hammarskjöld explained that he had covered almost identical ground with Fawzi that morning and in even stronger language and that under this circumstance, delivery of the message at this point would probably not reinforce and could even weaken what he had said. Also, Hammarskjöld noted that there was always the risk of creating a reaction to what might appear to be pressure and collusion. Bunche seconded Hammarskjöld's decision to defer the decision to deliver the message. (Department of State, Central Files, 674.84A/3-2157)

237. **Memorandum for the Record of a Conversation Between the President and the Secretary of State, Bermuda, March 20, 1957, 5 p.m.**¹

In his first briefing session with the President on 20 March, Mr. Dulles suggested that the general issue which probably influences all else at this moment is what attitude we should take toward Nasser. The choice is a very difficult one, particularly in light of the pressure the British feel they are under regarding a Suez Canal settlement. To have the best chance of obtaining a satisfactory settlement, we must "do business with Nasser," and try to lead him into cooperating with us, giving him concessions etc. which would have the incidental effect of building him up.

If on the other hand we wish to dispose of Nasser, by continuing and perhaps intensifying the subtle but substantial pressures that are working on him, then we cannot expect from him much other than hostility, and specifically actions regarding the Suez Canal which will be very damaging to the British.

There was then discussion of some of the advance indications of the line Nasser is likely to take with Hammarskjold, and discussion also of the problem of timing, in that it is difficult to take a position until the results of Hammarskjold's visit become more clearly known. The Secretary showed the President a rather strong message he had sent to Hare for delivery to Nasser² if Hammarskjold deemed advisable, putting the matter very squarely to him and obliging him to show whether he would try to work toward a solution or not.³

G

Brigadier General, USA

¹ Source: Eisenhower Library, Whitman File, Eisenhower Diaries. Top Secret. Drafted by Goodpaster on March 22. Secretary Dulles arrived in Bermuda via airplane at 3:30 p.m. on March 20; President Eisenhower, who had traveled by ship, arrived shortly thereafter and the two met at 5 p.m. in President Eisenhower's quarters. (Dulles' Appointment Book; Princeton University Library; and Record of the President's Daily Appointments, Eisenhower Library)

² *Supra.*

³ According to a separate note written by Goodpaster on March 20, "the Secretary had typed up to show to the British a copy of his message to Hare to deliver to Nasser if Hammarskjold thought this advisable." (Eisenhower Library, Whitman File, Eisenhower Diaries)

238. Telegram From the Delegation at the Bermuda Conference to the Embassy in Egypt¹

Bermuda, March 20, 1957—6 p.m.

1. For Ambassador from Secretary. Please inform Hammarskjold in connection his negotiations Egyptian Government that US regrets release by Egypt of memorandum on Suez Canal arrangement² even before negotiations with the Secretary General commenced. We note however the oral advice to us that this Egyptian memorandum subject to negotiation. We find Egyptian proposals in their present form to be inadequate and urge Secretary General endeavor to secure promptly amended proposals as near as possible to four nations' suggestions put to him.

We earnestly hope that amended proposals can be transmitted to US and other members four-nation group for consideration before finalization of public release.

We attach particular importance to reaffirmation of six principles and arrangement providing payment to agent designated by Egypt, such as UN or World Bank, one half to go to Egypt and the balance of one half to be held pending and subject to definitive settlement. Part of latter one half should be allotted to an improvement fund such as described paragraph 5 Egyptian memorandum. This might be an agreed percentage of general magnitude former company practice of, say 20 percent, with balance of 30 percent held in a fund to secure the payment of compensation and claims resulting from nationalization to be settled by direct agreement or arbitration, as described paragraph 3 of Egyptian memorandum. We believe it essential that this 50 percent be held so as to be beyond Egyptian control pending settlement except for agreed purposes.

We believe it possible Egyptian memorandum drafted with view maintaining sufficient flexibility to arrive at agreement with Hammarskjold along foregoing lines. Whether or not this true, important thing is to translate intentions of Egyptian Government as set forth in memorandum into specific proposals which will meet minimum requirements of principal users within framework six principles. In order avoid exacerbating situation and rendering it more difficult for Egypt assume flexible attitude this regard, we are refraining from substantive

¹ Source: Department of State, Central Files, 611.41/3-2057. Secret; Priority. Repeated Priority to the Department of State, which is the source text.

² For text, see telegram 2929, Document 231.

comment on Egyptian memorandum at this time, stating matter now under discussion between Egypt and Hammarskjold, and that our evaluation must await results of these talks.

Dulles

**239. Memorandum of a Conversation, Mid-Ocean Club,
Bermuda, March 20, 1957, 7:30 p.m.¹**

PARTICIPANTS

President Eisenhower
Secretary Dulles
Prime Minister Macmillan
Foreign Secretary Lloyd

Egypt

In discussing the problem of relations with Egypt, Mr. Macmillan raised what he called the "\$64 question", which I had put to Lord Home at Canberra, namely, were we going to wage political and economic warfare against Nasser or seek some arrangement with him in relation to Israel and the Canal on the basis of a combination of inducements and pressures which would mean that if he accepted, he would get the benefit of what had been held out as inducements. Mr. Lloyd made a strong personal attack about Nasser and his unreliability. The President and I said that we did not debate this point, but even conceding this "What would we do?". President Eisenhower said we could not at the same time seek his cooperation and also combat him. Mr. Macmillan said that he thought the answer was clear that we should seek by all of the pressures and inducements we could marshal to get an acceptable solution of the short-term and then the long-term problems relating to the Canal and peace with Israel. . . .

I showed the attached two cables to Macmillan and to Lloyd,² who read them with obvious interest, but made no comment either of approval or of disapproval.

In discussing what the US might do, I referred to the resumption of normal relations with unblocking of funds, access to PL480 wheat, technical assistance, etc. Mr. Macmillan said that the aspect of this

¹ Source: Department of State, Conference Files: Lot 62 D 181, CF 865. Secret. This conversation took place during dinner. The time of the conversation is from Dulles' Appointment Book. (Princeton University Library, Dulles Papers)

² Documents 236 and 238.

program which worried him the most was the release of funds because that might put pressure upon them to release blocked sterling which they were reluctant to do so long as the Egyptians had war claims against the UK. I said I did not see how we could keep the funds blocked in their entirety although it might be that we could hold on to a part in order to cover possible claims for prior tolls paid to Egypt which might be claimed by the Suez Canal Company and also possible claims for mistreatment of US persons and properties in Egypt. I thought, however, that most of the blocked funds would have to be released if we resumed normal relations and had an acceptable Suez Canal settlement. Mr. Macmillan appeared to acquiesce in this view.

John Foster Dulles³

³ Printed from a copy that bears this typed signature.

240. Telegram From the Department of State to the Embassy in Egypt¹

Washington, March 20, 1957—7:29 p.m.

3134. GSA announced March 18 directed by ODM draw up plans for disposal stockpiled extra long staple cotton.² Hassan Egyptian Embassy called to protest decision stating this in conjunction unwillingness accommodate release blocked funds or make P.L. 480 sales was "intensification of sanctions". Although Department officer assured him decision dispose of stockpiled cotton not connected with present US-Egyptian relations but based on decision stockpile no longer necessary, and that plan if approved by Congress would require sales take place in such manner not disrupt local or world markets, Hassan unconvinced and stated he would report conversation to Cairo.

Dulles

¹ Source: Department of State, Central Files, 411.7441/3-2057. Official Use Only.

² At the Secretary's Staff Meeting on March 19, the GSA statement was discussed as follows: "Mr. Kalijarvi referred to a GSA statement yesterday that long-staple cotton would no longer be considered a strategic item. He pointed out that this decision meant that this type of cotton would no longer be stockpiled but become competitive in the commodity market. The Secretary endorsed Mr. Rountree's comment that this development could cause considerable political problems with respect to Egypt, the Sudan, and Peru, the chief suppliers of long-staple cotton." (*Ibid.*, Secretary's Staff Meetings: Lot 63 D 75)

**241. Memorandum of a Conversation, Mid-Ocean Club,
Bermuda, March 21, 1957, 10:30 a.m.¹**

USDel/MC/3

PARTICIPANTS

United States

The President
Secretary Dulles
Ambassador Whitney
Senator George
Mr. Hagerty
General Goodpaster
Mr. Phleger
Mr. Elbrick
Mr. Rountree
Mr. Wilkins
Mr. Morris²
Mr. Macomber
Mr. Walmsley

United Kingdom

The Rt. Hon. Harold Macmillan, Prime Minister
Rt. Hon. Selwyn Lloyd, Foreign Secretary
Rt. Hon. Sir Norman Brook, Secretary to Cabinet
Sir Frederick Hoyer-Millar, Permanent Under-Secretary Foreign Office
Sir Harold Caccia, British Ambassador to U.S.
Mr. P. H. Dean, Deputy Under-Secretary, Foreign Office
Mr. Harold Beeley, Assistant Secretary, Foreign Office
D. S. Laskey, Personal Assistant to Foreign Secretary
Mr. C. P. Hope, Foreign Office, Press Director
C.O.I. Ramsden, Personal Assistant to P. M.
Mr. F. A. Bishop, Personal Assistant to P. M.
Mr. T. W. Garvey, Secretary of Delegation

[Here follows discussion of unrelated matters. The full text of this memorandum of conversation is scheduled for publication in volume XXVII.]

As to the matters at hand, he [Macmillan] hoped the two sides could attack urgent matters first, and he identified the most urgent as the problem of Nasser and the Canal. Neither the United States nor the United Kingdom likes him even though he may have been originally inspired by patriotic motives. With regard to Nasser he recognized that the U.S. considered the UK had acted rashly although the UK may differ in this judgment. He urged the United States to exert pressure on Nasser and on Hammarskjold, and hoped that with re-

¹ Source: Department of State, Conference Files: Lot 62 D 181, CF 861. Secret. The Delegation at Bermuda transmitted a summary of this conversation to the Department of State in Secto 8, March 22. (*Ibid.*, Central Files, 611.41/3-2257)

² Brewster H. Morris, Political Counselor at the Embassy in the United Kingdom, was a member of the Delegation at the Bermuda Conference.

spect to the methods to be employed in connection with Nasser the UK would be consulted. Concerning the Canal, the immediate problem was the dues and, in the longer-term, the arrangements. He still believes there is a chance for success, but if we fail or get an unsatisfactory settlement, he hopes the U.S. will say its part and will condemn Nasser, not calling the result a victory or a draw. The British people will not be fooled nor will his Government attempt to fool them. Should the U.S. report the situation resulting from a poor or no settlement "not so bad", it would cause a "real rift" which will take longer to repair than the world needs allow.

He acknowledged in closing his remarks that he had used this frankness because of the closeness of UK-US friendship.

The President's reply, after expressing his delight to be sitting down with his former comrade-in-arms and recalling their past association, expressed the expectation that their mutual experience would help make the conference successful. The President acknowledged the need of frankness among friends.

The President thought that Mr. Macmillan had put extremely well the situation today against the historical background. He agreed that Anglo-American solidarity was the core of the Western alliance; that if the English-speaking peoples cannot live and work together there is little hope.

The President wanted to comment on one or two points in Mr. Macmillan's remarks.

First, as to nationalism, he thought this was a spirit stronger than Communism. If some of the newly-independent nations accept or make accommodations with Communism, it is because they believe it promotes their particular nationalist aspirations.

Concerning secondly the neutralism identifiable in many of these countries, the President thought they should be divided between those who do not care to choose between right and wrong and those who are neutral or neutralist in the military sense. He thought that we should work on the moral aspect of neutralism in the first sense. As to military neutralism, he thought there might frequently be advantages to us when we are unable to provide the military guarantees which are expected of a military alignment with us.

In the event of failure with respect to Nasser, the President warned against the danger of generalization. He said that we should in the first instance identify the essentials of acceptable or desirable solutions and then decide what we might say about them.

As to the disillusion, the Prime Minister had attributed to the British people, the President, without pretending that all of our views are sacrosanct, wished to remind Mr. Macmillan that from the beginning of the crisis last summer we had kept his Government fully informed of our positions and of the limitations on our field of action.

The President agreed however that it is the moment to look forward and that we must examine how to implement our great programs of the future. To do this we should examine the problems around the world and move to action always in solidarity.

The meeting moved to consider the agenda items under the Middle East.

Aqaba and Gaza

Mr. Macmillan asked the Secretary to describe the situation in these areas as he sees it.

The Secretary stated it was obscure, there being a difference between what Nasser says and what he will do. Israeli withdrawal had been based on "certain expectations". The U.S. and certain other maritime powers had made statements with respect to innocent passage through the Straits. It had expressed its understanding in the Aide-Mémoire, February 11 and in Lodge's exposition. He acknowledged that under international law the Straits are territorial waters, but this does not bar innocent passage between international waters in the absence of belligerency. He noted that while Nasser and the Saudi Arabians made statements they would defend the Straits as territorial waters these statements were carefully worded.

A serious problem is created by the fact that Egypt and Israel each unilaterally accepts and rejects terms of its choice of the Armistice Agreement. On the one hand Israel claims that Egypt has no rights of belligerency in the Straits, but also relies upon the Armistice Agreement with respect to the borders which are more favorable to Israel than those defined in 1947. On the other hand Israel denies Egyptian rights in Gaza, the administration of which is attributed to Egypt under the Armistice, and as for its own domestic political purposes called the Armistice Agreement a dead issue. In our conversations with the Israelis we have pointed to the danger of the latter position (the borders and Gaza) with respect to rights of innocent passage; we have stated that innocent passage can be claimed if the Armistice Agreement operates. Egypt claims Armistice rights in Gaza but also claims rights of belligerency regarding the Straits and Suez.

In any case with respect with [to] passage through the Straits, no immediate problem exists since Egyptian forces are not present. The Saudi Arabian position is not relevant to passage through waters of the Straits since the channel is on the West side through Egyptian territorial waters. In this connection, the Secretary made reference to the Saudi Arabian emotional feeling over the proximity of the Straits to the Moslem holy places. In reply to a question, the Secretary stated that we had no immediate plan to make a test passage with a U.S. vessel. However, if Israel should charter a ship of U.S. registry, we

would urge the owner to send the ship through the Straits and in the Gulf on Israeli request. If Egypt should attempt to block transit, we would be prepared to consult with the UK and others.

The question was raised at this point whether innocent passage permits search. The U.S. position is that it does not. It was suggested that our respective lawyers should compare notes on the subject.

Mr. Macmillan asked how long UNEF is expected to stay at Sharm-el-Sheikh. He said we must be ready for this problem. The Secretary stated that the Hammarskjold-Nasser talks should throw some light on this. Would UNEF have to go, in U.S. opinion, Macmillan asked, if Egypt so requests? The Secretary referred to the "constitutional" difference between rights of the GA under the uniting for peace resolution, and those of the SC under the Charter. The GA can only make recommendations and can send observers, troops, etc., only with the consent of the receiving country. The British position is that while consent is required to send, withdrawal should be decided by the General Assembly. The Secretary stated that the U.S. did not disagree but pointed to Hammarskjold's responsibility to determine within the terms of the resolutions when the UNEF Mission was completed. To be argued by him that the UNEF Mission would be completed when the chance of renewal of clash was eliminated. The urgency of nailing down a position on innocent passage and how to handle the issue when it arises was agreed, and the Delegation's legal advisers were requested to study and report at once. In this connection, the President noted his disbelief that the issue would arise by Egypt's firing on non-Israeli vessels. In connection with the possibility of reference of the problem to the International Court of Justice, the Secretary mentioned the Corfu case as pertinent.

Turning to Gaza, the Secretary stated that there is a basic difference between the US and the Israeli positions. Our position is that a solution must be within the framework of the Armistice, whereas Israel asserts the Armistice is dead. Mr. Lodge in the General Assembly clearly stated our position. The great importance the Israelis attributed to the issue, however, was evident from the pressure they exerted on us to the very last minute but to which we confined ourselves to an expression of hope that the UNEF would exercise administering function, in fact notwithstanding Egyptian titular responsibility. Our hope was founded on Hammarskjold's belief he had Egyptian acquiescence although events are not bearing this out.

The Secretary mentioned that the facts within Gaza are difficult to establish. The published accounts make it appear very bad and seem to substantiate Israeli apprehensions. On the other hand, Hammarskjold with whom the Secretary had spoken by phone just before

the Secretary's [*Hammar skjöld's*] departure for Cairo, had said that Burns reported the situation to be calm, the UNEF to be stationed throughout, and Egyptian representation in the Strip to be nominal.

The Secretary also recounted his most recent talk with Mrs. Meir who seemed to wish to leave the impression that if Egypt took over Gaza, even in the absence of fedayeen activities, Israel would reoccupy the territory. This statement and the fact of Mrs. Meir's trip itself testified to the extreme domestic importance in Israel of the Gaza issue.

She also said Israel would like to see the UNEF out of Gaza.

He said that Mrs. Meir offered an interesting, if unconvincing, explanation of Israel's opposition to UNEF's being astride the border and of opposing UNTSO activities there. She said that Israeli territory is very limited and its borders very extended and that any "occupation" was harmful to its economy.

The Secretary mentioned the story from Paris of alleged commitment by the French Ministry of Defense of air cover should Israel return to Gaza, and Mr. Macmillan replied that the first he had heard of this report was from a message from Washington. Mr. Macmillan assured the President and the Secretary that while UK sympathized with Israel it would not be in his country's interest for Israel to make trouble, having in mind, among other things, the flow of oil from the Arab countries and the need to stabilize the situation.

Selwyn Lloyd asked the Secretary in what manner we would act if Egypt announces it would fully take over Gaza. The Secretary thought that the General Assembly should be reconvened but that it was important to match announcement with words before acting. He mentioned that Hammar skjöld had felt let down by Egypt with respect to the report he had made to the General Assembly on the subject of Gaza and that moreover he doubts that Israel would take violent action while the Secretary General was in the Middle East. On the other hand, if Hammar skjöld returns empty-handed, the danger arises of Israel re-entry.

Lloyd next mentioned the receipt from the UK Mission in New York of a telegram saying that Eban had stated that there was complete Israeli identity of views with the Americans to which the Secretary replied that this was not the case and all that he thought he could expect from them was that they would not act without prior consultation. The United States, however, did hope that Israel could be restrained short of the status quo ante in Gaza; but if Nasser did reassume complete responsibility in Gaza, leaving UNEF only along the border, we would have to consider immediately convening of the General Assembly.

Canal:—Selwyn Lloyd asked the Secretary's views on the Egyptian memorandum of March 19.³ The Secretary did not find it good but considered it did not slam the door. Hare had reported (Cairo's 2971)⁴ that the Egyptians had told him that it was not to be considered definitive but as a basis for negotiation. The Secretary outlined the interim arrangements which the US had developed in consultation with the British, etc. and which it still supports. There was a brief discussion of the unsatisfactory provision in the Egyptian memorandum for tolls to be paid to the Egyptian Government or its nominee.

The Secretary went on to say that emphasis should be placed upon working out of a permanent settlement which could have the effect of speeding up the interim arrangements or of overtaking them. Selwyn Lloyd asked whether it was not true that Nasser does not want any interim arrangements, and who actually is negotiating with the Egyptians, Hammarskjold or the United States. It seemed there was no disagreement about Nasser's coolness toward interim arrangements and the Secretary thought that under the circumstances it would be wise not to consume all our ammunition to attain them to the detriment of solutions of other important outstanding problems including the definitive regime for the Canal. As to the character of the negotiations, it was conceded that our side is disorganized by difference of views among using companies and among countries; and Nasser is better able to deal, as he likes, directly with companies. Hammarskjold is conducting the negotiations but under these circumstances he can speak only for himself even though he acts more or less for the users having checked in New York with, among others, the United Kingdom, the United States, the French and the Norwegians. He has very little more than his moral authority however and there is always the specter of private owners shifting their registry to Panama and Liberia. Thus the effectiveness of a boycott in the absence of satisfactory arrangements would even in the short run appear impracticable.

The Prime Minister intervened to invite attention to the very great difficulty that would accordingly be generated by Nasser's declaring in the near future the opening of the Canal. He proposed that the problem be studied at once at the official level of the delegations, including examination of the possible role of SCUA or other organization and that they submit recommendations to the principals.

The Secretary interjected a caution with respect to the authority of the Executive Committee of SCUA to speak for the eighteen, and raised a question whether there is time for SCUA to be brought into the interim arrangements. He warned that the kind of statement the Prime Minister had urged upon us, if there is a bad or no settlement, is

³ The text of the Egyptian memorandum is in telegram 2929, Document 231.

⁴ Not printed. (Department of State, Central Files, 974.7301/3-2057)

not apt to affect ex post facto such arrangements as may be reached. He thought it a better tactic to let Nasser know in advance the consequences of intransigence. He proposed that the official level include in its study a suggestion that, should Egypt insist on payments to itself or nominee, the Egyptian blocked accounts in the US, UK and France be debited correspondingly.

Before proceeding to the subject of pipelines, the President asked the Prime Minister whether it is the level of tolls or payments which the British consider crucial to a satisfactory settlement, to which the Prime Minister stated that it was the payments in the interim arrangements and the level of tolls for the future.

[Here follows discussion of unrelated matters.]

**242. Memorandum of a Conversation, Mid-Ocean Club,
Bermuda, March 21, 1957, 3:45 p.m.¹**

USDel/MC/4

The Prime Minister opened the session at 3:45 P.M. with the discussion of Palestine. The Prime Minister referred to the Joint US-UK working level paper, prepared before the Conference,² the general conclusion of which was to the effect that there is not much present hope of an over-all Palestine solution, and we must therefore concentrate on individual aspects as they arise.

Selwyn Lloyd mentioned that a number of problems would have to be settled such as frontiers, waters, etc., but these could only be solved and an overall solution obtained, if peace were maintained meanwhile. The British believed the UNEF should be continued for the time being.

The Secretary referred to his statement of August 1955³ with which Eden had concurred, as presenting the basic US position. He mentioned that the British had been informed of the Four Power

¹ Source: Department of State, Conference Files: Lot 62 D 181, CF 861. Secret. Drafted by Morris. The participants at the meeting were the same as at the 10:30 a.m. meeting (see *supra*), except that Timmons attended instead of Walmsley for the U.S. Delegation, and J.A.N. Graham, a personal assistant to Lloyd, attended instead of T.W. Garvey for the British Delegation.

The Delegation transmitted a summary of this conversation to the Department of State in Secto 9, March 22. (Department of State, Central Files, 611.41/3-2257)

² The final paper and related documentation concerning the U.S.-British discussions in Washington which preceded the drafting of the paper are *ibid.*, NEA/IAI Files: Lot 70 D 229, Political Affairs & Relations 1952-1963. Pol 22 Incidents, Disputes, Arab-Israel Dispute.

³ August 26, 1955; see vol. XIV, pp. 378 ff.

memorandum which King Saud had brought to the US,⁴ which had struck us as a reasonably moderate statement since it did not take the point of view that Israel could not exist.

The Prime Minister commented that this point was certainly important.

The President concurred, adding that King Saud had taken that position while in Washington.

The Prime Minister asked about the views on this issue of the other Arab States.

Selwyn Lloyd replied that, while privately many of them would probably agree that Israel was here to stay, they could not say this publicly. The best we could hope for right now was the maintenance of peace and the gradual development of conditions which could eventually permit a real Palestine solution.

The discussion on Palestine was closed by approval being given to the working level paper.

[Here follows discussion of Anglo-American cooperation in the Middle East and the eastern Mediterranean area. For the portion of the conversation on Cyprus, see volume XXIV, page 465.]

The Prime Minister and President then considered and approved the report of the working party on Suez (reference Secto 7),⁵ and also agreed that great care should be taken that there be no publicity at all regarding this matter or the dispatch of the British message to Hammarskjöld in Cairo.⁶

[Here follows discussion of the communiqué to be issued to the press after the session's adjournment.]

⁴ On January 18-19, four Arab heads of state (President Nasser, King Saud, King Hussein, and Prime Minister al-Assali), meeting in Cairo, determined that King Saud should convey to President Eisenhower their viewpoints on many of the current problems in the Middle East. Consequently, Saud delivered to Eisenhower a memorandum containing these views during a conversation in Washington on January 30. See vol. XIII, p. 417.

⁵ Not printed. (Department of State, Central Files, 611.41/3-2157) The paper was subsequently amended and is printed as Document 246.

⁶ In telegram 3 from Bermuda to Cairo, March 21, Dulles instructed Hare to convey Lloyd's views to Hammarskjöld. (Department of State, Central Files, 611.41/3-2157) The text of the telegram is printed as the annex to Document 246.

Telegram 3 was sent at 9 p.m., March 21. At 12:18 a.m., March 22, the Delegation at Bermuda received Hare's report that Hammarskjöld had asked the United States to defer its proposed message to Nasser. See footnote 4, Document 236.

243. Telegram From the Delegation at the Bermuda Conference to the Department of State¹

Bermuda, March 21, 1957—11 p.m.

Secto 7. At discussion today about Suez Canal, committee was appointed to see what further measures might be taken at this time.

Following FYI report of committee was accepted by both delegations:

"Agreed views of Working Committee.

"1. The suggestions conveyed to Mr. Hammarskjold in the State Department's telegram of March 20 to the American Ambassador in Cairo form a reasonable basis for an interim arrangement.

"2. It would be premature to formulate a fall-back position at this stage. The aim should be to obtain acceptance of this proposal or failing that an Egyptian counter-proposal.

"3. In their messages to Mr. Hammarskjold and Colonel Nasser, the US Government have exercised as much pressure as is possible at this moment.

"4. It would however be helpful if the Foreign Secretary would reinforce the action of the US Government by sending a message to Mr. Hammarskjold in Cairo. A draft is submitted. (Reftel Cairo 33, London 3, Secto 6)²

"5. It would not be useful to bring in SCUA immediately or to attempt to conduct negotiations with Egypt through SCUA. On the other hand SCUA should be informed of the latest developments as soon as this can be done without embarrassing Mr. Hammarskjold.

"6. If an interim arrangement is obtained, the other members of SCUA should be invited to cooperate in securing the payment of dues through the agency of SCUA.

"7. Consideration was also given to the problems arising from the fact that ships would be passing through the Canal before an interim arrangement could be put into effect. It was suggested that, so far as the United States, the United Kingdom and France were concerned, it would be desirable to consider the possibility of paying the dues to Egypt while at the same time setting aside equivalent sums (in the blocked accounts), with the implication that release of these sums would depend on Egypt's agreement to a substantial interim settlement.

"8. If the attempt to secure an interim settlement failed, consideration should be given to various measures, including:

(I) Withholding of all forms of economic assistance from Egypt;

(II) Payment of dues through SCUA;

(III) A report to the Security Council, on the basis of the resolution of October 13;

¹ Source: Department of State, Central Files, 611.41/3-2157. Secret. Drafted by Wilkins. Received at 12:30 a.m., March 22. Repeated to Cairo and London.

² The reference is incorrect. It should be to telegram 3 from Bermuda to Cairo, repeated to the Department of State as Secto 6; see footnote 6, *supra*.

(IV) A proposal that the United Nations should ask the International Court for an advisory opinion on the passage of Israeli ships through the Canal;

(V) Pressing of negotiations for a permanent settlement."

Dulles

244. **Diary Entry by the President, March 21, 1957¹**

BERMUDA CONFERENCE

The principals attending the meetings today were the President, Prime Minister Macmillan, Secretary of State Dulles and Foreign Minister Selwyn Lloyd.

Each side was represented at the table by three other individuals and a few staff officers were behind this delegation.

I. The meeting was by far the most successful international meeting that I have attended since the close of World War II. This had three causes:

(a). The pressing importance of the problems discussed and the need for reaching some kind of definite answer rather than merely referring the problems to a study group, as is so often done in international conferences;

(b). The atmosphere of frankness and confidence that was noticeable throughout the day; this possibly resulted, in part, from the fact that Harold Macmillan and I are old wartime comrades and friends of long standing;

(c). The obvious fact that each side was well informed on the several subjects taken up. Consequently conversations were far more definite and to the point than is normally the case when generalizations and protestations of good will take the place of informative exchanges.

II. We discussed all phases of the Mid East problem and it was apparent that there was a very large measure of agreement on most of the matters that have filled the pages of the public press for the past many weeks. Some of the items that came in for very special and searching investigation were:

A. The question of our future relationships with Nasser and a satisfactory arrangement for the future use of the Suez Canal.

Here, very early in the conversation, the Foreign Minister, Mr. Lloyd, delivered a tirade against Nasser, saying that he was not only an evil, unpredictable and untrustworthy man, but was ambitious to

¹ Source: Eisenhower Library, Whitman File, Eisenhower Diaries. Secret.

become a second Mussolini. He thought also that in pursuing his ambitions he would probably, just as Mussolini became the stooge of Hitler, become the stooge of the Kremlin.

This was followed up by a presentation by the British of the need for obtaining promptly a satisfactory arrangement for the use of the Canal. They felt the matter of tolls was probably the most important single consideration in such an agreement. They were quite clear that if we should fail to get a satisfactory arrangement, we should not later dodge the issue and pretend that it was at least a half-victory and one with which we could live. Rather, they believe we should under these conditions denounce the whole affair, including the intransigence of the British government. But they re-emphasized their need both economically and politically for obtaining a truly satisfactory agreement and this very quickly.

I immediately pointed out to them the inconsistencies in their approach to these two problems. If we were at this moment to begin an attack on Nasser (and we admit that he is far from an admirable character) and do everything in our power overtly and covertly to get rid of him, then the hope of getting an early and satisfactory settlement on the Canal would be completely futile.

They quickly saw the point of this and . . . quickly agreed that we should first stick with the task of getting a satisfactory agreement on the Canal operation.

B. Gaza and Aqaba. We found ourselves largely in agreement on these two subjects and the consensus was that we must do our best to prevent extreme action by either side in the region. We believe that if we can have a period of tranquility during which time these two regions will be largely under the control of the United Nations, that we can probably work out satisfactory answers.

[Here follow Eisenhower's comment on the Anglo-American discussions concerning oil production in the Middle East.]

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[Here follow Eisenhower's comments on the situation in Cyprus; for text, see the editorial note, volume XXIV, page 466.]

245. Paper Agreed Upon at the Conference at Bermuda¹

Bermuda, March 23, 1957.

3. AGREED POSITION CONCERNING THE PROSPECT OF A
PALESTINE SETTLEMENT²

(i) It must be recognized that the chances of a general settlement of the Palestine question are at present remote.

(ii) The policies of the two Governments should therefore concentrate for the time being on the piecemeal settlement of various particular problems as they arise and the gradual creation of a better atmosphere in which a final political settlement would be possible. The United Nations could be used to keep up the pressure on the parties for a solution of particular problems.

¹ Source: Department of State, Conference Files: Lot 62 D 181, CF 828. Secret. An earlier version of this paper, BEM D-3/3a, March 16, is scheduled for publication in volume XXVII. The Bermuda Conference agreed upon six papers relating to the Middle East. Papers 1 and 2, "Agreement on Study of Middle East Problems" and "Agreed Position on Guarantees for Maintenance of the Flow of Middle East Oil through Pipelines", are scheduled for publication in volume XII. Papers 3, 4, and 5 are printed here. Paper 6 contained an agreement to continue discussions concerning Libya. Regarding the U.S.-U.K. discussions on Libya, see vol. XVIII, pp. 479 ff.

² At a meeting among Secretary Dulles, Foreign Secretary Lloyd, and other American and British officials at 10:30 a.m. on March 23 the following discussion occurred:

"The Secretary said that he thought the paper on Palestine which had been agreed in Washington prior to commencement of the Bermuda Conference was too pessimistic and suggested that phraseology be introduced that would indicate that these views were held as of the present moment only. He thought that if developments should take a favorable turn we should be in a position to move in boldly. Selwyn Lloyd agreed." (Department of State, Conference Files: Lot 62 D 181, CF 861)

246. Paper Agreed Upon at the Conference at Bermuda¹

Bermuda, March 23, 1957.

4. REPORT BY WORKING COMMITTEE ON THE SUEZ CANAL²

The suggestions conveyed to Mr. Hammarskjold in the State Department's telegram of March 20 to the American Ambassador in Cairo form a reasonable basis for an interim arrangement.³

2. It would be premature to formulate a fall-back position at this stage. The aim should be to obtain acceptance of this proposal, or failing that to provoke an Egyptian counter-proposal.

3. In their messages to Mr. Hammarskjold and Colonel Nasser, the United States Government have exercised as much pressure as is possible at this moment.

4. It would however be helpful if the Foreign Secretary would reinforce the action of the United States Government by sending a message to Mr. Hammarskjold in Cairo. A draft is submitted.⁴

5. It would not be useful to bring in S.C.U.A. immediately or to attempt to conduct negotiations with Egypt through S.C.U.A. On the other hand S.C.U.A. should be informed of the latest developments as soon as this can be done without embarrassing Mr. Hammarskjold.

6. If an interim arrangement is obtained, the other members of S.C.U.A. should be invited to co-operate in securing the payment of dues through the agency of S.C.U.A.

7. Consideration was also given to the problems arising from the fact that ships would be passing through the Canal before an interim arrangement could be put into effect. It was suggested that, so far as the United States, the United Kingdom and France were concerned, it would be desirable to consider the possibility of paying the dues to Egypt while at the same time setting aside equivalent sums in the blocked accounts.

8. If the attempt to secure an interim settlement failed, consideration should be given to various measures including:

¹ Source: Department of State, Conference Files: Lot 62 D 181, CF 868. Secret. Transmitted to the Department of State in Secto 7 from Bermuda, March 21; *ibid.*, Central Files, 611.41/3-2157.

² The following remarks were made concerning this paper during the 10:30 a.m. meeting on March 23:

"The Secretary and Selwyn Lloyd agreed on minor changes of phraseology of the papers on guarantees for pipelines and the Suez. The Secretary remarked, in explanation of the concept of blocking payment of tolls, that if we had to accept passage through the Canal under protest and the payment of tolls to Egypt, we could place a second block on funds which were now held unless there were a settlement. Selwyn Lloyd noted that the United Kingdom had claims and counter claims which made its attitude somewhat different." (*Ibid.*, Conference Files: Lot 62 D 181, CF 861)

³ Telegram 3120, Document 236.

⁴ Attached to the source text and printed below.

- (i) withholding of all forms of economic assistance from Egypt;
- (ii) payment of dues through S.C.U.A.;
- (iii) a proposal that the United Nations should ask the International Court for an advisory opinion on the passage of Israeli ships through the Canal;
- (iv) pressing of negotiations for a permanent settlement.

Annex

TELEGRAM OF MARCH 21 TO THE AMERICAN AMBASSADOR IN CAIRO⁵

The Secretary has informed Mr. Selwyn Lloyd of the substance of the message you were asked to convey to Mr. Hammarskjold on March 20, concerning the interim arrangements for the Suez Canal in the context of the Egyptian Memorandum.

2. Mr. Selwyn Lloyd is in entire agreement with the terms of this message, and requests you to inform Mr. Hammarskjold accordingly. He wishes to emphasize the importance he attaches to a prompt and fair interim arrangement. He hopes Mr. Hammarskjold will be able to obtain from the Egyptian Government either acceptance in substance of the Four Power proposal or a conciliatory counter-proposal which effectively guarantees the interests of the users. He attaches particular importance to a reaffirmation by the Egyptian Government of their acceptance of the Security Council's Resolution of October 13. He further hopes that Mr. Hammarskjold will be able to obtain confirmation that the Egyptians envisage a system on the lines set out in his letter of October 24 to Dr. Fawzi.

3. Mr. Selwyn Lloyd would like you to give his best wishes to the Secretary-General and to say that we are all relying on him to help us to take this important step forward.

4. In conveying the foregoing orally to Mr. Hammarskjold you should bear in mind the importance of secrecy. The fact that Mr. Selwyn Lloyd has communicated with Mr. Hammarskjold from Bermuda on this question is not to be made known to the Government of Egypt.

⁵ See footnote 6, Document 242.

247. Paper Agreed Upon at the Conference at Bermuda¹

Bermuda, March 23, 1957.

5. REPORT BY WORKING COMMITTEE ON THE GULF OF AQABA²

The Committee agreed that the legal positions of the two Governments, though somewhat differently expressed, were broadly identical in substance.

Questions that remained to be decided were:

- (a) how to coordinate the views of other Maritime Powers;
- (b) how to establish the legal position permanently;
- (c) how to maintain freedom of transit through the Straits of Tiran in the meantime.

The Committee agreed to recommend that the two Governments should consult through diplomatic channels the Governments of other Maritime Powers including the following:

Denmark
France
Italy
The Netherlands
Norway
Sweden

to coordinate their views on:

- (a) procedure for obtaining either an advisory opinion or a decision by the International Court; and
- (b) means to be adopted for preserving freedom of passage pending the opinion or judgment of the Court.

¹ Source: Department of State, Conference Files: Lot 62 D 181, CF 868. Secret.

² According to the memorandum of conversation, Lloyd and Dulles exchanged further views on the Aqaba paper during the 10:30 a.m. meeting on March 23. They also agreed that it might be desirable to seek an advisory opinion or a decision from the International Court of Justice. (*Ibid.*, CF 861) The memorandum of conversation is scheduled for publication in volume XXVII.

248. **Memorandum of a Telephone Conversation Between the Secretary of State in Washington and John J. McCloy in New York, March 25, 1957, 10 a.m.**¹

TELEPHONE CALL FROM MR. MCCLOY

The Sec returned the call and M said he just got a call from Hammarskjold to go over because the negotiations are critical. M has only been involved in the technical and salvage work. M offered to go over 1½ months ago, but H said it was premature. Menon is causing trouble. M is going ostensibly to look at the Canal but fundamentally to talk to Nasser. Before he goes he thinks he ought to know what is transpiring and what are the Sec's attitudes. He will be brought up to date on the UN position and is leaving at 4 this p.m. via Beirut. M asked what are we prepared to do and what are the British prepared to do and what would the Sec like to have done. M has talked to Nasser before. M wondered if anything were accomplished in Bermuda. The Sec said in Bermuda we agreed either there would be a Suez Canal settlement we could go wholeheartedly along with or Egypt might insist on a position we could not go along with—in the latter event it was pretty much agreed we would not make any pretense of being satisfied with anything unsatisfactory. We would accept under protest because the British have come to the conclusion that they cannot afford to boycott the Canal and will have to take the terms Nasser chooses to impose but they will not pretend they will like them. We will use these Egyptian funds which are blocked in this country for a while to debit them etc. Practically this does not mean much—it is a double-block and does create a new obstacle to their release. Then the Sec went on to discuss ways we might relieve dependence on the Canal—also moral pressures on Egypt. The Sec said there is quite a lot that M should know. He will have Messrs. Phleger and Dillon get in touch.²

M asked what would you like to get? The Sec said we have indicated we would like an immediate designation of the World Bank as Egypt's nominee—that is consistent with the Egyptian proposal—with the understanding 50% would be released for Egyptian general use to cover the maintenance of the Canal—20% development fund and only released upon proper certification and the remaining 30% to be held for reimbursement of the shareholders of the old Company. Then as quickly as possible we would like a permanent arrangement along the lines of the six principles and implementation agreed to between Egypt, Britain and France and set forth in Hammarskjold's

¹ Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Transcribed by Bernau.

² See *infra*.

letter of October 24 (?).³ The Sec said they came close to complete agreement and we believe a final agreement along those lines could be arrived at. Re Israeli boats—the Sec said he thinks you could probably agree if you had a situation where the Israeli ships or ships bound for Elath could pass through the Gulf of Aqaba and that would prevail pending a World Court decision to the contrary. You could go there but not through the Suez Canal unless there is an affirmative decision. The Sec thinks the Israelis would accept that. The British would not be disposed to let an otherwise satisfactory settlement of the Suez Canal be held up on account of the issue of Israeli ships because they are dependent on it economically. They can't live with a boycott—we said we would go along with it.

M said if we can get this agreement, what do we offer them? Talk about economic aid? They agreed that is a hot question. The Sec said he talked with Hammarskjold and he thinks we are not going to talk in terms of great projects like the Aswan Dam, but the Sec thinks they could anticipate there would be a resumption of normal relations. There would be included in this wheat, CARE packages, tourists if it would not be dangerous. H is trying to get them to renounce belligerent rights against Egypt and if so then the Sec thinks we can compose the Gaza problem and then the tourists might be let in. It cost a lot to get Americans out of there and we don't want to send them in and have to bring them out again. M said it is not a strong bargaining position but you have something. The Sec said not from the short-term point of view but no doubt it is in the long-range view of Egyptian interests. The Egyptian position could be one of folly for them.

M. said he will expect a call around noon with further elaboration.

³ The question mark appears in the source text.

249. Editorial Note

During a telephone conversation on March 25, Dillon among other points advised McCloy that it would be helpful for McCloy to mention to Nasser what the United States planned to do regarding double blocking of funds if unable to reach an agreement with Egypt concerning the Canal. Phleger noted that the most important thing which McCloy could do was to impress upon Nasser that McCloy could not do anything about getting him money from the United States business community until Nasser established confidence. If Nasser acted like a responsible person and recognized the interests

and rights of the world community vis-à-vis the Canal, he would establish his reputation; but if Nasser did not act like a responsible person, then there would be no money for him and no business to be gotten. Phleger also cautioned McCloy that it would be better to avoid discussing the use of the Canal by Israeli ships and to try not to bring up the question of who paid for the clearance of the Canal. (Memorandum of telephone conversation by Dillon, March 25; Department of State, Phleger Files: Lot 58 D 517, Suez Settlement—SYG, Feb.–Mar., 1957)

250. Telegram From the Embassy in Egypt to the Department of State¹

Cairo, March 26, 1957—8 p.m.

3032. Following is text of draft memorandum specified in point 6 of March 18² just handed me by Fawzi on "personal and confidential" basis. Fawzi said texts also being given governments of India, USSR, Yugoslavia, Jordan, Saudi Arabia, and Syria. Not intended to give document publicity at this time, formal announcement being planned in about 6 or 7 days. Hammarskjöld has also been given copy for such use as he thinks appropriate. Fawzi said "comments will be welcomed".³

¹ Source: Department of State, Central Files, 974.7301/3-2657. Confidential; Niact. Received at 8:34 p.m. Repeated Priority to USUN.

² See telegram 2929, Document 231.

³ In telegram 3033 from Cairo, May 27, Hare offered an additional account of Fawzi's presentation. According to Hare, Fawzi made a special effort to emphasize that Egypt had taken various points of view into consideration and had attempted to draw up a document that would gain general acceptance. Fawzi hoped, therefore, that the document would be received in a spirit of "calm and helpfulness". Several times Fawzi said that Egypt wanted to be fair. Regarding the unilateral form of the memorandum, Fawzi explained that the procedure had been chosen instead of engaging in negotiations, because the opening of the Canal was imminent and Egypt desired to expedite necessary arrangements. Time was being allowed, Fawzi promised, for consultation and he hoped that time would not be as short as it had been for the February 18 memorandum. Fawzi then commented on individual paragraphs in the March 26 memorandum. (Department of State, Central Files, 974.7301/3-2757)

"Personal and confidential.

Draft Memorandum.

1. The Government of Egypt are pleased to announce that the Suez Canal will be open for normal traffic by mid-April, and will thus once again serve as a link between the nations of the world in the cause of peace and prosperity.

2. The Government of Egypt acknowledge with appreciation and gratitude the efforts of the states and peoples of the world who contributed to the restoration of the Canal for normal traffic and of the UN whose exertions enabled the clearance of the Canal to be accomplished peacefully and in a short time.

3. In elaboration of the principles set out in their memorandum dated the 18th of March 1957, the Government of Egypt hereby make the following declaration arrangements for its operation.

4. Re-affirmation of Convention.

It remains the unaltered policy and firm purpose of the Government of Egypt to respect the terms and the spirit of the Constantinople Convention of 1888 and the rights and obligations arising therefrom.

5. Observance of the Convention and of the Charter of the UN.

While re-affirming their determination to respect the terms and the spirit of the Constantinople Convention of 1888, and to abide by the Charter and the principles and purposes of the UN, the Government of Egypt are confident that the other signatories of the said Convention and all others concerned will be guided by the same resolve.

6. Disputes, disagreements or differences arising out of the Convention.

(a) Disputes or disagreements arising between the parties to the Constantinople Convention of 1888 and in respect of it shall be settled in accordance with the Charter of the UN.

(b) Differences arising between the parties to the said Convention in respect of the interpretation of its provision, if not otherwise resolved, will be referred to the International Court of Justice under Article 36 of its statute or, by agreement, to an appropriate organ of the UN.

7. Freedom of navigation, tolls and development of the Canal. The Government of Egypt are more particularly [determined?]

(a) To afford and maintain free and uninterrupted navigation for all nations in accordance with the Constantinople Convention of 1888.

(b) That tolls shall continue to be levied in accordance with the last agreement concluded on the 28 of April 1936,⁴ between the Gov-

⁴For text of the ministerial decree signed by the Egyptian Minister of Finance Ahmed Abdel Wahab on April 28, 1936, see *Compagnie Universelle du Canal Maritime de Suez, Recueil Chronologique des Actes Constitutifs de la Compagnie Universelle du Canal*

ernment of Egypt and the Suez Canal Maritime Company; and that any increase in the current rate of tolls within any 12 months, if they take place, shall be limited to 1 percent, and any increase beyond that level to be the result of negotiations, and

(c) That the Canal is maintained and developed in accordance with the progressive requirements of modern navigation and that such maintenance and development shall include the 8 and 9th programs of the Suez Canal Maritime Company, with such improvements to the Canal as are considered necessary.

8. Operation and Management.

The Canal will be operated and managed by the autonomous Suez Canal Authority established by the Government of Egypt on the 26 of July, 1956. The Government of Egypt are looking forward with confidence to continued cooperation with the nations of the world in advancing the usefulness of the Canal.

9. Financial Arrangements.

(a) Toll's shall be payable in advance to the account of the Suez Canal Authority at any bank as may be authorized by it. In pursuance of this, the Suez Canal Authority has authorized the national bank of Egypt and the bank of international settlement to accept on its behalf payment of the Canal toll's.

(b) The Suez Canal Authority shall pay to the Government of Egypt 5 percent of all the gross receipts as royalty.

(c) The Government of Egypt have decided to establish a Suez Canal capital and development fund into which shall be paid 25 percent of all gross receipts. This fund will assure that there shall be available to the Government of Egypt adequate resources to meet the needs of development and capital expenditure for the fulfillment of the responsibilities they have assumed and are fully determined to discharge.

10. Canal Code.

The regulations governing the Canal, including the details of its operation, are embodied in the Canal Code which is the law of the Canal.

11. Discrimination and Complaints Arising Out of the Canal Code.

(a) In pursuance of the principles laid down in the Constantinople Convention of 1888, the Suez Canal Authority, by the terms of its statute can in no case grant any vessel, company or other party any advantage or favour not accorded to other vessels, companies or parties on the same conditions.

(b) Complaints of discrimination or violation of the Canal Code shall be sought to be resolved by the complaining party by reference to the Suez Canal Authority. In the event of such a reference, the matter may be referred to an arbitration tribunal composed of one nominee of

the complaining party, one of the authority and a third to be chosen by both. In case of disagreement such third member will be chosen by the President of the International Court of Justice.

(c) The decisions of the arbitration tribunal shall be binding upon the parties when they are rendered and these must be carried out in good faith.

(d) The Government of Egypt will study the appropriate further arrangements that could be made for fact-finding consultation and arbitration on matters not otherwise covered in the present paragraph.

12. Compensation and Claims.

The question of compensation and claims in connection with the nationalization of the Suez Canal Maritime Company shall, unless agreed between the parties concerned, be referred to arbitration in accordance with the established international practice.

The Government of Egypt make this declaration as an expression of their desire and determination to enable the Suez Canal to be an efficient and adequate waterway linking the nations of the world and serving the causes of peace and prosperity. They do so in full confidence that it will meet with the goodwill and cooperation of the nations of the world.

This declaration, with the obligations therein, constitutes an international instrument and will be deposited and registered with the Secretariat of the UN."⁵

More on above and other aspects of SYG conversation in subsequent telegram.⁶

Hare

⁵ On March 27, Department of State officials gave to representatives of the Governments of France, the United Kingdom, Italy, and the Netherlands copies of the March 26 Egyptian draft memorandum on a confidential basis. U.S. officials at the same time told these representatives that the preliminary U.S. view was that the memorandum was a disappointment in that it: 1) represented a unilateral statement of intention rather than an international engagement, 2) failed to mention the six principles of October 13, 1956, and 3) did not provide for organized cooperation between the Egyptian Government and the users. (Memorandum of conversation by Shaw, March 27, and telegram 6747 to London, March 27; both in Department of State, Central Files, 974.7301/3-2757)

⁶ Telegram 3033; see footnote 3 above.

251. **Telegram From the Department of State to the Mission at the United Nations**¹

Washington, March 28, 1957—7:34 p.m.

743. Re Egyptian Suez Canal Declaration. Confirming Cook-DePalma telephone conversation,² following for Ambassador Lodge's use in his meeting with SYG are our views re Egyptian Canal Declaration (Cairo's 3032)³ and certain points on which clarification is required.

Our initial reaction is one of disappointment. Quite apart from details, concerning which we have number of questions, document fails to meet certain basic propositions:

First, it is based upon an entirely unilateral approach and does not involve definite international engagements.

Secondly, proposals do not embody six principles set forth in October 13 Security Council resolution.

Thirdly, document does not provide for application those six principles in manner providing for *organized cooperation* between Egypt and users of Canal as contemplated in SC resolution of October 13 or Secretary General's letter of October 24.

Notwithstanding our initial reaction, we are not freezing our position or attitude until we have had time study matter further and consult at greater length. In particular we attach importance obtaining from Secretary General Hammarskjold his views on Egyptian paper. It may be he can elaborate upon various elements of the position and as result of such clarification, our judgment on various aspects of matter might be affected.

Specifically clarification of following points is required:

1) How would Egyptian declaration serve as an effective international instrument creating obligations which would bind Egypt to users of Suez Canal?

2) In referring to 1888 Convention, does declaration mean that only parties to the Convention have rights under it, or that rights are held by all user nations?

3) What provision is there for organized cooperation between Egypt and users which would give effect to six principles?

4) Does Egypt accept compulsory jurisdiction of the ICJ to determine disputes between Egypt and user nations regarding Canal?

5) With whom would Egypt negotiate concerning tolls and how would differences be settled?

¹ Source: Department of State, Central Files, 974.7301/3-2657. Official Use Only. Drafted by Rountree, Meeker, and De Palma and approved by Wilcox who initialed for Dulles.

² No account of this telephone conversation has been found in Department of State files.

³ *Supra*.

6) Would individual users have a right of arbitration if they did not obtain satisfaction from Canal Authority?

Pursuant UKUN Mission's request that US advise SYG not to discuss Egyptian Canal Declaration with UNEF Advisory Committee, we believe Ambassador Lodge should suggest to SYG we assume he will not undertake consult Advisory Committee this matter since it does not appear be appropriate forum for such consultation.

Dulles

252. Telegram From the Mission at the United Nations to the Department of State¹

New York, March 28, 1957—5 p.m.

691. Re Hammarskjöld-Nasser discussions.² This morning I had an hour and a half meeting with Hammarskjöld immediately upon his return from Egypt.³ A summary of his comment follows (documents which he gave me in the course of his account are included in subsequent separate telegrams):

To some extent he had taken a new road in his conversations with Nasser and Fawzi in that he had accepted nothing, but had negotiated as an ambassador would up to what he considered the maximum result obtainable by his efforts at this time, reserving approval of these results to governments. "Nothing is agreed with me on Gaza or the Suez", he said.

1. Gaza.

With respect to Gaza, he said that he had proceeded on the basis of his conviction that it was necessary to get away from talking about general principles and get down to hard facts. He had told General Burns that he should write out everything that Burns, as the commander, felt he needed to put a stop to infiltration and to maintain

¹ Source: Department of State, Central Files, 674.84A/3-2857. Secret; Niact. Received at 6:08 p.m.

² During Hammarskjöld's visit to Egypt, the Embassy in Cairo transmitted to the Department of State several interim reports concerning the progress of the talks, which the Embassy had received from Hammarskjöld and Bunche. Reports concerning the questions of Gaza and the Gulf of Aqaba are *ibid.*, 684A.86; reports concerning the Suez Canal are *ibid.*, 974.7301. All were repeated to USUN.

³ At 1:45 p.m. on March 28, Lodge reported over the telephone to Dulles the highlights of his conversation with Hammarskjöld. A memorandum of the telephone conversation, prepared in the Office of the Secretary of State, is in the Eisenhower Library, Dulles Papers, General Telephone Conversations.

order. He had told Burns not to talk about principles at all but about practical arrangements and that he would transmit his requests to the Egyptians and to the Advisory Committee. This Burns had done and the Egyptians had accepted Burns' paper and agreed to his requests, although without signing it. The paper did in fact represent an agreement with Egypt (Burns' memorandum as accepted by Egypt contained in immediately following telegram, mytel 692).⁴ Hammarskjold emphasized again, however, that this did not represent an agreement with him and that it was his intention to put it before the Advisory Committee.

The Egyptians had made definite undertaking in their discussions with him that no Egyptian troops would move into Gaza. He said that the Egyptians regarded this as a moral commitment to the SYG, and it was agreeable to the Egyptians that he should use it as such with Israel and in his discussions with the U.S.

Egypt had not made deployment of UNEF on Israel's side of the armistice lines a condition to their agreements on UNEF's functions or to the continuance of UNEF in Gaza, with one exception. That exception was that UNEF's right to shoot Egyptians crossing the armistice lines must be made conditional on a similar right to shoot Israelis. This point related to paragraph 5 of the Burns-Egyptian memorandum. Egypt was agreeable to UNEF's having the authority to fire at infiltrators refusing to halt when challenged in the zone in which movement is prohibited provided Israel on its side also accepts such authority of UNEF to fire. Alternatively, Egypt would consider giving this authority to UNEF on its side if UNEF were joined in its patrols by Palestinian police.

General Burns considered the points of agreement on UNEF's functions concrete arrangements which are to him satisfactory although they did not constitute a UNEF administration of Gaza. In fact, however, UNEF was all over the place, but not running things except through what UNRWA was doing.

Hammarskjold said, going back to his statement to the General Assembly on February 22 on what it was understood would be done in Gaza, that (1) the initial "take-over" had gone by, (2) the helpful arrangements contemplated with UNEF now exist. UNEF headquarters are within Gaza and not just on the demarcation line and UNEF has freedom of movement. While there were situations which, if they

⁴ Not printed. (Department of State, Central Files, 320.5780/3-2857) Among the measures included in the memorandum were: an Egyptian agreement to make known to the refugees and residents of Gaza that it was Egyptian policy to prevent infiltration across the demarcation line; Egyptian regulations against infiltration; assignment of a unit in the Palestinian police force to prevent infiltration; UNEF authority to take infiltrators into custody; and other provisions regarding the functions, rights, and responsibilities of UNEF.

arose, would make the Egyptians want to get rid of UNEF in Gaza, the Egyptians in fact very much wanted to avoid this. They knew that if Fedayeen raids started again it would be the end of UNEF. The SYG had told them that if the raids started he would withdraw the force but, aside from his own position, the hard facts were that the governments making up UNEF would also withdraw their forces if the raids started.

He said that we would be amused and surprised at how hard he had been on Nasser on this as well as on other points. The main political fact with respect to Gaza, he said, was that "the Egyptians are working with us to prevent raids." He had not realized before his talks that he could play the withdrawal of UNEF so hard and get away with it.

He was happy to see that Secretary Dulles had reaffirmed the U.S. position on the desirability of UNEF on both sides of the lines.⁵ He intended to take up this question with the Advisory Committee. He had not dwelt on it before until he was sure that UNEF was secure on the Egyptian side regardless of whether it was on the Israeli side or not. Now, with that assurance, the question of having it on the Israeli side would be dealt with on its own merits. He wanted, he said, to have the Advisory Committee take the decision itself to put the question up to Israel, although he had authority of course to do so. By having the Advisory Committee do it, it would help to avoid the Israeli charge that it was simply Nasser's idea.

In addition to movement of UNEF's functions which Egypt had accepted, Hammarskjöld gave me a second note from Burns to the SYG on the subject of UNEF action in the event armed forces, as opposed to infiltrators, crossed the armistice demarcation line. (Note contained in immediately following telegram, mytel 692).⁶ The problem here involved what action UNEF could take if Israel resorted again to raids into Egyptian territory through armed attack. Hammarskjöld said that when this question had arisen in the Advisory Committee previously, both Canada and Norway had said that the UNEF could not shoot. This they considered beyond the original concept of UNEF. Burns had been considerably upset by this reaction and believed that if the ordinary Israeli type raid, for example a raid by a battalion, took

⁵ Dulles made this statement during a press conference on March 26. For the transcript of the press conference, see Department of State *Bulletin*, April 15, 1957, pp. 595-601; excerpts are printed in *United States Policy in the Middle East, September 1956-July 1957*, pp. 348-353.

⁶ Not printed. (Department of State, Central Files, 320.5780/3-2857) In the note, Burns sought instructions from Hammarskjöld as to what action UNEF troops deployed along the Armistice demarcation line should take if armed forces attempted to cross. Burns recommended that UNEF should have the right to fire in self-defense and/or under specified circumstances and that an attack on UNEF or an attempt to break through UNEF positions should be an act involving automatic application of sanctions.

place, that UNEF should be empowered to shoot. On the other hand, Burns realized that if a real Israeli invasion took place, UNEF was in no position to resist. Hammarskjold intended to deal with this question in the Advisory Committee and pointed out it involved no agreement or disagreement with Egypt.

2. Sharm el-Sheikh. Hammarskjold said that in the case of Sharm el-Sheikh the Egyptians had made clear to him that they had no intention to move in or to ask UNEF to leave. They were in fact closing their eyes to the Aqaba situation. When a question had been put to Fawzi in Hammarskjold's presence as to what Egypt would do if Israeli ships proceeded through the Straits of Tiran, Fawzi had said "please forget you asked that question." Hammarskjold said he recognized, however, that aside from the Egyptians there was a problem with Saudi Arabia, who might well cause difficulties.

3. Suez. When Hammarskjold arrived in Cairo, Krishna Menon was already there and it was obvious that he was there only with respect to the Suez. It was also obvious that Egypt's memorandum (Cairo telegram 3032),⁷ following up the March 18 memorandum was a *fait accompli*. It was soon clear to him that all of the points contained in the memorandum were closed doors and that he could not "negotiate" on them.

He therefore concentrated his attack on the fact that Egypt must consult the interested governments about the memorandum before going further. In this he had succeeded. Nasser had agreed to consult governments and to consider the memorandum as a draft.

Hammarskjold had insisted in connection with consultations with governments that there should be arrangements included for organized cooperation with the users. Hammarskjold had pointed out that the Egyptian memorandum did not meet the six principles in either of these respects and that Egypt must do so.

As a result of his insistence, they had agreed to receive comments from governments and had also agreed that he was free to use the information he had gathered from his talks with them in any way he saw fit. This had been confirmed in a formal letter from Fawzi to the SYG which SYG had replied to in letter, copy of which Hammarskjold gave me (text contained mytel 693).⁸ In this letter, Hammarskjold again had emphasized the importance of consulting with interested countries, pointing out his regret that exchanges of views between Egypt and the interested countries, which had been expected, had not taken place. He pointed out also in his letter the importance of orga-

⁷ Document 250.

⁸ Not printed. (Department of State, Central Files, 974.7301/3-2857)

nized cooperation with the users. Hammarskjold felt it most important that the users, particularly the U.S., should follow up now by conveying to Egypt their comments on Egyptian memorandum.

Hammarskjold said that as he analyzed the Egyptian memorandum he considered that the Egyptians had dealt with all of the arbitration points contained in the six principles of the SC.

Secondly, the Egyptians had, at Hammarskjold's insistence, designated the Bank of International Settlement for the receipt of tolls, which he considered as good as the IBRD.

Thirdly, on the funding provisions, he had pressed the Egyptians for a larger percentage to be set aside but had been unable to budge them. They had contended that in the old company, more than 50 percent of the income from tolls was set aside for salaries, pensions, administrative expenses, etc., and additional amounts were paid to shareholders and in royalties. It would not be practically possible to take out of the operating income for development funds as much as 50 percent of the total, and a 25 percent fund would in fact put aside for development considerably more than the old company had done or could have done under the prevailing financial arrangements.

Fourth, in Articles 8 and 11(d), the Egyptians had left the door open to arrangements for cooperation with the users. He had succeeded in getting the Egyptians to include the second sentence of Article 8 and the provisions of Article 11(d). Beyond these matters, he had not been able to move the Egyptians on the provisions of their memorandum.

He said that the Egyptians would not consult with England and France although they took for granted that the U.S. would do so and they left it open to him to do so. Likewise he had received no objections from them to his discussing the Egyptian position with Italy and Norway.

The fact, however, that he had agreed to nothing himself provided added pressure on Egypt. In his opinion they were very anxious to cooperate with the UN and this was one of the reasons he had asked for McCloy to go and talk blunt economic facts to Egypt. When Nasser, he said, had asked him what really was the matter with the Egyptian memorandum, the SYG had told Nasser: "The trouble is that people don't trust you." He said that to the extent that it was possible to do, he believed he had brought Nasser down to earth and in this respect, while it would have been, in his opinion, a mistake to have presented the Secretary's letter to Nasser, the Egyptians knew that if he spoke with as great assurances as he did, he was covered by U.S. backing. He had not advocated use of Dulles' letter to Nasser because Dulles' language weaker than that which Hammarskjold had used.

After hearing foregoing, I read to Hammarskjold the Department's reactions.⁹ Hammarskjold said that the U.S. reaction and his own were identical. I then read the Department's questions.

On question 1—Hammarskjold said that he had raised this very question with the Egyptians who had argued that the difficulty they saw was finding the proper form for a binding international obligation. They said that they could not negotiate with SCUA because they regarded it as not truly representative of all the users. They could not see how they could form an agreement with the UN itself which was not a tight contracting party and they could not undertake to have a world conference. Therefore, they argued that it was better, after getting reactions to their position and taking them into account, to commit themselves to the UN by depositing the instrument containing the wording of the last paragraph of their memorandum wherein emphasis is placed on the obligations that they have undertaken.

Question 2—Hammarskjold said that he had no doubt that the Egyptian declaration was intended to cover all user nations and that this included Israel except that Article 10 of the 1888 Convention also applied to Israel.

Hammarskjold said Egyptians argued they were not claiming a right to shoot when they relied on belligerent rights as Israelis insisted they were claiming, but that they were claiming right of self-protection under the Armistice Agreement and Convention. They were thus adamant against permitting Israeli ships to pass through Canal. Hammarskjold said in this connection again we would be surprised how hard he had been on Nasser on this point but it was fact that Israeli attack in October had not improved prospects for Israeli transit. Egyptians regarded their security immediately involved if any ship flying Israeli flag went through Canal.

Hammarskjold had told Nasser that if Egyptian position was legal it was "damned foolish" and undercut Egypt's moral position throughout world. Hammarskjold said Nasser had replied frankly that he agreed with him but nonetheless no Egyptian Government could let Israeli ships into Port Said and Ismailia and that if it did there would be immediate trouble with danger of sabotage to Canal itself. Hammarskjold said, however, that Egyptians would agree that under article 6 (b) of memorandum any party to Convention of 1888 could take up Israeli case if they so desired and refer it to ICJ. He said it was obvious Egyptians expected reference of question of Israeli transit to Court. In this connection, in discussing with Fawzi ways of taking question to Court, Fawzi had said it was desirable to have question over and done with and he therefore had some misgivings about an advisory opinion being sought by GA since it would only be advisory.

⁹ Contained in telegram 743, *supra*.

In response to question on this point, Hammarskjold said he thought it was entirely possible from Fawzi's attitude that Egypt was anxious to find way off the hook on question of Israeli transit rights, without themselves taking any initiative, or, of course, without being forced into acceptance of Israeli transit other than by adjudication.

Question 3—this Hammarskjold had previously answered pointing out that Egyptian memorandum's only provision in respect to organized cooperation with users were references contained in paragraphs 8 and 11 (d).

Question 4—Hammarskjold regarded Egypt as having agreed to compulsory jurisdiction of ICJ under Convention. It was not clear to him, however, whether they had accepted compulsory jurisdiction with respect to disputes arising also out of the new Egyptian memorandum itself.

Question 5—Hammarskjold considered question of whom Egypt would negotiate with was not answered by memorandum but would have to be worked out in same way as question of cooperation with users.

Question 6—Hammarskjold said Egypt had accepted right of individual users to arbitration under Canal Code.

SYG said Egyptians had taken position they would wait until Tuesday, April 2, before finalizing text their memorandum. They intended have text made public 48 hours before opening of Canal which meant therefore they expected Canal to open at earliest on Wednesday, 3rd, or Thursday, 4th.

4. Meeting of GA. Hammarskjold said he had told Nasser moment Egyptians stopped an Israeli ship going through Canal, GA would have to meet. In his opinion GA would in these circumstances have to ask for advisory opinion of ICJ.

5. Israeli request for Egyptian position on belligerency. Hammarskjold said he had submitted in formal letter to Nasser Israeli question, but as yet had received no reply. He had, however, gone further and had put his own questions to Egyptians in letter, copy of which he gave me (contained mytel 694).¹⁰ Hammarskjold said de-

¹⁰ Not printed. (Department of State, Central Files, 674.84A/3-2857) Hammarskjold had addressed the following "basic" question to Fawzi: "Is the Government of Egypt willing, 'with a view to promoting the return to permanent peace in Palestine and the recognition of the importance in this regard of mutual assurances concerning the future military operations of the parties', to reaffirm its adherence to the principles enunciated in points 1 to 4 of Article 1 of the Egyptian-Israeli General Armistice Agreement of 24 February 1949?" The Secretary-General then asked Fawzi the following "subsidiary" questions: "In reaffirming its adherence to the aforementioned principles of Article 1, does the Government of Egypt accept an interpretation of that article in line with what was stated in paragraph 15 of my report of 24 January 1957 [U.N. doc. A/3512] as supported by the resolution of the Security Council of 1 September 1951 [U.N. doc. S/2322], or does the government refer solely to action directly mentioned in the four principles? Will the government of Egypt, on the basis of a mutual reaffirmation of

spite Mrs. Meir's contention that Nasser could answer Israeli question by yes or no, it was in fact not that kind of question and he had attempted formulate his own questions in such way as to require yes or no answers. He said he considered he should send similar letter to Israel and intended shortly do so.

Recommended Action:

That you tell *Israelis* following:

1. That situation they desired to see brought about in Gaza has been brought about. There is solid assurance against raids from Egypt; there is an undertaking against return of Egyptian troops; Burns had been given all undertakings he said were necessary to maintain international order, including placing of part of Palestinian police under his orders; and Egyptians have not pressed their demand to have UNEF deployed in Israel. Situation which Israel desired see in Straits of Tiran is also now in existence. Existence of both these situations confirms Israeli and American expectations.

2. Hammarskjold said to me following this morning's conversation, in response to my question that Egyptians may allow ships with other than Israeli registry, but carrying Israeli goods to and from Israeli ports, to transit Canal, although this is not yet definite. If true, it is another gain over previous situation and, moreover, is an addition to expectations voiced by Israel prior to her withdrawal.

3. Israel therefore should not introduce Israeli flag vessels moment Canal opens, but should wait and see whether non-Israeli flag vessels carrying Israeli cargo are allowed to pass and also give a chance for test of use of Gulf of Aqaba by Israeli ships now understood to be en route around Cape of Good Hope.

4. Another reason for waiting is that Egyptian motive for stopping Israeli vessels is not primarily a matter of principle, or juridical, or a matter of bargaining, but is due solely to heated state of public opinion which should cool and subside with passage of time, thereby making possible transit of Israeli vessels.

With regard to *Egypt* I recommend:

1. That all modifications which we favor should be transmitted to Ambassador Hare for transmission by him to Egyptian Government.

2. If, in spite of our representations, Egyptian position still falls short of what we consider satisfactory, recommend that our attitude should be that Egyptian declaration could be all right if Egypt lives up to it in spirit of fair play. But there is a very grave doubt in many

Article 1, and on conditions of reciprocity, take the steps necessary in order to establish full implementation of the Armistice Agreement, so as to provide for "a return to the state of affairs envisaged in the Armistice Agreement, and avoidance of the state of affairs into which conditions, due to lack of compliance with the agreement progressively deteriorated' prior to the Israeli military intervention of 29 October 1956?"

people's minds that Egyptians will live up to it. If they do not live up to it, they will expose themselves to very severe censure, notably by U.S. and other governments and this last should be made clear in public.

Comment: If we state that we expect that they will not live up to it, then it is almost foregone conclusion that they will not. If we imply that we expect them to and that we will be very censorious if they do not, then there is chance that they will. I therefore do not think we should say we are accepting their position under duress. The word "duress" implies that we do not think they will live up to it. It also is somewhat undignified for country as powerful as U.S. to admit that it has been forced into accepting something against its will by being blackmailed by such weak country as Egypt.

3. We should imply that while we could, of course use all kinds of forceful pressure against Egypt, we are continuing to abide by the letter and spirit of the Charter and not taking advantage of our strength to impose our will on it and that we look to Egypt to carry out its international obligations in a spirit of complete justice.

Lodge

253. **Tentative Notes of the Secretary of State's Staff Meeting, Department of State, Washington, March 29, 1957, 9:15 a.m.**¹

[Here follows Armstrong's intelligence briefing.]

2. *Egyptian Announcement*—Considerable discussion of the Reston² publication of the still confidential announcement the Egyptians had distributed and which we were discussing with a number of Embassies. (Later when the Secretary came in and discussed the matter, he said he thought it was inevitable considering the number of countries to whom a combination of the Egyptians and ourselves gave the text.) Mr. Rountree noted that the Reston text contained the same garble as was in the Department version given to the Embassies. In the discussion it was pointed out that we perhaps should promptly inform the Egyptians through Ambassador Hare that we were not responsible. It was generally agreed that no blame was attached for our showing it to other Embassies since this had been stated to Hammarskjöld

¹ Source: Department of State, Secretary's Staff Meetings: Lot 63 D 75. Secret. Drafted by Howe.

² James Reston, columnist for *The New York Times*.

by the Egyptians as expected. It was also generally agreed that we would have to proceed with making our comments in any event. It was suggested that Linc White, in answer to anticipated questions, could say that we were still in consultation with other countries.

Mr. Phleger said that he had drafted a revision of the Egyptian announcement which by deletions and insertions changed the "announcement" to a "declaration" and with binding force of a treaty. A meeting will be held later (12:30 today)³ to discuss it and to consider making it available to the other countries with whom we are consulting before sending to Egypt. Mr. Henderson suggested that we might insert a minor garble different for each version submitted to each Embassy thus to trace the anticipated leak.

[Here follows discussion of unrelated subjects.]

³ See the memorandum from Howe to Herter, *infra*.

254. Memorandum From the Director of the Executive Secretariat (Howe) to the Under Secretary of State (Herter)¹

Washington, March 29, 1957.

MEETING WITH THE SECRETARY ON SUEZ—MARCH 29

You should know the outcome of the Secretary's meeting on Suez held this noon. Following are the results of this meeting:—

1. The Secretary said that he would meet with the British at 11:30 a.m. tomorrow in his residence to discuss their views on the Egyptian draft memorandum. He noted that he had received their preliminary views (Tab A)² during a meeting with Hoyer Millar.³ He told him that we thought we should respond to this apparently clear invitation to

¹ Source: Department of State, Central Files, 974.7301/3-2957. Confidential.

² Not printed. In the memorandum, the British Foreign Office stated its agreement with the Department of State view that the Egyptian draft constituted a unilateral approach, did not mention the six principles of October 13, and did not provide for the application of the principle of organized cooperation between the Egyptian authority and the users of the Canal. The British Foreign Office's basic objection to the Egyptian draft was that it would substitute a unilateral instrument for a negotiated agreement; and consequently, the Egyptian Government would be free to amend the instrument at its will.

³ A memorandum of the conversation of March 29 by Wilkins is in Department of State, Central Files, 974.7301/3-2957.

negotiate⁴ but that we felt we could not act as an agent for other interested countries, assuring him, however, that we would keep them informed of the progress of these negotiations. The Secretary said he did not plan to show the text of the draft declaration (Tab B)⁵ prepared by Mr. Phleger to the British on Saturday,⁶ but would rather discuss the matter generally, trying to obtain their views. A discussion of the wording of this declaration with them would only involve a delay which we cannot afford because of the very short time limit in this matter. The Egyptians have indicated that they plan to finalize their memorandum by April 2.

2. Mr. Phleger is to telegraph Cairo the text of our draft declaration immediately because of its length and the mechanical problems involved in its transmission. The original thought of the meeting was that Ambassador Hare might discuss this declaration in very general terms with Fawzi but it was finally decided to ask him to delay any presentation until he had received final instructions. These instructions would be cabled Saturday afternoon after the meeting with the British and should reach Hare by Sunday morning. He is then to discuss the revised text of our draft declaration with either Fawzi or Nasser at his discretion.

3. During this meeting several revisions of the draft declaration were recommended, the principal ones of which follow:—

a. In either the initial paragraphs or in a preambular paragraph there is to be included a statement specifying recognition of the Six Principles and they are to be listed therein.

b. Paragraph 6. (C) is to be revised to specify that the 25% of all gross receipts of the Canal are to be used for the capital expenditures and development of the Canal with the further provision that this portion of the receipts should be deposited in the Bank of International Settlement.

c. Where the expression "Representation of the users" appears, the term "the users" is to be substituted so as to employ the phraseology appearing in the Security Council's resolution embodying the Six Principles.

⁴ On March 28, Department of State officials informed representatives of the Governments of France, Great Britain, Norway, Italy, and the Netherlands that the United States planned to submit views on the Egyptian memorandum to Egypt, because the United States believed that it could not refuse to respond to the Egyptian request for comments. (Telegram 6785 to London, March 28; *ibid.*, 974.7301/3-2857)

⁵ Not printed. Later on March 29, the Department of State transmitted a revised version of Phleger's draft to the Embassy in Cairo in telegram 3238, *infra*. The original draft of the telegram instructed Hare to request an immediate appointment with Nasser to convey U.S. views on the Egyptian draft declaration.

⁶ March 30.

4. EUR is to inform the French, Italians, Norwegians, and Dutch that the views on this matter which were requested of them yesterday evening would now be needed today since we plan to transmit our comments tomorrow because of the limitation of time.

H

255. **Telegram From the Department of State to the Embassy in Egypt¹**

Washington, March 29, 1957—7:30 p.m.

3238. Following are US views re Egyptian draft declaration on Suez Canal handed you by Fawzi on March 26.² Separate message will be sent tomorrow, instructing you re approach to GOE. Meanwhile ensure that GOE understands specific comments will be made promptly.

1. *General comments:*

(a) Egyptian draft represents unilateral statement of intention rather than international engagement;

(b) It fails to mention six principles October 13, 1956 SC resolution or provide effective implementation of them;

(c) It does not provide for organized cooperation between GOE and users as contemplated by SC resolution and exchange correspondence last October between Hammarskjold and Fawzi.

2. Following are US proposals for amendment of Egyptian draft:

(a) Heading of draft to be Declaration instead of Memorandum;

(b) Paragraphs 1-3 of draft to be omitted from Declaration, but might be included in accompanying announcement if GOE so desired;

(c) Balance of text to read as follows:³

DRAFT MEMORANDUM DECLARATION

The GOE, desiring to give effect to the six principles approved by the SC of the UN, with the concurrence of Egypt, on October 13, 1956, makes the following Declaration:

¹ Source: Department of State, Central Files, 974.7301/3-2957. Confidential. Drafted by Meeker and Metzger, approved by Dillon, and initialed by Meeker for Dulles.

² See telegram 3032, Document 250.

³ In the balance of the text, cancelled type indicates portions of the original Egyptian draft that the Department of State wished to delete; italics indicates additions.

~~4.~~ 1. Re-affirmation of Convention

~~It remains the unaltered policy and firm purpose of the~~ The Government of Egypt ~~to will~~ respect the terms and the spirit of the Constantinople Convention of 1888 and the rights and obligations arising therefrom.

~~5.~~ 2. Observance of the Convention and of the Charter of the UN.

While reaffirming their determination to respect the terms and the spirit of the Constantinople Convention of 1888, and to abide by the Charter and the principles and purposes of the UN, the Government of Egypt are confident that the other signatories of the said Convention and all others concerned will be guided by the same resolve.

~~6.~~ 3. Disputes, disagreements or differences arising out of the Convention *or this Declaration.*

(A) Disputes or disagreements arising ~~between the parties to in~~ respect of the Constantinople Convention of 1888 ~~or this Declaration and in respect of it~~ shall be settled in accordance with the Charter of the UN.

(B) Differences arising ~~between the parties to the said Convention~~ in respect of the interpretation *or application* of ~~its the~~ provisions of the *Convention or this Declaration*, if not otherwise resolved, will be referred to the International Court of Justice under Article 36 of its Statute, ~~or, by agreement, to an appropriate organ of the UN. and~~ *Egypt and the other parties subscribing to this Declaration accept for this purpose the jurisdiction of the Court.*

~~7.~~ 4. Freedom of navigation, tolls and development of the Canal.

The Government of Egypt, more particularly, *undertakes—*

(A) To afford and maintain free and uninterrupted navigation for all nations in accordance with the Constantinople Convention of 1888;

(B) That tolls shall continue to be levied in accordance with the last agreement concluded on the 28th of April 1936, between the Government of Egypt and the Suez Canal Maritime Company; and that any increase ~~above in the current~~ rate of tolls *prevailing on July 26, 1956* ~~within any 12 months, if they take place, shall be limited to 1 percent, and any increase beyond that level to be the result of negotiations agreed between Egypt and the users (the Representation of which shall be determined by the United Nations) or, failing agreement, by arbitration according to the procedures set forth in paragraph 8.~~

(C) That the Canal ~~is shall be~~ maintained and developed in accordance with the progressive requirements of modern navigation and that such maintenance and development shall include the 8th and 9th programs of the Suez Canal Maritime Company, ~~with and~~ that such improvements to the Canal *will be made* as are considered necessary by *Egypt and the Representation of the users.*

-8- 5. Operation and management.

The Canal will be operated and managed by the autonomous Suez Canal Authority established by the Government of Egypt on the 26th of July, 1956. The Government of Egypt are looking forward with confidence to continued cooperation with the nations of the world in advancing the usefulness of the Canal.

-9- 6. Financial arrangements.

(A) Tolls shall be payable in advance to the account of the Suez Canal Authority at any bank as may be authorized by it. In pursuance of this, the Suez Canal Authority has authorized the National Bank of Egypt and the Bank of International Settlement to accept on its behalf payment of the Canal tolls.

(B) The Suez Canal Authority shall pay to the Government of Egypt 5 percent of all the gross receipts as royalty.

(C) The Government of Egypt ~~have decided to~~ will establish a Suez Canal Capital Land Development Fund⁴ into which shall be paid 25 percent of all gross receipts. This fund *will be deposited in the Bank of International Settlement, will assure that there shall be available to the Government of Egypt adequate resources and will be withdrawn for expenditures* to meet the needs of development of the Canal ~~and capital expenditure~~ for the fulfillment of the responsibilities ~~they~~ which the Government of Egypt have assumed and are fully determined to discharge.

-10- 7. Canal Code.

The regulations governing the Canal, including the details of its operation, are embodied in the Canal Code which is the law of the Canal *and which shall not be altered without the agreement of the Representation of the users, or, failing agreement, by arbitration according to the procedures set forth in paragraph 8.*

-11- 8. Discrimination and complaints arising out of the Canal Code.

(A) In pursuance of the principles laid down in the Constantinople Convention of 1888, the Suez Canal Authority, by the terms of its statute, can in no case grant any vessel, company or other party any advantage or favour not accorded to other vessels, companies or parties on the same conditions.

(B) Complaints of discrimination or violation of the Canal Code shall be sought to be resolved by the complaining party by reference to the Suez Canal Authority. In the event ~~of~~ such a reference *does not resolve the complaint*, the matter may be referred, *at the option of the complaining party or the Authority*, to an arbitration tribunal composed of one nominee of the complaining party, one of the Authority and a

⁴ See paragraph 3 of telegram 3253, Document 258.

third to be chosen by both. In case of ~~disagreement~~ *lack of agreement*, such third member will be chosen by the President of the International Court of Justice *upon the application of either party*.

(C) The decisions of the arbitration tribunal *shall be made by a majority of its members. A majority shall constitute a quorum. The decisions shall be binding upon the parties when they are rendered and these must be carried out in good faith.*

(D) *The Representation of the users shall have the right of access to make the necessary verifications.*

(E) The Government of Egypt will study, *with the Representation of the users, the appropriate further arrangements that could be made for fact-finding, consultation, and arbitration on matters not otherwise covered in the present paragraph.*

~~-12-~~ 9. Compensation and claims.

The question of compensation and claims in connection with the nationalization of the Suez Canal Maritime Company shall, unless *otherwise agreed between Egypt and the Company and any other the parties who may be concerned*, be referred to arbitration in accordance with the established international practice. *In the event of lack of agreement on a submission to arbitration, the matter may be referred, at the option of Egypt or another party to this Declaration, to the International Court of Justice for adjudication, and Egypt and the other parties subscribing to this Declaration accept the jurisdiction of the Court for this purpose.*

The Government of Egypt make this Declaration, *reaffirming and supplementing the Constantinople Convention of 1888*, as an expression of their desire and determination to enable the Suez Canal to be an efficient and adequate waterway linking the nations of the world and serving the causes of peace and prosperity. They do so in full confidence that it will meet with the goodwill and cooperation of the nations of the world.

This Declaration, with the obligations herein, constitutes an international ~~instrument and will~~ *engagement of Egypt with and for the benefit of all states concerned with the use of the Suez Canal. It is and shall be open for subscription by all such states which deposit an instrument of accession with the Secretary-General of the United Nations, and they shall thereupon become bound by its provisions. This Declaration shall enter into force immediately, and may be altered by agreement between Egypt and the subscribing states. It shall be deposited and registered with the Secretariat of the UN in accordance with Article 102 of the Charter.*

**256. Memorandum of a Conversation, Department of State,
Washington, March 29, 1957¹**

SUBJECT

Gaza, Gulf of Aqaba and Suez Canal

PARTICIPANTS

Mr. Reuven Shiloah, Minister, Embassy of Israel
Mr. Yohanan Meroz, Counselor, Embassy of Israel
NEA—Mr. William M. Rountree
NE—Mr. Fraser Wilkins
NE—Mr. Donald C. Bergus

Mr. Rountree said that he had felt it would be a good idea for him to call Mr. Shiloah in to convey to him the highlights of the Secretary General's mission to Egypt and our views on it. He asked if the Israelis planned to see the Secretary General. Mr. Shiloah replied that he imagined Ambassador Eban would be seeing the Secretary General in New York next week.

Mr. Rountree said that the Secretary General's report had not been entirely discouraging. On Gaza, we thought that the Secretary General's conversations with Nasser had achieved constructive results. The Egyptians had undertaken that no Egyptian troops would move into Gaza. General Burns considered that the points of agreement of UNEF's functions and concrete arrangements were to him satisfactory. The Egyptians had indicated a strong desire to prevent raids from Gaza into Israel territory. There were a number of details concerning courses of action which the UNEF might take in various circumstances which the Secretary General was discussing with the Advisory Committee.

On Aqaba, the Secretary General felt that the Egyptians had made clear to him that they had no intention to move into the Sharm el Sheikh area or to ask UNEF to leave. It was our impression that UNEF would stay indefinitely. Nothing of importance had been said on either side regarding passage through the Straits of Tiran.

Mr. Rountree felt it would be useful if at this point he informed Mr. Shiloah of the US/UK discussions on Aqaba at Bermuda. We had compared notes with the British and had agreed that our legal positions were broadly identical in substance. There would be further consultations between the British and ourselves as to how the legal position could be given permanency. We had discussed the possibility

¹ Source: Department of State, Central Files, 674.84A/3-2957. Confidential. Drafted by Bergus.

of obtaining either an advisory opinion or a decision of the International Court of Justice. We would consult further on this. No decision had been taken regarding an approach to the ICJ.

On the Suez Canal, the Egyptian position remained as publicly stated in their draft memorandum. We did not consider the Egyptian position satisfactory. It was not based on the Six Principles. There were no means of achieving organized international participation. We were studying the Egyptian memorandum. We had not yet responded to it but planned to do so soon. The main emphasis should be on arrangements for the Canal based on the Six Principles. We foresaw a difficult time ahead in negotiations with the Egyptians. One thing which had occurred to us was the extreme desirability of approaching this problem by negotiations at this stage. Mr. Rountree reminded Mr. Shiloah of Israel's undertaking not to attempt to put a ship through the Canal without consulting the United States. Mr. Rountree urged that for the present Israel not try to test Egyptian intentions by attempting to put ships through the Canal.

Mr. Rountree summed up by saying that some progress had been made by the Secretary General. We were disappointed on Suez and were working on a response to the position taken by the Egyptians. This was urgent because the Egyptians had said they had intended to publish their memorandum soon. It was regrettable that the memorandum had leaked to the press. The United States had not released it. The Egyptians had, however, handed it to many governments besides the United States, including the USSR, India, Yugoslavia, and other Arab states. The fact that the terms of the memorandum were now publicly known would make it more difficult to persuade Egypt to accept amendments.

Mr. Shiloah said that he would convey the foregoing to his Government which would doubtless be conveying its response to the United States. His preliminary reaction was that Israel was not as optimistic as Mr. Rountree had sounded in evaluating both the achievement of the Secretary General and future prospects in Gaza. The Secretary General's failure to insist on a reply to Israel's question to Egypt on belligerency obviated whatever achievement Mr. Hammarskjöld may have had. Mr. Shiloah inquired if we had any information as to how Hammarskjöld had handled the Israel request. Mr. Rountree replied that we understood the Secretary General had written a letter on the subject to the Government of Egypt which had not yet replied. Mr. Shiloah thought that Nasser wanted to consolidate his gains in Suez before making trouble in Gaza. He did not foresee organized Egyptian raids in the immediate future. Nasser was not yet ready to become involved in a military clash. The United States, Israel and the United Nations should not be satisfied with achievements of a

temporary nature. There must be an arrangement to give the UNEF authority in Gaza. So long as it was there on sufferance, we could not derive satisfaction from its presence.

On Aqaba, Mr. Shiloah reiterated the Israel position that any Western initiative for an advisory opinion from the ICJ would be likely to be misinterpreted. Mere mention of the possibility by the U.S. threw doubt on the firmness of the American position on the Straits.

On Suez, Israel believed that acceptance of the Egyptian plan with its clear implication that there would be continued discrimination in the matter of transit would have serious effects on Israel and the Free World generally. Israel did not want to do anything precipitate in the Canal and did not intend to. This applied only as long as we all had the feeling that the United States had not abandoned its effort to bring about a suitable arrangement. The moment the United States de facto accepted Nasser's dictate Israel would not say it was still incumbent on it not to try to find ways to exercise its rights. Even then he was not saying that Israel would not try to consult with the United States and get its support. Israel was for the time being at the stage where it still hoped that the United States would be firm on the position it had announced publicly. Israel assumed there would be no decision to give in. Israel had always urged that a stand be taken before the Canal was cleared. Israel had felt that this was a card. The U.S. position, as stated by the Secretary, had been that it was improper and inexpedient for the U.S. to use this as a card so long as we were operating through the United Nations.

Mr. Shiloah felt it was becoming more and more evident that the United Nations did not feel that Nasser should be pressured, that he was an aggrieved party and that it was first necessary to return to the status quo ante and then try to proceed from there. The Secretary had taken a different position at the very outset in his November 1 speech in the United Nations General Assembly. Mr. Shiloah made a strong plea that the U.S. call to the attention of world public opinion the fact that it disapproved of Nasser. U.S. failure to do so worried Israel.

Mr. Rountree said that on Gaza and what might transpire there in the future he did not believe Israel was under any illusions as to the U.S. attitude. We did not feel that we could relax in the expectation that the situation would relax. The main point was that we should not rest on our laurels. What Hammarskjöld had done merely provided us with an opportunity to improve the situation, not to maintain it as is.

On Suez, we would never think that the Egyptian memorandum was a good proposal. We were studying it and would react but the form our negotiations would take was not known. Mr. Shiloah asked if he could say that the U.S. had not changed its policy of insisting on

non-discrimination in the use of the Canal. Mr. Rountree replied that Mr. Shiloah could report that the U.S. attitude on all Six Principles was unchanged.

Mr. Shiloah reiterated Israel's interest in a U.S. reaction to the points made by Mr. Eban in his talk with the Under Secretary on March 19.² Mr. Rountree replied that we would press forward on this.

² The memorandum of conversation among Eban, Raphael, Shiloah, Herter, Rountree, and Bergus of March 19 is not printed. (*Ibid.*, 674.84A/3-1957) During the conversation, Eban offered comments and suggestions concerning Egyptian belligerency, Gaza, Aqaba, the Suez Canal, and the U.S. public attitude toward Nasser.

In response to Shiloah's query of March 29, a memorandum from Wilkins to Rountree was drafted, which summarized the points made by Eban and recommended comments which could be given in response. The memorandum is *ibid.*, 674.84A/3-2957. Herter discussed these points with Eban on April 2; see Document 264.

257. Memorandum of a Conversation, Secretary Dulles' Residence, Washington, March 30, 1957, 11:30 a.m.¹

SUBJECT

Egyptian Memorandum on the Suez Canal

PARTICIPANTS

Ambassador Harold Caccia, British Embassy
 Mr. Hoyer-Millar, Permanent Under Secretary of State, Foreign Office
 Mr. Ronald Bailey, Counselor, British Embassy

The Secretary
 Mr. Dillon
 Mr. Phleger
 Mr. Rountree

Ambassador Caccia said he had received London's reaction to the Egyptian memorandum on the Suez Canal, copy of which had been given him by the Department on March 27. He handed the Secretary the attached paper summarizing points made by the Foreign Office. (Attachment A)

The main discussion of the British paper centered on Point 6. In response to the suggestion that it was highly unlikely that the "Four Power proposals" were now possible of achievement, the Ambassador explained that London had no unrealistic hopes regarding those pro-

¹ Source: Department of State, Central Files, 974.7301/3-3057. Confidential. Drafted by Rountree.

posals. He thought that what the Foreign Office had in mind was that some interim arrangements perhaps should be considered, since a final settlement would take time.

Ambassador Caccia said that London was considering taking the matter again to the Security Council if satisfactory arrangements were not made with Egypt, although it was recognized that this would be little more than "a sign of protest", knowing that the Soviets would veto any practical suggestions in the Council. Mr. Dillon commented that he had discussed that morning with the French² what might be done if Egypt should go ahead with canal arrangements unsatisfactory to the users. The French thought that the matter should go to the Security Council immediately, possibly Monday, although Mr. Dillon had pointed out that it probably would not even be known by Monday whether the Egyptians would be willing to modify substantially their memorandum. He said the French also attached importance to paying dues through SCUA, with the "double blockage" of Egyptian accounts.

Mr. Hoyer-Millar expressed the view that the matter should not be taken to the Security Council while the United States was asking the Egyptians to negotiate.

The Secretary showed the British officials a draft communication which he had prepared for Ambassador Hare to use with the Egyptian Government.³ He said that he had not had an opportunity previously to discuss that draft with his own colleagues but he would appreciate any reactions which the British might have.

Ambassador Caccia and Mr. Hoyer-Millar commented favorably upon the paper. They suggested that it be made clear we would not accept the unilateral aspect of the Egyptian proposal, and also that it be made clear that the United States wished to undertake talks with the Egyptians. Mr. Hoyer-Millar also suggested that the last part of the draft, setting forth arguments why Egypt should make arrangements satisfactory to the users in order to avoid the bypassing of the canal in future years, might more appropriately be made orally rather than in the written communication. He questioned whether the arguments would in fact be persuasive to Nasser.

The question of procedures was discussed generally, the consensus being that while a meeting should be held with all members of SCUA, the time element was such that the United States should proceed without awaiting such a meeting. Moreover, while the Executive Council of SCUA might be informed in Washington at once, even that should not delay instructions to Ambassador Hare.

² A memorandum of the conversation by Shaw is *ibid.*

³ Not printed. (*Ibid.*) Subsequently, an amended version was transmitted to Cairo in telegram 3253, *infra*.

The Secretary said that we would like to keep in touch with the United Kingdom as the situation developed, and we would like to do whatever was courteous and productive with respect to other interested countries. However, the situation required immediate action and this broader consultation, though highly desirable, was not practicable in advance of each decision. Even with respect to the British, we would have to ask them to give us considerable freedom of action within the general framework of our understanding as to what we both sought with respect to arrangements with Egypt. We must act quickly, and we will do that if the British did not object. We did not want to have SCUA or any of our friends think that we were working behind their backs. We would bring representatives of the SCUA Council nations in touch with the situation the following day.

Mr. Hoyer-Millar agreed with what the Secretary had said. It was important that the Secretary should move with speed and flexibility. He thought it was an excellent idea to meet the following day with the SCUA Executive Council to keep the members informed.⁴

Ambassador Caccia mentioned that the Prime Minister would have to make a statement on Tuesday regarding his talks at Bermuda. There were two questions which he would have to answer specifically. The Ambassador showed the Secretary a draft of what the Prime Minister planned to say on these two questions and the Secretary said that the statements were "admirable". (The reporting officer, not having seen the statements, does not know their subjects.)

Ambassador Caccia handed to Mr. Phleger a paper raising a question concerning the registration with the United Nations of the Egyptian memorandum. (Attachment B)⁵ He asked for Mr. Phleger's comments, which the latter undertook to give.

⁴ On March 31, Dillon met with representatives of those governments belonging to the SCUA Executive Committee (France, Iran, Italy, Norway, and the United Kingdom) and informed them of the U.S. belief that the Egyptian memorandum could be changed into a satisfactory instrument with a relatively small number of important alterations. Dillon told them that the United States was informing Egypt of its views and explained that although time did not allow a joint reply with other SCUA members, the United States would keep the others informed concerning the progress of negotiation. (Memorandum of conversation by Shaw, March 31; Department of State, Central Files, 974.7301/3-3157)

On April 2, the Department of State authorized the Embassy in London at its discretion to arrange for an early meeting of the SCUA Council in order to inform the members of U.S. views and actions concerning the Egyptian draft memorandum. (Telegram 6914 to London, April 2; *ibid.*, 974.7301/4-257)

⁵ Not printed.

Attachment A

Note From the British Embassy to the Department of State

Washington, March 30, 1957.

1. We agree that we must now get to grips with Egypt directly. Only the United States Government are in a position to do this effectively and we hope they will act as soon as possible through their own Ambassador in Cairo.

2. Whether or not he should say he is acting for other Governments as well as for the United States is a question which we would leave to the United States.

3. We agree that the object of the approach should be to draw the Egyptians into negotiations. But we must make it clear that neither we nor the United States will be satisfied with an unilateral declaration which would run counter to the Security Council resolution of October 13 and subsequent exchange of letters of October 24 and November 2 between the Secretary General and Dr. Fawzi, in which the latter spoke of negotiations. There must be some form of international agreement or treaty.

4. It is perhaps impossible for the Egyptians to withdraw their draft declaration, since it is already public knowledge. But at the least could they not explain that it was put forward for discussion? We for our part would be prepared to discuss it on the basis of

a) the resolution of October 13

b) Mr. Hammarskjold's letter of October 24.

5. We would see no objection to the United States indicating that a satisfactory outcome of negotiations on this basis would be followed by some relaxation of economic pressure by the United States.

6. The proposed negotiations would be for a permanent settlement and an agreement to start them would therefore raise again the question of interim arrangements. Here we should begin with the Four Power proposals.

7. In the absence of a settlement we hope that Mr. Dulles will be prepared to put into effect his proposal for the double blocking of Egyptian balances.

8. We agree that consultation with representatives of the members of the SCUA executive in Washington would be a good move. But it will not of course relieve the pressure for a Council meeting in London in the fairly near future.

258. Telegram From the Department of State to the Embassy in Egypt¹

Washington, March 30, 1957—4:47 p.m.

3253. ReDeptel 3238.²

1. Request following be communicated in writing soonest to GOE:

"The Government of the United States has carefully studied the draft memorandum furnished by the Government of Egypt with reference to the future status of the Suez Canal. We appreciate the opportunity to consider this proposal and to comment thereon in advance of any final decision by the Government of Egypt.

"In response to the suggestion of the Government of Egypt, the Government of the United States makes the following observations:

"The problem, as we see it, is the reestablishment of confidence that the Suez Canal will, as contemplated by the Treaty Convention of 1888, provide a permanently dependable way of transport as between East and West, so that the nations of the world may develop their economies in reliance thereon. This was indeed the purpose of the 1888 Convention which called for a "definitive system intended to guarantee, at all times and to all the powers, the free use of the Suez Maritime Canal'.

"Recent events have shaken confidence in the dependability of use of the Suez Canal. The question which confronts the world, and, not least of all, Egypt and the neighboring Arab States, is whether and how such confidence can now be reestablished.

"It is the considered judgment of the Government of the United States that the proposals contained in the draft memorandum now put forward by the Government of Egypt are inadequate to reestablish confidence that the Suez Canal can safely be depended upon to provide a permanent, secure and economical way of transport.

"Even though this may not have been intended, it seems to us in legal effect the memorandum represents a unilateral statement of Egyptian intention subject to unilateral change at any time; it fails to implement adequately the six requirements which the Security Council on October 13, 1956 unanimously agreed ought to be reflected in any settlement; it does not provide for organized cooperation between the Government of Egypt and the Users as contemplated by the Security Council Resolution and the ensuing correspondence between Secretary General Hammarskjöld and Foreign Minister Fawzi.

"Accordingly, the United States, in response to the invitation of Egypt, is prepared to suggest specific changes which, in our opinion, are needed to constitute an acceptable international agreement which can reestablish confidence that the Suez Canal can be dependably relied upon by the countries of the world. We are prepared immediately to discuss these with you."

¹ Source: Department of State, Central Files, 974.7301/3-3057. Confidential; Niact. Drafted by Rountree; cleared by Dulles, Dillon, and Phleger; and approved by Rountree who initialed for Dulles. A first draft indicates Dulles as the drafting officer and bears handwritten changes presumably by Rountree. (*Ibid.*)

² Document 255.

2. FYI, you may in your discretion use orally any or all of the following considerations in your discussions with GOE:

"Suez Canal has been largely used because it provides cheapest way to move cargoes between East and West. Of these cargoes the most important is oil which is abundant in ME and is relatively cheap to bring to surface and to transport.

"But this natural and historic fact does not mean that under any and all circumstances Suez Canal must be relied upon for future as it has been relied upon in past.

"New sources of oil are being discovered and alternatives to oil, notably in form of atomic energy, are being developed. New means of cheap transport are constantly becoming available.

"It inevitable that alternatives to ME oil and alternatives to its transport through Suez Canal will be intensively sought if there is not confidence in future dependability of transport on reasonable terms through Suez Canal.

"Of course, these alternatives cannot be instantly developed and no doubt GOE can count temporarily upon considerable use of Canal irrespective of whether confidence in dependability of such use is or is not restored. But such a 'success', if it can be called such, would be short-lived. Egypt and neighboring Arab States, which now feel that they are located at crossroads of world and are possessors of great potential riches, will tend to be bypassed and what could become one of the most prosperous areas of the world would increasingly tend toward stagnation. ME nations themselves cannot provide a market for their natural resources nor can such market be provided by Soviet Union, which is itself large producer and substantial exporter of petroleum products.

"It is, of course, inevitable that, under impulse of commercial considerations, new sources of oil should be sought and new means of transportation should be developed. It is, however, one thing that this should occur merely under the impulse of commercial considerations; it is another thing that important nations should feel that such developments are imperative for reasons of security.

"Government of US accordingly ventures suggest to GOE that future prosperity of Egypt and of its neighbors would be enhanced by international arrangements which, fully recognizing sovereignty of Egypt and its right to profit from maintenance and operation of a canal on its territory, would accord the Users the international rights which would be conducive to a restoration of confidence."

3. You should use as basis of your discussions with GOE modifications of Egyptian memorandum as transmitted Deptel 3238. In connection paragraph 6 (C), assume working Egyptian memorandum was "Capital and Development Fund" rather than "Capital Land Development Fund" as indicated reftel. Please make appropriate correction before proposed revisions given to GOE.

Dulles

259. Telegram From the Embassy in Egypt to the Department of State¹

Cairo, March 31, 1957—7 p.m.

3084. Reference Embassy telegram 3032.² Fawzi today handed me following redraft of paragraph 11 (b) of Egyptian draft memo, saying purpose revision to assume greater clarity: (b) complaints of discrimination or of violating of the Canal Code shall be sought by the complaining party by reference to the Suez Canal Authority. In the event of the party not being satisfied with the result of such a reference, the matter may be etc. etc.

Hare

¹ Source: Department of State, Central Files, 974.7301/3-3157. Confidential. Received at 2:29 p.m.

² Document 250.

260. Editorial Note

The Saudi Arabian Government proclaimed the Gulf of Aqaba to be a closed Arab gulf, having no international characteristics, in a statement issued by the Directorate General of Broadcasting, Press and Publications on March 16. (Despatch 203 from Jidda, March 18; Department of State, Central Files, 684A.86A/3-1857) The argument was later repeated in a note from the Saudi Arabian Foreign Ministry, dated March 31 but delivered to the Embassy in Jidda on April 8. The note, which was considered an official Saudi statement on the status of the Gulf of Aqaba, asserted Saudi Arabian sovereignty over the islands of Tiran and Sanafir at the mouth of the Gulf of Aqaba, and described the Gulf as closed to international navigation, as the waters at the entrance constituted "Saudi Arabian territorial waters". The note also maintained that any attempt to declare the straits to have an international status would be an act in derogation of Saudi sovereignty and a threat to Saudi Arabia's territorial integrity. According to the Embassy in Jidda, the Saudi Foreign Ministry circulated copies of the note among the missions of "friendly Governments" in Jidda. (Despatch 232 from Jidda, April 9, and telegram 606 from Jidda, April 9; *ibid.*, 786A.022/4-957 and 974.7301/4-957, respectively)

During his first substantive conversation with Ambassador Richards on April 9, King Saud once again emphasized the importance of the Aqaba question to his government and asserted his determination never to consent to the Aqaba Straits being considered an international waterway. Richards, acting under instructions, informed Saud that the principles involved in the Aqaba question applied also to other waterways and that the stand taken by the United States must of necessity apply to all parts of the world. According to the United States perception, precedents pointed to Aqaba as an international waterway; the United States could not make an exception in Aqaba just because of the Israeli situation. (Telegram 617 from Jidda, April 11; *ibid.*, 120.1580/4-1157) Richards' instructions were forwarded to him in telegram 1778 to Baghdad, April 7. (*Ibid.*, 120.1580/4-657)

261. Editorial Note

On April 1, Secretary Dulles and his senior staff discussed John Robinson Beal's forthcoming book, *John Foster Dulles: A Biography* (New York: Harper & Brothers, 1957) during a meeting which began at 9:15 a.m. There was considerable discussion of Beal's assertion that the Aswan Dam decision was taken deliberately to provoke a crisis and force the hand of the Soviet Union. "The Secretary said that there was a concatenation of circumstances and a number of reasons which underlay the [Aswan Dam] decision, three significant ones among which were the following:

"a. Two days earlier the Appropriations Committee had cut off any money which might have been used for the dam.

"b. He, in concert with the Under Secretary (Mr. Hoover), had concluded that any project which required 15 years of rigid austerity on the part of Egypt would be extremely unpopular and would be consistently blamed on the foreign governments—in this case on "American Shylocks". The Secretary would prefer to have the USSR carry this unpopularity.

"c. The Secretary had been convinced that Egypt was playing both sides and that our association with Nasser caused increasing trouble with our close friends such as Turkey, Pakistan and Iraq." (Tentative Notes prepared by Howe, April 1; Department of State, Secretary's Staff Meetings: Lot 63 D 75)

262. Telegram From the Embassy in Egypt to the Department of State¹

Cairo, April 2, 1957—1 a.m.

3093. Embassy telegram 3083.² McCloy gave me following fill-in last night following his final talks with Nasser and Fawzi:

Talk with Nasser centered primarily around his reactions to our comments on Egypt second draft³ and on memo of personal suggestions which McCloy had prepared at request of Fawzi.⁴

Reference proposed revision of draft McCloy led off by urging forthright action by GOE in order create atmosphere of confidence and even suggested GOE go further and voluntarily increase Development Fund from 25 to 30 percent as evidence of Egypt constructive intention. In so doing he followed general line of our representations. (Bunche later told me he did so with great vigor). Nasser began response by rather disarming acknowledgment of understanding if implications of situation and admission of doubt Egypt able run Canal effectively without foreign help. However, when conversation turned specifically to United States suggestions he reverted to characteristic suspicion and said seemed clear our proposals primarily made "to make case for Israel"; this could be read between lines our entire draft. As particular evidence of this he pointed to adherence provision of which, he maintained, Israel would be one of first to take advantage and to follow up by citing six points in order put Egypt on spot. He seemed fully convinced this was our principal motive.

Another point to which he took exception was provision regarding Development Fund which he convinced intended put in escrow. McCloy pointed out provision did not so read. Nasser was only half-convinced. Nasser also objected to restriction placed on raising tolls

¹ Source: Department of State, Central Files, 974.7301/4-257. Secret; Priority. Received at 4:19 p.m.

² At 11:30 a.m., March 31, in Cairo, Hare delivered to Fawzi a third-person Note setting forth the comments of the U.S. Government on the Egyptian memorandum of March 26 (see telegram 3253, Document 258) and, as an enclosure to the Note, the revised text of the Egyptian memorandum as cabled to Cairo in telegram 3238, Document 255. At the same time, Hare presented orally the comments suggested in telegram 3253. (Telegram 3081 from Cairo, March 31, and despatch 734 from Cairo, April 1; Department of State, Central Files, 974.7301/3-3157 and 974.7301/4-157, respectively)

Telegram 3083 from Cairo, March 31, transmitted Fawzi's preliminary comments at the time the documents were presented. (*Ibid.*, 974.7301/3-3157)

³ Reference is presumably to the Egyptian draft memorandum of March 26; see telegram 3032, Document 250.

⁴ McCloy's memorandum was transmitted to the Department of State in telegram 3094 from Cairo, April 2, not printed. (Department of State, Central Files, 974.7301/4-257)

even within one percent limit proposed by GOE, and to setting up an outside board. Why couldn't Canal Authority have its own board as had old Canal Company?

Nasser's objections to mention of six points were especially strong. Not only were they subject to varying interpretation but they had been product of negotiations with British and French who now known to have been dealing in bad faith. To be sure they remain on books but he just didn't want to talk about them any more. McCloy said his strongest arguments didn't seem shake Nasser in this regard.

McCloy then read to Nasser personal and informal memo which he had noted down at Fawzi's request in attempt move ahead (text in immediate following telegram). Nasser seemed interested and asked to retain copy. McCloy agreed but emphasized tentative character and said not at all sure would be approved in his United Nations capacity. Nasser's reactions to specific points were as follows: 1) he was fairly receptive to idea of increasing Development Fund to 30 percent.⁵ 2) Regarding board of consultants he questioned desirability of bringing United Nations in picture but, after McCloy's explanations, he seemed not to exclude idea.⁶ He also questioned desirability of mentioning board in declaration since would perpetuate "for eternity". 3) Regarding suggested reference in announcement to World Bank.⁷ He did not object in principle but said dubious about making announcement to that effect now because of his recent unhappy experience with that institution. Said he would like have Fawzi's views.

Regard repayment of advances by surcharge,⁸ Nasser said only that United Nations should be repaid for its help but he wondered what attitude of various countries would be. Russians and Indians had already said they did not intend participate in defraying clearance costs.

⁵ In his memorandum, McCloy suggested raising the amount of the proposed Suez Canal Capital and Development Fund to 30 percent of the Canal's gross revenues, as a means of emphasizing Egypt's good intent without any cost to Egypt.

⁶ McCloy recommended the establishment of a board of consultants appointed by the U.N. Secretary-General to be composed of: (1) representatives of the private interests whose products and materials pass through the Canal; (2) representatives of the shipping and passenger interests who use the Canal; and (3) a certain number of individuals of high standing and experience who could be said to represent the public interest at large.

⁷ McCloy also proposed that coincidentally with the publication of the Declaration the Egyptian Government should announce that it was requesting the World Bank to study immediately, in conjunction with its preliminary plans and methods of financing, the radical rehabilitation and improvement of the Canal as a modern waterway fully designed to meet future trade needs.

⁸ According to McCloy's memorandum, Egypt should also announce its acceptance of the principle that the advances voluntarily made by contributing nations toward clearing the Suez Canal should be repaid and that as a matter of equity Egypt was prepared to impose a surcharge on the existing tolls designed to liquidate such advances as promptly as possible, the surcharge not to exceed 10 percent of existing toll charges.

Nasser spoke highly of Wheeler and said wanted show appreciation in some way. He also repeated usual story that matter Israeli passage through Canal not only legal question but practical security problem. As matters stand would have to deploy half of army along Canal to assure safe passage of single Israeli ship.

McCloy said conversation with Fawzi had covered series subjects from Israel to world scene. Re American draft, Fawzi said useful and would use as much as possible. He also felt McCloy's draft would be helpful and hoped to be able weave in some ideas.

When McCloy noted there had as yet been no strong reaction from British or French, Fawzi suggested might be result of domestic troubles of effect of consultation with US but he then hinted that might be in anticipation of early "explosion". When McCloy asked what he meant, Fawzi said GOE has reports of unusual movements of French fleet which would seem unrelated to Algerian situation and also has had disquieting intelligence reports from Israel. He emphasized that this information was very confidential.

McCloy said that in conversations with both Fawzi and Nasser, he had suggested possibility of improved American-Egyptian relations if certain pending difficulties could be surmounted but that neither had sought pursue subject.

In conclusion, McCloy said he felt that his endeavors may have helped some in promoting receptivity to American suggestions and he thought he had probably been particularly helpful in strengthening hand of Fawzi. However, he was not overly sanguine.

McCloy is returning direct to New York without stopping in either Paris or London.

Hare

263. Telegram From the Embassy in Egypt to the Department of State¹

Cairo, April 2, 1957—3 p.m.

3103. Embtel 3083.² Fawzi asked me call at 12:30 today to give reaction to our suggestions on canal memo. Said appreciated prompt-

¹ Source: Department of State, Central Files, 974.7301/4-257. Confidential; Niact. Received at 3:18 p.m. Also sent to USUN.

² See footnote 2, *supra*.

ness and thoroughness of US reply and that it had been studied carefully together with views received from other governments such as India and Yugoslavia.

Re US suggestions some had been found acceptable such as heading document as declaration rather than memorandum and treating first three clauses outside declaration proper. However, there had been some of our suggestions which GOE had found difficult accept and he mentioned following:

1. Six points: We knew of problem here involved because of various interpretations. Fawzi said his own interpretation had clearly been expressed in SC session of October 13 when he had termed six points vague and unfortunately worded and had expressed opinion best way to meet was to provide specific substantive provisions to carry ideas into effect. He wanted emphasize GOE not going back on anything but it was necessary act so as have clarity, not misunderstanding. In his opinion, declaration which Egypt intends making will in fact provide the guarantees which might reasonably be envisaged under six points and Hammarskjöld letter. He remained obdurate to all argument on this point.

2. Adherence: Fawzi reiterated at length previous arguments in this regard, emphasizing that GOE in no sense proposing declaration which could be altered at will. Should Egypt in fact be so misguided in light of own best interests as to make unwarranted changes it would be answerable to both individual countries to whom declaration would be communicated and to UN with which declaration would be registered. It would also lay itself open to recourse either in UN or ICJ. However, after having out this argument at length, Fawzi admitted that main objection to idea of general adherence was Israel and he felt there would be no difficulty in agreeing to adherence if that problem could be met.

3. Improvements: GOE felt that US draft would have effect of giving outsiders veto in matter of programs. Helpful advice was welcome but GOE unable to be bound by outside decisions.

Fawzi said Egypt declaration would have been made in day or two in order give necessary advance notice before Canal fully opened on April 10. He wished point out, however, that doors would be left open for "improving, finalizing and giving finishing touches". I asked if this then meant that proposed declaration would be draft subject to further discussion. Fawzi said "no"; what he had meant was that declaration would be in final form but would lend itself to elaboration in implementation. I said, in that case, assumed three subjects mentioned above would not be open to further negotiation after declaration issued. Fawzi acknowledged this the case.

I then expressed great concern that matter which had been considered so fully and over such long time should now be rushed to hectic conclusion which could only lead to future difficulty. In message I had delivered on March 31 USG had said it prepared discuss. Now we were being given notification which would put summary end

to discussion. In circumstances, I must request that door not thus be closed and specifically that I at least be given opportunity for one further exchange with Department in firm of assurance that declaration would not be issued before 48 hours. Fawzi said much pressure being exerted on him and that he doubted if he could hold off so long but he thought he could possibly do so for 36 hours.

Comment: It now seems that despite efforts of Hammarskjöld defer final decision, our own strong representations on March 31 and McCloy's robust efforts with Nasser and Fawzi yesterday,³ GOE has now decided to take bit in teeth and take final action, possibly in fear of having face mounting complication as dissenting views come in but possibly also with encouragement from non-Western sources.

Believe that in order have any prospect of effect, I should have instructions from Department by tomorrow morning.

Hare

³ See telegram 3093, *supra*.

**264. Memorandum of a Conversation, Department of State,
Washington, April 2, 1957¹**

SUBJECT

Israel

PARTICIPANTS

Mr. Abba Eban, Ambassador of Israel
 Mr. Gideon Raphael, Counselor, Israel Foreign Ministry
 Mr. Reuven Shiloah, Minister, Israel Embassy
 The Under Secretary
 W—C. Douglas Dillon (For part of meeting)
 NEA—William M. Rountree
 IO—Walter N. Walmsley, Jr.
 NE—Donald Bergus

Mr. Eban said he wished to review current problems. The first was that of economic aid. Three weeks ago the Under Secretary had informed him that the United States was prepared to resume consultations on this subject. Conversations had taken place in Tel Aviv and there were indications that a decision by the Department was neces-

¹ Source: Department of State, Central Files, 684A.86/4-257. Confidential. Drafted by Bergus on April 3. Rountree sent Herter a briefing paper prior to the meeting on April 2. (*Ibid.*, 784A.00/4-257)

sary before further progress could be made. Mr. Eban pointed out that the time factor was important to Israel. Mr. Eban reported that he would be seeing the President of the Export-Import Bank on the following day. He hoped that the Department would make its views on the dispatch of an Export-Import Bank Mission to Israel available to Mr. Waugh before this meeting took place.²

Mr. Eban had seen the United Nations Secretary General the previous afternoon. It appeared to Israel that Nasser wished to have a respite in some matters while he celebrated the confirmation of his unilateral control of the Suez Canal. He wished to gain such a respite without making any commitments. Nasser also probably realized that this was not a suitable time to take steps which could provoke an Israel military reaction. We should be under no illusion that Nasser's responses to the Secretary General indicated any basic change in Nasser's attitude.

The Secretary General had informed the Israelis that he had stressed to the Egyptians their legal obligation to let shipping of all nations, including Israel, through the Canal. He had dismissed Egyptian attempts to link the Canal to the refugee problem. Hammarskjöld had said that he was pessimistic over the prospects of Nasser changing his position on this point. Israel looked with disquiet on this development as the consummation of Nasser's victory.

On Aqaba, the Secretary General felt that Nasser may at this time be willing not to disturb the UNEF. The Secretary General had said that he thought he could "forget about Aqaba", so far as the Egyptians were concerned but had made a reservation with respect to the Saudi attitude.

On Gaza, the same logic regarding Nasser's desire for a respite seemed in the Secretary General's mind to apply here. What the Secretary General had said and published about the role of UNEF in Gaza caused deepening anxiety in Israel. Egyptian control in Gaza was becoming established; the tendency for the United Nations to recognize this fact was becoming more marked.

² In a memorandum to Dulles dated April 2, presumably written after the conversation with Eban, Rountree reviewed the status of various economic and financial assistance programs for Israel and recommended that the United States proceed: to implement the \$25 million Development Assistance program and the Technical Assistance program; to release local currency and counterpart funds when an agreement had been reached on their use; to authorize a Department official to inform the Department of Agriculture and the Interagency Staff Committee on Agricultural Surplus Disposal of the political desirability of meeting to some extent Israel's request for a P.L. 480 Title I program, as soon as additional authority became available; and to authorize the notification to the Export-Import Bank that security and political conditions were satisfactory for the dispatch of the study mission to Israel. Dulles reworded the final recommendation and initialed his approval of all five recommendations. (*Ibid.*, 411.84A41/4-257)

The upshot of the Secretary General's mission was that Egypt had not changed its position but had accepted a respite without giving any binding written or oral commitments. Israel had a "volcanic" feeling. The Secretary General's letter to the Egyptians as to whether they regarded themselves in a state of war with Israel remained unanswered. At the same time, the Secretary General had addressed both Egypt and Israel on other matters. Mr. Eban had told the Secretary General that he could expect no answer from Israel on these other matters until there had been an Egyptian response to the first question. Mr. Eban would keep in touch with the Secretary General but Israel felt that nothing substantive had been solved.

Mr. Eban said that in the near future he would like a broad discussion with the Secretary on West-Middle East relations and United States-Israel relations in the context of the February and March discussions between the two Governments. Israel was apprehensive over reports from Bermuda which seemed to indicate that the two Governments felt that nothing could be done to resist the dynamics of the Nasser regime. There were also reports that the United States and United Kingdom had felt that we should not alienate other Arab states. Therefore, it would be better to approach the proposal to create an alternative link from the Red Sea to the Mediterranean through Israel in a negative fashion. The Secretary, during the February-March discussions, had spoken of a "New Deal" in United States-Israel relations. He had spoken of the Western interest in Aqaba and an alternative to the Canal.

On Suez, the Secretary had said that the United Nations and the United States, having physically opened the Canal, could not but oppose its illegal closing to some ships. This would be a problem with which the society of nations would have to deal. The concept of cooperation between the United States and Israel in resisting Nasser had appealed to Israel.

What could we do about the Israel aspect of the Suez Canal? Did the United States still hold to its view that we should not assume that Egypt would block Israel shipping? The Secretary General did not hold to this assumption. It seemed to Israel that there were three things we could do: 1) leave matters alone; 2) assume that the Egyptian attitude was a lot of talk and that under test conditions Nasser would carry out his international obligations; therefore, test Nasser; 3) in addition to 2) bring the matter to the Security Council and the General Assembly. Israel ruled out the first possibility and wanted advice as to what it should do and what the U.S. would do.

On Aqaba, the essence was to carry out actively the principles of the February 11 Aide-Mémoire and the March 1 General Assembly statements. Israel was disquieted at the Secretary's suggestion that the initiative be taken in obtaining an opinion or decision of the Interna-

tional Court of Justice. For one thing, this was not the policy to which we had agreed. For another, if we believed our position on the Gulf of Aqaba was right, we should act as though it were right. We should only question our position if we felt it was mistaken. Israel would peacefully exercise its rights of innocent passage through the Straits of Tiran and thus build up a record.

There was need for development of this link between the Red Sea and the Mediterranean. It had been published that the U.S. favored the Iraq-Turkey pipeline but was unfavorable to the Israel pipeline. The Israel pipeline was the better alternative to the Canal because it did not run through the territory of any Arab League state. The line through Turkey was long and costly. The Israel Minister of Trade and Commerce had been in the U.S. the previous week. Israel was going to try to promote a sixteen inch pipeline from Eilath to the Mediterranean. Before investors would decide to put money in such a venture, they would want to know the U.S. Government's opinion on it. He hoped the United States would reply in a constructive manner.

On Gaza, Israel would stand for maximum United Nations responsibility. Mr. Eban had told the Secretary General that Israel must know who was responsible in Gaza. Israel would certainly call for United Nations responsibility for security in Gaza.

The Under Secretary said that with regard to economic aid, we had begun by lifting the passport restrictions. Mr. Eban expressed his Government's gratification at this step. The Under Secretary continued that there was reason to be optimistic and to feel that the paths would be cleared for further economic aid measures. Mr. Dillon would discuss the proposal for an Export-Import Bank mission with Mr. Waugh prior to Ambassador Eban's meeting with the Bank.

On Suez, we had communicated our views to the Egyptian Government. We disagreed with the Egyptian memorandum on a number of grounds. It was a unilateral declaration and not an international agreement. There was no reference to the Six Principles. There was a failure to refer to the users of the canal and no provision for an organized relationship between the user and Egypt. We had conveyed our views to Egypt which had not so far responded. The Egyptians had not published their memorandum. Mr. Eban asked if the U.S. representations had included reference to the Security Council policy on Israel shipping. Mr. Rountree replied that we had specifically mentioned the Six Principles. Mr. Eban felt that perhaps the U.S. should have mentioned specifically the 1951 Security Council resolution.

The Under Secretary continued that on Aqaba our position had been clear from the beginning. We have never varied from the position that the U.S. intended to assert its rights "in the absence of a decision from the International Court of Justice". Mr. Rountree, referring to Mr. Eban's comment that what the Secretary had said was not in accor-

dance with the policy to which we had agreed, said he would like first to say that the U.S. had not reached a decision to seek an advisory opinion from the International Court of Justice; however, he personally was unaware of any agreement with Israel that the United States would not endorse seeking an opinion from the International Court of Justice. Mr. Eban said he had simply referred to Israel's understanding that in the absence of an International Court of Justice decision we would operate under the assumption that there was a legal right of transit. Mr. Shiloah confirmed that Mr. Rountree was right in saying there had been no agreement as there had been no implication in the discussions that the U.S. entertained doubts as to its position. That was why Israel was disturbed at the reports from Bermuda. Mr. Rountree said that no decision had been taken at Bermuda or subsequently actually to seek an ICJ opinion, but there were of course advantages in having the view of the International Court of Justice. The Under Secretary asked if it was Israel's position that the aggrieved party should take the matter to the International Court of Justice. Mr. Eban indicated general assent but expressed doubt as to the validity of any procedure whereby Egypt, which had not accepted the compulsory jurisdiction of the Court, took the matter to the International Court of Justice. Egypt would probably disregard the International Court of Justice as it had disregarded the Security Council. Mr. Rountree said that our seeking an International Court of Justice endorsement of our position on Aqaba might show confidence and strength. Mr. Eban felt that the practice of free passage was still too young and too fragile.

The Under Secretary said that on Gaza we were studying the Secretary General's memorandum. Mr. Eban had raised the point of where responsibility lay. We felt this should be explored. We were more optimistic on the possibility of maintaining the status quo with responsibility in the hands of UNEF. UNEF outnumbered the Egyptians in the Strip. There appeared to be joint responsibility, but we did not know how this had been formalized.

Mr. Eban asked how the U.S. looked at the Suez question. Israel felt that many historic opportunities had been missed, such as the Anglo-Egyptian agreement of 1954, the withdrawal of French, British, and Israel troops, and the clearance of the Canal. Israel was stunned at the way the West had played all its cards and left Nasser holding his. Was all lost? Were we merely watching developments with fatal resignation? The Under Secretary felt that our attitude was neither fatalistic nor one of resignation.

The Under Secretary said that if approached by prospective investors in a trans-Israel pipeline we would say we had no objection provided they felt that this was a good investment.

Mr. Raphael said that Israel would want to test the Egyptian attitude on Suez. He wanted to know how we envisaged obtaining Israel navigation through the Canal. The U.S. could take it for granted that Israel would not let this matter rest. The Under Secretary said that the Israelis apparently wanted consultation on this matter. We would look into it.

Mr. Eban said there were two aspects: Israel flag ships, and Israel cargo in ships under other flags. The maritime countries had deferred to Egyptian regulations against the latter in the past. The U.S. and others should ask themselves if they would continue to pay heed to these regulations. The Secretary General had said that Nasser had abandoned his legal argument for keeping Israel ships out of the Canal by saying he could not face the problem which would be created by the sight of the Israel flag in the streets of Ismailia. Nasser had not, however, gone on to say that Israel cargoes in ships of other countries would not create such problems. Mr. Shiloah expressed the view that the U.S. should think of new measures to counter Egyptian boycott procedures.

Mr. Eban referred to previous conversations and said that Israel was addressing notes to the maritime powers, beginning with the United States, on the Gulf of Aqaba. He would like to bring in a draft Israel note on the subject together with a suggested U.S. reply for informal discussion in the Department. The Under Secretary said that Mr. Rountree would receive Mr. Eban for discussion of this matter.

265. Telegram From the Department of State to the Embassy in Egypt¹

Washington, April 2, 1957—8:16 p.m.

3286. ReEmbtel 3103.² Substance following message should be conveyed to GOE, if possible directly to Nasser. Suggest it be in written form unless your judgment presentation orally would have strong advantage, such as by increasing likelihood Egyptian favorable reaction:

¹ Source: Department of State, Central Files, 974.7301/4-257. Secret; Niact. Drafted by Rountree; cleared in substance by Dulles, Herter, Dillon, and Wilcox; and approved by Rountree who initialed for Dulles.

² Document 263.

"The United States Government has over recent months taken a very active part in the measures which have now resulted in the withdrawal of foreign forces from Egypt and in the Suez Canal being open for navigation within the sovereignty of Egypt. The United States had assumed in this connection that the Government of Egypt would be prepared to make the same kind of a settlement of the Suez Canal controversy as had been regarded as reasonable last October and as was forecast by the negotiations which occurred in conjunction with the Security Council meeting.

"The United States had assumed that the Government of Egypt would desire to bring its draft memorandum, handed to the American Ambassador on March 26, into clear conformity with the six principles which the Security Council unanimously agreed should govern any settlement of the Suez Canal question. We had earnestly hoped that the Government of Egypt would be receptive to the suggestions of the United States designed to accomplish this objective.

"The apparent unwillingness of the Government of Egypt to do so is a matter of keen disappointment to the United States and we believe that it will be a matter of keen disappointment to many nations which had hoped that there would now be initiated a long period of peaceful and constructive development of the Canal as an international waterway, free and impartial use of which would be assured.

"If, as we are reluctant to believe, this is not the desire of the Government of Egypt, it would be necessary for the Government of the United States to review the situation from the standpoint of the hopes which we have from time to time expressed in relation to the future role of the Suez Canal."

Dulles

**266. Minutes of a Meeting Held in Secretary Dulles' Office,
Department of State, Washington, April 3, 1957¹**

SUBJECT

Coordination of Future Courses of Action with Regard to Egyptian Declaration on
Suez Canal

PARTICIPANTS

The Secretary
Mr. Allen Dulles
Mr. Dillon
Mr. Rountree
Mr. Wilcox
Mr. Reinhardt

¹ Source: Department of State, Central Files, 974.7301/4-357. Secret. Drafted by De Palma. The source text is marked "draft".

Mr. Berding
Mr. Beam
Mr. Meeker
Mr. Metzger
Mr. DePalma

The Secretary stated that if the Egyptian declaration concerning the Suez Canal is issued substantially in its present form a new situation would be created in the area which would call for a broad review of our policies and objectives. He asked Mr. Reinhardt to be responsible for coordinating all activities within the Department involved in this review.

The Secretary suggested that since we were entering a new situation the review of our policies should encompass actions for which . . . officers of other agencies were responsible. He stressed that he was not suggesting any redistribution of responsibilities among the Departmental bureaus concerned but only that these responsibilities be coordinated by Mr. Reinhardt.

Among the matters which required reappraisal, the Secretary mentioned (1) the various major policy papers bearing on this problem . . . ; (2) such Suez Canal problems as the role of SCUA, the payment of tolls, advice to shippers, and the question of "double-blocking" of accounts, which will continue to be handled by Mr. Dillon; (3) possible action in the Security Council; (4) the prompt issuance of a press statement upon the release of the Egyptian declaration on the Canal; (5) the question of seeking the advisory opinion from the ICJ concerning navigation in the Gulf of Aqaba and, in this connection, the effect of such an action upon our relations with Saudi Arabia; (6) studies, which might involve ODM, relating to oil pipelines, larger tankers and other long-term alternatives to the Suez Canal; (7) tourism and other economic policy matters relating to Egypt; and (8) seeking clarification of UK, French and Israeli intentions to assure that they are committed to peaceful measures in the area.

Mr. Dillon reported that the British Ambassador had called to leave a memorandum proposing that the Suez Canal question be taken to the Security Council² in order to seek the adoption of a resolution which would express regret that the Egyptian proposals do not conform to the six principles and calling for (a) acceptance by Egypt of the six principles and (b) negotiations to give effect to them. The British suggested that the United States should take the lead in the Council and that, if this were done, they would try to dissuade the French from taking the initiative. The Secretary indicated that he did not wish to be committed to any course of action in the Council at this time, pointing

² The unsigned, undated memorandum, which begins with a discussion of a French suggestion concerning payment of Canal tolls, is *ibid.*, 974.7301/4-457.

out that before we agreed to any further action in the United Nations we should be clear on our objectives, the feasibility of obtaining them, and basic intentions of the British and French.

The Secretary also referred to the draft statement which he had prepared for possible release upon the issuance of the Egyptian Canal declaration.³ Mr. Rountree observed that the Secretary's draft statement would appear to be more suitable for use in connection with a possible Security Council action and suggested that a very brief statement merely expressing our disappointment with the Egyptian declaration and noting that it did not conform with the six principles of the Security Council might be more appropriate for an immediate release. It was agreed that our initial statement would have to be formulated in the light of the actual text of the Egyptian Canal declaration.

³ The draft statement (no. 2), by Dulles, dated April 3, is *ibid.*, 974.7301/4-357.

267. Memorandum of a Telephone Conversation Between the Secretary of State in Washington and John J. McCloy in New York, April 4, 1957, 1:35 p.m.¹

TELEPHONE CALL TO MR MCCLOY IN NEW YORK

M said he had a very interesting trip. Sudden, and he thinks he got there a little late, but he talked loud and long with everybody he could talk to and gave them about the line they talked about before he went. He had a long, long session with Nasser. M went over the American draft with him which he had just gotten. It is quite a long story. The Sec replied in the affirmative that M should talk with someone. The Sec said he was seeing the Pres and wanted his general impression. M had the feeling that N was more uncertain of himself than a year ago when M saw him. A couple of times he put his head in his hands and said he is perplexed. "What do I do with this Israeli situation? I don't know how to solve it." M said N said the problems are overwhelming. Nothing bombastic. He was quite disarming. He began by thanking Wheeler and the UN for clearing the Canal. Also he said he knows he is not in good favor in the US but he knows they caused the withdrawals and is forever grateful to Gen Eisenhower and is aware of the political difficulties involved in taking the course he did and even now there is indirect pressure being brought to bear by the

¹ Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Transcribed by Bernau.

US. He will always be grateful for the stand which induced the withdrawals. The Sec said that was interesting. M thinks he was sincere. N asked why he should make this international. N said the American draft as he read it emphasizes the 6 points and the last para is phrased legally and that scared him off. N thinks some lawyer drafted it in order to give Israel a better case before the Int'l Court than they now have. That troubled him more than anything else. N also mentioned it being for eternity and tying him up so he can't increase the tolls. He will not increase them without careful consideration but it ties him down too much. N asked for a solution between detachment and lack of authority and some unacceptable infringement on his authority—that is what he is looking for. The Sec asked why he is not willing to sit down and negotiate. M said Fawzi is anxious and they did go over the paper para by para. M told N he should deal with the 6 points, let Israeli ships go through and have a solid consulting arrangement with some users. Forget the London users and maybe not have nations but shippers. N rather liked that but said it had to be other than Western users. M agreed to that. M said N has to make it expressive because the world abhors a bottleneck and N should not discount the alternatives, which are not bluffs. N said re the 6 points—when they were dealt with and they were ready to reach agreement at the same time they were conspiring against him on the invasion and anything like the 6 points is reminiscent. He would not accept insulation as the Canal goes through the country. M said it has to be political but it is unrealistic to talk about its not being political and it is unrealistic to talk about its not being international as that is its value. N said he can't do it because of speeches. M said that is a weak argument etc. M does not know what impression this made. When M made some suggestions, N said what does M think Fawzi thinks etc. He won't take a veto on his sovereignty or allow the arrangement to tie him down to eternity. N said he was nervous about movement of the French fleet and the Sec said we are looking into it too. N said he was aware if he let the Israeli ships go through the atmosphere would be clearer but he does not dare. He would have to deploy the Army along the Canal. Maybe it would be quieter in 6 months. He said Aqaba is quite different but did not say more than that. Re comments about the Russians—he said he was not surrounded by them. The Sec said he has been spending a lot of time with them lately and M said he was protesting too much. Malik² told McCloy that Communist infiltration in the ME is greater than it ever had been. They agreed one is probably talking to Moscow via Nasser. M mentioned talking to Fawzi and the Finance Minister re drafting an agreement. M thought there might be a middle

² Lebanese Foreign Minister Charles Malik. McCloy had stopped in Beirut on his way to Cairo.

ground. M asked if they told the Sec they want to publish on a certain date, and the Sec said yes. M said that is contrary to what Fawzi told him. F wished there were ships in the Harbor so he could postpone and compromise. M said the thing he reacted most actively against in the American draft was re making a case for Israel before the Int'l Court. He would like to have something less legal, less rigid. M thinks they are in a box on the dredging and tugs. We would not be able to buy for them new dredges and tugs they will need. They haven't the money to buy them and could not without UN help and support and that is something the man who runs the Canal is concerned about as is the Finance Minister and Fawzi. That may be the leverage that will be of value. They are frightened about being able to run it well and fully. The Sec mentioned meeting with Hammarskjöld in NY tomorrow. M said he reported to him and if the Sec wanted him he is available. M saw a little light through the clouds but mainly clouds.³

³ Following this conversation, McCloy telephoned the Acting Legal Adviser John M. Raymond. A memorandum of that conversation by Raymond, in which McCloy repeated much of what he had told Dulles, is in Department of State, Central Files, 974.7301/4-457.

On April 5, Dillon told the Secretary's Staff Meeting that during a conversation with McCloy the night before in New York, he mentioned three points additional to those transmitted to the Department of State in telegram 3093, Document 262. These were: "(1) Nasser's objections to the six principles. It is mainly to the principle about divorcing the Canal from the politics of any nation; Nasser told McCloy that the Canal has always been an Egyptian political matter; (2) Nasser's experts have advised him (badly) that Western talk of alternative routes, especially for oil, is bluff; (3) Nasser now seems depressed and unsure of himself." (Tentative Notes of the Secretary's Staff Meeting prepared by Greene, April 5; Department of State, Secretary's Staff Meetings: Lot 63 D 75)

268. Telegram From the Department of State to the Embassy in Egypt¹

Washington, April 4, 1957—6:07 p.m.

3306. Eyes only Ambassador from Secretary. McCloy has emphasized Nasser's alleged suspicions that US proposals made to strengthen Israeli case beyond that under 1888 Convention and to bring about situation whereby World Court would be bound accept Israeli thesis (line reported Embtel 3093, April 2).²

¹ Source: Department of State, Central Files, 974.7301/4-457. Top Secret; Niact. Drafted and approved by Dulles.

² Document 262.

We have not yet received report here of your latest talk with Nasser,³ and realize his opposition US suggestion might be far more basic than foregoing implies since obviously his declaration might specify that it open to accession by countries with which Egypt maintains diplomatic relations.

US believes in right of Israel under 1888 Convention to use Suez Canal and would retain that as objective to be achieved as soon as practicable. But we would not necessarily sacrifice all chances for substantial progress toward satisfactory solution by insisting now upon what Egypt would consider would enlarge Israel's rights.

Foregoing might be borne in mind for discreet use.

Dulles

³ Reference is to telegram 3112, Document 270, which was not received until 1:22 p.m. on April 5.

269. Memorandum by the Deputy Director of the Office of United Nations Political and Security Affairs (De Palma)¹

Washington, April 4, 1957.

SUGGESTED COURSE OF ACTION IF SUEZ CANAL PROBLEM IS TO BE REFERRED TO UN

I. Basis for Renewed UN Consideration

The Canal question might be referred either to the General Assembly or the Security Council. Although it has not dealt directly with the Canal issue, the General Assembly has a basis for considering the matter pursuant to its resolution of November 2, 1956, which urged

¹ Source: Department of State, Central Files, 974.7301/4-457. Confidential. Attached to an unsigned memorandum for the record, dated April 4, which describes an April 4 meeting between Secretary Dulles and his senior staff concerning the Suez Canal. During the meeting, Dulles authorized Rountree to telephone Ambassador Caccia and inform him that the United States was in general agreement with British views concerning the Security Council, which Caccia had discussed with Dillon on April 3. (See Document 266.) Dulles also stated that he was in general agreement with DePalma's memorandum concerning a suggested course of action in the Security Council, and he expressed his view that he was not at all sure that the Soviet Union would veto the type of resolution described in the memorandum. (Department of State, Central Files, 974.7301/4-457) A memorandum of Rountree's subsequent telephone conversation with Caccia is *ibid.* During the conversation, among other points, Rountree told Caccia that the United States had not come to any firm conclusions as to how or when the matter would be taken to the Security Council.

that steps be taken to reopen the Canal and restore secure freedom of navigation, and by virtue of its action in arranging for the Canal's clearance.

On the other hand the Security Council remains seized of the Suez Canal item introduced last fall by France and the UK and its resolution of October 13 (six principles) provides the most advantageous approach to the issue. If Egypt now decrees what purports to be a final settlement for the Canal, the Council is entitled to test it against the standard it laid down in the six principles.

In view of the difficulty of managing a GA debate so as to have it focus clearly on this main issue, it is suggested that the matter should be raised in the SC initially and brought to the GA only if the Council is prevented by a Soviet veto from taking constructive action. The threat of a Soviet veto is no argument against action in the Council since presumably Egypt would refuse to comply with any recommendations which are of such a nature as to provoke such a veto. (The possibility of a UK or French veto is not discussed since a basic assumption underlying action in the SC is basic US-UK-French agreement on a course of action.)

II. Objective of Security Council Action

The objective is not, as the French and possibly also the British might have in mind, to demonstrate that they have exhausted every step in the UN and it is again proven impotent to check Nasser.

The objective should be, as a minimum, to elicit from Egypt interpretative statements which will have the effect of committing it more definitely to carry out the six principles or, failing this, to prepare world opinion for any subsequent *peaceful* pressures which might be brought to bear on Nasser.

As a maximum, the objective should be to bring about further consultations with Egypt with a view to securing elaborations of the Egyptian declaration along the lines of the US suggestions.

III. Possible SC Resolution

A. Recall the Constantinople Convention of 1888, the Security Council resolution of 1951 concerning Israeli transit through the Canal, and the Security Council resolution of October 13 containing six principles.

B. Take note of the Egyptian declaration.

C. Take note of statements of other Members, and particularly of the Representative of Egypt, which would have the effect of binding Egypt to implement the six principles.

D. Take note of various statements by Members of the Council to the effect that the Egyptian declaration in certain respects does not measure up to the six principles.

E. Establish a Committee of the Council to consult with the Government of Egypt with a view (1) to seeking elaborations in the Egyptian declaration designed to bring it into closer conformity with the six principles, and failing to get such elaborations, (2) to recommend to the Security Council the changes necessary to bring the Egyptian declaration into closer conformity with the six principles.

IV. Suggested Tactics

The matter should be brought to the Council only if preliminary consultations have established that there is adequate support for the above course of action and that the UK and France will cooperate in achieving its objectives. Assuming such cooperation, the US would take the lead in requesting a Security Council meeting and in developing support for such a resolution.

Other friendly Members of the Council should be primed to collaborate in seeking clarification from Egypt on the following points:

A. Is Egypt legally bound by the declaration and, if so, what assurance is there that its terms will not be altered by Egypt without regard for the rights of user nations?

B. Are all states beneficiaries of the terms of the declaration?

C. Does Egypt accept the jurisdiction of the ICJ to settle differences arising under the declaration or the 1888 Convention?

D. Are the provisions for arbitration available at the option of the users and does Egypt bind itself to a definite procedure for arbitration?

E. Whose consent is required for an increase in tolls?

(F. Is Israeli shipping covered by the declaration and if not, why not?)

We should get agreement to hold only 3-4 meetings in order to seek such clarification before bringing to a vote a resolution along the above lines. The discussion should avoid recrimination, should be brief and to the point, with every appearance of a sincere effort to promote an acceptable settlement on the basis of the Egyptian declaration.

The question of Israeli transit should be raised but not pressed in the debate, leaving it to be dealt with by the Committee. The initial resolution should not contain provisions for requesting an advisory opinion from the ICJ, but the Committee in its report might suggest the terms in which the issue might be presented to the Court.

270. Telegram From the Embassy in Egypt to the Department of State¹

Cairo, April 3/4, 1957—midnight.

3112. Reference: Embtel 3103.² Saw Nasser tonight and, after reviewing part which USG had played in seeking pacific and reasonable solution of canal problem, said we had been disappointed to hear of intention GOE to cut short exchange of views and issue declaration which would apparently fall short of what we had hoped in several important respects. It therefore seemed necessary to clarify our position at this important stage and I read text of message in reference telegram.³

Nasser went over his position re our suggestions—especially six points,⁴ rights of users⁵ and adherence⁶—in such way as indicate his misgivings as strong as ever but concluded by saying wanted have opportunity to discuss thoroughly and he was therefore giving order to suspend issuance of declaration for time being.

I asked how he would suggest proceeding. He said he ready give as much time as necessary but would probably be good idea for me to have initial go around with Fawzi. I shall accordingly get in touch with Fawzi tomorrow and see what can be done to get things underway. More in subsequent telegram re details Nasser's observations.

Meanwhile request Department furnish as soon as possible any suggestions it may have regarding possible devices to meet Egyptian objections re six points, users role and adherence. It may be we shall find ourselves merely bumping our heads against same stone wall but I believe it is worth a last all-out try.

¹ Source: Department of State, Central Files, 974.7301/4-357. Secret; Priority. Received at 1:22 p.m., April 5.

² Document 263.

³ The Embassy in Cairo presumably intended to refer to telegram 3286, Document 265.

⁴ In telegram 3117 from Cairo, April 4, Hare reported Nasser's two main objections to the six principles of October 13, 1956: 1) The principles had been interpreted in so many ways that evoking them would unavoidably lead to dispute and misunderstanding; and 2) inclusion of the principles in the declaration would provide the basis for Israeli claims to transit the Canal. Nasser explained that Egypt would not disavow the six principles, but felt strongly about mentioning them in the declaration. (Department of State, Central Files, 974.7301/4-457).

⁵ With regard to the rights of users, Hare repeated in telegram 3117 Nasser's pledge that Egypt was not only prepared to reaffirm adherence to the 1888 Convention but also to incur additional obligations to ensure free navigation of the Canal and the satisfaction of the users.

⁶ With regard to adherence, Hare reported in telegram 3117 that Nasser foresaw that Israel would be one of the first countries to take advantage of the U.S. draft, if it were adopted.

In view of Nasser's willingness hold up declaration and continue conversations, I did not give him reference telegram message in writing.

Hare

271. **Telegram From the Department of State to the Embassy in Egypt**¹

Washington, April 5, 1957—7:56 p.m.

3316. Regret Embtel 3112² not received until April 5, 1:22 p.m. Department somewhat encouraged by Nasser action defer issuance declaration and apparent willingness Egypt continue exchange of views.

We appreciate difficulty pinning down Fawzi to specific reaction our suggested changes in Egyptian declaration. While Department giving further consideration "possible devices to meet Egyptian objections re 6 points, users role, and adherence," we believe any further suggestions by us at this time must be determined in light specific Egyptian reaction to our textual suggestions. We are looking forward to report your meeting with Fawzi April 5 in hopes he will have provided you with point by point reaction to text, including suggestion for alternative working. In any event will telegraph further comments tomorrow after your report on meeting with Fawzi.

Related Subject. Department has noted press reports attributed to Egyptian sources indicating intention Egyptian Government call conference of major users of Canal to reaffirm or revise 1888 Convention. Department would of course appreciate any information Embassy may get on this matter.

Dulles

¹ Source: Department of State, Central Files, 974.7301/4-457. Confidential; Priority. Drafted by Shaw and Sisco and approved by Dillon.

² *Supra.*

272. Telegram From the Embassy in Egypt to the Department of State¹

Cairo, April 5, 1957—8 p.m.

3134. Reference Embassy telegram 3125.² Had general review of Egyptian position today on basis comparative American and Egyptian texts in Department telegram 3238.³

As previously reported, Fawzi agreed term document "declaration" instead of "memorandum". He also agreed first three articles of Egyptian draft not part of declaration proper but, instead of incorporating announcement, he thinking of using as preamble.

Six principles: see Embassy telegram 3117⁴ and 3125. I asked if Fawzi had considered any way in which reference to six principles could be qualified so as to meet GOE objections, such as for example referring also to SYG letter of October 24. Fawzi said had done so and nothing seemed satisfactory in view of what formally on record (by British and French) contrary to GOE's interpretation. However, if we had any further ideas he would welcome.

Comments on specific articles using numbering of American draft.

1. Use of phrase "will respect" could indicate have not been respecting in past; would prefer phrase such as "continue to respect".

2. No difference.

3-A. Agreed insertion "or this declaration" here and elsewhere in declaration as appropriate.

3-B. Agreed insertion "or application" but found concluding underlined portion beginning "and Egypt" unacceptable because so far unable find formula for acceptance our proposal re adherence.

4. Use of "undertake" acceptable in principle since idea of obligation recognized. This matter language.

4-A. No difference.

4-B. Egyptian formulation preferred because believed one percent increase without negotiation is reasonable. Re specifying that representation of user should be determined by UN, GOE fully recognizes it is in its own interest that users be organized in some appropriate way since otherwise tolls could not be raised but GOE does not feel it has right to say how this should be done, either through UN or otherwise; that is responsibility of users themselves. Admitted problem is difficult one and solution imperative but GOE cannot see its way clear to taking any other position. It would however welcome other ideas.

¹ Source: Department of State, Central Files, 974.7301/4-557. Confidential; Priority. Received at 11:30 p.m.

² Telegram 3125, April 4, transmitted a report on Hare's April 4 conversation with Fawzi concerning the Egyptian draft declaration. Fawzi repeated Nasser's criticisms of the U.S. proposals (see telegram 3112, Document 270), and made specific objections to paragraphs 4 (C), 6 (C), and 7. (Department of State, Central Files, 974.7301/4-457)

³ Document 255.

⁴ See footnotes 4, 5, and 6, Document 270.

4-C. US amendment not acceptable because users would be given final authority in programming with result they could paralyze improvements and introduce politics into Canal matters. Also question of principle, i.e., of giving outside interests power of excessive interference (see Embassy telegrams 3117 and 3125).

5. No difference.

6-A and B. No difference.

6-C. See Embassy telegram 3125.⁵

7. See Embassy telegram 3125.⁶

8-A, B and C. No objection.

8-D. Not acceptable because individual firms as well as representatives of users might desire exercise right; because difficult give right to user representatives when not known what form representation will take; and because, as matter of principle, could not admit right of investigation any more than a foreign shipping company could assert right to investigate equipment or records of New York Port Authority. On other hand users could properly assert right to witness investigations in which they might be interested and to have access to own ships in Canal. Basis for Fawzi's somewhat spirited rebuttal on this point came out toward end of discussion when he related it to single exception which he had taken in his letter of November 2 to SYG's letter of October 24 re punitive measures.

8-E. Fawzi preferred Egyptian draft so, he said, as avoid being obligated to consult with unpredictable number of users and get bogged down in endless discussion.

9. Preferred first paragraph as proposed by GOE. Agreeable to American draft of second paragraph but dropping last line. Prefer Egyptian in third paragraph with part of suggested American insertion reading "in accordance with Article 102 of the Charter".

In following this somewhat formal approach, Fawzi and I agreed we were not, of course, seeking produce a negotiated document but rather to use comparative texts in Department telegram 3238 as means checking and supplementing Fawzi's comments as reported Embassy telegram 3125. Fawzi said he also wished make clear that points on which he had felt unable accept our suggestions represented real problems for GOE and were not positions taken for tactical purposes. He would continue ponder them but at same time he earnestly hoped we would have another look at them with view to seeing whether the Egyptian position may not be found reasonable and if not with view to

⁵ In telegram 3125 from Cairo, April 4, Hare reported, regarding paragraph 6 (C), that Fawzi objected to the specification that development funds should be deposited in the Bank for International Settlement. Fawzi explained that Egypt was prepared to obligate itself to devote 25 percent of the gross receipts for that purpose, but to insist on depositing it in an "outside" bank could only imply that Egypt was not to be trusted to carry out its declaration. (Department of State, Central Files, 974.7301/4-457)

⁶ Regarding paragraph 7, Hare reported in telegram 3125 that Fawzi objected to the U.S. stipulation that the Canal Code could not be changed except with agreement of the users.

furnishing further suggestions which might help surmount difficulty. He indicated time somewhat limited and hoped our further views might be received as soon as possible.

I said desired be helpful as possible but could not but note that US suggestions which GOE prepared accept seemed somewhat limited as compared with those they found unacceptable. In view of stress on urgency, I would have hoped area of agreement could have been greater. It was not very encouraging. Fawzi said he definitely did not feel occasion was one for pessimism. We had talked frankly and appeared be heading in same general direction. He was hopeful that, out of this, agreement would emerge.

Comments in subsequent telegram.

Hare

273. Telegram From the Embassy in Egypt to the Department of State¹

Cairo, April 7, 1957—7 p.m.

3148. Re Embtel 3134.² Embassy's recent telegrams on Canal question, despite volume, have of necessity been reportorial and, even then, have been confined almost entirely to Fawzi's and Nasser's remarks since it has been taken for granted that Department would assume full use would be made of its guidance and also that I would improvise supplemental argument as required. Even now time does not permit of detailed analysis but following observations and suggestions submitted:

Observations

(1) It is still not clear exactly what GOE had in mind in deciding postpone issuance declaration. Delay in reaching understanding with BIS (board of which understood be meeting today) may have been consideration but so also have been press conferences of Secretary and President (to which both Nasser and Fawzi referred), cumulative effect of representations here and possibly rumor of French-Israeli moves. Not unlikely may have been result combination all these.

¹ Source: Department of State, Central Files, 974.7301/4-757. Secret; Niact. Received at 9:19 a.m.

² *Supra.*

(2) As result conversations with Nasser and Fawzi, Egyptians have been found willing, even eager, discuss and explain their position but thus far changes accepted by them have been essentially of drafting, not substantive, nature. They do not close door to our most important substantive suggestions, i.e. mention six principles, specifying some form user representation and multilateral adherence, they even invite suggestions; but obvious they have given these matters much thought and that their ideas not only strongly held but believed right from Egyptian standpoint. Deep suspicion of British, French and Israeli intentions dominates their thinking this regard.

(3) Of three most important points, GOE seems feel strongest on citing of six principles as distinct from undertaking specific obligations to carry into effect. In this connection they frankly admit suspicion and fear that these principles having already been subject on record to widely varying interpretations, could be used as instruments of unpredictable coercion. Thus far they have given no indication of disposition yield on this point. Only alternative suggestion thus far by Fawzi was to express hope USG would, as result present talks, find GOE declaration in accord six principles and be prepared so to state.

(4) Re users, GOE, according Fawzi, entirely agree they should play a role on understanding users spelled with small, not capital, "U". Two main difficulties which they see are (1) inappropriateness of GOE specifying manner in which users should be represented and (2) danger that users would be given powers of overriding character which would infringe Egyptian sovereignty. Although these misgivings seriously held, believe there is possibly greater latitude for negotiation here than re six principles. Recurrent theme in discussion this point is that GOE must consider rights of all users, both direct and indirect, which raise prospect of East-West political problem in developing any user association.

(5) Regarding adherence of other countries, GOE argument two-fold: they maintain (1) that their proposal does in fact constitute legal obligation to countries to which declaration will be sent and to world community through UN and (2) that they do not wish be trapped in invidious position by opening adherence to Israel and thus injecting Palestine settlement in Canal arrangements. Believe these factors do in fact concern them but also seems obvious they would feel more comfortable with declaration in form proposed.

(6) As contrasted with proposals which would give assurance to users in form of some degree outside control, GOE takes position it has gone far beyond previous commitments, which limited to 1888 Convention, in effort satisfy world community in accord its understanding of six principles, and wishes emphasize its understanding that not only interests of users but Egypt's own interests dependent on just and

reasonable Canal administration. However, they maintain that, should GOE be so misguided as fail live up to its commitments, it then would lay itself open to recourse, including reference ICJ.

(7) GOE would undoubtedly prefer following declaration procedure but to be borne in mind that they have occasionally referred in past to possibility of throwing whole matter into conference of all nations if insurmountable difficulty developed.

Suggestions.

(1) Despite imperfections in Egyptian draft, it goes quite far toward meeting user needs and believe that effort should continue be concentrated on its improvement and avoiding open break since recourse available to us is limited and possible Nasser would gain prestige victory from open break going beyond partial victory resulting from reaching agreement on declaration.

(2) Believe some adjustment possible on user question if role limited to advice and recommendation. Seems possible that Users Association might in fact have more real power if its prestige built up as advisory group of which Egypt would find it difficult, or at least embarrassing, to disregard counsel as contrasted with giving it dubious functions which would generate more trouble than benefit. McCloy's suggestions would fit in with this line of thinking.

(3) Regarding six principles, seems possible that, if efforts fail find device acceptable to GOE for inclusion in declaration, GOE might be persuaded issue accompanying announcement in which they would develop their frequently expressed thesis of recognition that principles recognized and GOE willing be guided thereby in light of what it regards as reasonable interpretation. Such statement would, of course, have to be positive, not negative; otherwise it would be worse than useless.

(4) Re adherence, in case suitable formula for inclusion in declaration not found, recourse might also be had to covering in announcement in which GOE would give forthright expression of its views as to binding effect of declaration. To be recalled in this connection that various expedients such as limiting to countries recognized by Egypt or with which it maintains relations have been considered and discarded as being either too obviously aimed at Israel or too broad.

Hare

274. Telegram From the Department of State to the Embassy in Egypt¹

Washington, April 7, 1957—9:01 p.m.

3332. While UK and French Governments have been disposed thus far to support US efforts in current Suez discussions with Nasser, both express deep concern re time element in view Canal opening. They are pressing for immediate decision to bring matter to SC, assuming Egypt does not promptly indicate to US its willingness undertake arrangements consistent with six principles.

Although we had hoped your current discussions with GOE might disclose prospects for early satisfactory settlement without recourse to UN, doubtful that we should long continue in our present role. Important consideration is that any arrangements which we might explicitly or implicitly agree with GOE to support and which would fall short of six principles might be strenuously objected to by UK, France and other users (public if not Governments), and US charged with capitulating to Nasser. Even though we might ourselves be convinced that arrangements were best obtainable, effect upon relations with our allies might be grave.

After discussing present situation with UK Ambassador in foregoing context, and on basis current reports your talks, Secretary today suggested Caccia immediately consult with Foreign Office to ascertain British views as to whether US should continue negotiations with Nasser, perhaps on a more formal basis than at present, or whether US should now bring matter to the SC.² Our thinking is that it would be better for US to take initiative in SC than UK or France. US might report to SC either unilaterally or on the basis of an approach agreed with Egypt, in which case our respective positions would be set forth.

Our thought is that we would not wish to take matter to SC in hostile mood, but as a normal procedure on basis that efforts had been made without success to implement the October 13 Resolution. Initiative by US would be based on facts that Secretary, during past Council meeting on matter, stated assumption that Council would remain seized of problem; US had recently been invited by Egypt to comment upon Egyptian draft memorandum, which it had done in series discussions with GOE; GOE had not seen fit make amendments essential to comply with six principles; Canal is being opened for shipping; since

¹ Source: Department of State, Central Files, 974.7301/4-757. Secret; Niact. Drafted by Rountree; cleared by Jones; and approved by Shaw who initialed for Dulles. Repeated to London and Paris.

² No memorandum of the conversation has been found in Department of State files.

matter not otherwise resolved in accordance with SC Resolution, subject should again be discussed to determine how negotiations might be brought about.

Would appreciate your comments on foregoing soonest, if possible by return telegram. UK comments expected Monday afternoon³ Washington time. Same suggestions which Secretary put to Caccia were subsequently made to French Ambassador today with request he consult his Government too.⁴ Meanwhile, separate message containing comments upon your last reports on talks with GOE being withheld pending report from you, British and French.

Dulles

³ April 8.

⁴ A memorandum of the conversation by Dillon is in Department of State, Central Files, 974.7301/4-757.

275. Telegram From the Embassy in Egypt to the Department of State¹

Cairo, April 8, 1957—2 p.m.

3154. In reply Deptel 3332² (still being serviced for garbles) I feel most strongly that we should have at least one more session at Nasser level before having recourse to SC. As Department will recall Nasser told me on April 3 he was personally willing give as much time as necessary to this matter but it was agreed that preliminary spade-work should be done with Fawzi. In circumstances, I do not feel we can yet say that our efforts have been "without success"; to take such position could hardly fail to raise question of our motives. As of this time last week, it was entirely proper and desirable to take such a position and Deptel 3286³ would have hit nail on head had Nasser not back-

¹ Source: Department of State, Central Files, 974.7301/4-857. Secret; Niact. Received at 10:53 a.m. Repeated to London and Paris.

² *Supra*. In another response to telegram 3332, Barco advised from New York that he seriously doubted whether the United States at this stage could garner maximum support in the Security Council for even a non-acrimonious approach to the Canal question. Barco also expressed his agreement with the advice given by Hare in telegram 3148 from Cairo (Document 273) to the effect that the U.S. effort should be concentrated on improving the Egyptian draft and avoiding an open break with Egypt. (Department of State, Central Files, 974.7301/4-857)

³ Document 265.

tracked and delayed issuance of declaration. My recommendation therefore is that Department's comments should be sent urgently for discussion at Nasser level.

In making this recommendation I have no great hope, after preliminary conversations with Nasser and Fawzi, that we shall be able to make sufficient progress to meet our own desiderata, much less those of French and British. Moreover, it is my understanding that in any event we are not engaged in actual negotiations but merely in an exchange of views involving no commitment either way.

Suggest therefore that we should complete present cycle by having at least one more talk with Nasser in order (1) to give Egyptians final chance to show their colors, (2) to avoid giving impression of questionable motives on our part, (3) to put USG in unassailable position if we should then decide take initiative in SC, assuming we in fact can foresee that Nasser's position will be weakened rather than strengthened by so doing. On this point I am of course unable judge but I cannot but foresee difficulty if SC action inconclusive and matter thrown into GA or into a general international conference where Egypt might be able marshal impressive support. Also would seem inevitable that summary conclusion of our talks with Egyptians might be associated with rumors of French-Israeli plans for some sort of action in this area.

In making foregoing observations, I trust Department will understand I am not doing so out of any softheartedness for Nasser and his clique. I have none. I am however concerned that our own record should not be subject to reasonable criticism, especially outside Egypt.

Hare

276. Telegram From the Department of State to the Embassy in Egypt¹

Washington, April 8, 1957—8:18 p.m.

3341. Considerations such as those set forth Embtel 3154 taken into account by Department in planning possible next moves vis-à-vis GOE. We agree that bilateral US-Egyptian discussions should be moved to proper stage before GOE notified of our intention to take

¹ Source: Department of State, Central Files, 974.7301/4-857. Confidential; Niact. Drafted by Rountree, Meeker, and Sisco; cleared by Jones, Dillon, and Herter; and approved by Shaw. Repeated to USUN.

matter to SC. Before making final plans we wished have views UK and French Governments, as well as yourself, which have now been received.² Next step should be meeting with Nasser at which you would endeavor obtain agreement on fundamental issues remaining unresolved, or, failing this, make a clear record of important differences which would provide suitable basis for moving into Security Council. (This latter intention of course would not be divulged to GOE.)

Immediately following telegram contains Department's comments on your last reports on talks with GOE. Suggest these comments be used in your meeting with him. In addition, following points might be made in presentation:

1. At request GOE, US commented on Egyptian draft of March 26 with series of detailed suggestions designed (a) to create international engagement rather than unilateral statement of intention, (b) to provide effective implementation of six requirements adopted by SC with concurrence of Egypt, and (c) to arrange for organized cooperation between Egypt and user nations.

2. In talks held between AmEmbassy and GOE, latter has indicated acceptance of certain suggestions advanced by US, but on various important issues of substance no agreement yet reached, and apparently more than drafting involved.

3. In view of imminence of resumption of regular operation of Canal, US feels international agreement on arrangements is urgently necessary. We would hope Egypt able now to accept major substantive points presented by US so that Egyptian Declaration would in our opinion become more acceptable to user nations generally.

4. If issues of principle remain unresolved, discussions between Egypt and US (which does not purport to represent users) should not be allowed to drag out, and it would be necessary for US to consider what additional steps could helpfully be taken to promote an early Suez Canal settlement.

Dulles

² Earlier on April 8, Ambassador Alphand told Dillon that France favored the continuation of bilateral negotiations between the United States and Egypt, because it understood that progress had been made. If the talks proved unsatisfactory, then France was determined to take the matter to the Security Council. (Memorandum of conversation by Shaw, April 8; *ibid.*)

Also on April 8, Ambassador Caccia informed Dillon that Howe should have one more conversation with Nasser in pursuit of a satisfactory Egyptian declaration. But if it failed, the matter should be taken to the Security Council, and a resolution introduced that would seek procedural arrangements to give effect to the six principles adopted by the Security Council on October 13, 1956. Caccia also gave Dillon a British Embassy note discussing possible tactics in the Security Council. (Memorandum of conversation by Shaw, with attachment, April 8; *ibid.*)

277. **Telegram From the Department of State to the Embassy in Egypt¹**

Washington, April 8, 1957—8:45 p.m.

3342. Embtels 3134,² 3125.³ Following are Dept comments on Egyptian reactions to US text in Deptel 3238,⁴ to be used in accordance with Dept instructions in separate telegram.⁵

Preamble: Believe first three articles Egyptian draft could be used in preamble to Declaration provided reference made to six principles in order avoid implication disavowal by failure to mention. Suggest this might be accomplished by following language para 3: "In elaboration of the principles set out in Egyptian memorandum March 18, 1957, and of the requirements incorporated in the resolution of the Security Council adopted October 13, 1956, the GOE hereby make etc." Would like opportunity to comment on final text.

Para. 1. Egyptian point could be met by dropping word "will". The sentence would then read "The Government of Egypt respect" etc.

Para. 3-B. GOE objection might be met by deleting words "and the other parties subscribing to this Declaration".

Para. 4-B. Any increase tolls without agreement of users unacceptable in light six requirements, Secretary General's October 24 letter to which Fawzi agreed, historical trend 27 reductions in tolls, and prospective increase in traffic which promises increased revenues at present level tolls.

Point made by GOE re Representation of users might be met by substitution of phrase "agreed between Egypt and a Representation of users satisfactory to the UN, or failing agreement etc." in place of "the Representation of which shall be determined by the UN".

Para. 4-C. If agreement reached in paras 4-B and 7, we would be satisfied with "considered necessary by Egypt after consultation with the Representation of the users" in para 4-C.

Para. 6-C. In case BIS not available suggest substitution IBRD. Egyptian willingness to agree on this point would in fact increase international confidence far out of proportion to concession Egypt called on to make.

¹ Source: Department of State, Central Files, 974.7301/4-557. Confidential; Niact. Drafted by Meeker, Shaw, Metzger, and Sisco; cleared by Raymond, Rountree, Jones, and Wilcox; and approved by Dillon. Repeated to USUN.

² Document 272.

³ See footnotes 2, 5, and 6, *ibid.*

⁴ Document 255.

⁵ *Supra.*

Para. 7. Together with requirement for user agreement on tolls, user agreement on code change is of crucial importance to protect against unreasonable burdens and covert discrimination.

Para. 8-D. This paragraph gives no rights to individual firms. Investigation would be made by the Representation of users as defined in paragraph 4-B upon complaint by individual firms under 8-B. Para 8-D intended implement paragraph 4E(a) of Hammarskjöld letter of October 24 to which Fawzi agreed. Department unable understand Fawzi's objection on basis his exception paragraph 4E(d) of Hammarskjöld letter since that exception related to sanctions and not fact finding. To clarify point the following words might be added at end of sentence: "of facts in connection with complaints under para 8-B."

Para. 8-E. See comments on para 4-B above. Dept shares Egyptian view that representation of users should be of manageable size.

Para. 9. Dept finds GOE language this para standing alone most unsatisfactory since it fails provide adequately for implementing sixth point of October 13 resolution. However second sentence your comments on para 9 unclear (Embtel 3134) and GOE objections may not be understood. Assuming your second sentence refers to second sentence first para of No. 9 (Deptel 3238) Dept agreeable changes similar para 3-B or to arbitration provision such as in 8-B and C above provided it clear that Universal Suez Canal Company is one of parties at interest and has right to arbitration. If your second sentence refers second para No. 9 Dept agreeable to deletion although Dept unable understand reason for deletion since this GOE language.

Para 9 (third para). Dept believes adherence or acceptance by beneficiary nations essential to ensure Declaration is international agreement of binding character. Point out to GOE that only "treaties" and "agreements" can be registered under Article 102 of the UN Charter.

FYI only. This is very important legal point and Department suggestion was furnished with this in mind and not as means to strengthen Israeli case which US feels is already solidly based. End FYI.⁶

Dulles

⁶ On April 9, Hare met with Fawzi and discussed the contents of telegram 3342. Fawzi took notes on Hare's presentation and informed the Ambassador that he planned to see Nasser that evening to discuss the situation and would then arrange a meeting between Hare and Nasser, as soon as Egyptian study of the question was completed. The only substantive comments which Fawzi made during the meeting were to note with regret that the United States had not been able to accept the Egyptian view regarding the six principles. (Telegram 3174 from Cairo, April 9; Department of State, Central Files, 974.7301/4-957)

278. Editorial Note

During April and May 1957, a critical situation unfolded in the Hashemite Kingdom of Jordan as actions taken by King Hussein to purge leftist elements from the Jordanian Government precipitated large-scale demonstrations and a sharp rise in anti-Western sentiment. Documentation on United States efforts to buttress the Hussein regime, including United State appeals for Israeli restraint, is in Department of State, Central Files 684A.85, 685.00, and 785.00. See also volume XIII, pages 88 ff.

279. Memorandum From the Counselor of the Department of State (Reinhardt) to the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Rountree)¹

Washington, April 10, 1957.

SUBJECT

Suez Canal

The Secretary said the draft paper "Future Action with Respect to the Suez Canal" was all right as an index.² It lacked, however, reference to U.S.I.S. which should be doing its utmost to explain our position throughout the Arab world. He asked what was U.S.I.S. in fact doing in this regard and what were its capabilities?

What was now required, the Secretary added, was a revised Omega paper. This might not be the exact moment for such a paper, but it might well become timely in a matter of days.

The Secretary felt there was a tendency to worry too much about Egypt. Rather than this we should worry more about the other Arab States. An earnest effort should be made to make people like Saud, Chamoun and Nuri Pasha feel they were cut in on our thinking and

¹ Source: Department of State, Central Files, 974.7301/4-1057. Top Secret; Eyes Only. The source text is a copy sent to Acting Secretary Herter, who initialed the document.

² On April 11, Reinhardt circulated a revised copy of the draft paper in question, "Index to Future Action With Respect to the Suez Canal", to various bureaus in the Department of State for their guidance under cover of a note which explained that Secretary Dulles had reviewed the document. The paper, which is not printed, listed various aspects of the Suez Canal problem being considered within the Department of State and assigned primary responsibility for each listing to a separate bureau. (*Ibid.*, 974.7301/4-1157) No copy of the original paper has been found in Department of State files.

policy and to wean them away from Nasser. They should be brought into the picture and convinced that we are not working for British and French interests, but for theirs and that a reasonable settlement was in their interest.

In this connection, it was important to counteract Nasser's exaggerations of our dependence on the Canal. (The fact was that the confidence in the Canal as a dependable artery of trade which had been lost, could probably never be regained and whatever the nature of a settlement the development of alternatives both as to the Canal and sources of oil would go on and prove the contrary.)

In conclusion the Secretary said it was important for U.S.I.S. to do its utmost to advance these ideas.

Frederick Reinhardt³

³ Printed from a copy that bears this typed signature.

280. Telegram From the Embassy in Egypt to the Department of State¹

Cairo, April 11, 1957—7 p.m.

3201. Reference: Embtel 3190.² Following is current text of Suez Canal declaration furnished today by Foreign Minister at my request:
Personal and Confidential

Draft Declaration

Preamble

The Government of Egypt are pleased to announce that the Suez Canal will be open for normal traffic by mid-April, and will thus once again serve as a link between the nations of the world in the cause of peace and prosperity.

¹ Source: Department of State, Central Files, 974.7301/4-1157. Confidential; Priority. Received at 10:43 p.m.

² In telegram 3190 from Cairo, April 11, Hare transmitted to the Department of State an advance summary of his conversation with Nasser, which had lasted 1/2 hours the evening of April 10. (*Ibid.*)

During the morning of April 10 in Cairo, Hare participated in a 2-hour discussion with Fawzi, who had spoken with Nasser the previous evening. In his preliminary remarks, Fawzi conveyed a plea for understanding and for a relaxation in what he maintained were excessive demands. He then discussed the Egyptian draft declaration on a paragraph-by-paragraph basis, at certain points yielding to American suggestions

The Government of Egypt acknowledges with appreciation and gratitude the efforts of the states and peoples of the world who contributed to the restoration of the canal for normal traffic and of the United Nations whose exertions enabled the clearance of the canal to be accomplished peacefully and in a short time.

In elaboration of the principles set out in their memorandum dated the 18 of March 1957, the Government of Egypt, hereby, make the following declaration on the problems connected with the Suez Canal and the arrangements for its operation.

1. Reaffirmation of the Convention

It remains the unaltered policy and firm purpose of the Government of Egypt to respect the terms and the spirit of the Constantinople Convention of 1888 and the rights and obligations arising therefrom. The Government of Egypt will continue to respect, observe and implement them.

2. Observance of the Convention and of the Charter of the United Nations

While re-affirming their determination to respect the terms and the spirit of the Constantinople Convention of 1888, and to abide by the charter and the principles and purposes of the United Nations, the Government of Egypt are confident that the other signatories of the said convention and all others concerned will be guided by the same resolve.

3. Disputes, Disagreements or Differences Arising out of the Convention or this Declaration

(A) Disputes or disagreements arising in respect of the Constantinople Convention of 1888 or this declaration shall be settled in accordance with the charter of the United Nations.

(B) Differences arising between the parties to the said convention in respect of the interpretation or application of its provisions, if not otherwise resolved, will be referred to the International Court of Justice under Article 36 of its statute or by agreement, to an appropriate organ of the United Nations.

4. Freedom of Navigation, Tolls and Development of the Canal

The Government of Egypt are more particularly determined

(A) To afford and maintain free and uninterrupted navigation for all nations in accordance with the Constantinople Convention of 1888.

and at other points rejecting them. The revised text of the draft declaration, which incorporated the changes offered by Fawzi during this meeting, is in telegram 3201.

Hare's account of his conversation with Nasser on April 10 is in telegram 3204, *infra*.

(B) That tolls shall continue to be levied in accordance with the last agreement concluded on the 28 of April 1936, between the Government of Egypt and the Suez Canal Maritime Company; and that any increase in the current rate of tolls within any 12 months, if they take place, shall be limited to one percent, and any increase beyond that level to be the result of negotiations, and failing agreement, by arbitration according to the procedure set forth in paragraph 8(B).

(C) That the canal is maintained and developed in accordance with the progressive requirements of modern navigation and that such maintenance and development shall include the eighth and ninth programs of the Suez Canal Maritime Company, with such improvements to them as are considered necessary.

5. Operation and Management

The canal will be operated and managed by the autonomous Suez Canal Authority established by the Government of Egypt on the 26 of July 1956. The Government of Egypt are looking forward with confidence to continued cooperation with the nations of the world in advancing the usefulness of the canal.

6. Financial Arrangements

(A) Tolls shall be payable in advance to the account of the Suez Canal Authority at any bank as may be authorized by it. In pursuance of this, the Suez Canal Authority has authorized the National Bank of Egypt and the Bank of International Settlement to accept on its behalf payment of canal tolls.

(B) The Suez Canal Authority shall pay to the Government of Egypt 5 percent of all the gross receipts as royalty.

(C) The Government of Egypt will establish a Suez Canal capital and development fund into which shall be paid 25 percent of all gross receipts. This fund will assure that there shall be available to the Government of Egypt adequate resources to meet the needs of development and capital expenditure for the fulfillment of the responsibilities they have assumed and are fully determined to discharge.

7. Canal Code

The regulations governing the Canal, including the details of its operation, are embodied in the Canal Code which is the law of the Canal. Due notice will be given of any alteration in the Code, and any such alteration, if it affects the principles and commitments in the declaration and is challenged or complained against for that reason shall be dealt with in accordance with the procedures set out in paragraph 8 (A).

8. Discrimination and Complaints Relating to the Canal Code

(A) In pursuance of the principles laid down in the Constantinople Convention of 1888, the Suez Canal authority, by the terms of its statute, can in no case grant any vessel, company or other party any advantage or favour not accorded to other vessels, companies or parties on the same conditions.

(B) Complaints of discrimination or violation of the Canal Code shall be sought to be resolved by the complaining party by reference to the Suez Canal authority. In the event such a reference does not resolve the complaint, the matter may be referred, at the option of the complaining party or the authority, to an arbitration tribunal composed of one nominee of the complaining party, one of the authority and a third to be chosen by both. In case of disagreement, such third member will be chosen by the President of the International Court of Justice upon the application of either party.

(C) The decisions of the arbitration tribunal shall be made by a majority of its members. A majority shall constitute a quorum. The decisions shall be binding upon the parties when they are rendered and these must be carried out in good faith.

(D) The Government of Egypt will study the further appropriate arrangements that could be made for fact-finding, consultation and arbitration on complaints relating to the Canal Code.

9. Compensation and Claims

The question of compensation and claims in connection with the nationalization of the Suez Canal Maritime Company shall, unless agreed between the parties concerned, be referred to arbitration in accordance with the established international practice.

The Government of Egypt make this declaration, which reaffirms and is in full accord with the terms and spirit of the Constantinople Convention of 1888, as an expression of their desire and determination to enable the Suez Canal to be an efficient and adequate waterway linking the nations of the world and serving the causes of peace and prosperity. They do so in full confidence that it will meet with the good will and cooperation of the nations of the world.

This declaration, with the obligations therein, constitutes an international instrument and will be deposited and registered with the Secretariat of the United Nations in accordance with Article 102 of the Charter.

281. Telegram From the Embassy in Egypt to the Department of State¹

Cairo, April 11, 1957—10 p.m.

3204. Re Embtel 3190.² This is more detailed account of meeting with Nasser and Fawzi:

I began by tracing course of conversations, covered points in Deptel 3341³ and suggested that discussion be directed to three main points, i.e. six principles, user representation and adherence, concerning which I outlined our position.

Regarding six principles, Nasser took very strong line. His reason, he said, was historical. Six principles had been product of SC meeting in which British and French had participated at time when, speaking in terms of peaceful solution, they were planning forceful seizure of canal. Furthermore, real thinking of British and French had been clearly revealed in vetoed part of October 13 resolution and unfortunately US had been "more or less on their side". Against this background he saw insistence on inclusion six principles as a trap of West which would result in his being hailed before ICJ "every day" on one pretext or another. What was it we really wanted anyway? Did we have something up our sleeve? Was it some trick? I replied that, if it were, I naturally would not tell him (uproarious laughter by Nasser at this point) but it so happened that I was fully acquainted with background of matter and could assure him there was no double-dealing involved. Nasser had said he had suspicions arising out of history of case; we also felt we had good grounds have some serious doubts as I had explained to him exactly one week before (Embtel 3112).⁴ Inclusion of six points would be important step in restoring this shaken confidence.

After this little dust-up, Nasser settled down to serious discussion and said just could not see way clear to including something in declaration which not understandable because subject to various interpretations. Actually GOE had six points in mind in drafting declaration and had included number of points designed meet its interpretation of them. If this was not sufficient and further safeguards were desired, then he would be glad incorporate in declaration provided they were specific and not unreasonable. It was not further guarantees that he was opposing but guarantees which he could not understand. He would not even object to putting in something about insulation from

¹ Source: Department of State, Central Files, 974.7301/4-1157. Secret; Priority. Received at 8:07 p.m.

² See footnote 2, *supra*.

³ Document 276.

⁴ Document 270.

politics if term could be clearly and reasonably defined. He, too, believed in insulation from politics—from international politics—and only natural there should be reciprocal guarantee from Egyptian politics. Was not this reasonable?

I replied interested in Nasser's suggestions for finding solution this problem but had some doubts re practicability. Very often necessary to state objectives in general terms owing fact application would be too complicated to cover in detail; would be question of feasibility. However, would report.

He next discussed representation of users and Nasser put on another emotional act. He would never consent to anything that would allow outside management and control. He had even become allergic to word "users" with either small or capital "U". Menon had submitted a plan for consultative body of users last October and he had turned it down. He believed in international cooperation; that only natural if Canal to be run effectively; but he would not submit to international control.

I asked if it to be understood then what Nasser opposed deal with any user group, even on purely consultative basis. At first Nasser replied in affirmative but, on second thought, he explained what he was really opposed to was governmental user representation. However, he saw no reason why there should not be some organization of business interests with which GOE could deal on consultative basis and also in connection paragraph 4 (B) re tolls and paragraph 7, both of which had been significantly amended.

Discussion on the question of form of declaration was brief. Nasser said could not accept suggestion re adherences of which Israelis could take advantage at this time. If we could suggest way in which adherences could be provided for and Israel excluded, he had no objection. Otherwise, he could not accept. However, advice available to GOE is that declaration would be legally binding by registration with UN and acknowledgment of type Hammarskjöld had proposed.

We then discussed various points of lesser importance in declaration, noting areas of agreement and disagreement but nothing of interest developed to supplement discussion earlier in day with Fawzi (Embtel 3185).⁵

Concluding part of talk re degree of coincidence of views covered in reference telegram.

Have learned today that probable reason for Nasser's rather unusual behavior last night was that he was suffering from case of "gyppy tummy" which, combined with observance of Ramadan, had

⁵ Dated April 10, not printed. (Department of State, Central Files, 974.7301/4-1057)

caused him so much discomfort that he had thought of postponing meeting but had not done so for fear of giving impression procrastinating.

Hare

282. Editorial Note

On April 12 in London, the British Delegation submitted to the Executive Group of the Suez Canal Users Association a draft resolution, supported by the United States, which recommended that governments should advise their shipowners that dues paid to the Egyptian Canal Authority should be paid under protest and without prejudice to existing legal rights or to the terms of a future Suez Canal settlement. The French Delegation opposed the amendment on the grounds that it was premature to suggest a procedure whereby ships associated with SCUA members would use the Canal and that such a decision would prejudice the negotiations underway and fortify Nasser in his intransigence. The Italian Delegation also objected to the draft resolution, because it wished to do nothing which might cause Egypt to deny transit to Italian shipping. Consequently, no action was taken on the draft resolution. (Telegram 5598 from London, April 12; Department of State, Central Files, 974.7301/4-1257) Following this meeting, United States officials lobbied on behalf of the British draft resolutions with the Governments of France, Iran, and Italy. Documentation concerning these approaches is *ibid.*, 974.7301.

283. Telegram From the Department of State to the Embassy in Egypt¹

Washington, April 12, 1957—8:05 p.m.

3403. Following information extremely sensitive and for your information only.

British Ambassador has stated UKG urgently desires reference Suez matter Security Council.² While British wish continuation your discussions with GOE and anxious avoid damaging their prospects, they believe immediate SC consideration essential in order provide proper forum for certain interim arrangements. Although they do not envisage substantive resolution, they would like have it stated in Council that since discussions looking to final settlement will take considerable time, there should be interim arrangement permitting users to pay dues to Egyptian authority without prejudice to existing legal rights or terms of future settlement. Following this (which will presumably overcome domestic political problem), UKG plans approach GOE on or before April 17 re plan for payment of tolls. Contact understood to be planned between Bank of England and National Bank of Egypt. Arrangements envisaged would be establishment special account in Bank of England to which would be deposited transferable sterling. Toll payments would be put into this account thus making possible their current use by GOE. Urgency in matter attributed to pressure upon UKG from shippers to expedite arrangements whereby Canal can be used. We under impression French not informed these British intentions. End FYI.

French Govt indicated it supports UK desire to have problem discussed in SC soonest.

Department recognizes that SC consideration of matter present time may not advance settlement. Moreover it realizes reference to SC might immediately precipitate issuance by GOE of unilateral statement or declaration, far from satisfactory from users viewpoint. On other hand Department believes US should not oppose reference to SC

¹ Source: Department of State, Central Files, 974.7301/4-1257. Secret; Niact; Limit Distribution. Drafted by Rountree; cleared in draft by Herter, Raymond, Walmsley, and Jones; and approved by Dillon who signed for Herter. Repeated Priority to London, Paris, and USUN.

² Earlier on April 12, Caccia told Dillon that the London press was likely to carry a story on April 13 indicating that a decision had been made to go to the Security Council with the Suez Canal problem and that British ships would be allowed to go through the Canal and pay dues to Nasser. (Memorandum of conversation by Shaw, April 12; *ibid.*)

On April 11, Caccia spoke with Dillon concerning the British desire to pay tolls to Egypt under protest. (Memorandum of conversation by Shaw, April 11; *ibid.*, 974.7301/4-1157)

if that desired by UK and France (Australia also advises prompt reference to SC), particularly since US cannot claim that current discussions with Nasser give substantial hope that they will lead to arrangements satisfactory to major users. We must recognize possibility that Egyptians deliberately employing delaying tactics and that early full opening Suez Canal renders necessary immediate decisions re circumstances in which UK, France and others will use, or will be permitted to use Canal.

Consequently US will not oppose reference to SC and in circumstances believes it best take initiative in bringing matter there. In so doing every effort should be made prevent action from jeopardizing US discussions with GOE. Though of limited success thus far, we have not yet been able to think of any better means of progress.

With this in mind you should seek prompt meeting with Nasser. Suggest you take following line:

(a) With appropriate introductory remarks along lines numbered paragraphs of Deptel 3341³ state that Department has received and is considering revised Egyptian draft handed to you April 11 by Fawzi. Although draft reflects some progress in several respects there obviously remain important points which have not been resolved. It is hoped that discussions can be continued with objective of resolving these points.

(b) It is of course understood that US, in carrying out discussions with GOE, has had no mandate to represent other users of the Canal and, while the US has general appreciation of points of view of those who largely use Canal, it has been able to speak with authority only for itself. Obviously it has not been in position to commit other users.

(c) As these bilateral talks proceed, time rapidly approaching when Canal will be fully opened, and other users naturally concerned re arrangements and are pressing us for information on status of our discussions in Cairo. We believe we should act now to present in proper forum report of present status of matter.

(d) GOE will recall that at conclusion of SC consideration of Suez matter in October 1956, hope was expressed that negotiations leading toward settlement would be continued and it was agreed that SC would remain seized of issue. Since settlement not yet reached US believes that Council should now be informed of current status.

(e) In view fact US initiated proposal that SC remain seized of problem, US believes it should take initiative in asking that matter be returned to Council for purpose of reporting status. US would be prepared to make joint request with GOE for SC meeting. If GOE should not feel that it could join in such request, US plans ask for early SC meeting.

(f) It is our thought that bilateral US-GOE talks would not be suspended and we hope GOE will not meanwhile issue unilateral declaration.

Herter

³ Document 276.

284. Telegram From the Embassy in Egypt to the Department of State¹

Cairo, April 12, 1957—4 p.m.

3213. Reference Embassy telegram 3204.² . . . Nasser feels has made maximum concession and believes that, if US serious in negotiations, agreement can be worked out on basis April 10th talks. After meeting Fawzi is reported to have told Nasser that latter had gone further than he expected and that "now we are going to get somewhere". . . . Nasser unwilling put into declaration any mention of outside technical advisors but intends ask General Wheeler to form team of 3 or 4 experts who will be given 5 or 10 year contract.

My own estimate is that, whereas some of concessions made by Fawzi were regarded by GOE as going considerably beyond mere drafting changes, his role had been largely one of presenting as convincingly as possible reasons why GOE found itself unable to accept our specific suggestions reference 6 principles, user organization and adherence but at same time not to close door to alternative suggestions. Impression was given however that GOE had no new ideas to put forward and that they relied on persuasiveness of their arguments to convince US either to accept their position or to suggest compromise.

This, in fact, was mood in which conversation with Nasser began. For instance when, at outset of talk, I mentioned failure find common ground with Fawzi on 3 main issues, he recalled he had indicated in our conversation on April 3rd this would be probable outcome. However, as conversation developed there was noticeable change in his attitude and I believe he felt we went quite far in suggesting alternatives reference 6 principles and user organization, was also hopeful that purported arrangement with Hammarskjold would solve problem of legal status of declaration. In circumstances, my impression is that Nasser feels he has made effort to be a good boy (this metaphor deliberate because dealing with him does have "dead-end kid" overtones), and I feel that, in any action we may contemplate taking, we should bear this in mind.

Specifically, I would suggest (as indeed I understand is thought of Department) that in event of reference to Security Council we would take note of disposition of GOE to discuss problem frankly and thoroughly; of actual progress made in improving draft declaration; and of possibility of further improvement. To take contrary condemnatory line would probably only result in loss of such modest gains as at-

¹ Source: Department of State, Central Files, 974.7301/4-1257. Secret. Received at 3:23 p.m., April 13.

² Document 281.

tained and block way to tenable negotiated agreement. If this course adopted, hard line would be reserved for use in event that moderate approach fails.

With reference proposed submission this matter to S.C., I do not wish seem be back-seat driving but wonder if thought may have been given to cutting off our bilateral conversations at early stage and suggesting that Hammarskjold carry on from where we leave off in same way we carried on from where he left off. I may be very wrong but somehow I have impression that we are gradually getting back to something approaching situation of mid-October last year and that, difficult as canal problem is, there is glimmer of hope for settlement. Unfortunately, there are also other similarities to October situation in form of rumors of resort to force but difficult determine from here whether these actually have foundation; reference present case of April jitters; or constitute war of nerves.

Hare

285. **Telegram From the Embassy in Egypt to the Department of State**¹

Cairo, April 14, 1957—7 p.m.

3234. Talked to Nasser this afternoon as instructed Deptel 3403.² His reaction was mixture of interest, suspicion and uncertainty. He began by saying his instinct was look to possible disadvantages rather than advantages. In first place, could he be sure USG was really seeking agreed solution. I attempted lay this ghost and he seemed reassured.

He next said timing did not seem right. If matter was to be referred to SC, he would think should be at end of talks when we could report agreement or disagreement, not now when discussions incomplete. I conceded this would be logical were it not for very real pressures building up on part of users as Canal goes into operation. There was point beyond which this most difficult withstand. Once again he indicated degree of understanding.

¹ Source: Department of State, Central Files, 974.7301/4-1457. Secret; Niact. Received at 6:10 p.m. Repeated Priority to London, Paris, and USUN.

² Document 283.

Nasser then said that his greatest worry was unfavorable negotiating position in which he might be placed by reference to SC. Fact is, he said, that 1888 Convention could suffice as basic document to govern use Canal. GOE had however gone further and issued first memorandum. Hammarskjold had then come along and exacted further concessions. Second memorandum then issued and after that we had come on scene and obtained further concessions. Now proposed send matter to SC where document as currently and temporarily revised could be crystallized and taken as basis for further demands; would be question of negotiating in future from six points plus revised declaration. This put GOE in difficult position. If it is desired start off on new line, then should begin again at beginning. Perhaps he was being too pessimistic but it looked as though this would be losing, possibly dangerous, proposition for GOE. However, these were first reactions. He would think over, discuss with Fawzi and let me know. I stressed urgency and asked what he thought of joint sponsorship in event study of matter caused him view reference to SC more favorably. He said no objection joint sponsorship if other doubts could be resolved.

Aside from usual display on resolution, atmosphere of conversation was good. Only hint of possible strong reaction was when, speaking of temporary character of present revisions, Nasser indicated that in event of failure to come to agreed solution GOE would expect return to its original draft.

I expect see Fawzi tomorrow re Richards visit and will follow-up. In fact I asked Nasser if could not have reply by then. He said would try.

Hare

286. Telegram From the Mission at the United Nations to the Department of State¹

New York, April 15, 1957—3 p.m.

780. Re Suez. 1. In light developments reported in various telegrams, suggest further consideration be given to whether SC action at this time on Egyptian draft declaration would be advantageous to US.

¹ Source: Department of State, Central Files, 974.7301/4-1557. Secret; Priority. Received at 4:38 p.m.

2. Chief objective of UK according to their explanation to us here and to Dept as reflected in Deptel 3403 to Cairo² is to reach interim arrangement for use of Canal without prejudice to final settlement. Dixon has told US this is essentially face-saving device. Possibility SC action seriously prejudicing ability obtain any further modifications in Egyptian position seem to US so strong that other method than SC discussion on Egypt-US negotiations should be sought to make this interim arrangement possible. Unlikely we would now meet UK Easter deadline anyway.

3. Numerous indications French indecisiveness on desirability SC session and Lodge's report Lloyd's expressed doubts to French (Paris 5286)³ indicate ambiguity their positions. Nasser's immediate reactions our suggestion SC action (Cairo 3234)⁴ show Egypt will probably take stiff line in SC and may even revert from present position to original declaration. SYG's reaction to SC session as reported yesterday (USUN 775)⁵ was that Egypt would be likely to stand firm on present position with undesirable political support, and that UK and France might again be looking for opportunity to prove UN (and US) failure.

4. In summary it seems to us that in absence Egyptian concurrence US would have little to gain from SC meeting and might be risking much. Egypt might be forced to rely on USSR veto. It would sharpen disagreement between US and Egypt on draft declaration without offering much hope for any significant changes. It could expose UN to further UK-French charges of impotence and would probably leave US in position where neither UK nor France pleased and Egyptians alienated.

5. Hare's suggestion that SYG be allowed to pick up negotiations again (Cairo 3213)⁶ may be worth considering. As Dept aware SYG has retained free hand to make further comments on draft declaration dealing with points of primary interest to US (USUN 776 and 774).⁷

² Document 283.

³ Not printed. (Department of State, Central Files, 974.7301/4-1557)

⁴ *Supra*.

⁵ Not printed. (Department of State, Central Files, 974.7301/4-1457)

⁶ Document 284.

⁷ Telegram 774 from USUN, April 13, reported that, in response to an Egyptian request, Hammarskjöld planned to give Loutfi his comments on the revised draft declaration. After U.S. officials objected, Hammarskjöld agreed to withhold his comments until he had received the U.S. views. (Department of State, Central Files, 974.7301/4-1357) Upon receipt of telegram 774, which also included a summary of Hammarskjöld's proposed comments, the Department of State notified the Mission in New York that the comments created serious problems for the United States, as substantive discussions between the Secretary-General and the Egyptians at this time would enable the latter to finalize their present text in advance of any Security Council action. (Telegram 792 to USUN, April 14; *ibid.*) Telegram 776 from USUN, April 14, conveyed to Washington the text of a message, given by Hammarskjöld to Fawzi on April 14, stating

6. After reflecting on all the foregoing, our conclusion is that there is less likelihood of getting desirable modifications in Egyptian position from public action in SC than from further efforts at private negotiations, and serious risk that we will obtain less than we have now, with resulting loss of prestige and influence for the US. In these circumstances, it seems preferable to put the best face possible on what we can finally get by private talks. In so doing we may well be able to lead Egyptians into practical arrangements which will reinforce the paper guarantees which they have given. This should not be too difficult for UK if they are sincere in saying that they want to find a face-saving device to accept what we have been able to get. Viewing the situation from here, we are strongly of opinion that our best interests will be served by presenting in best light we can what we are finally able to achieve directly with Egyptians. We stand to lose so much more than UK stands to gain.

Wadsworth

that Hammarskjöld wished to consider the matter further before offering additional comments on the Egyptian draft declaration. (*Ibid.*, 974.7301/4-1457)

287. Memorandum From the Director of the Executive Secretariat (Howe) to the Secretary of State¹

Washington, April 16, 1957.

SECURITY COUNCIL MEETING ON SUEZ

Ambassador Hare's negotiations with the Egyptians have produced thus far a revised text of their declaration which is enclosed.² This has not been made public but the British have a copy and Hammarskjöld was asked for his comments (by the Egyptians).³

The British meanwhile continued to urge that the matter be taken to the Security Council stating that this will provide the opportunity for the UK to state its intention to pay the tolls to the Canal Authority under protest and thus allow their ships to use the Canal. We had

¹ Source: Department of State, Central Files, 974.7301/4-1657. Secret. According to Dulles' Appointment Book, he was at Duck Island on April 16 but returned to Washington the following morning. (Princeton University Library, Dulles Papers).

² See telegram 3201, Document 280.

³ The parenthetical phrase "by the Egyptians" was inserted by hand.

asked the Egyptians whether they would join us in requesting a Security Council meeting.⁴

At this point, Tuesday⁵ morning, the Acting Secretary suggested to the President that we tell the British that, while we remain prepared to meet the commitment made to them, we wondered whether they really want to undertake the risks that Security Council deliberation would entail. The President, however, felt that we should go ahead with the Security Council without reopening the matter with the British.⁶

Late Tuesday afternoon Ambassador Hare telephoned⁷ that the Egyptians responded negatively to our invitation to join in calling the Security Council and at the same time urged us to delay calling a meeting. Ambassador Hare, on a "hunch" felt that we might be getting somewhere in Cairo.

Also late Tuesday afternoon we found that Hammarskjöld's comments sent to the Egyptians were of a substantive nature which he felt might be helpful in bringing the Egyptian declaration closer to our viewpoint.⁸

In view of these developments and the fact that both Hare and USUN feel strongly that we should not move ahead in the Security Council, the Acting Secretary asked Mr. Dillon to consult the British Ambassador emphasizing two points:

- (a) that we intended to honor our commitment but
- (b) that in view of the efforts of Hammarskjöld and of our continued misgivings with respect to the wisdom of the Security Council action at this time, we believe it desirable to hold off for the time being.

⁴ See telegram 3403, Document 283.

⁵ April 16.

⁶ Prior to the meeting with Eisenhower, Herter met with Dillon, Raymond, Berding, White, Rountree, Murphy, and Howe. According to the memorandum of conversation by Howe, the group agreed that the only apparent reason to go to the Security Council was the commitment given to the British at Bermuda, and it was difficult to see what actually underlay the British insistence. (Department of State, Central Files, 974.7301/8-1357) A memorandum of conversation by Goodpaster, dated April 18, records Herter and Dillon's subsequent conversation with Eisenhower. (Eisenhower Library, Whitman File, Eisenhower Diaries)

⁷ A memorandum of the telephone conversation between Hare and Rountree, which began at 4:45 p.m. on April 16, is in Department of State, Central Files, 974.7301/4-1657.

⁸ In telegram 787 from USUN, April 16, received at 6:14 p.m., Wadsworth reported that Hammarskjöld had decided to offer his comments on the Egyptian draft declaration, because he had learned from Loutfi that the Soviet Union wanted a meeting of the Security Council so that it could introduce its own proposals for a large conference. Wadsworth commented that in light of the new situation created by this initiative, the U.S. Mission considered the call for a Security Council meeting premature. Wadsworth then quoted in full the comments which Hammarskjöld had sent to Fawzi. (*Ibid.*) Hammarskjöld's message to Fawzi is printed *infra*.

If the British hold to their view we plan on Wednesday to ask that a meeting of the Security Council be called for Thursday afternoon. On this contingency press statements, instructions and opening statements are being prepared.⁹

Incidentally Ambassador Lodge returns from Europe at the end of this week.

The Acting Secretary informed General Goodpaster of these developments and assured him that we would be in touch early Wednesday morning, particularly to give the President adequate briefing for his press conference.

H

⁹ Dillon briefed Caccia on developments later that day and suggested that Caccia might wish to discuss the matter with Macmillan and Lloyd in time to convey their views on Wednesday morning (April 17). (Memorandum of conversation by Shaw, April 16; Department of State, Central Files, 974.7301/4-1657)

288. **Message From Secretary-General Hammarskjöld to Foreign Minister Fawzi¹**

New York, April 16, 1957.

1. I refer to my message of 14 April.² Although I am not quite ready with my conclusions, I feel that I should not delay sending my additional observations any further. I am sure you will regard them simply as expressions of personal advice given on the assumption that the government of Egypt is determined to go ahead with their action on the whole as now planned. Without, therefore, for my part accepting the present Egyptian approach, I have tried to make my suggestions so that they should be in line with this approach.

2. The legal character of the declaration.

I note Dr. Fawzi's comments and would on that basis make the following suggestions:

(A) The text of the declaration, if and when transmitted to the Secretary General, would be presented with a covering letter requesting registration with reference to the final paragraph of the declaration. In the covering letter the government of Egypt would say that the

¹ Source: Department of State, Central Files, 974.7301/4-1657. Confidential. Transmitted to the Department of State in telegram 787 from USUN, April 16, which is the source text. See footnote 8, *supra*.

² Not printed; transmitted to the Department of State in telegram 776 from USUN, April 14. See footnote 7, Document 286.

request for registration is under Article 102 of the Charter, as they regard the declaration to be an international instrument as envisaged in that article, the document having been the subject of consultations with various interested governments which have accepted it.

I feel that it would be desirable to use the covering letter also in order to cover the politically very important point that Egypt has not backed down from its acceptance of the Security Council decision of 13 October 1956. I appreciate the reasons why, from the Egyptian point of view, it may be difficult to make a reference to the six requirements in the actual text of the declaration (although I do not share the concern felt in this respect by the Egyptian Government if the reference is only in the preamble). However, I do not see why a reference could not be made in the covering letter, where it would be obvious that it envisages those requirements as interpreted by Egypt. The phraseology in the covering letter might be that the government makes the declaration "in fulfilment of their adherence to the Constantinople Convention of 1888, and noting the resolution of the Security Council of 13 October 1956, etc."

A covering letter drafted in this way would seem to move the text of the declaration as close to an international treaty as it is possible to do short of formal access to the document by other parties. The reference to the Security Council resolution, in a similar manner, would meet the strong political argument in favour of such a reference to all the extent compatible with Egypt's wish to maintain its interpretation.

In this context I find that the situation would be much improved if the government of Egypt were to provide for arbitration also regarding the interpretation and application of the declaration. I do not see that, from the Egyptian angle, anything would be lost by accepting such arbitration. On the other hand, such an acceptance in the text of the declaration would definitely mark its character as an instrument under Article 102. I would, therefore, urge the government to reconsider this point and would hope that a positive solution would be found acceptable.

(B) In reply to the covering letter, I would say that I acknowledge receipt of the communication, that I note the references to the Constantinople Convention and the Security Council resolution, that I note the fact that the declaration has been approved by a number of governments consulted, that I note that it will be subject to arbitration, that under these circumstances I will accede to the request of the government of Egypt to have the declaration registered in accordance with Article 102 of the charter, and that the exchange of letters and the declaration will be circulated as General Assembly documents "as the General Assembly may wish to take note of the declaration". To the statement on registration I would add that this registration "constitutes the declaration, with the obligations therein, as an international instrument as envisaged in Article 102".

(C) In line with the drafting suggested above in (B) I would, for my part, anticipate that the General Assembly would take note of the exchange of letters and the declaration with whatever phraseology the majority may consider appropriate.

3. Question of cooperation.

I have noted what Dr. Fawzi says in his comments regarding cooperation with representatives of shipping companies. Noting also recent developments in shipping circles, I would strongly recommend that a new sentence be added to paragraph 5 reading as follows: "To that end the government of Egypt would welcome cooperation with representatives of the main shipping interests, designated in such a way as may be found appropriate for the purpose."

This seems to me to be a minimum. It does not involve an acceptance of government representatives. The text does not necessarily go beyond cooperation with a representation for shipping companies. However, the representation may be so organized as to take care also of "geographical distribution" in a way which would make the representatives spokesmen for the trade without too sharp a definition of their constitutional status (this is not an unusual form of bypassing a conflict between a purely national and a purely private representation).

I would like to go further, as I think that Egypt would gain by spelling out also some of the main functions for the representatives. Somewhat in line with the McCloy paper³ which I have been informed about after his return from Cairo. This would strengthen the point and be a most valuable initial move in the direction of such a cooperation as in its own interest, the authority at all events must sooner or later establish.

4. I would very much hope that the government of Egypt would see its way to endorsing what I have suggested here. It would certainly bring us further towards a desirable reconciliation of interests although obviously it would not satisfy everybody—in fact not even myself for reasons which are well-known to the government as they were fully explained in our talks in Cairo. My preference would be to regard the declaration, even as possibly amended and completed in line with suggestions here, as an interim document pending a true international agreement arrived at through negotiations as soon as circumstances permit such negotiations to be staged in a setting more favourable than the present one. My final suggestion, therefore, would be that the Government of Egypt again considers the possibility of giving expression in appropriate language to the view that the declaration, in this sense, may not be the last word.

³ McCloy left a memorandum with Nasser during their conversation on April 1. See footnotes 4-8, Document 262.

289. Telegram From the Department of State to the Mission at the United Nations¹

Washington, April 17, 1957—7:02 p.m.

803. Re Suez. Ambassador Caccia² today left with Department memorandum on SC meeting on Suez matter of which following is summary:

1. UK agrees SC meeting should not be asked for today in view US opinion it not wise go to Council on Thursday.³

2. Combined aim should now be to get Egypt publish as soon as possible memorandum containing advances already made and any further progress such as on matters of cooperation with users and independence of development fund.

3. UK would hope declaration with essential modifications and clarification of certain provisions relating to arbitration, jurisdiction of ICJ, "independence" of development fund and organized user cooperation could then be regarded as providing de facto basis for resumed use of Canal. SYG has pointed out to Dixon (UK) that, as six of seven countries to which Egypt had shown draft had "accepted" it, use could be made of this fact, without specifying countries, to establish international character of declaration when registered with UN. SYG thought this better than throwing declaration open for accession which would raise problem of Israel and open door for Egyptian argument that only those who accede could benefit from arrangements proposed in declaration, i.e. arbitration. Under SYG interpretation Egypt would in practice be obliged carry out certain obligations toward international community as a whole. UK for instance would thus be able to profit by provisions of declaration without in any way committing themselves to it. Egypt could no more tear up declaration than tear up a negotiated document.

4. Question is how to get Egypt to publish declaration. Possibly threat SC proceedings might influence publication. But there cannot be much delay. Reasonable hope exists that shipping position can be held over Easter weekend but doubtful how much longer it will be before trickle of ships becomes substantial movement through Canal. UK hopes US will continue use strongest pressures upon US shipping companies to hold off for time being.

¹ Source: Department of State, Central Files, 974.7301/4-1757. Confidential; Priority. Drafted by Gamon and approved for by Ware who signed for Dulles. Repeated to London, Cairo, and Paris.

² Caccia met with Dillon, De Palma, and Shaw early in the morning of April 17. A memorandum of conversation by Shaw, with the attached memorandum summarized in telegram 803, is *ibid.*

³ April 18.

5. Consequently UK hopes US will agree if UK requests to issue call on Tuesday for Wednesday SC meeting next week. UK recognizes may not be tactically wise to do so when Tuesday comes. But UK would like to feel it can still count on US Government to act on Tuesday if in light of circumstances then prevailing UK should request it do so.

6. If declaration published, purpose of meeting would be to report on state of negotiations. Tone of report would depend on whether Egypt had withdrawn advances made over original draft. If not, tone need not be unfriendly. If Egypt goes back to original draft, whether or not published, UK would hope US would report facts bluntly.

7. If Egypt publishes declaration in "best form", from Western point of view, UK would have open mind as to timing and nature of any SC proceedings. In that case, might not even be necessary call meeting, provided Egypt transmits document to SYG. But UK would wish for time to reconsider matter, including complicated issues of arbitration.

8. UK leaves to US decision how hand should be played in Cairo, including introduction into discussions of element of threat regarding SC meeting next week. Could US not say that matter cannot drag on interminably, that US regards itself as having responsibilities to users in general, and that from US point of view it must make early report to SC and to members of UN on situation? This would not in itself be hostile act toward Egypt.

9. If leak occurs and it is alleged US has given in to Egyptian pressure to postpone SC operation, UK would hope it would be said that Easter weekend rather than Egyptian pressure was cause of delay.

(For USUN and AmEmbassy Paris: Above not for communication to French Government.)

Dulles

290. **Telegram From the Department of State to the President's Special Assistant (Richards), at Asmara**¹

Washington, April 18, 1957—11:59 a.m.

56. In call at Department April 17 Eban raised matter Richards visit to Israel.² Stated Israel welcomed visit and objectives and principles US policy as expressed American Doctrine.

Eban said there certain elements re Israel-USSR relations which Israelis would explain to Richards. USSR has restored diplomatic relations with Israel but continued issue menacing and provocative statements on Arab-Israel problem. In parts of Soviet orbit Jewish emigration to Israel taking place. Israel thought it would be unwise make violent statements against USSR in communiqué to be issued at close Richards visit as this might provoke further USSR attempt exploit Arab-Israel problem and jeopardize Jewish emigration. Rountree replied not our purpose elicit long anti-USSR pronouncements but to identify common purposes, recognize dangers and state determination preserve independence in face these dangers. Foresaw no difficulty in drafting communiqué.

Eban made strong plea for grant of funds to Israel in context Richards mission. Would be disturbing to Israelis if they felt they excluded from this aspect program. If large sums not available during current fiscal year Israel would attach value to some project symbolizing new program. Israelis had studied legislative history American Doctrine and felt that it could not justify Israel's exclusion. Israelis planned suggest to Richards ways for economic cooperation under Doctrine.

Rountree replied Richards mission prepared discuss that aspect with GOI. Eban was correct in saying there no legislative history re intention make exception in case Israel. Rountree wished make two observations: 1) Richards money came from funds previously appropriated, there had been no windfall; 2) in those countries where we

¹ Source: Department of State, Central Files, 120.1580/4-1857. Confidential. Drafted by Bergus and approved by Rountree who signed for Dulles. Repeated to Tel Aviv.

² Shortly after the announcement in January that Ambassador Richards would be visiting the Middle East in order to promote the Eisenhower Doctrine, the Israeli Foreign Ministry conveyed to the Embassy in Tel Aviv the Israeli Government's desire that Israel be included in Richards' itinerary. One month later, in response to a formal U.S. announcement of Richards' visit, it notified the Embassy in writing that the Government of Israel "would welcome the visit by Ambassador Richards to Israel in order to discuss the Middle East proposals of President Eisenhower". (Telegram 897, January 29; *ibid.*, 120.1580/1-2857; telegram 1008, February 27; *ibid.*, 120.1580/2-2857; and telegram 1030, March 5; *ibid.*, 120.1580/3-557; all from Tel Aviv)

had economic programs in being it was not intended have any particular concentration of funds. Richards had discussed this aspect elsewhere and would be discussing it in Tel Aviv. Eban expressed hope there could be middle ground between special concentration of funds and non-representation. FYI Kollek now in Washington has indicated Israelis will seek one to five million from Richards for symbolic project. End FYI.

On other economic matters Eban pressed for early definitive action view April 30 deadline. Rountree said he had confirmed there nothing else Dept State must do and that ICA now in position it was before interruption of last October. Eban reported Eximbank now planned send mission to Israel July 6. Eban urged Dept persuade Bank advance date. Said Israel hoped might still be possible commence work on projects financed by Bank prior to 1957 rainy season. Said great desire get on with water development in Israel, if this project went slowly then could expect pressures expedite development Jordan waters. Added Israel under considerable internal stress, anything constructive US could do would help those who had based Israel policy on cooperation with US. Rountree said he would discuss with Bank and see if mission could be expedited.

Dulles

291. Telegram From the Department of State to the Embassy in Egypt¹

Washington, April 18, 1957—7:29 p.m.

3475. Re Suez. Now that US has decided defer for a few days call for SC meeting, we believe important Egyptians give concrete evidence their desire to move expeditiously towards satisfactory international agreement. We believe Egyptians should be pressed at this juncture meet most important suggestions made by US re Egyptian declaration.

SYG gave GOE comments on Suez Declaration and requested GOE submit them to you for US reaction (USUN 787, Rptd info Cairo 3).² If GOE has shown you SYG's comments, give US position as

¹ Source: Department of State, Central Files, 974.7301/4-1857. Confidential; Priority. Drafted by De Palma, Sisco and Ford (L/UNA); cleared by Rountree, Raymond, Jones, Dillon, and Wilcox; and approved by Dillon who signed for Dulles. Repeated to USUN.

² Hammarskjöld's message is printed as Document 288.

indicated below. If GOE has not shown you SYG's comments, indicate that they have been made available to us.

Suggest you request early meeting Fawzi to make following points:

(1) In effort to meet Egyptian desire we have managed defer calling SC meeting for few days to see whether any further progress can be made. However we do not feel we can continue discussions much longer in absence real progress on crucial outstanding points.

(2) *Registration (Para 2 SYG's letter and further comments in USUN 789, rptd info Cairo 4):*³ Reiterate US belief that in order be registerable under Article 102 of Charter, Declaration must be binding international "agreement". US continues believe Declaration should be transmitted by Egypt and handled by SYG in such a way as to be capable of "acceptance" and thus convertible into "agreement" which can be registered, and which will be binding on Egypt, and under which user states will have rights legally secured. This belief is reinforced by statements Committee IV/2 of San Francisco Conference quoted USUN 789, rptd info Cairo 4. SYG's analogy to unilateral declarations accepting obligations of Charter and recognizing compulsory jurisdiction of ICJ is not persuasive in this context. Such declarations constitute "agreement" because state making declaration accepts obligations vis-à-vis only those states that have already accepted same obligations, and because those treaties contain what are in effect adherence clauses. See UN Charter, Article 4(1); Statute ICJ, Article 36(2).⁴

US certainly agrees with SYG that Declaration should include provisions for adjudication or arbitration of disputes regarding interpretation and application of Declaration, but does not think that inclu-

³ Telegram 789 from USUN, April 16, transmitted the text of the following additional comments which Hammarskjöld made to Fawzi concerning the registration question on April 16:

"The stand taken in this part of the message [paragraph 2B of Document 288] is tentative and has not been subject to any consultation. Dr. Fawzi certainly is well aware of the fact that it treats a controversial point. For that reason the suggestion in the text, if accepted by Egypt, should be checked from a strictly legal point of view. The "acceptances" referred to in the text, and their nature and implications, can be judged only by Egypt, as I obviously have no direct knowledge of this side of the situation.

"The decisive principle was given by Committee IV/2 of the San Francisco Conference and reads as follows:

"The Committee has proposed the adoption of the term "agreement" in preference to the term "engagement" which may fall outside the strict meaning of the word "agreement". An "agreement" must be understood as including unilateral engagements of an international character which have been accepted by the state in whose favour such an engagement has been entered into."

"In practice unilateral declarations accepting the obligation of the Charter by new members and of the declarations of the acceptance of the optional clause recognizing the compulsory jurisdiction of the International Court have been registered as instruments constituting international agreements." (Department of State, Central Files, 974.7301/4-1657)

⁴ 3 Bevans 1155 and 1186-1187.

sion such provisions would transform it into "agreement" of kind mentioned in Article 102. Nor do we think that "noting" by GA of exchange of letters between SYG and GOE would have that effect.

(3) *Six Principles (Para 2 SYG's letter)*: Dept continues to believe it necessary to include in Preamble statement that Declaration is to give effect to six principles (see Deptel 3342).⁵ Such inclusion would not in any way commit GOE to acceptance of any particular interpretation of six principles.

(4) *User Cooperation (Para 3 SYG's letter)*: US finds SYG's suggested addition to para 5 of Declaration re user cooperation inadequate. US believes it essential that Declaration include provision identifying or giving UN or similar body power to identify user organization with which GOE is to deal. Cooperation between users and GOE in sense envisaged SYG's letter October 24, 1956 (S/3728) can only, as practical matter, be effected by governmental representation of users. Where Declaration carries international commitments by Egypt toward other countries, machinery for implementing Declaration should be governmental. Furthermore, agency representing only private shipowners would be inadequate to represent interests of countries not having substantial shipping but whose commerce relies on Suez Canal.

(5) *Egyptian Declaration as Interim Arrangement (Para 4, SYG's letter)*: We endorse strongly SYG suggestion Egyptian declaration, if issued, be regarded as interim document pending development more auspicious circumstances in which international agreement satisfactory Egypt and users can be achieved.

(6) Re SYG's suggestion GA take note declaration, we wish reserve our judgment and believe you should not discuss this point with GOE.

In addition to foregoing make following comments on revised Egyptian draft Declaration (Cairo 3201)⁶ as being of vital interest to US:

(7) *Para 3(B)*: US regrets GOE's failure to include provision for litigation or arbitration of disputes arising out of Declaration and to include express acceptance by GOE of compulsory jurisdiction of ICJ. Inclusion of such provisions in this para and of word "undertakes" in para 4 would go far toward convincing rest of world that Egypt intended to assume enforceable obligations re its operation of Canal in accordance with the 1888 Convention.

(8) *Para 4(B)*: GOE's failure to include provision for user agreement on toll increases is inconsistent with Security Council Resolution October 13, 1956 in which it was stated that manner of fixing tolls "should be decided by agreement between Egypt and the users".

⁵ Document 277.

⁶ Document 280.

(9) *Para 7*: User agreement to changes in Canal Code is necessary to assure that no discriminatory practices are instituted. Provisions for notice and arbitration are not an adequate substitute for prior agreement.

(10) *Para 8(B)*: Use of word "disagreement" in last sentence this para may make it possible for party to dispute to defeat any arbitration simply by refusing to name an arbitrator. US concern is that arbitration shall not be subject to frustration in any case where dispute is not otherwise resolved. Para 8 is also incomplete in that it does not provide any means by which users can obtain evidence necessary to fair arbitration of their complaints.

(11) *Para 9*: This para fails to include binding undertaking to arbitrate or litigate question of compensation and claims with Suez Canal Maritime Company in connection with GOE's nationalization of its property. Such undertaking essential if GOE to be in position seek funds for future Canal development. Threat of suit by old Company might otherwise serve to inhibit new financing.

(12) Re New Delhi's 2840 to Department repeated Cairo 77⁷ we note Menon's view that Hare-Nasser memorandum as presently amended is actually negotiated document since USG has kept principal interested parties informed of conversations. Without making reference to Menon you should take appropriate occasion to make clear once again to Fawzi that US discussing this matter with Egypt pursuant GOE invitation and without any mandate from any other users. For this reason US has not kept other users informed of substance these discussions beyond bare fact we making suggestions re manner in which six requirements might be given effect.

(13) USUN—You should inform SYG generally our reactions to his suggestions.

Dulles

⁷ Telegram 2840 from New Delhi, April 17, contained a summary of a conversation among Menon, Ambassador Ellsworth Bunker, and other U.S. and Indian officials. (Department of State, Central Files, 974.7301/4-1757)

292. Memorandum for the Record by the Chairman of the Joint Chiefs of Staff (Radford)¹

Washington, April 19, 1957.

SUBJ

Conversation held between the Secretary of State (Dulles), the Secretary of Defense (Wilson), the Assistant Secretary of State for NEA (Mr. William M. Rountree), and myself on the general subject of the activities of the U.S. naval patrol in the Red Sea

1. For background in this memorandum, I wish to note that since about the middle of February of this year two of the four destroyers of the Navy's Middle East Force have been operating in the Red Sea for surveillance of shipping and to otherwise show the flag. They have based on Massawa and have not utilized ports in the northern section of the Red Sea. The northern limit of the patrol was established as Latitude 29, and although I do not believe specific orders were given with regard to the Gulf of Aqaba, I believe they have not traversed the Straits of Tiran within the past two months.

2. About two or three weeks ago, the U.S. flag oil tanker *Kern Hills*, under charter to the Israeli Government, entered the Gulf of Aqaba through the Straits of Tiran and discharged a cargo of oil at the port of Elath. At the time of her arrival, the Israeli Government gave considerable publicity to the effect that the SS *Kern Hills* had passed a U.S. destroyer in the Red Sea and that the destroyer wished them "good luck". The very evident desire of the Israeli Government in putting out this publicity was to indicate that the United States Government, if not officially taking cognizance of the activities of the *Kern Hills*, was unofficially keeping an eye on this ship. The world at large might generally assume from this incident that the U.S. Navy was prepared to back up official United States Government statements, made at the time of the Israeli withdrawal from the Gaza Strip and Sharm El Sheikh, that we (US) regarded the Gulf of Aqaba as international waters.

3. This conference with the Secretary of State on the subject of the activities of this naval patrol in the Red Sea was brought about by my desire to make certain that the Secretary of State understood fully what the patrol was doing and what the U.S. Navy assumed its responsibilities to be. The Navy feels they should at least be ready to save American lives in case of an incident during the next passage of the SS *Kern Hills* or other American flag vessels through the Straits of Tiran. It was not clear to me just what the State Department's desires were in this regard so this conference was held.

¹ Source: Radford Papers, Memos for the Record.

4. After I had outlined the present orders to the Red Sea Patrol, Secretary Dulles stated that he felt that the northern limits of the patrol should be established as approximately 100 miles south of the entrance to the Gulf of Aqaba, and I was instructed by Mr. Wilson to so inform the Chief of Naval Operations. I asked the Secretary of State and the Secretary of Defense if I could confer with Admiral Burke before issuing such orders because I was of the opinion that perhaps it would be better to withdraw the patrol completely from the Red Sea. In my opinion, to establish such a northern limit might later result in the accusation that this arbitrary northern limit prevented the U.S. Navy from protecting American shipping using the Straits of Tiran. The Secretary of State said he would have no objection to withdrawing the Red Sea Patrol completely, and I told him I would discuss that possible action with Admiral Burke.

5. It was quite evident from the discussion with the Secretary of State that in so far as he is concerned, it is not desired at this time to escort or otherwise protect American flag merchant vessels who proceed into the Gulf of Aqaba. It is apparently the intention of the State Department to protest to the UN any interference with the right of this passage. I felt, and so informed the Secretary of State, that the owners of American flag shipping should be informed to that effect, but he did not feel that this was necessary.

6. Upon my return to the Pentagon, I talked to Admiral Burke and told him in general of the conference as outlined above. I told him, at Mr. Wilson's direction, to issue orders withdrawing the Red Sea Patrol. He will prepare for my information a study which will indicate what, if any, statutory responsibilities the Navy has in regard to the protection of U.S. shipping on the high seas. It is my impression that there are laws which require the United States Government to extend protection to U.S. flag merchant vessels if they so request and it is feasible for the Navy to give that protection.

293. Telegram From the Embassy in Egypt to the Department of State¹

Cairo, April 21, 1957—6 p.m.

3310. Despite repeated Niact requests service, second section Deptel 3475² only received this morning. Saw Fawzi this afternoon and went over fully. He responded by giving main points in reply to SYG letters April 16 and 17,³ as well as commenting on points Department had raised re GOE draft. Following is account thereof in order of mention in reference telegram message:

(1) Re necessity proceed as fast as possible, Fawzi said SYG had made same point and GOE in entire agreement. He said he couldn't be specific re issuance declaration but working very hard to get out as soon as possible. (*Note: Only fair to say that, bearing in mind complexity of problem and fact this is period of Ramadan fast, work on declaration has moved along at good pace*). As regards reference to SC, Fawzi said all he could do was repeat previous observation that it would be most ill advised to do so at just this time. He did not say this because of fear of having matter aired but fear that practical progress would be sacrificed. In so saying, he made no threats but did speak with great solemnity and I believe, sincerity.

(2) Re registration, Fawzi said had personally studied and sought best available legal advice and was sure that, by virtue of both its content and form, declaration would qualify as international document. This will be done not only by seeking registration with UN but also by communicating to practically every government of world as a binding commitment. Would be easy for GOE to get agreement of many countries and doubtless many will do so but putting emphasis on that angle more likely to weaken than to strengthen declaration. Seemed somewhat strange that GOE seeking so clearly commit itself but being rebuffed.

(3) Re 6 principles: SYG being told GOE prepared put in covering letter sentence reading as follows: "The GOE make this declaration in fulfillment of their participation in the Constantinople Convention of 1888 and noting their understanding of the SC resolution of October 13, 1956, and their statements relating to it before the SC." Fawzi said he regarded this as being entirely in accord with SYG suggestion and

¹ Source: Department of State, Central Files, 974.7301/4-2157. Confidential; Priority. Received at 5:51 p.m.

² Document 291.

³ Reference is presumably to Hammarskjöld's two messages to Fawzi on April 16. See Document 288 and footnote 3, Document 291.

also partly with our own. He emphasized that it had been difficult for him and Nasser to make this change and much more difficult to convince other members of government.

(4) Re cooperation with users, GOE had accepted SYG resolution in principle but re-worded to read "Egypt will welcome and encourage cooperation between the Suez Canal authority and representatives of shipping and trade". Fawzi added he didn't think necessary repeat point which both he and Nasser had so consistently emphasized to effect that GOE looks forward to full cooperation with users not only in order to be sure of having satisfied customers but also as being in Egypt's own interest.

(5) Re interim character of declaration, Fawzi said felt would be mistake to say either temporary or final. To do first, would inject element of weakness and start off on wrong foot. To say final would be unrealistic, since any such document obviously possible improve and should do so as circumstances indicate; better say nothing at this point.

(6) SYG's suggestion re GA taking note of declaration was not discussed beyond point of taking cognizance it raised question.

(7) Re paragraph 3 (B) Fawzi noted extent to which disputes and differences covered in 3 (A) and 8. However, GOE had attempted strengthen 3 (B) by rephrasing as follows: "3 (B) As regards differences arising between the parties to the said copy in respect of the interpretation or the applicability of its provisions, if not otherwise resolved, the government of Egypt will take the necessary steps in order to accept the compulsory jurisdiction of the International Court of Justice in conformity with the provisions of Article 36 of its statute or, by agreement, to an appropriate organ of the UN".

(8) Re tolls, Fawzi took notes (as he also did on all other points) but made no specific comment.

(9) Re changes in Canal code, Fawzi said disappointed that very real efforts which GOE had made to strengthen this paragraph apparently overlooked or unappreciated.

(10) Re 8 (B) Fawzi said no reason have any fears. When GOE talked of arbitration it meant real arbitration which neither side could block.

(11) Re fact paragraph 9 refers to agreement and arbitration but not to litigation, Fawzi said had assumed e.g. [Egyptian] draft adequate and not clear why question litigation raised or complications which it might involve. However, if we could advise him in more detail and urgently on this point he would reconsider.

In conclusion, Fawzi made plea for understanding of degree to which GOE has gone in revising declaration and difficulty which it has encountered in so doing. "You have stretched us very far," he said with wry smile. "Please be careful not to stretch us too far or some-

thing may break." He is, I am convinced, making gallant fight in this matter, not only because of professional responsibility but because he sees reasonable canal settlement as possibly turning tide in Egypt's drift away from West.

Assume USUN will have access to Fawzi's reply to SYG and will be able check any supplement foregoing.

Hare

294. Note From the British Embassy to the Department of State¹

Washington, April 21, 1957.

1. Objectives

H.M.G.'s present thinking is that our objectives should be as follows;—

(a) To get from the Egyptians a unilateral declaration as satisfactory as possible from a Western point of view;

(b) To avoid entering into an agreement with Egypt just yet, because on any calculation of its probable contents it will not comply with the six requirements;

(c) To use the Egyptian declaration as something to which we are prepared to give a trial as a de facto arrangement without prejudice to existing rights or the terms of the final settlement for which we still aim. Whether or not we talk about payment of dues under protest will depend upon the nature of the Egyptian declaration.

2. Tactics

With regard to tactics, we deferred to the U.S. view about asking last Wednesday for a Security Council meeting on Thursday because the U.S. Government thought it best to play the hand that way. Our present thinking is that we will almost certainly need to hold the U.S. Government to their offer to ask for a meeting of the Security Council this week, e.g. on Tuesday for a meeting to take place on Wednesday.² The reasons for this need are that it does not look possible to prevent a considerable movement of shipping through the Canal much longer

¹ Source: Department of State, Central Files, 974.7301/4-2157. A notation on the source text in an unidentified hand reads: "Note Handed by Ambassador Caccia to Secretary Dulles on April 21, 1957".

² April 24.

and that there are grave dangers to Anglo-American relations and otherwise, if it appears that Nasser is winning his game of so spinning out the negotiations that we have been put at a disadvantage.

3. Security Council Meeting

At such a meeting it is essential in H.M.G.'s present thinking that we should get beyond purely procedural matters, such, for instance, as an invitation to Egypt to attend. Indeed, H.M.G. trust that the U.S. Representative would state the Egyptian advances on their original memorandum, whether those advances have been withdrawn or not. In our view, there should be constructive criticism and suggestions from as many members of the Security Council as possible and the view should be expressed as generally as possible that a trial should be given to the system containing the advances proposed by Egypt as a de facto arrangement. We, and perhaps others, could then say either that we proposed to act in that way, or that we would recommend such action to our associates in SCUA or simply that we would discuss the matter with our associates in SCUA.

4. General

H.M.G. recognise that decisions cannot be taken before Monday when the Egyptian communication is expected. But speed has now become so essential that they consider that the U.S. Government should have this early indication of the way in which their minds are working. For this reason, they would be grateful if they can be informed of the nature of the Egyptian communication as soon as it has been received, so that their study of it can take place as the U.S. Government is considering its attitude.

295. Telegram From the Department of State to the Embassy in Egypt¹

Washington, April 21, 1957—7:14 p.m.

3510. In view of mounting volume of Canal traffic and mounting political pressure for some public definition by Egyptian Government on conditions of Canal use which it proposes, we feel we cannot

¹ Source: Department of State, Central Files, 974.7301/4-2157. Secret; Niact. Drafted by Dulles; cleared by Rountree, Raymond, and Wilcox; and approved by Dulles. Repeated to USUN, London, and Paris.

refrain from making a report to Security Council.² We are government which proposed last October that Security Council remain seized of this matter and everyone knows that we have now for several weeks been having discussions with Egyptian Government. We accordingly plan to bring the matter to Security Council this week. We strongly hope that prior to that time the Egyptian Government will have issued best possible Declaration.

If Declaration is along lines we have discussed and particularly if it reflects Hammarskjold's latest suggestions, then we would merely report the facts and indicate that while we did not consider Declaration reflected full compliance with Security Council six "requirements" or the needs of the situation, we felt that trial should be given to system proposed by Egypt. We believe that most members of Security Council would take a similar position and that there would not be at that stage effort to use Egyptian Declaration as a mere point of beginning for a new negotiation designed at this time to obtain further concessions from Egyptians.

Since there is yet no agreed settlement of claims of Universal Suez Canal Company and it may still assert right to receive tolls, we would, pending such settlement, feel obligated to continue to require US ships to pay under protest.

It seems to us that both from standpoint of users and of Egyptians, critical question is whether arrangement will in fact inspire such confidence in a dependable use of Canal that governments and private concerns will base their economic and business plans on the assumption that they can rely upon free and fair use of Canal. This will be determined by events.

In event that such confidence does not develop, then we assume it would be in interests of Egypt itself to seek to remedy this situation and we would feel free to make friendly suggestions in this sense.

If Egypt under the circumstances should now refuse to make any declaration or revert to the earlier draft statement, then of course we would have to be free to be critical.

We believe Egypt should have 24 hours notice before we give notice to Security Council. We therefore leave it to your discretion to tell Egypt on Monday in which case we would on Tuesday ask for a Wednesday Council meeting. Or if you think an extra 24 hours is

² At the Secretary's Staff Meeting on April 22, the Secretary "reported a long conversation with Ambassador Lodge who saw no objection to Security Council submission in the spirit presented in our message to Ambassador Hare." (Tentative Notes by Howe, April 22; *ibid.*, Secretary's Staff Meetings: Lot 63 D 75) Dulles telephoned Lodge, who was then in Beverly, Massachusetts, at 6:18 p.m. on April 21. Proctor, however, was able to transcribe only a portion of the conversation. (Memorandum of telephone conversation by Proctor, April 21; Eisenhower Library, Dulles Papers, General Telephone Conversations)

important at your end, you could tell Egypt on Tuesday. In that case our notice to Security Council would go on Wednesday with meeting on Thursday.

In talking with Egyptians you may at your discretion speak along foregoing lines.³

Dulles

³ In telegram 3313 from Cairo, April 22, Hare informed the Department of State that he was delaying seeing Fawzi until Tuesday April 23, because April 22 was an Egyptian holiday. It would not only be difficult to arrange a meeting but also impossible for the Egyptian Government to take any action if it chose to. (Department of State, Central Files, 974.7301/4-2257)

296. Memorandum of a Telephone Conversation Between the Secretary of State and the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Rountree), Washington, April 22, 1957, 5:05 p.m.¹

TELEPHONE CALL TO MR ROUNTREE

The Sec called to say he was back and is there anything new.² R said he is meeting with Coulson and did meet with Caccia.³ The news has been reported to London and they are intrigued by the progress. Also they were made aware of Hare's renewed estimate that all the progress would have been lost if we decided to go ahead and he mentioned someone's talking for a Thursday meeting. Then followed a great discussion—the Sec did not see why everything would have been lost. R said Caccia called and where London is interested he felt we should go ahead. Hare has made plans to go ahead tomorrow. To avoid confusion we sent a confirmation to that effect. The Sec said that if the Egyptians put it out as a declaration inevitably they will start from that as a basis for future arrangements. Fawzi's hope is that if it progressed to a point where Hare and we felt they were putting forth a good deal we would say so. The Sec said maybe we will. The Sec

¹ Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Transcribed by Bernau.

² Earlier in the day, Secretary Dulles traveled by air to New York to address the Associated Press at its annual luncheon. (Dulles' Appointment Book; Princeton University Library, Dulles Papers)

³ During the conversation with Caccia, the British Ambassador informed Rountree that his government wanted to notify the Security Council and call for a meeting to consider the Canal problem not later than Thursday, April 25. (Memorandum of conversation by Shaw, April 22; Department of State, Central Files, 974.7301/4-2257)

finally said something that it does not sound as if he and R are in agreement re what they are talking about. The Sec said we are taking it to the SC to report the state of affairs and make a statement that discharges us of our responsibility. R said that is precisely the basis on which we made the suggestion to the Egyptians that they join us. Then they said no. They said they are or were afraid progress would be vitiated. The Sec said it does not make sense and R agreed. R said they don't want it reported to the SC at this time. They are vague and want to drag it out until people are using the Canal. The Sec said he told Wadsworth that he could let Hammarskjöld know this p.m. or tomorrow the way our minds are working on this. R is glad he did that. R said he thinks he understands (Hare that is) fully our thinking. The Sec said if it is by Thursday we have to get some high-pressure thinking re what to say and have different alternatives to prepare. R said the IO people are drafting a speech. The Sec asked if there is any reason Egypt should be invited to attend. R assumed they would be and the Sec asked why. It is all right if they want to come. If they are not there it makes it apparent we are not doing it for the purpose of trying to negotiate more out of them. R thinks the British would want them there and the Sec asked why. R said from the conversation with Caccia he assumed it though it was not discussed specifically.

There will be a meeting at 5:45 re Richards' visit to Jordan and R agreed it would be nice to invite AWD to get his views.⁴

⁴ The source text indicates that Dulles then telephoned Allen Dulles, who agreed to attend the meeting scheduled for 5:45 p.m. that day. See the editorial note, *infra*.

297. Editorial Note

On April 23, Secretary Dulles instructed Ambassador Richards to forego for the immediate future visits to Egypt, Jordan, and Syria. One week later, on April 30, Secretary Dulles informed Richards that he and President Eisenhower had decided to drop these countries entirely from Richards' itinerary. The rationale given by Dulles for not visiting Egypt was that the Egyptian Government had not extended a specific written invitation to Richards. (Telegram 65 to Asmara, April 23; Department of State, Central Files, 120.1580/4-2357; and telegram 3901 to Athens, April 30; *ibid.*, 120.1580/4-3057)

Acting under instructions from the Department of State, on April 13 Ambassador Hare requested such a written invitation from Foreign Minister Fawzi. (Telegram 3398 to Cairo, April 12; *ibid.*, 120.1580/

4-1257; and telegram 3246 from Cairo, April 15; *ibid.*, 120.1580/4-1557) When no immediate response was received, Richards cabled the Department of State from Asmara on April 19 to urge that a prompt decision be made concerning his itinerary. It was "not compatible with dignity of this mission," Richards observed, "to loiter doubtfully and undecidedly awaiting invitations from hesitation [*hesitant*] Syrian and Egyptian governments." Richards also advised:

"My present feeling is that visit Cairo unlikely produce any positive results in furtherance new Middle East policy, especially since Nasser obviously pre-occupied with Suez and Israeli issues outside scope my authority. Failure of mission in Egypt could be something [of an] anti-climax to success of mission thus far. Nevertheless, there is something to be said in favor of going there if definite clear invitation received in next few days. We should be in position say either that Nasser himself chose not to hear our story or that we told our story and gave him same opportunity as other Middle East states to understand and accept doctrine. Otherwise we might give anti-West elements in all Arab states excuse to say we deliberately by-passed Egypt in order split Arab world. This might be especially embarrassing to King Saud." (Telegram 63 from Asmara, April 19; *ibid.*, 120.1580/4-1957)

Two days later Hare informed the Department of State that Fawzi had assured him orally that the mission would be welcome in Egypt, but that it might be necessary to postpone the visit until May 4. (Telegram 3311 from Cairo, April 21; *ibid.*, 120.1580/4-2157) During the afternoon of April 22, the Department of State advised Richards that urgent consideration was being given to the problem of whether to visit Jordan, Egypt, and Syria, which he had discussed in telegram 63 from Asmara. (Telegram 62 to Asmara, April 22; *ibid.*, 120.1580/4-1957) Evidently, the decision to postpone the visits indefinitely was made during the meeting among Dulles, Herter, Rountree, Wilkins, and Allen Dulles which took place in the Secretary's office at 5:50 p.m. (Dulles' Appointment Book; Princeton University Library, Dulles Papers) No account of the meeting has been found.

Documentation on the change in itinerary is scheduled for publication in volume XII.

298. Telegram From the Mission at the United Nations to the Department of State¹

New York, April 22, 1957—7 p.m.

813. Verbatim text. Re Suez. As Secretary suggested, I informed Hammarskjold of our present plans for reporting to SC on Suez discussions. Hammarskjold had just received from Loutfi a personal message from Fawzi with the Egyptian comments on SYG's suggestions for amendments to Egyptian Declaration. Text Egyptian comments follows:

"1. We believe that the Declaration would constitute an instrument of international character and would be registerable with the Secretariat. Mention of Article 102 will not be necessary.

"2. Relating to the last sentence of 2 (B) of your first message of 16 inst.,² we prefer that it be mentioned instead that the Secretary General effected the registration of the Declaration recognizing and confirming it as an international instrument.

"3. The Government of Egypt are now ready to make reference in the covering letter to the Security Council Resolution of 13 October 1956 (in fulfillment of their participation in the Constantinople Convention of 1888, noting their understanding of the Security Council Resolution of 13 October 1956 and in line with their statements relating to it before the Council).

"4. We do not consider it necessary that the General Assembly should take note of the Declaration and the exchange of letters and we think it inadvisable to open the door for a damaging and risky debate in this respect.

"5. The settlement of disputes or disagreements relating to the Declaration as well as to the Convention is covered in 3 (A) of our draft, at the same time we intend to improve and rewrite 3 (B) to read as follows: 'as regards differences arising between the parties to the Constantinople Convention of 1888 in respect of the interpretation or the applicability of its provisions and which have not been otherwise resolved, the Government of Egypt will take the necessary steps in order to accept the compulsory jurisdiction of the International Court of Justice in conformity with the provisions of Article 36 of its statute.' Furthermore paragraph 8 of our draft deals with the settlement of complaints relating to the Canal Code. The ground in relation to this matter seems, therefore, to be covered fairly well.

"6. On the question of co-operation we are ready to add to paragraph 5: 'to that end the government of Egypt will welcome and encourage co-operation between the Suez Canal Authority and the representatives of shipping and trade.'

"7. Without claiming perfection for the Declaration in whatever form it will be, we do not deem it advisable that any suggestion of its being an interim document be put out.

¹ Source: Department of State, Central Files, 974.7301/4-2257. Confidential; Niact. Received at 7:55 p.m.

² Document 288.

"8. The McCloy paper³ contains several useful and constructive ideas which have been drawn upon as far as possible at the present stage and will be examined and explored further in the future for some elaborations or set ups that might be required."

Re registration, Hammarskjold intends to inform Fawzi that in view of manner Egyptians handling registration question, his response to Egyptians' formal request for registration will be along following lines: (Fawzi said Egypt had dropped ref to Art 102 on basis US comments.)

"I understand that the government of Egypt consider that the Declaration constitutes an engagement of an international character coming within the scope of Article 102 of the Charter, therefore, registration has been effected in accordance with Article 1 of the regulations to give effect to that article."

Hammarskjold said that he also believed he should say to Fawzi in his reply that without wishing to hold things up he regrets Egyptian Government has not provided for arbitration under the Declaration or with respect to cooperation with the users to add words such as "representatives as may be appropriately designated".

Hammarskjold said that since his views on these points had been treated fully previously, he did not feel that referring to them again in this way would provide Egyptians with opportunity to delay matters and might induce Egyptians to make some last minute improvements.

If Department thinks Hammarskjold's suggestions along above lines worth further effort at this stage, it may wish suggest that Hare support SYG in appropriate way.

Wadsworth

³ See footnotes 4-8, Document 262.

299. Telegram From the Embassy in Egypt to the Department of State¹

Cairo, April 23, 1957—4 p.m.

3327. Have just returned from seeing Fawzi to announce our intention give notice to SC tomorrow (Wednesday) of meeting Thursday to report on Suez conversations.

¹ Source: Department of State, Central Files, 974.7301/4-2357. Secret; Niact.

Fawzi seemed somewhat taken aback by shortness of our notice particularly since he momentarily awaiting Hammarskjöld's reaction to message sent Sunday.² Additional day would be helpful. However, he said would attempt make best of situation and probably Egyptian declaration would be issued tomorrow since he fully agreed it should be made public before SC meeting.

Regarding background information in reference telegram Fawzi said he appreciated our frankness and also indication our intention "to give Egypt a break". He said he was confident we would not have reason regret such attitude because GOE in dead earnest in trying arrive at reasonable solution.³

Hare

² See telegram 813, *supra*.

³ At 3:41 p.m. on April 23, Dulles telephoned Lodge and instructed him to proceed the following day to request a meeting of the Security Council for April 25. (Memorandum of telephone conversation by Bernau, April 23; Eisenhower Library, Dulles Papers, General Telephone Conversations)

Earlier that day during a press conference, Dulles explained in response to questions that when the United States took the Canal question to the Security Council it would not seek specific action, but rather merely report to the Council on the recent talks with Egypt. (Department of State *Bulletin*, May 13, 1957, pp. 765-766; *United States Policy in the Middle East, September 1956-June 1957*, pp. 384-386)

300. Telegram From the Department of State to the Mission at the United Nations¹

Washington, April 24, 1957—9:42 a.m.

821. Re Suez (813).² Re numbered paragraph 3, Department believes that manner in which Egypt intends make reference to six requirements in covering letter is objectionable.³ Phrase "Noting their

¹ Source: Department of State, Central Files, 974.7301/4-2257. Confidential; Priority. Drafted by Sisco, Shaw, and Meeker and approved by Rountree who signed for Dulles. Also sent Nfiact to Cairo.

² Document 298.

³ At 9:05 a.m. on April 23, Dulles telephoned Rountree to discuss Fawzi's recent message to Hammarskjöld. Their conversation, as transcribed by Bernau, went as follows: "The Sec. said he notes the suggestion the Egyptians are making re noting their interpretation of the six requirements and the Sec. thinks it makes it worse. That would mean if anybody accepts the declaration they have to accept the interpretation. R. could not see how it would help to have Egypt imply it is in line with the 6 principles—if it is not it is better not to say. The Sec thinks if R. wants to convey his thought to Hare he would do it. R. will." (Eisenhower Library, Dulles Papers, General Telephone Conversations)

understanding of the Security Council resolution of 13 October 1956 and in line with their statements relating to it before the Council" distorts impact of SC resolution of October 31. We believe SC resolution could not be modified by interpretation which single government such as Egypt might seek to place upon it. Moreover, mere notation of six requirements, in our view, falls far short statement that declaration is made "in accordance with" or "in elaboration of" the six requirements approved by the Security Council.

Request USUN ask SYG if he does not believe above point should be made to Fawzi when he replies to Egyptian comments on his suggestions.⁴

American Embassy Cairo at its discretion should seek appropriate occasion, if possible, to inform GOE our views.⁵

Dulles

⁴ Telegram 823 from USUN, April 24, reported that Lodge relayed the U.S. position on this matter to Cordier who promised to speak with Hammarskjöld about it, although it was probably too late to affect the text of the Egyptian declaration. (Department of State, Central Files, 974.7301/4-2457)

⁵ Telegram 3342 from Cairo, April 24 reported Fawzi's reaction to these views. Fawzi replied that the communication to Hammarskjöld had already been sent and that the language to which the Department of State objected was in accord with Hammarskjöld's specific suggestions. (*Ibid.*)

On April 24 in New York, the Government of Egypt transmitted the text of its Declaration to Secretary-General Hammarskjöld under cover of a letter from Foreign Minister Fawzi, which among other points announced the reopening of the Suez Canal. The text of Fawzi's letter and the attached declaration were circulated as U.N. doc. A/3576 (S/3817) on April 24. The text is printed in *United States Policy in the Middle East, September 1956-June 1957*, pp. 386-390, and *Department of State Bulletin*, May 13, 1957, pp. 776-778.

301. Editorial Note

On April 25, in preparation for the Security Council debate on the Suez Canal question scheduled for the following day, the Department of State instructed the Mission at the United Nations to consult with British representatives in New York along the following lines:

"1. We hope it will be possible complete SC consideration Suez question with one or two meetings. Our objective is have SC members take note situation re passage through Suez Canal by brief statements in SC at conclusion which SC would remain seized question.

"2. Suggest you arrange with SC President that agenda be adopted without discussion on assumption other Council members would be willing go along this procedure.

"3. Assuming agenda adopted without difficulty, we believe US should open discussion to set appropriate framework. We assume you will in your consultations indicate approach we intend take so that other friendly Dels may if they wish express similar views in Council." (Telegram 830 to USUN, April 25; Department of State, Central Files, 974.7301/4-2557)

In regard to the possibility that Israel might seek to interject itself into the discussion, the Department of State advised its Mission in New York:

"We expect Israelis to request hearing before SC. In order not prolong SC consideration Suez question, we would prefer Israelis submit letter to SC containing their views. However if in your consultations you find Israelis insist on being heard, you authorized support their request on understanding that Israelis would make very brief statement toward end SC consideration this matter.

"Israelis have also asked that US uphold their right of passage through Canal in our statement in SC. We are informing them here US statement very brief and does not go into details of Egyptian declaration. However we are confident that in Ambassador Lodge's statement Israel's interests in right of transit through Suez Canal will be adequately cared for." (Telegram 831 to USUN, April 25; *ibid.*)

Also on April 25, the Department of State transmitted to USUN the text of a statement which Lodge was to deliver before the Council. (Telegram 830 to USUN, April 25; *ibid.*) These instructions were drafted in the Bureau of International Organization Affairs and approved for transmission by Wilcox.

At 9:27 a.m. on April 26, Lodge telephoned Dulles to request that the text of the draft statement be revised so as to leave no doubt that the United States considered its statement to be provisional and reserved the right to express itself further on the matter in the future. Dulles approved the change. (Memorandum of telephone conversation by Bernau, 9:27 a.m., April 26; Eisenhower Library, Dulles Papers, General Telephone Conversations)

**302. Tentative Notes of the Secretary of State's Staff Meeting,
Department of State, Washington, April 26, 1957, 9:15 a.m.¹**

[Here follows discussion of unrelated subjects.]

¹ Source: Department of State, Secretary's Staff Meetings: Lot 63 D 75. Secret. Drafted by Howe.

4. *Suez—Security Council*—Mr. Dillon reported that Caccia was disturbed over the U.S. ship now going through the Canal calling it the first "Conference ship", apparently being one of those which had been involved in the earlier Suez conference.² The UK would like us to renew our "prudence" advice to shippers until the Security Council has acted. Mr. Dillon said that he had pointed out to Caccia that this was inconsistent with the simultaneous UK request that the U.S. make a statement in the Security Council that its payments under protest would be until arrangements can be made for payment to the Universal Suez Canal Company.

The Secretary was concerned that the UK may now be changing its position and now is moving much closer to the French position.³ Mr. Wilcox pointed out that the UK claims their public opinion is now so strong that the UK cannot be satisfied with simply one session of the Security Council nor an appearance of a Nasser victory. The UK does not want to recess without provision for continuation of the negotiations.⁴ The Secretary pointed out that we want to bring our role to an end because it is no longer productive; indeed we may wish to take a considerably tougher line because of the Jordanian situation which would make us less appropriate as a negotiator.

The Secretary remembered the letter handed him by Caccia on Sunday clearly presenting the UK position on the Security Council, which was described as seeking a "de facto provisional agreement".⁵ He wanted to be sure that Ambassador Lodge had this and that both Lodge and the Department should take appropriate steps to assure that the UK adhered closely to this position taken on Sunday.

Action: Asked IO to make sure that USUN had the UK position as expressed by Ambassador Caccia and that both the Department and USUN seek to have the UK adhere strictly to this position.

[Here follows discussion of unrelated subjects.]

² The American flagship, the *President Jackson*, transited the Canal on April 24.

³ Ambassador Alphand told Secretary Dulles on April 24 that French ships would not be permitted to go through the Canal and that French representatives in the Security Council would vigorously attack the Egyptian declaration of April 24. (Memorandum of conversation by Tyler, April 24; Department of State, Central Files, 974.7301/4-2457)

⁴ Coulson made these points during a conversation with Wilcox on April 25. The memorandum of conversation by Adams is *ibid.*, 974.7301/4-2557.

⁵ Document 294.

303. Circular Telegram From the Department of State to All Diplomatic Missions¹

Washington, April 27, 1957—12:20 p.m.

866. Joint State-USIA Message. Amb. Lodge speech in SC outlines US position on Egyptian Declaration on Suez Canal.²

FYI: (1) We should avoid endorsing Egyptian declaration or expressing gratification at its publication. Similarly, while making clear declaration does not meet the six requirements of the Security Council, we do not now attack Egypt for inadequacies, indicating rather a wait-and-see attitude. (2) We believe strident criticism of declaration from other sources does not contribute to progress in resolving problem. We therefore do not associate US with such criticism. (3) We do not acquiesce in suggestion, contained in Egyptian Foreign Minister's letter to UNSYG transmitting Egyptian Declaration, that Egypt solely qualified to interpret 6 principles. End FYI.

Public position includes following elements:

1. Fulfilment six requirements, as indicated in Lodge statement continue to stand.

2. Egyptian declaration does not fully meet these requirements.

3. US prepared, nevertheless, to try out system proposed by GOE.

4. Confidence of users will depend on manner in which declaration implemented.

5. Pending outcome, US reserves its right to comment further.

6. Toll payments by US flagships must be made "under protest" to avoid double jeopardy. GOE and Canal Company balances held in US at time of nationalization of Canal Company will continue blocked pending resolution double jeopardy problem.

Dulles

¹ Source: Department of State, Central Files, 974.7301/4-2757. Confidential.

² The Security Council discussed the Suez Canal item at its 776th and 777th meetings on April 26. (U.N. docs. S/PV.776 and S/PV.777) For text of Lodge's statement made during the 776th meeting, see Department of State *Bulletin*, May 13, 1957, pp. 775-776, and *United States Policy in the Middle East, September 1956-June 1957*, pp. 390-392. The Security Council remained seized of the issue without a date being set for a resumption of discussion.

304. Editorial Note

On April 27, Assistant Secretary Rountree recommended to Acting Secretary Herter that a special message of appreciation be sent to Ambassador Hare, as he had done "such an outstanding job in the bilateral talks with the Egyptians". On May 1, the following personal message was sent from Herter to Hare:

"Now that most recent phase our efforts seek satisfactory solution Canal problem has ended with reference of matter to Security Council, I want to express to you our admiration for manner in which you have carried out bilateral discussions with GOE. We have been fully conscious of extraordinary difficulties with which you have been confronted in this important task and feel that results, although far from what we might hope for, are as good as might be expected at present stage." (Telegram 3641 to Cairo, May 1; Department of State, Central Files, 974.7301/5-157)

305. Letter From President Eisenhower to Prime Minister Macmillan¹

Augusta, Georgia, April 28, 1957.

DEAR HAROLD: [Here follow the President's comments on Macmillan's April 15 letter (see footnote 1 below) and on unrelated subjects.]

So far as the Canal is concerned, I agree with you that there is in sight no completely satisfactory solution. From the beginning that has seemed to me to be an ill-starred affair, and I did my very best to keep it from developing as it did. But we have done everything, as we agreed at Bermuda, to obtain the best possible "interim" agreement.

If, in the Mid-East, one could completely separate the problems of the Canal from the age-old Israel-Arab dispute and deal with each of these individually, I am certain that we could reach a satisfactory arrangement in the lesser one, and make considerable progress toward improving the chronic one. To believe that such might happen soon is,

¹ Source: Eisenhower Library, Whitman File, Eisenhower Diaries. Secret; Personal. This letter was written in reply to a letter from Macmillan, dated April 15, which reads, in part: "I feel more and more convinced that Nasser and his regime are leading that country and the whole Middle East to disaster and there will be no peace until that system falls." (Department of State, Presidential Correspondence: Lot 66 D 182, Macmillan to Eisenhower Corresp. 1957-1958 Vol II)

A first draft of Eisenhower's letter bears Dulles' handwritten revisions and a marginal notation indicating the revisions were read over the telephone to Ann Whitman at 5:25 p.m. on April 27. (*Ibid.*)

of course, nothing but wishful thinking. In spite of this, I remain confident that we shall eventually secure a fairly satisfactory Canal agreement, if we can² live in some patience while the constructive effort goes on. To look forward with confidence to such a result it is necessary that we improve and solidify the Western position—specifically yours and ours—in the whole Mid-East area.

[Here follow the President's comments on unrelated subjects.]

As ever,

DE

² The following phrase, evidently typed in error, appears in the source text at this point: "live with some patience with the interim arrangement. To look forward". The editor determined which words were extraneous by comparing the source text to the copy in the Department of State's Presidential Correspondence file.

306. Telegram From the Department of State to the Embassy in the United Kingdom¹

Washington, April 29, 1957—7:30 p.m.

7627. London's tel 5869,² Rome's tel 4180.³ UK Embassy informed Department April 27 that British Government has requested SCUA Administrator arrange for Council Meeting Tuesday afternoon to discuss numbered questions.⁴ Department views on questions follow:

1) *Do users favor further negotiations with Egypt? If so, what negotiating machinery would be appropriate. Should it be done by Secretary General of United Nations, by US Government or by a negotiating Committee under cover of further debates in Security Council? We doubt that*

¹ Source: Department of State, Central Files, 974.7301/4-1657. Confidential; Priority. Drafted by Shaw; cleared by Moline, De Palma, Rountree, Meeker, and Metzger; and approved by Dillon who signed for Dulles. Repeated Priority to Rome and Paris.

² Telegram 5869 from London, April 29, contained a summary of a circular telegram, dated April 27, from the British Government to its missions in the 17 member countries of SCUA. The circular telegram stated that the British Government had requested a meeting of the SCUA Council for April 30 to consider the Egyptian declaration and to ascertain user views on the three questions contained in telegram 7627. The British Government did not intend to table a draft resolution, because the French Government remained opposed to an earlier British draft resolution tabled on April 12 (see Document 282). (Department of State, Central Files, 974.7301/4-2957)

³ Telegram 4180, April 16, reported that the Italian Government was prepared to support the April 12 British draft resolution. (*Ibid.*, 974.7301/4-1657)

⁴ The note from the British Embassy is *ibid.*, 974.7301/4-2757. The meeting was requested for April 30.

further governmental negotiations whether handled within or outside of Security Council would be likely to achieve at present time any improvement in the Egyptian position. We likewise doubt that Secretary General would be of assistance in the present situation. US for its part does not desire to undertake negotiations at this time.⁵ We consider, however, that SCUA might usefully explore what might be possible to facilitate implementation of the Egyptian statement in Article 4 of its Declaration that GOE "would welcome and encourage cooperation between the Suez Canal Authority and representatives of shipping and trade," particularly in connection with para 3B of Egyptian Declaration (negotiation respecting tolls), para 4 itself, para 5C (development), para 6 (Canal Code alterations), and para 7D (fact-finding, etc. on complaints). This presumably refers to representatives of private shipping interests and SCUA might be helpful in determining how such a representation might be organized and how it could best make contact with GOE. US must of course reserve its position if SCUA consideration results in association of private shipping interests so far as US shipping interest participation is concerned, in view of possible anti-trust implications. Foregoing views do not mean US regards Egyptian Declaration in its present form as fully meeting six requirements of Security Council, and as noted in US statement before Security Council April 26 fundamental difficulty lies in fact there is no provision for organized cooperation between Egypt and users. As a result there is no assurance six requirements will in fact be implemented. Any de facto acquiescence by US is provisional and we reserve right to express ourselves further on matter in future.

Granted a de facto acquiescence in Egyptian arrangement there remains number practical arrangements which will have to be worked out in giving effect to Egyptian Declaration. Salient practical fact is question whether confidence among users of Canal can be reestablished; this will depend on manner in which Egyptian Declaration is implemented. Perhaps no final judgment however can be made regarding regime proposed by Egypt until we able see what happens in actual practice which may also suggest lines useful negotiation.

2) *Do users favor maintenance of boycott meanwhile? Have Governments power to enforce a boycott? If not, will their shipowners be prepared organize it on voluntary basis?* With Canal open for traffic and vessels

⁵ During Secretary Dulles' Staff Meeting that morning, Dulles "endorsed Mr. Dillon's statement that the U.S. should definitely not undertake the [Canal] negotiations for a number of reasons including the fact that it inhibits our freedom of action on other matters. The Secretary speculated as to whether we could bring about an organization of shippers to negotiate with the Egyptians as was suggested by the Egyptians or whether we could get SCUA into direct contact with the Egyptians. On the latter point he thought that 90 percent of users should be a convincing basis and that the approach to Egypt might bring a real test of good faith." (Tentative Notes, April 29; *ibid.*, Secretary's Staff Meetings: Lot 63 D 75)

nearly 30 nations already using Canal, including some SCUA members, US doubts whether principal maritime countries would wish to assume cost and economic impact of policy of non-use. While some Governments may have effective means for enforcing embargo, others may not; and where Governmental measures are inadequate shipowners not likely to cooperate over extended period of time in a voluntary program. US would be interested in views other delegations this regard.

3) *Should users acquiesce in Egyptian system as de facto arrangement under which ships would transit Canal without prejudice to terms of final settlement? If so, how should they make it clear that they are using Canal without subscribing to Egyptian Declaration?* US believes most practical policy to follow in present situation would be one in which users acquiesce in present Egyptian regime as de facto arrangement reserving right express themselves in future having particularly in mind practical manner in which Egyptian Declaration is implemented. In this connection SCUA members may wish to act similarly to US practice permitting payment tolls under protest. UK has in fact proposed such resolution to Executive Committee SCUA. Department wonders whether it would be wise for UK or any other SCUA member to press for adoption such resolution by Council due many differing views within SCUA and possibility Egypt will resist system growing out of what may be interpreted as effort to "gang up" on Egypt. It might be better for discussion this subject to be handled in such a way that Chairman at conclusion of session could summarize what appears to be consensus and if this appears support principle using Canal by paying tolls under protest that implementation then be left to individual countries including matter of publicity and manner of giving effect to policy. In this framework Italian proposal under which Italian shipowners would make a one-time declaration to Egyptian authority to effect that in paying dues for transitting Canal they reserve all rights as regard third parties and as regards legal situation created by final settlement could probably be considered adequate implementation this concept.

Council session might be concluded with proposal that Executive Committee and Administrator be requested follow closely experience of SCUA members in using Canal and practical measures taken by Egypt to implement six requirements.

AmEmbassies Paris and Rome should convey to Foreign Office substance of above with respect to questions which UK likely to raise at SCUA Council Meeting Tuesday. AmEmbassy London should inform Turkish representative US views and may inform representatives other countries who may inquire.

Dulles

307. Telegram From the Embassy in the United Kingdom to the Department of State¹

London, May 1, 1957—11 a.m.

5925. Bonn for Secretary.² SCUA. At Council mtg yesterday afternoon Selwyn Lloyd for UK summarized April 26 discussion in SC and pointed out most members SC expressed view Egyptian memo did not meet requirements of six principles. Then raised three questions mentioned Embtel 5869³ and Deptel 7627.⁴ On first question (further negotiations) he thought most unsatisfactory feature of memo was its unilateral character. Several members of SC had pointed out memo could be withdrawn or amended by Egypt at any time. Users should insist memo could not be withdrawn or modified unilaterally. In his opinion clarification of Egyptian intentions in this regard should be sought through SC.

Re second question (boycott) Lloyd thought pending clarification mentioned above every effort should be made to continue avoiding Canal. Re third question (de facto acquiescence in Egyptian memo) he thought such acquiescence premature in absence of clarification. Therefore SC should meet again Friday or Monday.⁵ Meanwhile members should continue advising shipowners avoid Canal. When Egyptian position clarified question of acquiescence in memo could be reconsidered.

Netherlands Ambassador stated Egyptian memo unsatisfactory and his government in principle would favor continuing negotiations, but since some governments had made it clear in SC they prepared acquiesce de facto in Egyptian position little was to be gained from further negotiations. Netherlands would prefer await developments before deciding whether bring matter to SC, on basis to be determined later. Re boycott, Netherlands shipowners had been cooperating up to now but could not go on much longer. Therefore users had no alternative but to acquiesce in Egyptian memo. Whether this would involve paying tolls under protest was matter to be considered. This had not been practice of Netherlands ships when using Canal in period between nationalization and closing. Favored joint declaration by SCUA that Egyptian memo not in accord with six principles and that members reserving rights.

¹ Source: Department of State, Central Files, 974.7301/5-157. Confidential; Niact. Received at 8:46 a.m. Repeated Niact to Bonn and Paris.

² Dulles arrived in Bonn on May 1 to attend a Ministerial meeting of the North Atlantic Council.

³ See footnote 2, *supra*.

⁴ *Supra*.

⁵ May 3 or May 6.

I spoke along lines Deptel 7627, first quoting substance Lodge's remarks in SC re US attitude⁶ and commenting re Lloyd's three questions along lines indicated ref Deptel. Re suggestion just made by Lloyd that SC meet again to consider obtaining clarification Egyptian position re unilateral character of memo I said would ask for instructions.

Italian Rep said there general agreement that Egyptian memo not satisfactory but boycott not feasible, especially for Italy in view its geographic position. Expressed some reservations re Lloyd's proposal that matter be taken back to SC, referring to possibility of Soviet veto. He suggested users deposit with UN declaration reserving position vis-à-vis Egyptian memo and stating they using Canal only because of necessity.

Portugal said no useful purpose further SC consideration. He favored further negotiations by committee representing SCUA. Until satisfactory agreement reached with Egypt, use of canal should be avoided. If this should prove impossible, users should agree to Egyptian memo on de facto basis without prejudice to final settlement.

Norwegian said his government could not order shipowners but would do its best to persuade them continue avoid using Canal. However, this would be difficult if other members should make increasing use of Canal. If other users should agree to acquiesce in Egyptian memo Norway would go along, while reserving its rights.

Sweden supported Lloyd's proposal re SC. Boycott difficult to maintain and Netherlands and Italian suggestions for joint declaration not feasible.

German Rep said his government regards memo as unsatisfactory and therefore would favor further negotiations in principle but doubts whether prospects promising. It premature, however, to consider machinery to be employed. Presumably matter should be handled through UN but he without instructions on this point. Re boycott, Federal Government had been urging its shipowners use restraint but could not do more as it possessed no legal control. In circumstances Germany was prepared to acquiesce in Egyptian memo on de facto basis and await developments. This would presumably involve reservation of rights of users but his government had not yet made up its mind on this point or on precise manner of paying tolls.

Australian Rep said Egyptian memo unsatisfactory and negotiations should be continued with view obtaining acceptable international arrangements for Canal based on six principles. Agreed with Lloyd that matter should be sent back to SC on urgent basis and thought negotiations might be carried out by those members of SC, numbering he believed seven, who also members of SCUA. As Aus-

⁶ Reference is to Lodge's remarks on April 26; see footnote 2, Document 303.

tralia not shipowning nation, had no comment re boycott. Re acquiescence in Egyptian memo, thought if no progress achieved in further negotiations with Egypt, users would have to acquiesce.

New Zealand Rep saw no objection to attempting obtain clarification Egyptian intentions but doubted if this would be very fruitful. Like Australia, New Zealand had little or no shipping, but he doubted whether arguments in favor of boycott were conclusive. Eventually he thought users would have no alternative but acquiesce in Egyptian document. SCUA should remain in existence but take no part in negotiations.

Denmark agreed with Netherlands re joint declaration by SCUA but re third British question pointed out de facto acquiescence need not imply acceptance of Egyptian memo.

Spanish Rep had no instructions but expressed personal view there should be further negotiations. This was also opinion stated by Iran. Turkey had no instructions.

French Chairman expressed support for Lloyd's proposal that clarification be sought through SC and said meanwhile French shipowners would continue avoiding Canal. Re third British point he stressed any acquiescence in Egyptian position, whether provisional or not would prejudice position of users. Pakistani and Japanese observers spoke briefly and both thought negotiations should be pursued with Egypt. Lloyd then spoke again attempting sum up discussion. Said there general agreement that Egyptian memo not such as to command confidence of users as permanent settlement and further clarification of Egyptian intentions needed. He thought most members agreed this should be done through SC next Monday but noted number dels without instructions on this proposal and perhaps meeting could be adjourned for 24 hours permit members obtain further instruction. French Chairman thought 48 hour adjournment preferable to which I agreed. In reply my question whether Brit envisage SC consideration limited to clarification Egyptian position on unilateral withdrawal or modification of declaration, Lloyd said his proposal was that SC should try to confine itself to securing clear answer from Egyptians on question of unilateral withdrawal or modification of their memo but he recognized impossible control SC meeting. He added Brit did not think Egyptians really intended withdraw or modify their document, but they should be given chance to make their position clear. Meeting then considered draft communiqués prepared by US and UK dels and agreed to anodyne text transmitted in Embassy separate telegram after it became clear that not all members had agreed to a particular substantive recommendation. Next meeting set for 2:30 pm Thursday.

In side conversation I learned from Lloyd that reason for position which he took in meeting is that Brit bankers are attempting in secret negots with Egyptians to obtain agreement in next few days repayment of tolls in free sterling currency. Brit want firmest position possible during negots to put them in best position resist Egyptian pressure to unblock Egyptian sterling balances. Therefore do not want users to take position acquiescing in Egyptian memo until these negots completed. Lloyd indicated he will press Secretary in Bonn to agree to UK proposal re SC. Envisages SC meeting confined to questioning Egypt re possibility withdrawal or modification declaration and prepared acquiesce de facto regime following SC meeting.

Claims recognize cannot hold shipowners from Canal indefinitely and only playing for time over next week. Lloyd also intimated he regards proposal for further SC meeting as device to achieve subsequent French agreement in acquiescing to Egyptian Declaration.⁷

Believe British position also motivated by desire to avoid having to state in Parliament today that Brit acquiesce in Egyptian Declaration. Such move is widely anticipated here following Security Council meeting last week and there is an appreciable volume of criticism of this prospect manifest in press. We of course expressed to Lloyd our apprehension that it might be impossible to confine SC meeting to single clarification he desires and quite possible that reconsideration that forum could reopen whole issue with no clear indication any useful outcome. If we desire avoid SCUA acceptance Lloyd's SC sug-

⁷ Also on May 1 in Washington and New York, Ambassador Caccia and British Representative Dixon presented U.S. officials with a memorandum proposing that a meeting of the Security Council be held on or about May 6 for the purpose of clarifying the Egyptian position on the status of the Declaration, particularly as to whether or not the Egyptians considered themselves entitled unilaterally to withdraw or amend the Declaration and to discourage use of the Canal over the next week. The memorandum and the oral presentations accompanying its delivery all emphasized that such action would facilitate the British position in negotiations with Egypt to be held in Basel, Switzerland, concerning the use of sterling for toll payments. (Telegrams 857 and 858 from USUN, May 1, and memorandum of conversation among Caccia, Dillon, and others by Shaw, May 1, and note from the British Embassy to the Department of State, May 1; all in Department of State, Central Files, 974.7301/5-157)

Following the approach in New York, Lodge noted that, in his opinion, it would be undesirable to reconvene the Security Council on the Suez question because it would undoubtedly draw a negative response from the Egyptians and it would undoubtedly develop new differences between the United States and Great Britain in that the former could not support the British position on the Canal issue. Lodge, therefore, recommended that the United States discourage the British from calling for a meeting and concluded that: "British idea of SC meeting seems to show same semi-hysterical confusion of mind as characterized French thinking on Algeria." (Telegram 859 from USUN, May 1; *ibid.*)

gestion or British or French raising matter in SC on their own, we should have urgent instruction here and Paris to endeavor dissuade them.

Whitney

308. Telegram From the Delegation at the North Atlantic Council Ministerial Meeting to the Department of State¹

Bonn, May 1, 1957—11 p.m.

Secto 4. Immediately upon his arrival Bonn Selwyn Lloyd called on Secretary and raised subject London's 292 May 1 repeated Dept as 5925.² He described briefly SCUA meeting yesterday and referred particularly to difficult problem presented in UK with respect to payment of Canal tolls. He emphasized importance to UK of principle of acceptability of sterling in ME area. He said representatives of Bank of England and Bank of Egypt will discuss question of payment of tolls in sterling in Basel on Saturday. He hoped proposal for another Security Council meeting described reference telegram would "hold" situation and place UK in better bargaining position in connection these discussions. He said Egypt might be given advanced notice that Egyptian Declaration has not commanded confidence of users and that particularly because of unilateral nature of Declaration further discussion in Security Council desirable. Lloyd felt Egyptian Govt might be reasonable in SC and might accept stipulation to effect that Egyptian Govt would not amend or withdraw Declaration except by agreement.

Secretary said Egypt would doubtless take position that it cannot negotiate with entire world and he felt Egyptian reaction to Lloyd's proposal would be negative. While he was disposed to cooperate in order to gain time for negotiation and settlement of sterling problem, he felt it would be preferable to hold out Security Council meeting as possibility rather than as a "fixed event". He pointed out that if Egypt should appear at such a meeting and adopt a defiant attitude, it would put all users in awkward position. He understood that economic pressure on UK is great and British would be obliged in any event to use Canal. If Egypt proved recalcitrant, UK and others would nevertheless

¹ Source: Department of State, Central Files, 974.7301/5-157. Confidential; Priority. Received at 8:11 p.m. Repeated Priority to London and Paris.

² *Supra*. A memorandum of the conversation between Dulles and Lloyd, prepared by the Delegation at the NAC Ministerial Meeting (USDel/MC/5), is in Department of State, Conference Files: Lot 62 D 181, CF 878.

be obliged to accept Egyptian conditions as presently set forth in Declaration. Secretary recognized it might be useful to threaten Egypt with a SC meeting, but thought it would be unwise actually to hold such a meeting.

Lloyd said he would report Secretary's views to London.³

³ For another account of this conversation, see Document 310.

309. Telegram From the Department of State to the Embassy in the United Kingdom¹

Washington, May 1, 1957—8:57 p.m.

7692. Department agrees conclusions last para London tel 5932.² We should emphasize to UK and other SCUA members risks and inutility further SC consideration as follows: (1) We doubt that Egypt can be drawn out satisfactorily through a question on possible unilateral modification or withdrawal of Canal declaration; (2) To ask this single question would create erroneous impression of general satisfaction with declaration in its other aspects; (3) We doubt that further discussions with Egypt re declaration, inside or outside Council, would lead anywhere at this stage, and US for its part not presently prepared to undertake further discussions with Egypt; (4) US attitude toward declaration remains as stated by Lodge in SC April 26, and US would have nothing to add at present time; (5) Further SC discussion now, which could become detailed, might tend to bring out divergence of views among Western powers, which was not apparent last Friday; (6)

¹ Source: Department of State, Central Files, 974.7301/5-157. Confidential. Drafted by Sisco and Meeker; cleared by Moline and Shaw, and Rountree in principle; and approved by Dillon who signed for Herter. Also sent to USUN and repeated to Paris, Cairo, and Bonn.

² In telegram 5932, May 1, the Embassy in London advised the Department of State that Lloyd's proposal to call another meeting of the Security Council on the Canal question posed problems having political consequences for Anglo-American relations. According to the Embassy, further Security Council consideration would not produce an improved Egyptian position, but would create pressure on the United States to modify its wait-and-see line taken at the April 26 meeting. This, however, had to be weighed against the fact that political forces in Great Britain would seek to place on the United States the onus of an unsatisfactory solution to the Canal question, if the United States actively sought to dissuade the British and French from returning to the Security Council. The Embassy recommended, therefore, that the United States emphasize to the British the risks and inutility of further Security Council consideration, but avoid efforts to dissuade the British and French from taking this course. (*Ibid.*)

Renewed Council consideration of declaration might serve to reinforce Egyptian prestige, which has suffered set-back in Jordan during past week.

FYI Dillon on April 29, pursuant to Secretary's request, informed Caccia of US disappointment that UK had not maintained position outlined in April 21 aide-mémoire. Caccia responded reason for change in UK position was unexpectedly strong adverse public reaction in England to Egyptian declaration. End FYI.

We fully appreciative British currency problem and need for time for negotiations between Bank of England and Egypt. Suggest, however, in place of renewed consideration of problem in SC, UK might find it adequate to talk with major members of SCUA re need for 4-5 more days holding line on use of Canal. Continuation present SCUA Council discussion until next week would supplement this approach.

Above program should serve purpose, without negative effects renewed SC consideration set forth earlier this message. Department understands major US oil companies, which are major US users of Canal still moving cautiously, and unlikely significant amount US-flag shipping will use Canal in intervening period.³

Herter

³ In telegram 5979 from London, May 2, Whitney reported that, at the SCUA Council meeting held on May 2, he made the points outlined in the first paragraph of telegram 7692, except for point 6, and closed by saying that while the United States recognized that developments in the practical operation of the Canal might make further Security Council consideration desirable, it believed that the best tactical procedure was to hold out the possibility of a Security Council meeting rather than offer a firm date for such a meeting. After some discussion, British Representative Beeley informed the Council that since unanimous support for the British proposal did not exist, his government would ask its U.N. Representative to write a letter to the President of the Security Council not requesting a definite date but stating that the British Government might call a meeting early the following week. (*Ibid.*, 974.7301/5-257)

310. Editorial Note

On May 1, Secretary Dulles transmitted to President Eisenhower an additional account of his conversation with Lloyd of May 1 (see Secto 4, Document 308). It reads:

"Then when I got back to the Embassy Lloyd came to see me about the Canal problem. They are anxious to stage another meeting of the Security Council. I counselled against this on the ground that Nasser in his present rather ugly mood might use this to confront the Western Powers with a defiance which would then make de facto

acceptance of the present arrangement extremely awkward and most of all awkward for the British who have on the one hand a highly sensitive public opinion and on the other hand an economic dependence upon the Canal such that they must use it on almost any terms. I suggested that a future Security Council meeting was a bit more valuable as a threat than as a reality. The British are anxious to have some such 'threat' in the hope that it will enable them to get the Egyptians to accept sterling in payment of tolls. This, I gather, is important not so much because of the volume of tolls but because of the impact of rejection of sterling upon the usability of sterling generally in the Middle East area." (Dulte 1 from Bonn, May 1; Department of State, Central Files, 611.62A/5-157)

In response, Eisenhower cabled Dulles: "I agree with what you told Lloyd concerning the Suez problem. It appears that Nasser is having real difficulties both at home and with his neighbors." (Tedul 5 to Bonn, May 2; *ibid.*, 974.7301/5-257)

On May 2 in Washington, Counselor of the British Embassy Bailey summarized for De Palma the British Foreign Office's account of the Dulles-Lloyd conversation. In addition to the United States accounts printed here, the British version noted that Secretary Dulles went on to suggest that Dixon might address a letter to Ambassador Lodge, in his current capacity of President of the Security Council, which would indicate that the United Kingdom might want the Security Council to meet May 6 or 7 and would let Lodge know by May 4 or 5. According to the British account, Dulles saw no harm in making public the fact that a letter had been sent, but he preferred it to be understood that the United Kingdom would not actually request such a meeting unless it had grounds for thinking that the Egyptians would be reasonable. (Memorandum of conversation by Shaw, May 2; *ibid.*, 330/5-257; Tosec 13 to Bonn May 2; *ibid.*, 396.1-BO/5-257)

311. Telegram From the Secretary of State to the Department of State¹

Bonn, May 2/3, 1957—midnight.

Dulte 3. Personal for Acting Secretary and Dillon from Secretary. Following tonight's dinner Selwyn Lloyd rode home with me and said that Harold Macmillan had felt that it might after all be necessary to have a Security Council meeting particularly because of the sterling

¹ Source: Department of State, Central Files, 611.41/5-257. Secret; Niact. Received at 8:02 p.m., May 2.

payment issue. This he felt might require them at least to go through the motions of one further effort to get better Egyptian settlement. I reaffirmed my view that there was great risk that Egyptian attitude might make it more difficult rather than less difficult for British to accept settlement to which they are committed by the inextricable laws of economics. Lloyd instructing Dixon to write tentative letter to Lodge suggesting meeting but probably no final decision until Friday or Saturday.² Lloyd says he would not expect us to take any part in the proceedings. However, I am concerned that this attitude on our part, although taken in agreement with Lloyd, would in fact be portrayed in England as further United States let-down of the British who are abandoned to struggle alone against overwhelming odds. Would appreciate prompt expression Department's views for guidance in further discussion with Lloyd Friday.

Dulles

² May 3-4.

312. Telegram From the Department of State to the Secretary of State, at Bonn¹

Washington, May 3, 1957—12:23 a.m.

Tedul 6. For Secretary from Acting Secretary.

1. As indicated Tosec 13² we are somewhat handicapped by uncertainty several aspects your May 1 talk with Lloyd. We do, however, strongly share doubts you expressed to Lloyd (Secto 4³ and Dulte 3⁴) re another SC meeting. We have no reason believe Egypt would react reasonably to question UK wishes ask and fail to see how negative Egyptian reply or lack of reply could help UK accommodate itself to present situation as it may well be bound to do. Moreover, we are inclined to believe knowledge UK intention request further SC consideration likely hinder rather than help in obtaining satisfactory settlement sterling payment issue.

¹ Source: Department of State, Central Files, 611.41/5-257. Secret; Niact. Drafted by De Palma; cleared by Wilcox, Rountree, and Shaw; and approved by Herter.

² Tosec 13 contained a summary of the May 2 conversation between Coulson and De Palma; see Document 310.

³ Document 308.

⁴ *Supra.*

2. For these reasons, we are inclined maintain views set forth our Tosec 9⁵ which are strongly endorsed by Lodge (New York's 7 of May 1 sent Dept. 859).⁶

3. However, if UK insists upon actually convening another SC meeting, which of course we could not refuse to do, we believe they should be told they will have to assume responsibility for conduct meeting, consultations other delegations, and for arranging to sound out likely Egyptian response if this still relevant. We are concerned in this connection by reference Dulte 3 to "effort get better Egyptian settlement". We can think of nothing less helpful at present than another demonstration our inability wring concessions from Nasser and suggest you reiterate to Lloyd we would have no part such effort. In this connection Amb. Alphan today informed Rountree French view that if another SC meeting fails alleviate situation this would only tend enhance Nasser's prestige at very time it has suffered setback in Jordan.⁷ French therefore inclined against another meeting.

Herter

⁵ Printed as telegram 7692, Document 309.

⁶ See footnote 7, Document 307.

⁷ Reference is to a conversation among Alphan, Lucet, de Laboulaye, Rountree, and Rockwell on May 2. (Memorandum of conversation by Rockwell; Department of State, Central Files, 974.7301/6-257)

313. Telegram From the Embassy in Egypt to the Department of State¹

Cairo, May 2, 1957—7 p.m.

3412. Bonn for USDel. Presented Senator Humphrey² night April 30 to Nasser who for well on 3 hours outlined development regime and its relations with USG. Although personally friendly, trend his remarks was one of advanced exasperation with American press and despair with USG.

¹ Source: Department of State, Central Files, 033.1100-HU/5-257. Secret. Received at 1:51 a.m., May 3. Repeated to Bonn, Amman, Baghdad, Beirut, Damascus, Jidda, London, Paris, Tel Aviv, Benghazi, and Tunis.

² Senator Hubert H. Humphrey (D.-Minn.), Chairman of the Senate Foreign Relations Committee's subcommittee on the Middle East, paid an extensive visit to the region in April and May 1957.

Talk began with domestic scene on which, under Humphrey's questioning, Nasser dwelt at greater length than usual, speaking both philosophically ("people have to be economically free to be politically free") and in specific programs such as cooperatives and community centers. He admitted however programs greatly slowed down owing heavy cost.

Humphrey expressed interest against background his own experience and suggested this type story in which Americans would be interested if properly presented through press, including local American correspondents. At mention press Nasser's eyes clouded and from thereon conversation veered to the political and contentious, and also to more routine line.

Beginning with reference unique initial friendship between revolutionary regime and USG, Nasser traced deterioration of relations through usual 3 "turning points" of Baghdad Pact, arms deal and cancellation Aswan aid. Re first, he said not only question of Iraq's inclusion and consequent break in collective Arab approach but also of proselytizing aspect on other Arab states in full knowledge Egypt's inability and policy not join any pact having Great Power participation.

Re arms, he covered unsuccessful negotiations with USG, British and French. He had weathered these frustrations till 1955, despite strong criticism of his officers, on grounds that Israel would not attack Egypt but Gaza raid proved him wrong and he had personally taken initiative in requesting arms from Soviet ambassador.

Re Aswan Dam, Nasser traced protracted negotiations with IBRD and USG and their "insulting" termination. (Humphrey defended Secretary strongly on this point but to little apparent avail since Nasser indicated his worst fears confirmed by his having read Beal's book). As result GOE had decided within 4 days to nationalize Canal in order show that a small nation "can do horrible things" when mistreated by a large power.

As result this and subsequent developments, including economic pressures and press attacks, Nasser said now appears that USG is in about same position as British were first last year when they were engaged in program of undermining Egypt and making false charges preparatory to moving actively against Nasser regime. Only difference is that USG seems intend reaching same objective by peaceful means. He had repeatedly tried clarify situation but USG persisted in believing him responsible for various subversive activities in area. Fact is he has neither funds nor organization to carry on activities attributed to him and this included charges re Egyptian implication in Jordan affairs. However, no doubt about campaign being waged by West against him as exemplified by fact radio channels (presumably he meant clandestine) operating against him had been increased from 8 to

27. He also pointed to recent articles in *Time*, *Newsweek* and magazine section of *New York Times* clearly indicating American policy of weakening and isolating Egypt.

At this point Humphrey warned against danger of psychological and political fixations and noted degree to which controlled Egyptian press had contributed to this situation, especially in its kid-glove treatment Soviet Bloc while consistently blackguarding West. Didn't Nasser feel he was really going much too far toward Soviet bloc for safety? Why couldn't he himself take initiative in changing current by speaking understanding word regarding some favorable development such as reasonable attitude taken by U.S. Government regarding Canal Declaration?

Nasser admitted increasingly close identification with Soviet bloc but said not his fault but that of West which had driven him there. Regarding suggestion he make some sympathetic statement on U.S., he did not feel he was in position do so as long as present pressures being exerted. If he did, it would be interpreted as indication of weakness.

Final subject discussed was Palestine where Humphrey sought Nasser's thoughts on settlement. Nasser noted there had been little trouble between Israel and Egypt from beginning of revolution in 1952 to '55 and he surprised see David Ben-Gurion in troubles since then which reached climax in Israeli attack last fall. Now things are much more difficult but possible that some machinery for conciliation could be helpful in due course. Meanwhile should not single out issues which would involve Arab concessions while Israelis remained adamant on such other issues as refugees and frontiers.

At this point and in conclusion Humphrey made strong endorsement of President Eisenhower as man of great understanding and integrity in whom confidence could be placed in working out these difficult problems. Nasser said regretted didn't know President personally but had read about him and had great respect for him.

Believe interview was useful not only to give Humphrey opportunity evaluate Nasser at firsthand but also to afford occasion for Nasser to hear some straight talk from a responsible legislative, as distinct from executive, source. Humphrey did this very well and, although repeatedly referring to his opposition role in domestic and, to lesser extent, in foreign affairs, he adhered strongly to general policy line on subjects discussed. I hope some of his arguments may have sunk in and will produce results. However, my own impression is that Nasser is becoming increasingly impervious to our counsels as he sees himself being brought to bay by our pressures. More and more his attitude seems to be "I have explained my position till I am getting tired of doing so but you don't heed me or believe me. All right; have it your own way; but it's your decision, not mine, and the consequences will

be your responsibility". Naturally I don't condone this view but do believe it represents Nasser's present mood fairly accurately. This would also suggest that, while in this mood, Nasser's actions are more apt to be in form of stubborn resistance or intemperate reaction rather than compromise.

Hare

314. Memorandum From the Secretary of State's Special Assistant for Intelligence (Armstrong) to the Acting Secretary of State¹

Washington, May 3, 1957.

SUBJECT

Attached Draft Letter

Allen Dulles has been and is concerned over the possible adverse effects on his budget for 1958 of the charges that have been aired in the Congress to the effect that U.S. intelligence failed to warn of the impending Israeli and UK-French attack on Egypt in October and November, 1956. He feels that the testimony of the Secretary in connection with the Middle East Resolution² is subject to an interpretation which might justify some such accusations. Accordingly he has drafted a letter which might be used to set the record straight if necessary. Through Norman Paul, his Legislative Counsel, he has discussed this matter with me and then last evening Allen and I had an opportunity to discuss it further.

My initial reaction to the proposal was that it might possibly set a precedent of an unwelcome kind with respect to future intelligence triumphs or failures. Moreover, it might give rise to the feeling that "it seems the man doth protest too much," if the Executive Branch feels it necessary to justify its activities in such sensitive fields as intelligence whenever they are unjustly criticized. On the other hand, if the information contained in the letter is used orally and judiciously, defense of

¹ Source: Department of State, Central Files, 711.5280/5-357. Secret.

² Reference is to Dulles' testimony before the Senate Foreign Relations/Armed Services Committees on January 15 and February 1, 1957, excerpts from which are attached to the draft letter, but not printed here. See *The President's Proposal on the Middle East: Hearings Before the Committee on Foreign Relations and the Committee on Armed Services, United States Senate, Eighty-fifth Congress, First Session, on S.J. Res. 19 and H.J. 117, Part I, pp. 174-175, 446, 453, and 464.*

our intelligence activities could be stimulated in legislative quarters which would have more influence with the critics than a direct reply by the Director of Central Intelligence.

Allen received my views last evening seriously and said that he was not himself yet sure that it would be wise to adopt this procedure. He stated that he had³ mentioned this to the Secretary, who had indicated a willingness to write a letter himself to put his testimony in a better context if that was thought desirable. In any case, Allen agreed with me that only the Secretary could determine whether such a procedure as Allen suggests was desirable and judge the effect it would have upon his own position in respect to his previous testimony. Accordingly, Allen agrees that the matter should be left in abeyance until the Secretary returns and has had an opportunity to review the problem. I am therefore sending this to you at this time only for information.

I also pointed out to Norman Paul and Allen the danger of the contents of the letter leaking if it were used. In this connection, I pointed out that the second paragraph on page 4 would be particularly exacerbating to our relations with the British and French and we agreed on certain language changes that will be incorporated in a further draft to eliminate as far as possible this difficulty.⁴

[Enclosure]

**Draft Letter From the Director of Central Intelligence
(Dulles) to the Secretary of State⁵**

Washington, May 2, 1957.

DEAR MR. SECRETARY: I have heard a number of comments recently from Congressional sources to the effect that the United States intelligence community failed completely to produce any advance warning of the imminence of an Israeli attack against Egypt in late October of last year or of the subsequent intervention by forces of France and the United Kingdom.

In each case where I have been given an opportunity to reply, I have denied that we were taken by surprise, and have described the substance of intelligence reports which were distributed to the policymaking agencies during the period in question. In almost every case where this has been done, however, I have met the rejoinder that my

³ After reading ME transcript. [Footnote in the source text.]

⁴ For these changes, see the paragraph in the draft letter below, which begins "With regard to British-French involvement in any Israeli attack against Egypt".

⁵ Top Secret. Drafted by Norman Paul.

statements were in direct conflict with statements made by the President and by the Secretary of State to the effect that the United States had not been informed of the impending attacks on Egypt.

Prior to the time of the Senate hearings on the Middle East Resolution, I had been able to state to Congressional leaders and Committees that the intelligence community estimated the approximate time and place of the Israeli attack against Egypt well before the attack was made. I had also stated that as soon as the nature and character of the Israeli attack and surrounding circumstances were analyzed, we also estimated that the British and French would intervene. These statements were made at the White House briefing for Congressional leaders on 9 November 1956,⁶ at a briefing of the Senate Foreign Relations Committee on 11 November 1956,⁷ and at a briefing of the House Foreign Affairs Committee on 26 November 1956.⁸ I had also been able to explain to the Congressional subcommittees with which this Agency normally deals that a statement by the President to the effect that he had no advance warning of the attack was related to the fact that he had received no *official* advance notice from any of the governments concerned, and, I understood, was not intended to imply that intelligence had failed.

During the course of Senate hearings on the Joint Resolution, however, a number of statements were made by the Secretary of State which have again created a certain amount of confusion in Congressional minds as to whether or not United States intelligence was caught napping at the time of the invasion of Egypt. I refer specifically to exchanges (attached) between the Secretary and Senator Jackson (pp. 174-175 of the printed testimony), Senator Mansfield (p. 446), Senator Russell (p. 453), and Senator Knowland (p. 464).⁹

It is of course possible to apply varying interpretations to these, as to any other statements on matters of this kind. I think you will agree, however, that a reasonable person would be entitled to reach the conclusion after reading the exchanges referred to above, notably the one with Senator Mansfield, that the United States had indeed been taken by surprise on the occasion of the Israeli, British, and French attacks.

The facts of this matter, insofar as intelligence reporting is concerned, are as follows:

⁶ The memorandum of conversation by Minnich is not printed. (Eisenhower Library, Whitman File, Bipartisan Legislative Meetings)

⁷ See *Executive Sessions of the Senate Foreign Relations Committee, Eighty-fourth Congress, Second Session*, vol. VIII, pp. 617 ff.

⁸ The transcript of the executive session has not been published.

⁹ See footnote 2 above.

The Israeli attack was not finally ordered until after the Budapest revolt probably during the course of Wednesday, 24 October. The next day the U.S. Military Attaché reported substantial evidence of Israeli mobilization to a level higher than any attained since the Armistice of 1949. This intelligence was carried in the CIA Bulletin on Friday the 26th. The Watch Committee (with the Department of State, of course, participating) considered this report on the 26th, but concluded that the mobilization was not "full" and that Israel's indicated intentions were a "major reprisal" and preparations "to meet the possibility of broader action."¹⁰

At approximately 1345 Washington time on the 26th two further reports from the Attaché in Tel Aviv were disseminated to all interested Government offices.¹¹ These characterized Israeli mobilization as "very large scale," and indicated that several convoys of trucks and taxis had departed for the South, that there had been a large number of individual call-ups during the night of 25 October (including the drivers for the Army and Naval Attachés and the U.S. Embassy), that many industries were badly affected, including some work stoppages, and that all units, posts, camps and stations of the Israeli Defense Force were on standby alert. The CIA Bulletin reported this information early Saturday with the comment that this activity "probably indicates preparation for a limited objective action against Egypt or Jordan, with full capability to exploit any Arab response."

At 10 a.m. Saturday, October 27, you and your principal assistants were advised that a major Israeli attack against Egypt could be expected at any time after the close of the Hebrew Sabbath that evening.¹²

At noon on Sunday, 28 October, the Watch Committee on the basis of the above reports stated that a favorable opportunity had been provided "for a major attack."¹³ Past Egyptian provocations and the key role of Egypt in the Arab threat . . .¹⁴ indicate the attack will be launched against Egypt in the very near future, under the pretext of retaliation and exceeding past raids in strength. The scale of the mobilization indicates that Israel is prepared to meet and exploit such situations as may arise during such an attack."

With regard to British-French involvement in any Israeli attack against Egypt, ~~there were five meetings during the week preceding hostilities of a special committee~~¹⁵ ~~studying there were~~ indications of a

¹⁰ See Hitchcock's memorandum to the IAC, October 26, 1956, vol. xvi, p. 787.

¹¹ See the editorial note, *ibid.*, p. 788.

¹² No record of this communication has been found in Department of State files.

¹³ See the Special Watch Report, October 28, 1956, vol. xvi, p. 798.

¹⁴ Ellipsis in the source text.

¹⁵ No information concerning the special committee has been found in Department of State files.

build-up on Cyprus. ~~This committee reported such indications as~~ *These included* a large increase of British Canberra light bombers on Cyprus between 19 and 28 October, ~~unexplained communications changes~~ and a rapid build-up of transport strength, especially for the French air force.¹⁶

Immediately after the Israeli attack on 29 October the IAC Watch Committee again met and concluded that "the British and French are prepared to and probably will intervene with force in the Middle East as opportunity occurs in connection with the Israeli-Egyptian action."¹⁷

During the period immediately preceding the military intervention in Egypt, a number of governmental actions were taken which were, at least in part, a reflection of the seriousness with which intelligence reports on the situation were regarded. On 27 and 28 October, the President sent urgent messages to Premier Ben Gurion.¹⁸ On 28 October, a cable was sent to our Embassy in Cairo ordering preparation for the evacuation of all American dependents and non-essential personnel.¹⁹ On the 29th of October, Zakarya Muhi-al-Din, Egyptian Minister of the Interior informed an American official that his government wouldn't have been particularly disturbed by the Israeli mobilization were it not for the United States decision to evacuate personnel.²⁰ On the same day, Ambassador Hare expressed President Eisenhower's concern over the Egyptian-Israeli situation to President Nasser, who said he was unable to understand what all the turmoil was about. Nasser also stated that he was at a loss to understand why we felt it necessary to evacuate American personnel.²¹

I feel that it is of great importance to the intelligence community and to the Government as a whole that the record of United States intelligence performance during this phase of the Middle East crisis be established clearly and correctly. To this end, if you agree that the foregoing statement of facts is correct, I request your permission to make the contents of this letter available to the appropriate members

¹⁶ The changes reflected in this paragraph were presumably made during Armstrong's conversation with Norman Paul and Director Dulles on May 2. (See the last paragraph of Armstrong's covering memorandum.) Cancelled type has been used to indicate passages deleted from the text and italics to indicate insertions.

¹⁷ See JCS 912463, October 29, 1956, vol. XVI, p. 844.

¹⁸ *Ibid.*, pp. 795 and 801.

¹⁹ See footnote 5, *ibid.*, p. 807.

²⁰ Reported in telegram 1200 from Cairo, October 29, 1956, not printed. (Department of State, Central Files, 684A.86/10-2956)

²¹ See telegram 1193 from Cairo, October 29, 1956, vol. XVI, p. 827.

and committees of the Congress in the event that further questions are raised as to the quality of intelligence reporting during this period and on the understanding that the text remains classified.

Sincerely,

Allen W. Dulles²²

²² Printed from a copy that bears this typed signature.

315. Telegram From the Delegation at the North Atlantic Council Ministerial Meeting to the Department of State¹

Bonn, May 3, 1957—5 p.m.

Secto 14. Secretary will hand Selwyn Lloyd following memorandum today:

"I have now heard from Washington about our conversation of last evening as to another Security Council meeting on Suez.

"Washington shares the view I expressed that there is more danger than advantage in such a further meeting unless of course it can be ascertained in advance that Egypt will then take some forward step.

"We have been acting on the assumption that you did not feel it practical to try to organize a boycott of the Canal and were willing that the Egyptian Declaration, representing the best that Hammarskjöld and we could get, would be accepted on a de facto provisional basis. Accordingly, we made our position clear in this respect at the prior Security Council meeting paraphrasing indeed the language of your memorandum requesting that the meeting be held. I understand that most of the SCUA members have taken the same position. These facts, known to Egypt plus the recent political developments in Jordan, make it seem to us less than ever likely that the Egyptians will at a further Security Council meeting make new concessions, and perhaps it is more likely that they will make some sort of an offensive gesture knowing that the Western Powers have little choice but to take their Declaration anyway. Thereby they might seek a 'success' to offset the Jordan setback.

¹ Source: Department of State, Central Files, 396.1-BO/5-357. Confidential; Priority. Received at 2:37 p.m. Repeated to USUN and London.

During the morning of May 3, Counselor of the British Embassy Bailey informed Shaw that the British Government would be discussing the Suez problem with Hammarskjöld in Geneva that day and would ask him to seek clarifications from Nasser as to whether the Egyptian Government considered itself entitled to withdraw or amend their declaration regarding the Suez Canal. The British decision to call for another Security Council meeting would depend on the Egyptian response. Shaw interpreted this statement to mean that Great Britain would use a favorable response to justify another Security Council meeting. Also on May 3, Bailey told Shaw that monetary discussions with the National Bank of Egypt were scheduled to begin on Sunday morning, May 5, in Basel, and that another meeting of the SCUA Council would be called for May 7 or 8. (Memorandum of conversation by Shaw, May 3; *ibid.*, 974.7301/5-357)

"This seems to us at least to create a risk that the Western Powers will be in a worse position after a new meeting.

"There is, I suppose, also a danger to UK-US relations in the appearance of a divergence, and a public impression that the US position at the first meeting—actually taken in accord with you—is something that the UK accepts only after delay and with reluctance, because the US has undermined your position and forced your hand. If matters should develop in this way, and need to be clarified, this again would be awkward.

"It is for such reasons that we continue to think it preferable that there not be a further meeting at this stage. Of course, our reasoning is based to an extent on matters as to which no one can be certain. And the US, as this month's 'President' of the Security Council, will now call a new meeting if you desire."

Further message will follow after meeting.²

Dulles

² Secto 15, May 3, informed the Department of State that while handing the memorandum to Foreign Secretary Lloyd, Dulles expressed concern over the effect which a Security Council meeting might have on U.S.-British relations. In response, Lloyd expressed his government's fear that if Great Britain unblocked 28 million pounds sterling in the No. 1 Egyptian account, then Egypt would want it all unblocked. Conversely, if Great Britain paid tolls in U.S. dollars, then other Middle Eastern states might request U.S. dollars rather than British sterling. Lloyd expressed a preference for unblocking in British sterling because Egypt would probably remain interested in the whole 28 million. (*Ibid.*)

Later on May 3, Secto 17 reported that, after speaking with Macmillan, Lloyd informed U.S. officials that he would wait until May 5 to decide on whether or not to ask for a Security Council meeting. (*Ibid.*)

316. Editorial Note

On May 4, the Department of State responded to Hare's report on the Humphrey-Nasser conversation (see telegram 3412, Document 313) as follows:

"While it may well be that as result his increasing annoyance, frustration and isolation Nasser's action will be in form 'stubborn resistance or intemperate reaction rather than compromise,' fact remains that all previous attempts to reason constructively with Nasser have failed. His allegations that Egyptian hands are clean in Jordan, Saudi Arabia and Syria must be considered against background convincing evidence of Egyptian-inspired subversive activities and connivance in these countries.

"While we fully appreciate implication Nasser's intimate relationship with Soviet bloc and his capacity for trouble making, we do not see that conditions are in any way mature for us to consider at this

stage altering our basic approach and attitude toward him. At time when Jordan and Saudi Arabia as well as other Arab and African states are beginning to awaken to perils to which they have been exposed as result of . . . acceptance of Nasser's policies and are themselves taking action to regain their independence and thus to isolate Nasser, we must bear in mind any alteration of our present Egyptian policy might not only cut ground from under these states, but might incite even greater arrogance by Nasser.

"Our policy is of course under continuous review to determine how US objectives can, in the light of developments as they unfold, best be pursued." (Department of State, Central Files, 033.11000-HU/5-257)

The telegram to Cairo was drafted by Stabler and Rockwell and approved by Rountree who signed for Dulles.

317. **Telegram From the President's Special Assistant (Richards) to the Department of State**¹

Tripoli, May 4, 1957—noon.

728. From Richards. Report on Israel visit² follows: Israel appeared interested primarily in two matters—1. Extent which doctrine could be construed as security guarantee in event of attack by Arab state "influenced" by international Communism; 2. Minimum public statement endorsing doctrine regarded to assume Israel maximum benefits available. Israelis started with assumption that Israel's destiny bound up with that of free world and consequently Israel's firm opposition to international Communism not in question. However, did not wish to jeopardize Jews behind Curtain. Economic aid requested to

¹ Source: Department of State, Central Files, 120.1580/4-1957. Secret. Repeated to London, Paris, Tel Aviv, Afghanistan, Beirut, Tehran, Karachi, Ankara, Addis Ababa, Khartoum, Amman, Damascus, Cairo, Athens, Rabat, Tunis, Rome, New Delhi, Moscow, Warsaw, Kabul, and Jidda.

² In response to Dulles' and Eisenhower's decision that he should not visit Egypt, Syria, and Jordan, Richards telephoned Herter from Athens on May 1 to convey his strong personal feelings that if he did not go to Syria, Egypt, or Jordan, he should not go to Israel, and would do so only over his protest. He felt that the visit to Israel would do more harm among the Arab states than any good it would do on Capitol Hill. Herter, in turn, informed Richards that the decision to visit Israel had been made by President Eisenhower and Secretary Dulles and that if Richards returned to Washington without visiting Israel it might jeopardize the entire Mutual Security Program which was then pending before Congress. (The memorandum of telephone conversation is scheduled for publication in volume XII.) It was subsequently arranged that Richards should arrive in Israel at 7 p.m. local time on May 2 and depart at approximately 7 p.m. on Friday, May 3 which was the beginning of the Sabbath. (Telegram 1277 from Tel Aviv, May 2; Department of State, Central Files, 120.1580/5-257)

provide housing for increasing number of immigrants from Curtian countries but subject not pressed and I made no commitment. Subject military aid to Israel not raised.

Israel took position that because of short notice, briefness of visit and occurrence of both Sabbath and Independence Day decision by government on doctrine not possible before departure mission. Foreign Minister said undertaking had been given to consult Cabinet before government took public position on doctrine and it impossible to convene Cabinet until next week. Consequently we left matter that Israel's representatives would draw up public statement, obtain Cabinet approval and subsequently consult upon it with US through Embassy Tel Aviv before public announcement made.

I drove to Jerusalem morning May 3 and met first with Ben Gurion. He immediately launched inquiry regarding protection which doctrine would afford Israel in event of attack by Arab state. He stressed smallness of country and expressed fear that with Soviet support Arabs might destroy Israel before aid could arrive from abroad. He sought answers to specific questions regarding military moves US would make in event of attack. I explained policy in general terms but after drawing attention to existing US military strength in area declined to become involved in details of what action might be taken.

In subsequent plenary meeting with Foreign Minister Meir and Finance Minister Eshkol together with Herzog, Lourie,³ Rafael and Kollek, I outlined principles of doctrine. I made clear that while mission naturally interested, it not charged with finding solutions intra-area problems. Pointing to Israel's past record and anticipated progress I said I doubted that Israel was in danger of isolated attack by state controlled by international communism or that government threatened by Communist subversion. Consequently, although fully recognizing major economic problems faced by Israel, I did not believe that money should be allotted from limited funds available to mission. I said I hoped nevertheless Israel would endorse principles of doctrine and make public statement to this effect.

In reply Foreign Minister said she would not waste words describing Israel's attitude towards communism. Israel had no choice in matter and would live or die with free world. Fortunately Israel did not need ask anyone for help against subversive elements. Because of clear position regarding international communism Israel suffered from lack of "nuisance value". US did not need to worry about stand of Israel but did need to worry about stand of others. Situation comparable to that during World War II when no one had to question attitude of Jewish people or Hitler. She then spoke at some length of dangers to

³ Arthur Lourie, Assistant Director, Israeli Ministry of Foreign Affairs.

Israel arising from lack of peace in area and efforts international communism stir up trouble. Peril to Israel arose from connection of great power like Soviet Union with Arab neighbors. She repeated Ben Gurion's theme that before help came Israel might be destroyed. Doctrine of little value to Israel unless it provided almost automatic help. She pressed strongly for opinion on whether Syria and Egypt could be considered Communist dominated states, saying that if US declared them to be so Israel's worries would disappear. She thought that in case of Israel there was inseparable link between question of international communism and intra-area problem of relations with Arab states.

I said Israel would have to rely on good faith of President and Congress insofar as application of doctrine concerned. It would be up to President or President and Congress together to determine an actual situation if particular state was dominated by international communism. If case arose I said I thought answer to question of whether or not state dominated by international communism would be obvious. USSR knows we will back up our word. This fact remains good part of danger of attack.

[Garble]⁴ commented briefly on Israel's readiness at any time to conclude peace with neighbors. He then set forth brief for aid from Mission basing argument on new wave of immigration facing country. 12,000 to 13,000 immigrants expected this month mainly from Poland. Israel also heard some might come from Rumania. Others proceeding from USSR to Poland then to Israel. He anticipated at least 100,000 immigrants during present calendar year and same number in 1958. From January through May 1957 inclusive figure would be 40 to 43,000. Immediate need was for housing. Total cost housing project \$100 million of which \$20 million represented imported materials. Heavy strain placed by this emergency situation on Israel financial position but government must always open gates to new immigrants regardless of economic consequences.

Foreign Minister explained Israel now estimated 3 to 3 1/2 million Jews behind Iron Curtain. Many Jews who had been living "underground" in Poland were now seeking opportunity move to Israel. In addition Poles currently being repatriated from USSR probably included number of Jews. She thought Gomulka and his circle not anti-semitic and trying solve problem officious anti-semitism existing in Poland by permitting Jews migrate. However, Polish Government under strong pressure from USSR to cut off immigrants. Referring to question of housing, she said Israel did not want Jewish immigrants to write back to Poland that conditions in Israel were such that others should postpone immigrating, thus losing present opportunity. Kollek

⁴ The speaker, whose name is garbled on the source text, was presumably Eshkol.

argued encouraging flow of immigrants by provision of housing fitted into concept of doctrine since deprived Soviet bloc of skilled personnel while increasing resources of free world. He also contended that on principle Israel should not be excluded from assistance under doctrine, since this would be misinterpreted, especially in Arab world.

After admitting difficulties and expressing sympathy for problem immigration, I maintained [that] was really long range problem and difficult to relate directly to doctrine. We said should be considered in context relations with Israel in general and regular economic programs. We would report Israel's needs even though Mission could extend no assistance. I said all Israel could anticipate in any case under doctrine would be .5 million to 1.5 million dollars. Such a token could do more harm than good. It would not really help significantly in housing problem and might be open to misconstruction that endorsement of doctrine had been purchased. I also said I thought Israel would fare better in FY 1958 regular program if such token assistance not given by mission. I called attention to favorable effect to Congress of forthright statement on international communism. Meir and [Eshkol] appeared to agree preferable for Israel not accept token aid under doctrine of magnitude I mentioned.

Considerable discussion took place on nature of statement which might be made by Israel. Mrs. Meir inquired whether declaration such as issued with Afghanistan⁵ would be sufficient for Israel to be regarded as having accepted doctrine. I pointed out special situation of Afghanistan and indicated we would hope for more forthright stand by Israel.

[Mrs. Meir] stated Israel did not want to be ruled out from being full-fledged recipient of doctrine's benefits by wording of statement but most concerned at effect on Jews in USSR.

We agreed press would be given only "technical" reasons why Israel unable to make final decision on doctrine at this time. Mrs. Meir urged, and we agreed, that in public statement or in any discussion before Congress no mention be made of problem of immigration from behind Iron Curtain. She stressed that public disclosure this part discussion could result in ban on further movement from Curtain countries.

At conclusion meeting Mrs. Meir phrased following question—repeatedly brought up in various forms during discussion—government took positive stand on doctrine and if USG approved public statement suggested, could Israel count on receiving assistance under doctrine, if requested, in event of attack by country under Communist "influence"? We pointed out that joint resolution did not use phrase

⁵ For text of the Afghanistan Joint Communiqué, signed in Kabul on April 2, see Department of State *Bulletin*, May 6, 1957, pp. 729-730.

Communist "influence" but spoke of country "controlled" by international communism. Said we must be bound by language of resolution. I also made clear that joint resolution conferred on President authority to determine whether it should be invoked. Jernegan called attention to fact doctrine not sole US policy applicable to ME and that US had stated repeatedly its opposition to aggression from any quarter. Thus, in event of Arab attack, Israel need not consider its only reliance would be on applicability or non-applicability of American doctrine.

Talks with Israelis wound up by second meeting with Ben Gurion devoted to social pleasantries.

318. Memorandum of a Conversation, Prime Minister Mollet's Office, Hotel Matignon, Paris, May 6, 1957, Noon¹

USDel/MC/7

PARTICIPANTS

United States

Secretary Dulles
Ambassador Houghton²
Assistant Secretary C. Burke Elbrick
Mr. Charles W. Yost
Mr. William R. Tyler

France

G. Mollet
C. Pineau
L. Joxe
J. Laloy³
P. Sebilliau⁴
P. De Beaumarchais⁵

[Here follows discussion of matters pertaining to NATO and the French presence in Algeria.]

Turning to the Suez Canal problem the Secretary outlined the current situation and stressed that it was not the US Government which had initiated the formula of accepting Nasser's declaration as a provisional de facto solution but the UK Government, which was conscious of the economic factors involved. Mr. Pineau agreed with the Secretary that it was a bad idea for governments to specifically authorize shipping to go through the Canal; it was for this reason, he said, that the French had voted against the SCUA resolution. He said

¹ Source: Department of State, Central Files, 611.51/5-657. Secret. Drafted by Tyler. Dulles and his party stopped in Paris en route from Bonn to Washington.

² Amory Houghton presented his credentials as Ambassador to France on April 17.

³ Jean Leonard Laloy, Chargé d'Affaires for Europe in the French Foreign Ministry.

⁴ Pierre Sebilliau, Chargé d'Affaires for Africa and the Levant in the French Foreign Ministry.

⁵ Jacques Delarüe Caron De Beaumarchais, French Permanent Representative to the North Atlantic Council.

that the French Government was also not in favor of a Security Council meeting to discuss the Nasser declaration, since this could only result in the government's being forced into acceptance of the declaration officially, even though reluctantly. The Secretary pointed out that the US Government only allowed US ships to go through the Canal if they paid under protest and without prejudice to future rights.

The Prime Minister then said he felt that the present conversation called for some frank talk on the subject of Nasser and the Canal. . . . being realists, the British had expected to allow their shipping to pass through the Suez Canal for economic reasons. He said that no French Government at least not the present, would ever accept to do so:

a. To accept would mean confirming Nasser's hold over Europe's oil requirements which were vital for the necessary conventional military forces.

b. . . .

The Prime Minister said that France was going through terrible difficulties with regard to her balance of payments, but she would never yield to Nasser and the French Government was prepared to go to the French people and tell it the reasons why. . . .

The Secretary said that he agreed that Nasser's type of Pan-Arabism was dangerous. He also agreed that no agreements which might be made with Nasser would be dependable, whatever the words which Nasser might use. He thought that for this reason not much importance should be attached to what Nasser said he would or would not do. The Secretary said that while we had differed with France in the past on the methods to be used, he did not wish to bring up bygones. He said we could, however, feel encouraged by recent developments in Jordan which suggested that a basis might be found to constructive developments in the general area of the Middle East. He said that undoubtedly Nasser's prestige had suffered compared with what it had been six months ago. The long-term answer, he thought, required that the present favorable trend should continue. However, whatever the prospects in the Middle East area might be, it was vitally important that alternatives to the Canal and to the existing pipelines should be developed. He thought that in retrospect the West should have paid more attention to the evacuation of the Canal Zone by the UK three years ago. Now, he said, we should look to the creation of the northern pipeline, since the Israel pipeline was vulnerable because we could not depend on Iran permitting its oil to be sent through that pipeline. The Prime Minister commented that he recognized the superiority of the northern line, but it would not be excessive to have both pipelines. The Secretary alluded to the oil possibilities of the Sahara.

He also pointed out that in spite of the closing of the Suez Canal and the great strain on oil shipments, Europe had not collapsed as might have been feared at the time.

The Prime Minister said he was glad that the United States and France seemed to be in agreement with regard to the ultimate goal. His fear, however, was that the US approach might not bring about the desired result. He stressed the role of the Soviet Union as the real power behind events in the Middle East. He said that the Soviet Union was working through the peoples of the Middle East He referred to Nasser's aims and methods set forth in his book, which the Prime Minister said he had read "at least 10 times." . . . he hoped that the results of the noble efforts which the US was making would not be to prepare the way for the triumph of Nasser in 10 years' time.

The meeting broke up at about 1:00 p.m.

319. Editorial Note

On May 7, the Israeli Foreign Ministry gave to the Embassy in Tel Aviv the text of a proposed statement on Richards' visit to Israel to be issued jointly by Israel and the United States, which the Israeli Cabinet had approved that day. Ambassador Lawson at that time informed the Israeli Foreign Ministry that it had been his understanding that Israel would issue a unilateral statement which the United States Government could endorse. (Telegram 1302 from Tel Aviv, May 7; Department of State, Central Files, 120.1580/5-757) On May 10 in Washington, Wilkins directed to Rountree a memorandum, summarizing the content of Lawson's report and expressing the view "(a) that the language proposed by the Israel Cabinet falls short of its purpose and (b) that it would be preferable to have the Government of Israel issue a more forthright unilateral statement of which we could appropriately take note, such as by a brief public statement by a Departmental spokesman. If the Government of Israel were to decide not to issue a statement, we would have no objection." Richards concurred in the memorandum. (Memorandum from Wilkins to Rountree, May 10; *ibid.*, 120.1580/5-1057) After several discussions, Eban informed the Department of State on May 18 that his government had reluctantly agreed to the proposal. (Memorandum of conversation by Bergus, May 18; *ibid.*, 611.80/5-1857) The Israeli statement and the Department of State acknowledgment of the Israeli statement were issued on May 21. For texts, see Department of State *Bulletin*, June 17, 1957, pages 968-969.

320. Memorandum From the Under Secretary of State for Political Affairs (Murphy) to the Director of the Executive Secretariat (Howe)¹

Washington, May 8, 1957.

With reference to your inquiry whether I would care to comment on the attached memorandum of Park Armstrong to the Acting Secretary regarding Allen Dulles' attached draft letter, it seems to me that this is an unprofitable exercise. An attempt to "set the record straight" would also succeed no doubt in expanding the area of inquiry and advertise the criticisms. That type of criticism, it seems to me, is something that any intelligence organization must absorb. Furthermore, the Secretary's testimony seems to me fairly accurate and corresponds with my recollection of the events.

I know that personally, reading I think all the material that came to us at that time, and I believe that is true of Mr. Hoover, I had no indication of an imminent attack until the wires from our Military Attaché in Tel Aviv came in regarding Israeli mobilization. Of course in conversations in London in late July 1956, I obtained the impression that the British and French were determined on military intervention, but during October I saw no hard intelligence out of London, Paris, or Tel Aviv substantiating a firm plan of attack, except for the Military Attaché's telegrams about Israeli mobilization.

The attached would call on the Secretary to reopen his testimony and I see no advantage in his doing so.

¹ Source: Department of State, Central Files, 711.5280/5-857. Secret; No Distribution. Notes attached to the source text indicate that Howe solicited these comments from Murphy on May 6 and that Howe transmitted the memorandum printed here together with Document 314 (and its enclosure).

**321. Memorandum of a Conversation, Department of State,
Washington, May 9, 1957¹**

SUBJECT

Israeli Naval Actions in Gulf of Aqaba

PARTICIPANTS

Abdul Rahman Azzam Pasha, Special Representative of Saudi Arabian
Government

NEA—Mr. William M. Rountree

NE—Mr. Stuart Rockwell

NE—Mr. Robert Sherwood

Azzam stated that he was calling on Mr. Rountree to inform him how once again the Israelis were causing trouble. He referred to recent incidents involving Israeli warships in the Gulf of Aqaba. According to Azzam, on May 1st an Israeli warship had proceeded down the Gulf in Egyptian territorial waters and had returned to Eilath through Saudi territorial waters. In the course of its passage the warship passed within one kilometer of the Saudi coast, passing at one point close to a Saudi gun emplacement. Azzam added that between the 1st and 4th of May Israeli warships maneuvered in Arab territorial waters in the northern end of the Gulf. Azzam labeled these actions as "extremely provocative." Azzam likewise mentioned a report which he had heard that the U.S. flag vessel, the *Kern Hills*, had only three days ago visited Eilath, again, implying a violation of Saudi territorial waters.

Mr. Rountree commented that the Island of Tiran was Saudi Arabian and the Sinai mainland Egyptian, and that the channel in the Strait of Tiran lies nearer Egypt. He inquired if ships transiting the canal had passed through the regular channel or on the Saudi side of it. Azzam replied that he was not sure in which territorial waters they had passed. Azzam noted that in observing the six-mile territorial waters limit, the Gulf of Aqaba is divided into Egyptian and Saudi territorial waters except for a limited portion near the center which he described as "a sort of lake". Azzam then asked if this issue might be taken to the Security Council.

Mr. Rountree replied that there appeared to be two questions. The first question involved the violation of territorial waters in which there might be no dispute as to the right to be there. The second question involved the transit of waters where there existed a claim to the right of free and innocent passage. Thus, transit of the Strait of Tiran might be an issue quite distinct from that mentioned under the first question.

¹ Source: Department of State, Central Files, 980.74/5-957. Confidential. Drafted by Sherwood. Azzam Pasha also discussed the Gulf of Aqaba situation with Herter on May 9. The memorandum of conversation by Rockwell is *ibid*.

Should the Security Council examine these matters, Mr. Rountree continued, there presumably would arise the question of the legal interpretation of free and innocent passage of the Strait of Tiran, which might in turn give rise to the possibility of reprieve to the International Court. Mr. Rountree asked Azzam if he thought the Saudi Government was prepared to have the court look into this legal situation. Azzam replied that he did not fully know the Saudi Arabian Government's attitude in this regard, but he thought that the Saudi Government did not wish the International Court of Justice to render a decision on this issue. Azzam, however, distinguished between a decision by the ICJ and an advisory opinion of that body.

Mr. Rountree commented that this government is fully aware of the difficulties in this situation and recognized that there are honest differences of opinion. As was stated in the February 11 Memorandum and on subsequent occasions, the United States Government takes the position that the Straits, although territorial waters, are imbued with an international character which gives to users the right of free and innocent passage. This opinion is based on a principle of international law, as we have honestly and sincerely interpreted it. This government has also stated that its attitude would be affected by an overriding legal opinion such as that of the ICJ. Under our interpretation of the pertinent law, Mr. Rountree stated, this government has no basis for denying U.S. ships from passaging the Strait. He pointed out that the United States was not chartering vessels to test this right. The *Kern Hills*, he added, was chartered by the Government of Israel for its voyage to Eilath.

Azzam said that Israel had never had the right of free passage in the Gulf because of its state of belligerency with Egypt and Saudi Arabia. The Government of Israel has decided to exploit the situation created by the presence of UNEF in Sharm elat Sheikh. The Israelis are doing exactly as they please in the Gulf, and deliberately are violating the rights of the littoral powers. The United States Government is, in effect, supporting the Israelis by permitting U.S. vessels carrying war materials to use the Gulf. The Israelis, he concluded, are acting as though the Gulf were their own sea, and not territorial waters where one can pass by tolerance, or under an international treaty such as controls the Bosphorus. The Israelis are thus reaping benefits from their aggression which the Arabs had been told they would not be permitted to do.

Mr. Rountree then pointed out that the United States had done all that it could to assure Israeli withdrawal from Egypt. We made clear that Israel should not benefit from its aggression, nor obtain rights which did not exist before the aggression. We said that Israel should enjoy free passage only when it was no longer in the status of a

belligerent. We believe that with Israel's withdrawal, the situation with respect to Israeli rights should revert to the position before the attack.

Mr. Rountree said that our attitude is affected by two principal factors. First, we earnestly wish to avoid any misunderstandings with the Saudi Arabian Government. Secondly, we believe we must be guided by principle and what we think are the applicable legal factors, and the effect of those factors on the use of the waters of the Strait of Tiran and the Gulf of Aqaba. It was our belief that quite apart from the Israeli aggression there are certain rights of all nations with respect to the Gulf.

Azzam asked Mr. Rountree if he thought that the passage of the Israeli warships which he had described was legal. Mr. Rountree replied that while he thought that international law and the armistice agreements should apply in this instance, he was not in a position to give a definitive reply. Azzam indicated his doubt that the armistice agreements allowed Israel to send its warships in adjoining territorial waters. He said he felt that the United States had taken, in these doubtful matters, an attitude against the Saudi Arabian Government. By permitting United States vessels to carry war materials to Israel through the Gulf, the United States Government was contributing to the strength of Israel. Azzam said he appreciated the fact that the United States, as a sort of mediator, would receive trouble from all sides. Yet Israel is defeating the main objective of peace by abusing the "limited domination" of the situation which the United States Government presently holds. Continuing, Azzam said that if it is not possible to return to the status quo ante, whereby Israel was not permitted the use of the Strait, Israel should at least be restricted from provoking a deterioration of the situation. Azzam asked that U.S. vessels not be permitted to carry war materials through the Gulf to Israel at least until the whole question might be put to the International Court.

Azzam then pointed out that King Saud was deeply disturbed by the recent events in the Gulf of Aqaba. Mr. Rountree replied that the King's latest letter to the President was receiving our most careful attention.² Mr. Rountree said that he could not purport to give a reply to the King's message but he anticipated that it would be forthcoming in the near future. Azzam called Mr. Rountree's attention to the reference to the Security Council in the King's letter, and inquired if our

² In a letter dated May 6, King Saud protested alleged recent movements of Israeli air and naval craft in the waters and air space of the Gulf of Aqaba. He also reiterated the Saudi view that Israeli exercise of a right of passage in the Gulf of Aqaba would constitute a flagrant violation of Saudi Arabia's historic and legal rights in the waters of the Gulf, which was a "closed Arab Gulf", and would endanger the security of the sacred Moslem places to which the waters led. (An official English translation is in the Eisenhower Library, Whitman File, International File.)

reply would suggest presenting the issue to the International Court of Justice. Mr. Rountree replied that it would be premature for him to comment, but he would be pleased to discuss the reply once it has been made.

Stating that he was merely speculating, Azzam then commented on future courses of action. He said he feared that the majority of the Security Council members were against Egypt and the Arabs. Should an advisory opinion be asked of the ICJ, there might be a long delay in getting an answer. Faced thus, with an adverse prospect in the Security Council and long delays in the Court procedure, Azzam said it might be best if some kind of temporary regime might be established by the United Nations.

Mr. Rountree thanked Azzam for his interesting views and said that he was not in a position to judge the situation in the Security Council. Before departing, Azzam once again pleaded that the United States Government prevent U.S. vessels from carrying oil and other war materials to Israel through the Gulf.

322. Memorandum From the Director of the Office of Near Eastern Affairs (Wilkins) to the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Rountree)¹

Washington, May 9, 1957.

SUBJECT

Overt Measures Taken with Respect to Egypt

In connection with the Secretary's inquiry, there is attached a paper setting forth, in outline form, the overt measures taken with respect to Egypt and related measures in connection with other Arab and African states under Omega.

We believe that all possible measures have been taken or are being taken with regard to Egypt itself. The only other overt measure that we can think of would be the recall of Ambassador Hare, and this would, of course, be the first step in the rupture of diplomatic relations.

¹ Source: Department of State, Central Files, 611.74/5-957. Top Secret; Omega. Drafted by Stabler.

[Enclosure]

OVERT MEASURES TAKEN WITH RESPECT TO EGYPT

1. Denial of export licenses for arms shipments, for commercial vehicles intended for the Egyptian armed forces, for spare parts for Egyptian airlines Misair, and for training films and other material requested by Egyptian military authorities. Denial of Egyptian requests for training in US service schools.
2. Termination of Aswan Dam negotiations.
3. Withholding approval of pending requests under Title I, PL 480.
4. No reactivation of CARE or similar programs.
5. Continued blocking of Egyptian funds in the US except for a few hardship cases involving US commercial interests.
6. No accommodation to private American contracts with Egypt, the execution of which is dependent on the release of blocked funds (for example, Hilton Hotel).
7. Counseling of prudence to US shippers regarding the use of the Suez Canal and the payment of dues under protest.
8. Cancellation of uncommitted FY/55 economic development funds for Egypt and no scheduling of future aid programs.
9. No Export-Import Bank loans to Egyptian companies.
10. Closing of Fulbright office in Egypt as of June 30.
11. Heavy reduction in the Exchange of Persons Program with Egypt.
12. Continued adverse effect of the US cotton policy.

RELATED OVERT MEASURES IN CONNECTION WITH OTHER ARAB AND AFRICAN STATES

1. Active support to King Hussein of Jordan, including economic and possibly limited military assistance.
2. King Saud's visit to the US and the conclusion of the renegotiation of the Dhahran Air Facilities Agreement and the five-phase military program.
3. Support for and encouragement of close Saud-Hashemite relations.
4. Active support to President Chamoun of Lebanon and the present government, including the furnishing of economic and military assistance.
5. Fostering of closer relations with the Sudan and encouragement of Sudan-Ethiopia-Uganda cooperation in connection with possible renegotiation of the Nile Waters Agreement.
6. Continuation of economic and military assistance to Iraq.
7. Active economic and military support to Libya.

8. Fostering of closer ties with Morocco and Tunisia.
 9. Forthcoming visit to the Yemen by Ambassador Wadsworth to seek closer US-Yemeni relations.
 10. Continuing restraint on Israel in connection with its attitude towards the Arab states.
 11. Approval of the American Doctrine and the Richards Mission.
 12. US offer to adhere to the Baghdad Pact military committee.
 13. The Vice President's trip to Africa.
 14. Urging of British to reach an acceptable settlement of the Buraimi dispute with Saudi Arabia.
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323. Memorandum From the Assistant Secretary of State for International Organization Affairs (Wilcox) to the Under Secretary of State (Herter)¹

Washington, May 10, 1957.

SUBJECT

Palestine Refugees: Status Report and Recommendations

Discussion:

As of June 30, 1956, refugees from Palestine registered with the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) numbered over 922,000, over half under fifteen years of age. This constitutes a growth over those registered during previous years and illustrates the fact that natural increase among the refugees is greater than decrease through transfer to conditions of self-support.

The failure so far to approach a political solution to the refugee problem is due primarily to the continued insistence on the part of the refugees that the only answer is through repatriation or compensation, as provided by the General Assembly's resolution of December 11, 1948.² In this they have been encouraged by the host governments, which have shown a continued disposition to resist any attempts to reach a solution of the problem other than through repatriation or

¹ Source: Department of State, Central Files, 320.511/5-1057. Confidential. Drafted by Gamon. The following officers concurred in the memorandum: Rountree, Robert J. McCollum (ORM) in substance, Louis E. Frechtling (U/MSA), Elmer M. Falk (IO/OIA) in draft, O'Connor (H), and Edward J. Rowell (IO/OES) in substance. Although the source text indicates that O'Connor wrote a memorandum on the subject appended as Tab B, the document is not attached to the source text.

² Resolution 194 (III).

compensation. The host governments have, in fact, often seized upon the refugee problem as a means of furthering their own political ends. This approach has resulted, generally, in a negative attitude on the part of these governments toward rehabilitation projects and in their failure to cooperate fully with UNRWA in its attempts to provide for the welfare of the refugees.

FINANCIAL CONSIDERATIONS

A more immediate problem is the financial one. Unless more outstanding current pledges are paid, the Director of the Agency estimates that it will not have sufficient funds to operate at its present level through June 1957. Furthermore, the Director estimates that cuts in the Agency's services appear to be inevitable unless increased contributions are received during the second half of this calendar year. He has indicated that the necessary retrenchment might be made through curtailing the Agency's education program and possibly other services. Heretofore there has been available to the Agency a cushion in the form of unexpended moneys in its rehabilitation fund, part of which was used for the educational program. This fund now is virtually exhausted.

The United States contributes to UNRWA under the authority of the Mutual Security Act.³ While our publicly stated position to the host governments is that we will not contribute over 65 percent, the United States has actually contributed approximately 70 percent of UNRWA's cash resources in recent years. This limitation has its basis in the history of Congressional hearings, and we so far have considered it inadvisable to increase this proportion. The United States' pledges for the current fiscal (US) year are \$4,000,000 toward the Agency's rehabilitation fund and \$17,500,000 toward its relief fund. The United States has contributed \$2,372,000 to the rehabilitation fund and \$16,263,940 (including a payment now in process) to the relief fund during the current fiscal year. There appears to be less likelihood that outstanding rehabilitation fund pledges will be made good than outstanding relief fund pledges. The United States could pay the balance (\$1,236,000) of its pledge toward the relief fund if additional outstanding pledges of \$530,130 were made good by other governments.

The Director of the Agency⁴ has asked that the United States consider paying its entire relief pledge now. He has suggested that this would be possible without going over the 70 percent limit if contributions in services supplied by host governments were taken into account or if we were to assume as paid certain unpaid pledges from

³ 70 Stat. 558.

⁴ Henry R. Labouisse.

reliable sources. We do not believe it is desirable to consider as part of the total contributions, of which we can pay up to 70 percent, the services and other intangibles which the host governments might have provided. The main reason is that we would have no way on which to check the evaluation of the services provided by the host governments.

We have asked the Director for a report on the current status of his negotiations with potential contributors. Upon receipt of this information, we could approach those governments to urge them to make good their pledges. However, the political consequences of any breakdown in UNRWA's activities now are likely to be so unfavorable as to warrant our taking unusual steps to insure the funds necessary to a maintenance of the Agency's current level of activities until some other solution is found. This could be achieved during the balance of the fiscal year by a removal of the 70 percent limit on United States contributions which would require consultation with Congress. (It should be recognized that such a step would probably affect the continuation of the present contribution pattern and should not be undertaken without a realization that funds heretofore available from other governments may have to be sought elsewhere.) Moreover, after July 1, some means would have to be devised to increase the contributions to UNRWA.

RECENT APPROACHES TO PROBLEM

The mandate of the Agency is due to expire on June 30, 1960. During the eleventh General Assembly there was considerable sentiment among contributor members to anticipate the eventual termination of UNRWA by requesting the Director, in consultation with the host governments, to devise means for the orderly and gradual turnover to the host governments, of the functions now being performed by UNRWA. However, the opposition of the Arab members (and, unexpectedly and suddenly, the Director of UNRWA) to any resolution containing such a request was such that further consideration of it had to be deferred. The resolution as finally adopted by the General Assembly directed the Agency to pursue its program, bearing in mind its financial limitations; requested the host governments to cooperate fully with the Agency; requested the governments of the area to cooperate with the Director in planning and carrying out the projects capable of supporting substantial numbers of refugees; authorized the Director to disburse any moneys that might be available in the Agency's rehabilitation fund to the host governments for general economic development projects, provided the host governments would assume financial responsibility for an agreed number of refugees within a fixed period of time; and provided for measures to seek continued or in-

creased contributions.⁵ From the General Assembly debate on the resolution it was clear that the refugee problem, despite its humanitarian aspects, is still basically a political problem. The United States policy on the refugee problem was expressed by the Secretary on August 26, 1955,⁶ namely that the United States would be prepared to participate substantially in an international loan to Israel for the purpose of enabling Israel to pay compensation to the displaced refugees, and that the United States would also be ready to assist in the development of regional projects which would, directly or indirectly, facilitate in the settlement of refugees. (Tab A)⁷

Recommendations:

1. That it be decided it is an overriding political necessity not to permit UNRWA's operations to lapse.

2. That, upon receipt of the information requested from the Director, we approach governments having outstanding pledges in an effort to seek full payment from them before June 30, 1957.

3. That, in anticipation that Recommendation (2) might not succeed, you authorize the interested areas of the Department to work out now a method of underwriting UNRWA's most pressing immediate financial needs so as to give effect to Recommendation (1).

4. That the interested Bureaus in the Department should as a matter of urgency consider what should be the United States policy toward the future of the refugees with particular reference to the fiscal problems of the Agency immediately after July 1, 1957, and to planning for the forthcoming debate in the General Assembly on this matter.⁸

⁵ Resolution 1108 (XI), adopted by a vote of 68 in favor to 0 opposed, with 1 (Iraq) abstention by the U.N. General Assembly on February 28, 1957, was the revised version (U.N. doc. A/SPC/L.13/Rev.2) of a joint resolution introduced by Argentina, the Netherlands, New Zealand, the Philippines, the United Kingdom, and the United States on February 22. (U.N. doc. A/SPC/L.13) On February 13, the Department of State first sent to the Mission in New York a proposed text of a draft resolution. (Telegram 627 to USUN, February 13; Department of State, Central Files, 320.511/1-3157) During discussions with Delegations from Argentina, Australia, Canada, Indonesia, New Zealand, the Philippines, and the United Kingdom and negotiations with Arab countries, the U.S. draft was revised several times before being tabled in the General Assembly. Documentation concerning U.S. activities in behalf of the draft resolution are *ibid.*, 320.51 and 320.511. For texts of statements made by Mrs. Oswald B. Lord, U.S. Representative to the General Assembly, in the Special Political Committee, see Department of State *Bulletin*, April 8, 1957, pp. 585-589.

⁶ For text of the address, see *ibid.*, September 5, 1955, pp. 378-380. See also vol. XIV, pp. 378 ff.

⁷ Not attached to the source text.

⁸ Herter initialed his approval on the source text. See also Document 327.

324. Memorandum From the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Rountree) to the Secretary of State¹

Washington, May 10, 1957.

SUBJECT

Saudi Concern Over Straits of Tiran and Gulf of Aqaba

Discussion:

The King of Saudi Arabia has transmitted to the President a letter (Tab B)² expressing grave concern at alleged movements of Israel war vessels in Saudi territorial waters at the Northern end of the Gulf of Aqaba on May 1-4, 1957.

The Jordanians have also complained to us about the movement of Israel vessels and said they were referring the matter to the Mixed Armistice Commission. It is not clear from a reading of the Jordan-Israel Armistice Agreement that a movement of Israel war vessels into Jordan territorial waters would in fact be a violation of the agreement. The Israel-Egypt Armistice Agreement on the other hand clearly forbids war vessels belonging to one party from approaching the shores of the other party closer than three miles.

The Israelis have denied to the press the allegation that there was any maneuvering of Israel war vessels in Saudi territorial waters. The Naval Attaché in Tel Aviv surmises that there may have been some maneuvering in connection with the recent Israel Independence Day celebrations. While he has no knowledge of any movement in Saudi waters, he has pointed out that given the close contiguity of the frontiers at the head of the Gulf of Aqaba, where four countries claim territory, it would be very difficult to ascertain the limits of the territorial waters of any one state.

The Saudis have reported to the Security Council their allegation that Israel war vessels violated Saudi territorial waters (Tab C)³ but have not requested Security Council action.

This very complex problem contains a number of issues: 1) the alleged violation of Saudi territorial waters by Israel warships which raises questions of fact as well as law; 2) Saudi Arabian opposition to the use of the Gulf of Aqaba by Israel or Israel-bound merchant vessels through the Gulf of Aqaba and the Straits of Tiran; 3) the

¹ Source: Department of State, Central Files, 980.74/5-1057. Secret. Drafted by Newsom on May 10. The source text bears the handwritten notation: "Sec has seen". Tabs A, B, and C are not attached to the source text.

² Dated May 6; see footnote 2, Document 321.

³ On May 7, the Permanent Representative of Saudi Arabia, Ahmad Shukairy, addressed such a communication to the U.N. Secretary-General. (U.N. doc. S/3825)

possibility of an attempt to pass through the Straits by Israel war vessels which would provoke the strongest reaction from Saudi Arabia. Such an attempt, if the war vessels used the channel which lies close to the Egyptian shore, would also be a violation of the Israel-Egypt Armistice Agreement.

While the Saudi Government's communication to the Security Council raises directly only the question of the movement of Israel warships in Saudi territorial waters, it is obvious that the issues set forth above are closely interrelated and it would doubtless be unfeasible to attempt to separate them for the purposes of discussion with the Saudis or consideration by the United Nations.

We believe there is an advantage to be gained in providing a basis for further direct discussions with Saudi Arabian representatives in the United States (possibly Azzam Pasha) on the implications of UN action and possible alternative courses of action. We are suggesting, therefore, a message which will give the broad outline of the problem and suggest the difficulties involved in taking the matter to the Security Council. We will, at the same time, however, indicate some willingness to consider Security Council action which might lead to an advisory opinion by the International Court of Justice.

We suggest, also, that, in view of our discussions with the British at Bermuda on the Gulf of Aqaba and subsequent exchanges in Washington, we inform them of the Saudi letter and discuss with them immediately of our contemplated action.

Recommendations:

1. That you transmit to the White House the attached suggested reply for signature by the President. (Tab A)⁴
2. That we inform the British immediately of the letter from King Saud and of our suggested reply and discuss with them further courses of action.

⁴ A copy of the draft message from Eisenhower to Saud has not been found. On May 14, Rountree forwarded to Dulles a suggested message to King Saud, which had been revised in accordance with a conversation between Rountree and Dulles on May 11. (Memorandum from Rountree to Dulles, May 14; Department of State, Central Files, 974.7301/5-1457) The suggested message was transmitted to the White House on May 14, approved by Eisenhower (who initialed the copy in the Eisenhower Library, Whitman File, Dulles-Herter Series), and transmitted to the Embassy in Jidda for delivery in telegram 1032, May 15. (Department of State, Central Files, 684A.86/5-1357)

In the letter, Eisenhower noted that the U.S. position in the Security Council would depend in part on the approach and action taken by Saudi Arabia. The United States therefore believed it desirable to hold further discussions with Saudi Arabian representatives in Washington. In these talks, the United States and Saudi Arabia could review aspects of the problem of raising the question in the Security Council and discuss the status of the Gulf of Aqaba and the Straits of Tiran. (*Ibid.*, 684A.86/5-1357)

3. That we hand a copy of the message to the King, when approved, to the Saudi Arabian Ambassador here, and suggest discussions with him and with Azzam Pasha in anticipation of further discussions as suggested by the letter.⁵

⁵ Subsequent to this memorandum, on May 21, Rountree recommended to Dulles that he call in Eban to discuss Saudi accusations concerning Israeli warships in the Gulf of Aqaba and to urge that Israel keep its war vessels in port temporarily. Dulles approved the recommendation and designated Herter to speak with Eban. (Memorandum from Rountree to Dulles, May 21; *ibid.*, NEA/NE Files: Lot 59 D 582, Memos to the Secretary thru S/S 1957) On May 25, Eban told Herter that Israeli warships were tied up at Elath and had not violated the territorial waters of Saudi Arabia. (Memorandum of conversation by Wilcox, May 25; *ibid.*, Central Files, 780.00/5-2557)

325. Telegram From the Department of State to the Embassy in the United Kingdom¹

Washington, May 11, 1957—3:15 p.m.

7951. Ambassador Caccia informed Department May 11 his Government's appreciation US cooperation in trying to get better terms from GOE and assisting British Government in mounting difficulties. SCUA discussions revealed inability member governments to continue holding back vessels from using Canal. SCUA Communiqué welcomed.² Government plans announce in Parliament 3:30 PM Monday withdrawal present advice to shippers permitting them use Canal provided GOE agrees opening special account into which ship tolls can be paid.³ UK also discussing with Egypt possibility widening use this

¹ Source: Department of State, Central Files, 974.7301/5-1157. Confidential. Drafted by Shaw and approved by Dillon who signed for Dulles. Repeated to Cairo.

² On May 9, the Council of the Suez Canal Users Association issued a communiqué which criticized the Egyptian Declaration for not meeting the six requirements of October 13, 1956, and noted that future use of the Canal by member states did not imply acceptance of the Egyptian Declaration as a settlement of the Suez Canal question. For text of the communiqué, see *United States Policy in the Middle East, September 1956-June 1957*, p. 392. Department of State instructions to the Embassy in London concerning the communiqué are in telegram 7828, May 7. (Department of State, Central Files, 974.7301/5-757)

³ On May 7 in Basel, representatives of the Bank of England and the National Bank of Egypt, acting with the approval of their governments, initialed an agreement which provided for the National Bank of Egypt to open a transferable account (designated as No. 1 Special Account) with the Bank of England, through which toll charges could be paid in pounds sterling. An unofficial copy of the text of the agreement is *ibid.*, NEA/IAI Files: Lot 69 D 488, Suez Canal Tolls and Dues 1957. According to comments made by Dillon and Rountree at the Secretary's Staff Meeting on May 9, the agreement was "concluded successfully, from the British viewpoint". (Tentative Notes, May 9; *ibid.*, Secretary's Staff Meetings: Lot 63 D 75)

account to cover resumption current trade with Egypt. UK prepared discuss GOE desire for unblocking all Number One accounts; this would be done however only in context of settlement covering all outstanding claims and counter claims. For confidential information USG, UK planning allow payment from Number One Account to cover contracts entered into before July 28, 1956 for which no confirmed credits were opened with UK banks and in respect to which goods had not yet been shipped.

Ambassador stressed foregoing should not be interpreted as let-up on Egypt. Stated UK thinks attempt should be made soon obtain better terms from Egypt. His Government still waiting reply from SYG.

Dulles

326. Editorial Note

On May 13, Prime Minister Macmillan informed the House of Commons that Her Majesty's Government could no longer advise British shipowners to refrain from using the Suez Canal and that toll payments could be made in pound sterling through a new Number 1 Special Account (see footnote 3, *supra*). Macmillan also explained that the existing Number 1 Egyptian Account, containing assets received prior to July 26, 1956, would remain blocked. (Telegram 6168 from London, May 13; Department of State, Central Files, 974.7301/5-1357)

The next morning at the Secretary's Staff Meeting, the following remarks were made concerning the British decision:

"Mr. Dillon noted that we have passed a milestone now that the UK has allowed its shipping to proceed through the Suez Canal once more. He reported that yesterday he notified the oil companies informally and also the US Navy, which uses the canal principally for tanker traffic that the Department has no objection to the use of the waterway. In response to a question from the Secretary, Mr. Lincoln White said that he has made a number of statements to the press explaining that the Government has lifted restrictions and reverted to the situation which obtained in August 1956, that is, that payments are to be made under protest in accordance with US Treasury regulations." (Tentative Notes; *ibid.*, Secretary's Staff Meetings: Lot 63 D 75)

CONTINUED U.S. INTEREST IN THE ARAB-ISRAELI DISPUTE; U.S. DIFFERENCES WITH SAUDI ARABIA OVER ISRAELI TRANSIT THROUGH THE GULF OF AQABA; RETROSPECTION ON THE ASWAN DAM DECISION; U.S. REEXAMINATION OF THE PALESTINE REFUGEE QUESTION; ANGLO-AMERICAN DISCUSSIONS; U.N. CONSIDERATION OF MATTERS PERTAINING TO UNRWA, THE FINANCING OF UNEF, AND REPAYMENT FOR CLEARANCE OF THE SUEZ CANAL, MAY 14-DECEMBER 31

327. Memorandum From the Under Secretary of State (Herter) to the Assistant Secretary of State for International Organization Affairs (Wilcox)¹

Washington, May 14, 1957.

PALESTINE REFUGEES

I have read your memorandum of May 10² and in general approve its recommendations.

I would like to emphasize the importance of carrying out recommendation 4 that the Department promptly and diligently look into this problem with a view to coming up with a policy which would lead to a solution.

I also want to say that I do not favor going back to Congress, particularly at this time, to seek an even higher percentage of contribution to this agency unless such a step is absolutely unavoidable.

Please try to come up as soon as possible with a plan that would move us ahead on this whole problem which is serious and could cause increasing difficulty.

C.A.H.

¹ Source: Department of State, Central Files, 320.511/5-1057. Confidential.

² Document 323.

328. **Memorandum of a Telephone Conversation Between the Secretary of State and the Director of Central Intelligence (Dulles), Washington, May 15, 1957, 6:25 p.m.**¹

TELEPHONE CALL TO ALLEN DULLES

The Sec said he has been looking over the draft letter re intelligence on the Israeli-French-British attacks. The Sec doubts it is the right way to handle it—there is doubt as to what is the right way. Maybe they should talk about it. The Sec does not believe there was any way to get intelligence because he does not think on the part of the Br at any rate the decision was communicated to more than 1-2 people. They agreed we knew about the military build-up. A said the intelligence people in Britain told him they did not know about it. The Sec said you can't expect the impossible—can't read peoples' minds. A thinks we might drop it for the time being in any event. He does not think he will need it. He has had word today and thinks things have gone pretty well. The Sec said he could go the limit as to the value of the Agency to State. A said to lay it aside and if it becomes a matter of urgency he will take it up with the Sec.

¹ Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Transcribed by Bernau. A marginal notation on the source text by the Secretary's Special Assistant, Richard D. Drain, reads: "Relayed to Howe in detail and Norm Paul (CIA/LC) in general 16 May."

In a memorandum to Dulles sent earlier on May 15, Drain indicated that the CIA had learned from a member of the House Appropriations Special Subcommittee that Chairman Cannon intended to raise the charge of an intelligence failure, connected with the events of the previous autumn, during subcommittee hearings on the CIA budget scheduled for the following week. Drain also expressed his belief that Allen Dulles was not being pressed to produce a letter similar to the one drafted on May 2 (see attachment to Document 314), a copy of which Drain attached to his memorandum, but would perhaps benefit from a short letter from the Secretary indicating that "intelligence was satisfactory but official notification was non-existent". Drain recommended that Dulles discuss the matter with Allen Dulles. A marginal notation on Drain's memorandum by Macomber reads: "Sec called AWD—agreed skip the ltr." (Department of State, Central Files, 711.5280/5-1757)

329. Telegram From the Department of State to the Mission at the United Nations¹

Washington, May 16, 1957—12:24 p.m.

876. Re Leary Report,² urtel 913³ with which we in general agreement.

Syrian complaint raises two issues:

First is essence complaint namely, allegation that Acting Chief of Staff's conclusion concerning bridge is in error and should be reversed by Council. We cannot accept validity this approach which ignores (1) Chief of Staff's responsibility over DZ as Chairman MAC as defined Article V of Armistice Agreement⁴ and (2) procedure provided by Article VII of Armistice Agreement. As far as US is concerned Chief of Staff decision is final in absence MAC interpretation to contrary. (We recognize this alternative is an academic one as long as problem of further MAC meetings is unresolved.)

Secondly, Syrian complaint confronts Council with whole gamut of unresolved problems concerning DZ, some of which referred to in Leary's report. We do not believe Council can escape reference to other DZ problems, but we anxious avoid at this moment encouraging general debate on series of contentious issues in Zone. Since it would be difficult not to include reference to such issues in my resolution, we would hope that Council action might be limited to statements of members to be summarized by President as consensus of Council that: (a) authority of Chief of Staff in DZ has not been respected and consequently he has not always been able discharge his responsibili-

¹ Source: Department of State, Central Files, 683.84A/5-1357. Confidential; Priority. Drafted by Gamon and Sisco; cleared by Bergus and L/UNA; and approved by Wilcox. Walmsley signed the telegram for Dulles.

² On April 20, Colonel Byron V. Leary, Acting Chief of Staff of UNTSO, reported the results of an investigation made in response to a Syrian complaint that Israeli military forces had been building military fortifications and constructing a bridge of military value at the outlet of Lake Huleh. Leary's inspection team found that the bridge was not fortified, except for some mines placed along the western approaches to it. Leary concluded that the bridge had been erected in connection with the Huleh reclamation project and not for military purposes, and that he would not be justified in asking the Israeli Government to remove it. (U.N. doc. S/3815) Several weeks later on May 13, Syrian Representative Rafik Asha requested a meeting of the Security Council to consider the question. In a letter accompanying the request, Asha stated that his government questioned the conclusions of the report. (U.N. doc. S/3827)

³ Telegram 913 from USUN, May 13, reported recent developments concerning the Syrian request and endorsed a strategy for the Security Council, formulated earlier within the Department of State, whereby the U.S. Representative would express concern over the situation in the Syrian-Israeli demilitarized zone, dissatisfaction over Israeli resistance to Leary's inspection efforts, and full support for UNTSO and a future full-scale inspection of the area. (Department of State, Central Files, 883.84A/5-1357)

⁴ For text of the Syrian-Israeli Armistice Agreement, signed July 20, 1949, see *Security Council, 4th Year, Special Supplement No. 2.*

ties; his authority must be respected and parties should extend to him all appropriate cooperation; (b) note has been taken of Acting Chief Staff TSO's decision regarding bridge and that this decision final; (c) note has been taken of references in Leary report to other problems in DZ and that we assume Acting Chief Staff TSO will wish submit additional report at appropriate time concerning other problems mentioned in his report, including freedom of access in DZ. We do not envisage calling Leary to appear before Council next week.

In event Soviets or other SC member submit draft resolution we would wish consider in light actual text whether best tactic would be to reject it or submit alternative text embracing points noted above.

Suggest USUN consult with SYG and UK, Fr in first instance and then with other selected delegates along above lines.

In developing foregoing approach account has been taken of views expressed in USUN 917⁵ and Israeli views as well.⁶

Dulles

⁵ Dated May 14, not printed. (Department of State, Central Files, 683.84A/5-1457)

⁶ The Security Council subsequently debated the question introduced by Syria on May 23 (U.N. doc. S/PV.780) and May 28 (U.N. docs. S/PV.781 and S/PV.782). Before the debate's conclusion on May 28, Lodge, as President of the Security Council, summed it up by noting that all Council members appeared to agree that the authority of the Chief of Staff of UNTSO should be respected and that the parties should cooperate with him. A majority of the members, according to Lodge, supported the decision contained in the Chief of Staff's report. For text of Lodge's statements before the Council on May 28, see Department of State *Bulletin*, June 24, 1957, pp. 1029-1031.

330. Memorandum From the Deputy Assistant Secretary of State for International Organization Affairs (Walmsley) to the Secretary of State¹

Washington, May 18, 1957.

SUBJECT

Security Council Meeting on Suez

1. The Security Council will resume its discussions of the Suez matter at the request of the French on Monday² afternoon. The rea-

¹ Source: Department of State, NEA/IAI Files: Lot 69 D 488, Suez Canal-United Nations Efforts for Settlement Canal Problems. Confidential. Drafted by Sisco; concurred in by Dillon. Tabs A, B, and C are not attached to the source text.

² May 20.

sons for the French action and their objectives are indicated in the attached (Tab A).³

2. We sent to USUN on Friday a telegram containing our preliminary reaction to the French request for resumption of Security Council consideration of the Suez matter (Tab B).⁴ In this telegram USUN was asked to dissuade the French from tabling a resolution and to propose as an alternative that certain Council members in their statements seek clarification from the Egyptians with a view to bringing the Egyptian declaration more fully into accord with the Security Council's six requirements. There was suggested also the possibility that at the conclusion of the discussion Ambassador Lodge, as Security Council President, would make a statement summarizing the "consensus" of the Council, and if this was not possible, he would make a statement as United States representative. In the statement, Ambassador Lodge would take note of the question raised by a number of members and state his assumption that the Egyptian Government would wish to consider what clarifications it might want to make in response to the questions raised. In the meantime, the Security Council would remain seized. Mr. Dillon informed Alphand Friday afternoon of the substance of the above line, and Alphand called Paris to urge that an expeditious French response be made.

3. The French response was communicated to us at noon today. Alphand said that the French must submit a resolution to the Security Council which would seek the reopening of negotiations (Tab C).⁵ At the same time, the French were anxious to avoid polemics in the Council and not give to the Soviets an opportunity to appear as the sole defender of the Arabs. The French believe that the Soviets would have difficulty vetoing their resolution. Alphand said the French do not intend to table the resolution before receiving the views of the United States and the UK. The French intend to make available to us a

³ On May 15, the Embassy in Paris reported that the French Foreign Ministry had officially informed the Embassy that the French Government would submit the Suez Canal question to the Security Council on May 20. The Embassy speculated that French motives probably included the following: "(1) persistent strong emotional feeling concerning Suez and Nasser (reflected most recently in Mollet's last conversation with Secretary [see Document 318]); (2) domestic desirability of demonstrating every alternative exhausted before permitting French vessels to transit Canal (for which Treasury and shipowners already exerting strong pressure); (3) anticipated British deblocking of Egyptian assets; (4) effect of this dramatic step on survival of gravely threatened Mollet government. Last consideration may at least subconsciously have been decisive." (Telegram 5841 from Paris, May 15; Department of State, Central Files, 974.7301/5-1557)

⁴ Reference is to telegram 879 to USUN, May 17, not printed. (*Ibid.*, 974.7301/5-1757)

⁵ The memorandum of the conversation between Dulles and Alphand on May 18 is *ibid.*, 986.7301/5-1857.

copy of the speech Pineau, who arrives in New York Monday morning, intends to give at the first Security Council meeting Monday afternoon.

Yesterday the UK view was parallel to ours. They favored a consensus statement by Lodge in lieu of a French resolution. Coulson (UK) told Mr. Dillon that his government hopes to negotiate a settlement in due course with the Egyptians, and that injunctions against the Egyptians at this time and a Soviet veto of a French resolution would not be helpful. While the French have already made available their text to the UK, we have had no indication of the latter's reaction to the resolution. The French have not ascertained the views of the Secretary General but intend to consult with him during the course of the day. While the Secretary General would have no choice other than to accept such an assignment if the French resolution did not draw a Soviet veto and were adopted, we believe he is reluctant to undertake further discussions with the Egyptians on this matter.

4. There are several possible courses of action open to us:

(a) We could consult with the UK, the Secretary General, and others with a view to dissuading the French from introducing the resolution and accepting as an alternative our consensus procedure. In view of the apparent insistence of the French to submit its resolution, we do not believe that any further efforts on our part will change the French position.

(b) We could suggest to the French that they submit the resolution but not insist on pressing it to a vote, pending further clarifications which might be forthcoming from the Egyptian Government as a result of questions which members of the Council would raise in their statements. Should the French be willing to accept this course, it would still be possible for the United States to make its summarizing statement as the consensus of the Council.

(c) A third course would be to refrain from further efforts to dissuade the French from submitting a resolution and to abandon the idea of a consensus and undertake instead to persuade the French to alter its resolution. As a substitute for the present draft, we could suggest a revised resolution confined to a reaffirmation of the six principles and an expression of hope that further clarifications will be forthcoming from the Egyptians which will bring the Declaration more fully into accord with the six requirements.

331. Editorial Note

On May 19, Ambassador Alphand indicated to Secretary Dulles in Washington that Foreign Minister Pineau, scheduled to arrive in New York the following day, might be willing to forego submitting a resolution on the Suez matter to the Security Council, if the United States could issue a statement somewhat stronger than the one Lodge delivered on April 26. (Telegram 887 to USUN, May 19; Department of State, Central Files, 974.7301/5-1957) For text of Lodge's statement of April 26, see *United States Policy in the Middle East, September 1956-June 1957*, pages 390-392.

The following day in New York, Pineau expressed to Lodge a desire to extend the Security Council sessions through May 22 and noted that if a suitable formula could be found, it could be substituted for a resolution. Lodge then suggested the consensus procedure and Pineau indicated that Lodge's summary should include reference to questions concerning the execution of provisions in the U.N. Charter, compensation, arbitration procedures, compulsory jurisdiction of the ICJ, and how the unilateral Egyptian Declaration was to be made multilateral. (Telegram 952 from USUN, May 20; *ibid.*, 974.7301/5-2057)

On May 21 in Washington, Secretary Dulles reconfirmed to Pineau Lodge's promise that the summation statement would be made available to Pineau prior to delivery, and Pineau expressed his willingness to let proceedings conclude that afternoon. (Memorandum of conversation by Elbrick, May 21; *ibid.*, 974.7301/5-2157) That same day in Paris the Mollet government fell from power.

The Suez Canal question was discussed at the 778th and 779th meetings of the Security Council on May 20-21. (U.N. docs. S/PV.778 and S/PV.779) For text of the two statements made by Lodge on May 21, see Department of State *Bulletin*, June 17, 1957, pages 987-989. Lodge concluded by acknowledging that the Security Council would remain seized of the question.

332. Editorial Note

On May 24, the Chiefs of Mission of 11 Arab countries (Egypt, Iraq, Jordan, Lebanon, Libya, Morocco, Saudi Arabia, Sudan, Syria, Tunisia, and Yemen), at their request, met with Secretary Dulles at the Department of State to discuss the Algerian question and the questions of Israeli shipping in the Gulf of Aqaba and Israeli use of the Suez Canal. During the meeting, Syrian Ambassador Farid Zeineddine, acting as spokesman for the group, read a statement dealing with these questions. In regard to Israeli transit of the Gulf of Aqaba, the statement argued among other points that the presence of Israeli land and sea forces in the Gulf of Aqaba was in defiance of Security Council resolutions and of the Armistice Agreements of 1949 and that the Gulf of Aqaba was "a narrow closed Gulf covered by Arab territorial waters, and that entrance to it is also Arab territorial water". For text of the statement, which the Arab Chiefs of Mission subsequently released to the press, see *American Foreign Policy: Current Documents, 1957*, pages 973-979. A copy of the memorandum of conversation by Tyler is in Department of State, Secretary's Memoranda of Conversations: Lot 64 D 199. A copy of a briefing memorandum prepared in the Bureau of Near Eastern, South Asian, and African Affairs for Dulles prior to the meeting, and which the Secretary saw, is *ibid.*, NEA/NE Files: Lot 59 D 582, Memos to the Secretary thru S/S 1957.

A reply to the Arab démarche was prepared in the Bureau of Near Eastern, South Asian, and African Affairs; on June 17 Rountree informed the Secretary's Staff Meeting that a reply had been completed and that it took "the Israeli side" on the Suez and Aqaba issues and might, therefore, "tend to play into Syrian and Egyptian hands". (Tentative Notes; *ibid.*, Secretary's Staff Meetings: Lot 63 D 75) Two days later Secretary Dulles approved the reply and the procedure under which it would be delivered as a circular memorandum to the Embassies in question with a covering note from Dulles. Prior to delivery, the Department of State was to brief representatives from friendly Arab states on its contents. (Memorandum from Rountree to Dulles, June 19; *ibid.*, NEA/IAI Files: Lot 70 D 229, Political Affairs & Relations 1949-1963, Free Access to the Sea) The reply, which was a restatement of the U.S. position publicly known on the subjects, was delivered to the 11 Embassies on June 27 and released to the press the following day. For text, see *American Foreign Policy: Current Documents, 1957*, pages 985-988. In regard to the Gulf of Aqaba question, the U.S. reply reaffirmed the position expressed in the aide-mémoire of February 11 that the Gulf of Aqaba comprehended international waters and that no nation had the right to prevent free and innocent passage in it or through the straits giving access to it. In the reply, the United States Government also noted the Arab statement with respect

to the movement of Israeli warships in the Gulf of Aqaba and observed that the subject raised "complex questions both of fact and law".

333. Letter From the Secretary of State to Senator J. William Fulbright¹

Washington, May 29, 1957.

DEAR SENATOR FULBRIGHT: I have received your letter of May 22, 1957 requesting further information in connection with the documents covering the Aswan Dam negotiations which have been forwarded to the Foreign Relations and Armed Services Committees.

I have given careful thought to your questions and I am enclosing a memorandum containing this Department's answers to those questions.

Sincerely yours,

John Foster Dulles²

¹ Source: Department of State, Central Files, 874.2614/5-2957. Secret. Drafted by Stabler on May 28. The letter was written in response to a letter from Fulbright to Dulles of May 22, in which Fulbright raised additional questions concerning documentation on U.S. policy and the Aswan High Dam. (*Ibid.*, 780.00/5-2257) Regarding the Senate request of January 29 for Department of State documentation concerning U.S. policy in the Middle East, see Document 44.

On May 29, Rountree forwarded the letter printed here to Dulles for his signature. In the covering memorandum, Rountree advised: "in general there are no additional documents which should be made available to Senator Fulbright in connection with the Committees' consideration of the Aswan Dam negotiations. The questions which have been raised touch upon other subjects, such as the Soviet arms deal with Egypt, and must be considered in the light of the atmosphere of that particular period which is not spelled out in these particular documents but which presumably will be spelled out in the documents for the years 1954, 1955, and 1956. We consider that it would be unwise to make available additional documents dealing with events not immediately connected with the Aswan Dam negotiations out of their chronological order." Rountree concluded that it would be best to respond to Fulbright in the form of "an authoritative written statement". (*Ibid.*)

² Printed from a copy that bears this typed signature.

[Attachment]MEMORANDUM³

1. *What is the explanation for the sudden interest of the United Kingdom in the Dam project in the fall of 1955 after previous coolness?*

The sudden interest of the British Government in the High Dam project in the fall of 1955 appears based upon apprehension over the Middle East situation as a result of the Egyptian-Soviet bloc arms deal, reports of Soviet offers of general economic aid to Egypt, and the issuance of the IBRD study that the project was technically and economically sound.

The British Government was reported greatly concerned with the Russian arms offers; Prime Minister Eden regarded the offer to Egypt as the most "sinister" development in the East-West conflict since the Soviets took over Czechoslovakia. The British Government informed the United States in October 1955 it regarded a Russian undertaking to construct and finance the High Aswan Dam following the sale of Czech arms to Egypt would be a very serious blow to Western prestige and influence in the Middle East, providing the Russians with a means of exercising a dominating influence politically and economically in this area.

The International Bank report issued in the fall of 1955 indicated that the High Dam project was technically and economically sound. The British Government, however, saw difficulty in relying on participation by the Bank in financing the project, first because of the delay and second, if international tenders were called for, it would not be possible to exclude the Russians or the satellites from bidding. The British Government stated it attached greatest importance, however, to their fear of delay with the possibility the Soviets would benefit therefrom.

2. *What is the background of the failure to question the Russians at the Geneva Summit Meeting on their offer of arms and aid for the Aswan Dam?*

At the time of the Geneva Summit Meeting in July 1955 the United States was still in the phase of negotiating with Egypt on both the acquisition of arms by Egypt and on the financing of the High Aswan Dam.

³ Shaw drafted sections 1 and 4; Stabler drafted sections 2 and 3 on May 28, and Dulles redrafted portions of the memorandum on May 29. The original draft of the memorandum, as transmitted to Dulles on May 29, is attached to Rountree's memorandum to Dulles of May 29. A comparison indicates that the subsequent revisions affected paragraphs 3, 4, 5, and 6 of section 4.

1. *Arms.* With regard to the question of arms, grant military aid was offered to Egypt in August 1954 immediately following the conclusion of the Suez Base Agreement between Egypt and the United Kingdom. This offer was kept open until January 1955 at which time Egypt indicated it could not sign the agreement required by United States legislation. Inconclusive conversations with Egypt were held in June 1955 regarding the purchase of arms in the United States. At this time reports of negotiation between Egypt and the USSR on the acquisition of Soviet arms were current, but these reports were not substantiated. In the light of the failure to substantiate reports of an Egypt-USSR deal on arms, the United States in June 1955 approved in principle the purchase of arms in the United States (a standard MDAP agreement having been signed by Egypt in December 1952) and on June 30 Egypt submitted its list of requirements which were immediately sent to Defense for study as to availability and timing. On July 1 Nasser indicated that Egypt would pay United States dollars for arms which the United States decided to supply.

This then was the situation regarding arms at the time of the Geneva Summit Conference. Since the United States was actively negotiating with Egypt on the acquisition of arms in this country and since there was no substantiation of reports that Egypt was interested in accepting a Soviet offer of arms (in fact, it was reported that Egypt had decided to defer action on a Soviet offer in order to make a "serious" effort to purchase arms in the United States), it was believed to be neither necessary nor appropriate to raise this question with the Soviets at Geneva.

2. *High Aswan Dam.* By the time of the Summit Meeting in July 1955 the entire question of the Aswan Dam was still in the preliminary phases of study by the IBRD, in consultation with the United States and the United Kingdom. There had been no discussion or even reports of discussions of a Soviet offer of aid to Egypt specifically for the construction of this dam, although offers of general economic aid to Egypt, in line with the new Soviet policy, had been reported. Consequently, there were no grounds on which the matter of the Aswan Dam could be raised at Geneva.

3. *What is the background, and what are the details, of your agreement with Foreign Minister Lloyd in May 1956 by which the Dam project was to be allowed to "languish"?*

After a lengthy study of the possibilities of constructing the Aswan Dam which began in April 1953 with a group consisting of one Frenchman, one German and three Americans and concluded in August 1955 after a study by the IBRD, the United States joined with the United Kingdom on December 16, 1955 in offering to Egypt to provide \$70 million of grant aid towards defraying the foreign exchange cost of

the first stages of work on the dam. The United States and the United Kingdom also stated that subject to legislative authority, and in the light of existing circumstances, they would be prepared to consider sympathetically further support toward financing later stages of the construction. This financing would supplement assistance to be extended by the IBRD.

On February 22, 1956 the Egyptian Government raised certain objections to the United States-United Kingdom offer of December 1955 and requested certain changes apparently designed:

- a) To assure United States-United Kingdom financial assistance beyond that which had been offered for the first phase of construction
- b) To secure greater freedom of action for Egypt in regard to economic measures which might be required
- c) To increase the political attractiveness of the language of the Aide-Mémoires.

It must be recalled that at this particular time the atmosphere between Egypt and the West was not cordial owing to the Egypt-Soviet Bloc arms deal, the Egyptian attacks against the Baghdad Pact, Egyptian activities in North Africa and Egyptian intensification of anti-United Kingdom propaganda. Because of this atmosphere and because the British showed little disposition to change their position as stated in the December 1955 Aide-Mémoires and in light of the fact that the Egyptians themselves had indicated that no further progress could be made on the December proposal until they had reached agreement with the Sudan on the division of the Nile waters (such an agreement then being considered remote by United States observers), the United States believed that it would be a mistake to bring the issue to a head by negotiating further on the changes to the December 1955 Aide-Mémoire prepared by the Egyptians in February 1956. Although the United States had reports that the Soviets were making an offer of assistance for the Aswan Dam, we had no intention of trying to outbid them. The United States considered that it was necessary not only to give Egypt time to work out an agreement with the Sudan, but also to make clear whether it really intended to concentrate its resources on the Aswan Dam project.

It was thus with this background that the Secretary and Foreign Secretary Lloyd determined at Paris in May 1956 that no immediate further action was needed on the Aswan Dam project.

4. What was your reasoning regarding the withdrawal of the Dam aid offer?

The United States proposal to assist the Government of Egypt provided, among other things, that before the commitment of any funds beyond those initially offered there would be a satisfactory resolution of the question of the Nile water rights, and that Egypt

would concentrate its economic resources upon this vast construction program. Egypt's response to the United States offer indicated that our proposal was not satisfactory and might not be accepted in as much as it provided Egypt with no assurance that support would be forthcoming for the entire project unless Egypt complied with the aforementioned conditions. Moreover, other developments in the months which followed the United States offer of aid indicated that the project was not likely to be a success.

1. The riparian states such as Ethiopia, the Sudan, and Uganda evidenced increasing concern as to the effect of this project on the availability of Nile waters for their own growing requirements.

2. The financing of the Aswan Dam represented a tremendous undertaking. Mobilization to finance the more than \$1.3 billion involved would require great economies in terms of both external and internal financial outlays. Following the United States offer it became increasingly clear that through its arms arrangement with the Soviet bloc, Egypt was increasing its dependence on the Soviets and had mortgaged a considerable part of its foreseeable income. By building up its arsenal at the expense of domestic economic development program it had undermined its capability for financing the High Dam. It became apparent during the first half of 1956 that Egypt's foreign exchange balances were such that they were drawing very heavily upon sterling reserves to meet current foreign exchange requirements, and in the circumstances it became very doubtful as to whether Egypt could successfully carry out over the long term its share of the economic cost for the construction of the High Dam.

3. It was felt that Egypt's share of the project could be carried through if at all only by a prolonged and intensive internal austerity program, which would involve the giving up of many minor projects of shorter range designed to improve the Egyptian economy. It was felt that in the face of a restive public demand for some of these measures any Egyptian Government would inevitably place responsibility for its austerity program upon the "foreign money-lenders" and the terms they imposed, and that the end result would be that the foreign lenders would increasingly become unpopular and that the project instead of promoting good relations might work in the opposite sense.

4. The political attitude and actions of Egypt such as recognition of Communist China, its anti-Western propaganda and determination to enter into arrangements with the Soviet bloc was disturbing in view of our announced willingness to assist on what was understood to be Egypt's major project.

5. The attitude of underdeveloped countries friendly to the United States and associated with us in mutual defense undertakings also had to be considered. Following the announcement of the United States offer to assist in construction of the Aswan Dam, leaders in these countries were outspoken in questioning a program of large capital assistance to a government which pursued neutralist and even unfriendly policies toward the West. These leaders said that opinion in their own countries was bound to be disillusioned by a project of this kind when the friends of the United States appeared to be receiving less favorable treatment.

6. Along with these considerations of an economic and foreign policy character, views held and expressed in the United States had to be taken into account. In this country, there was opposition to United States assistance in the building of the Aswan Dam, both on the ground of Egyptian policies and actions which were considered to be unfriendly, and on the ground that the Aswan Dam project would increase the cotton production of Egypt and aggravate the problem of world surpluses in cotton. Opposition was voiced during consideration of the Mutual Security bill last year, and the Senate Appropriations Committee even included in its report on this legislation a section strongly opposed to the use of any Mutual Security funds for the Aswan Dam.

In view of all of these circumstances and of the apparent determination of Egypt to force a "yes or no" decision from the United States despite the conditions outlined, it appeared that the only sound answer that the United States could give Egypt was a negative answer.

334. Telegram From the Embassy in Egypt to the Department of State¹

Cairo, May 29, 1957—3 p.m.

3627. Saw Nasser yesterday at his residence to take leave. He appeared several minutes late, explaining had worked through night till 7 a.m. and had just awakened.

[Here follows Nasser's brief description of his work habits, followed by an hour-long discussion of current problems before his government and its philosophy. After describing his domestic policies as "cooperative capitalism", Nasser turned the conversation to the subject of foreign affairs.]

But, said Nasser, however much importance may be attached to domestic policy there is no evading influence which foreign affairs exert on domestic affairs. For instance, only serious domestic opposition is growing strength of Communists who feel (1) that government would hesitate prejudice friendly relations with Soviet Union by moving against them, and (2) that elections should provide opening for their activity. Government does appreciate various forms of aid and support it has received from Soviet Union. Most of these are well known but perhaps USG does not know that Russians made offer

¹ Source: Department of State, Central Files, 774.11/5-2057. Secret; Noform. Received at 4:47 p.m., June 1. Repeated to London, Paris, Moscow, Amman, Baghdad, Beirut, Damascus, Jidda, and Tel Aviv.

about three months ago to exchange gold for equivalent of ten million Egypt pounds in order enable Egypt make purchases in Western Europe. Offer had not been accepted because Egypt did not wish become too closely identified with Russians and now situation such that not needed.

Regardless this satisfactory relationship with Soviet Government GOE understands expansionist aspect of international Communism and wants none of it in Egypt. However, GOE is in dilemma so long as it feels USG following hostile policy of which difficult foresee future developments. GOE hesitates take all-out stand against Communists and then find itself engaged on second front with USG. In these circumstances primary concern of GOE is intentions of USG.

"What is your policy toward Egypt?" Nasser asked. He would like to know even though the answer were unpleasant. In particular, he would like to know the answers to three questions. First and most important is our attitude to positive neutrality since this is cardinal point in Egypt policy and failure reach some understanding on it will inevitably leave us in opposition to each other.

Second question is our attitude on nationalism where impression given we are out destroy it. Third question is what "conspiracies" we had in mind re Egypt regime.

I shall not prolong this message by giving my rebuttals to implications in those questions except to note that I bore down hard on question re our "conspiracies", maintaining that any action resulting from our difference with GOE had been straight and above-board and that we had in particular maintained a 100 percent hands-off policy in Egyptian domestic affairs which I challenged Nasser disprove. He admitted term "conspiracies" was perhaps one peculiar his own vocabulary and that what he had meant was not subversion but actions which might nevertheless be directed to weakening GOE. Perhaps he should have said "hostilities" instead of "conspiracies".

Nasser said he had debated for long time whether bring up these questions for two reasons. First, he knew Communist issue always being used as device to get American attention and he did not want seem be doing so; problem real for GOE. Second reason was that he did not wish seem place himself in position of being down and out and asking for help; he was not. However, despite these misgivings, he had decided take occasion of my return to Washington to put his questions frankly in hope that he might be enabled see road ahead a little clearer.

In conclusion Nasser asked this talk be treated in confidence since he had spoken very frankly, especially on Communists.

335. Telegram From the Mission at the United Nations to the Department of State¹

New York, June 5, 1957—1 p.m.

1028. For Dulles from Lodge. Re Palestine. Out of experience with Palestine in GA this past year, I have become more convinced than ever that we cannot afford to continue to deal with Palestine question on piecemeal, ad hoc, crisis basis. The present time seems to me to be best we have had in several years to begin new initiative to get at basic Palestine problems.

This period will not last long. Our experience shows that few months of quiet is most that can be hoped for, and if they are not utilized, situation can take turn for worse. There is growing body of opinion in UN that now is time to act decisively on such basic problems as Palestine refugees, development of Jordan valley and rectification of boundaries. Norway and Canada are particularly interested in taking initiative in next GA.

Urge that we encourage such initiative, working with Norway and Canada to develop joint plans, and be prepared to back them with all influence we can bring to bear on Arabs and Israelis alike. I particularly feel we should not wait too long in view probability that UNEF will be diminishing asset in matter of months. Its financial implications alone make its future problematical and within foreseeable period, unless it has been accepted on Israeli side of line, its continued acceptability to Egypt will become matter of controversy.

It seems clear to me that failure to get at basic Palestine problems over past 8 or 9 years was largely responsible for producing most serious breach that has ever occurred in Western alliance, the results of which are still being felt. We should not risk repetition of this by failing to take advantage of relative quiet we now have. I am encouraged to feel that it is feasible to take action now by indications from Israelis and some of Arab states of greater readiness to make unpalatable concessions. But whether or not this is true, we have means of making a united effort in next GA succeed.

If we are prepared as I strongly believe we should be, to grasp this thorny problem now, then I think we should consider encouraging some means of getting the Suez and Aqaba transit problems before the International Court and sub judice in order to have them out of way and not involved in any general approach to Palestine question.

¹ Source: Department of State, Central Files, 884.411/6-557. Confidential; Priority. Received at 1:36 p.m.

Despite dangers we faced as result of Israeli-British-French action, we have, through President's and your leadership, gained best position we have had in many years in Middle East, and I believe in world generally. We should not fail to take advantage of these gains.

I would appreciate hearing your views.

Lodge

**336. Memorandum of a Conversation, Department of State,
Washington, June 11, 1957¹**

SUBJECT

Israel Warships in Gulf of Aqaba²

PARTICIPANTS

Mr. Abba Eban, Ambassador of Israel
Mr. Yohanan Meroz, Counselor, Embassy of Israel
The Under Secretary
NE—Donald C. Bergus

The Under Secretary said he had asked Mr. Eban to call for the purpose of talking about the communications sent to the United Nations by Saudi Arabia on the subject of the movement of Israel warships in the Gulf of Aqaba.³ Mr. Eban said that in a written statement addressed to the United Nations on the previous day, Israel had denied these reports.⁴ The Israel warships had remained in port at Eilat save for a training trip sometime in May. Israel had stated that the warships were under instructions to keep well out of Saudi Arabian waters. Israel had also said that it would not interfere with the pilgrimage.

¹ Source: Department of State, Central Files, 980.74/6-1157. Confidential. Drafted by Bergus.

² In a memorandum to Acting Secretary Herter dated June 7, Rountree reviewed past Saudi accusations and Israeli disclaimers concerning the presence of Israeli warships in the Gulf of Aqaba and noted that the United States had no substantiation of the Saudi Arabian reports regarding warship maneuvers, although the United States did have reports of Israeli Naval maneuvers in the Mediterranean. Rountree recommended that Herter "speak strongly to Ambassador Eban, emphasizing the grave concern of the United States over this continuing problem". (*Ibid.*, 974.7301/6-757)

³ Dated June 5; U.N. doc. S/3835.

⁴ U.N. doc. S/3838.

The Under Secretary said that the Saudis seemed particularly concerned about the pilgrimage which would shortly be taking place. He hoped that the Israelis could give assurance that there was no basis for this concern.

Mr. Eban replied that in the letter sent on the previous day to the Security Council, he had said that there had been no firing. News about the movement of an Israel merchant vessel through the Gulf had been censored. Israel was perplexed as to the basis of Saudi concern. The Saudis must know that they were not being bombarded as they claimed. Israel would be "off its head" to do such a thing at a time when they were trying to develop the Gulf as an avenue of peaceful commerce. Evidently the Saudis felt that they must keep this matter alive. Mr. Eban would like to assure the Under Secretary that there had been no exchanges of fire. The Israelis had told their ships to keep clear of territorial waters.

The Under Secretary read a news report from Jerusalem describing maneuvers of Israel destroyers and aircraft. Mr. Eban thought that this had taken place in the Mediterranean. Israel had no destroyers in the Gulf of Aqaba. Mr. Eban said that the United States could convey to the Saudi Arabian Government that Israel would continue to respect Saudi territorial waters.

The Under Secretary hoped that Israel had no intention of trying the Straits with a warship. Mr. Eban said he would check this but he did not think there was such an intention. The Under Secretary mentioned the existence of several channels through the Straits, including two which ran close to Saudi territory. Mr. Eban said he had been told that the safest channel was that which ran close to Egyptian territory.

Mr. Eban posed what he considered a related question: Was there any truth in reports that Saudi Arabia was actively seeking to acquire destroyers and other naval vessels under its military arrangements with the United States? There had been questions in the British House of Commons to this effect. The Under Secretary said that this was the first he had heard of such a report which he was inclined to doubt.

Mr. Eban said that he would convey to his Government United States sensitivity on the Israel warship question. The Under Secretary said that we would assume that Israel continued to pursue a policy of avoiding warlike acts or undue publicity on movements of merchant vessels in the Gulf of Aqaba. The present breathing spell in the area seemed to be working in the right direction.

**337. Memorandum of a Conversation, Department of State,
Washington, June 12, 1957¹**

SUBJECT

Israeli Warships in the Gulf of Aqaba

PARTICIPANTS

Abdul Rahman Azzam Pasha, Special Representative of King Saud of Saudi Arabia

Mr. William M. Rountree—NEA

Mr. Leonard Meeker—L

Mr. Joseph Sisco—UNP

Mr. James Ludlow—NE

Mr. David D. Newsom—NE

Mr. Rountree opened the session by reviewing the background of the recent exchange of letters between King Saud and President Eisenhower on the Gulf of Aqaba and the suggestion by the President that discussions might be held between United States and Saudi Arabian representatives, after which further steps might be considered.² He explained the United States view that the U.S. position in the event the problem of Israeli warship movements in the Gulf of Aqaba should be taken to the Security Council would depend in large measure on what Saudi Arabia intended to do in the Security Council.

Mr. Rountree said the Department had a series of questions which might serve to form the basis for a further examination of the problem. For example, does King Saud wish to have a Security Council meeting on the question of the Israeli warships? If so, what is the Saudi Arabian concept of the ultimate result of such Council action? Mr. Rountree stated that the Department presumed that if the matter were taken to the Security Council, the King would not wish to raise matters other than the movement of Israeli warships.

¹ Source: Department of State, Central Files, 980.74/6-1257. Confidential. Drafted by Newsom on June 17.

² In a letter to King Saud dated May 14, President Eisenhower suggested that U.S. officials discuss Saudi concerns over the Israeli presence in the Gulf of Aqaba with designated Saudi officials in Washington. (See footnote 4, Document 324.) In a reply dated May 25, King Saud agreed to conduct discussions as suggested, and restated the Saudi Arabian position that the Gulf of Aqaba was a closed Gulf. (Translation in Eisenhower Library, Whitman File, International File) Shortly thereafter, Saudi Ambassador Al-Khayyal indicated to the Department of State that the King had designated Abdul Rahman Azzam as his representative in this matter. (Memorandum from Rountree to Dulles, June 1; Department of State, Central Files, 980.74/6-157) On June 11, Burdett forwarded to Rountree, who had been designated U.S. representative in the discussions, a briefing package which included proposed talking points, a historical review of the Gulf of Aqaba problem, and other documents pertaining to the question. (*Ibid.*, 974.7301/6-1157)

Mr. Rountree also noted that King Saud's letter of May 7, 1957,³ had stated that Saudi Arabia considered the Israeli warships to be in the Gulf of Aqaba in violation of General Assembly resolutions. He asked what specific application of these resolutions the King might have had in mind. He also asked whether Saudi Arabia had analyzed the position of other states, particularly those in the Security Council and that of the Soviet Union.

Azzam Pasha, in reply, stated King Saud was worried about several aspects of the problem: Israeli warships in Arab waters; the establishment of rights of passage for Israel; and the threat to the traditional Pilgrimage routes. He explained that, for centuries, the traditional route for the poorer pilgrims from North Africa lay across Sinai to the town of Aqaba, and thence down the Eastern shore of the Gulf. Others, he said, came from the north to Aqaba. Some of both groups went by sea from Aqaba to Yenbo. The establishment of the Israelis at Elath had cut off the traditional North African route, but those from the north still came his way. He said the numbers who used this route might now be much smaller than in the past, but it was a route of great tradition with sacred connotations for the whole Moslem world.

Mr. Rountree said the United States was aware of the King's feeling regarding these pilgrim routes. Knowing this, the Department had expressed concern to the Israelis, not only over the reported warship movements, but also over the safety of the pilgrims. He said the Department had made clear to the Israelis that nothing should be done in any way which would interfere with this traffic. In reply, he said, the Israelis, had given categorical assurances that they would not interfere with the pilgrim traffic in any way and, on the contrary, would cooperate to facilitate it.⁴

Azzam Pasha replied that, whatever the Jewish assurances might be, in the Arab mind they were worth nothing. He stressed that the Arabs considered the Gulf of Aqaba to be their waters and they were not prepared to permit an Israeli fleet in these waters and then to ask mercy of the Israelis. He added that the question was wider than the Arab world; it was a Moslem problem and the Moslem world would

³ Reference is to King Saud's letter of May 6, delivered to the White House on May 7; see footnote 2, Document 321.

⁴ During a conversation on May 29, Eban informed Rountree that since Saudi Arabia had raised the subject publicly, the Israeli Government wanted to put on the record its assurances that the Israeli presence in the Gulf of Aqaba constituted no threat to the passage of Arab pilgrims. Eban also asked that the United States convey this message to the Saudi Government and handed to Rountree an aide-mémoire containing the assurance. (Memorandum of conversation by Bergus; Department of State, Central Files, 980.74/5-2957 and Israeli aide-mémoire; *ibid.*, 974.7301/5-2057) In a memorandum to Rountree on May 31, Wilkins cautioned that the question was very sensitive for the Saudi Government. Wilkins suggested that the delivery of the Israeli assurance be deferred until the proposed talks with the Saudi representative. Wilkins' memorandum bears Rountree's approval. (*ibid.*, 974.7301/5-2957)

not permit the Jews to sit on their sacred routes and then give passes to the pilgrims to let them pass. This would only arouse strong indignation, he said.

The immediate problem of concern to the King, Azzam said, was that of the violation of Saudi Arabian territorial waters by Israeli warships. The King was seeking his advice on whether to take this issue to the Security Council. He said he had examined the question at the United Nations and had even talked to the Russians. He has advised the King that he did not consider it would be useful for Saudi Arabia to take the matter to the Security Council because the violations, in themselves, do not form a subject which would bring satisfactory results. This question would undoubtedly lead to larger issues.

Mr. Rountree said that, on these larger issues, the United States recognized that important differences existed between the U.S. and Saudi Arabian positions. The U.S. position, he said, is based on legal considerations and principles involved. The United States does not wish to extend to Israel rights it did not have before the Israeli attack on Egypt, as a reward for Israeli withdrawal. The U.S. position is related in important respects to U.S. interests in other parts of the world since the situation in Aqaba could affect U.S. legal interests in maritime matters elsewhere. The U.S. would, however, review its present position in the light of a contrary ruling by an international judicial body. Mr. Rountree added that the question of warship rights was, in some ways, a different one from that of commercial usage and the United States had no preconceived notions about this.

Mr. Rountree continued that the United States had discussed the reports of warship movements with Israel and the Israelis had categorically denied the recent use of warships. He suggested that, in any Security Council consideration, problems of fact would arise. He agreed, also, with Azzam Pasha that the discussion in the Council could probably not be limited to the narrow issue of warship movements. He added that the United States view toward Security Council consideration depended on what Saudi Arabia saw as the ultimate objective of the Council consideration. Did Saudi Arabia desire merely a general discussion, as in the Suez matter, in order to bring the problem before world opinion? Or did Saudi Arabia seek action which would lead to a legal ruling. Mr. Rountree stressed that the United States did not object to a ruling being sought from the International Court of Justice.

Azzam replied that the King was waiting for the view of the United States before deciding what to do since he did not want to quarrel with the United States. If he knew what the United States might do in each case, he can then decide. Azzam said then, out of the

talks in the Department, he could advise the King that it was best not to go to the Security Council. Perhaps, he said, this was what should be done for the present.

Azzam stressed that Saudi Arabia did not agree with the United States position. In the Arab mind, he said, the United States is an outsider which stepped in and made a declaration with the good intentions of stopping a quarrel. He stressed that this had not been the time for the United States to express an opinion on Aqaba; it had no appreciable trade in the Gulf, no shipping, no interests. It served only to place the United States in a position against the Arabs.

Israel, he said, had come to the Gulf and wanted the whole situation changed. Practically, he said, the Jews were there, but to the Arabs, they were not there legally. The Israelis had upset the status quo. They had warships in the Gulf and international forces on the Gulf to protect them. Then, he said, they call what they are doing "innocent passage".

Further, Azzam said, the United States declaration was trying to force matters as if there were no belligerency between the Arabs and the Jews. The whole thing was being played in Israel's favor. In the Arab mind, the United States was in the position of maintaining Israel's position. The United States, he said, cannot deny the enmity and the belligerency. Saudi Arabia, he stressed, was still in a state of war with Israel.

Mr. Rountree replied that the views Azzam had stressed clearly indicated the difference of views between the United States and Saudi Arabia. He added that the United States did not insist its views remain inflexible and had suggested consideration by the International Court. Meanwhile, he said, the differences remained.

Mr. Rountree mentioned that the Security Council had already assumed a position on belligerency. He then explained that the United States had made strong efforts to get the Israelis out of Egyptian territory. He did not know how this would have been possible if there had been a continuing right of belligerency on Egypt's part. We had taken the position that Israel had the right of transit through the Strait of Tiran only after it ceased exercising the right of belligerency by having its troops in Sinai and Gaza.

Azzam said, in his view, the Israeli withdrawal was not related to rights of belligerency but to the Israeli violation of the armistice agreement. He admitted the conciliatory role of the United States. In order to get them out in accordance with the United Nations resolutions, however, the United States, he said, had to satisfy them on other points. He said he was not blaming the U.S. because he was certain its intentions were of the best. The immediate problem, he said, however, was to find a way to assure continued peace in the Gulf. He asked whether there might be a narrower view of "innocent passage" devel-

oped. Is there a way, he said, whereby the United States could maintain its theory and the Arabs their view and find a modus vivendi to prevent the peace from being broken.

One of the problems, Azzam said, is that the Jews talk of the Gulf as if they could do anything they wanted there. He mentioned the transportation of strategic materials. This attitude, he said, left no room for understanding. Both sides might see, he said, whether an interim measure could be developed until the matter could be brought before the International Court or the Security Council. If such a means could he said, he would then be willing to make the suggestion to the King. He added that, if such a measure were possible, the United States and Saudi Arabia might take it together to the Security Council.

With reference to the International Court, Azzam said, he had asked the King about the Court, but had no reply. If the matter were to go to the Court, he said, Saudi Arabia would want first to consult with the other Arab states. He noted that the Egyptians had said they would not object.

Azzam stressed that the idea of an interim measure was his own and that the King's position remained firmly that the situation should be returned to the status quo prior to the Israeli invasion. He then asked whether a country did not have a right to stop the passage of warships through its territory, even if the right of innocent passage existed.

Mr. Meeker replied that there was a difference in international law between innocent passage by a warship and by commercial vessels. A sovereign could, he said, require previous notification and authorization for a warship.

Azzam mentioned that an agreement on passage through the Strait of Tiran existed on this matter between Egypt and Great Britain. Mr. Meeker said that this did not apply to other states. He added that in the draft on the law of the sea by the International Law Commission in 1956,⁵ it was stated that innocent passage through an international strait cannot be suspended by the coastal sovereign. When Azzam noted that the Gulf of Aqaba comprised largely territorial waters and that Egypt and Saudi Arabia claimed six miles each, Mr. Meeker said that the United States did not recognize territorial waters to a limit of more than three miles, and pointed out that the Gulf of Aqaba at some points was 17 miles wide.

Returning to his suggestion for an interim measure, Azzam said that control of the Gulf had gone from 100 per cent Arab to 100 per cent Israeli. He said the United States should adopt a legal attitude

⁵ The draft articles on Law of the Sea are in the Report of the International Law Commission for 1956. (U.N. doc. A/3159) See also *Yearbook of the International Law Commission*, vol. II. (U.N. doc. A/CN.4/SER.A/1956/Add 1)

which is not so completely against the Arabs. He suggested that innocent passage should not include Israeli warships, strategic materials, or Israeli-flag commercial vessels.

Mr. Rountree then noted that any consideration of this problem which might ultimately go to the Security Council raised the question of the type of resolution which might be put before the Council. He noted that such a resolution might or might not be in Saudi Arabian interests. It was possible, he said, that some Council members might suggest a recommendation that the Gulf be demilitarized, or that Israeli warships could be confined to certain areas of the Gulf. On the other hand, he said, it was possible some nations might move to confirm the right of Israeli warships to use the Gulf. Some nations might also seek to re-emphasize the absence of any basis for the exercise of belligerent rights.

Azzam Pasha agreed that these various considerations emphasized the difficulties of taking this matter to the Security Council unless the United States and Saudi Arabia were prepared to support a proposal related to the larger issue.

Mr. Sisco also pointed out that one possibility in the event the warship case went to the Security Council would be a recommendation for a fact-finding commission. He also pointed out the advisability of avoiding a situation in which the various parties concerned were required to assume a public position on this delicate issue.

• • • • •

It was agreed that the Department and Azzam would examine further possibilities of actions which might be taken in connection with the Aqaba problem and that the Department officials and Azzam Pasha would meet again at 3:00 p.m. June 17, 1957.⁶

⁶ See Document 341.

338. Telegram From the Department of State to the Mission at the United Nations¹

Washington, June 13, 1957—8:47 p.m.

947. For Ambassador Lodge. I appreciate thoughts in your telegram 1028² on desirability taking advantage of present relatively improved situation to make new moves toward settlement basic Palestine problems. We have been giving careful consideration to what steps might be taken and share your view that forthcoming General Assembly may provide opportunity for substantial efforts. We are not convinced, however, that at this stage we can encourage or join in any multi-nation approach to Palestine problems. Rather, we feel that an attempt to obtain some movement on individual segments of Palestine problem offers most immediate favorable prospects. Thus we are giving careful study to refugee problem. Following formulation of US approach to this problem, we may be in better position to assess chances of moving ahead with other nations prior to and in GA.

Dulles

¹ Source: Department of State, Central Files, 884.411/6-557. Confidential. Drafted by Gamon, Burdett, and Ludlow; cleared by Rountree and Walmsley; and approved by Dulles.

² Document 335.

339. Memorandum of a Conversation, Department of State, Washington, June 14, 1957¹

SUBJECT

The Gulf of Aqaba²

PARTICIPANTS

Mr. Abba Eban, Ambassador of Israel
Mr. Reuven Shiloah, Minister, Embassy of Israel

¹ Source: Department of State, Central Files, 980.74/6-1457. Secret. Drafted by Bergus on June 17.

² During Dulles' conversation with Ambassador Eban, the following topics were also discussed: Israel's use of the Suez Canal, U.S. economic and military assistance to Israel, the situation in Gaza, the forthcoming visit of Israeli Finance Minister Eshkol, and prospects for an Arab-Israeli peace. Separate memoranda, prepared for each of these topics, are *ibid.*, Secretary's Memoranda of Conversations: Lot 64 D 199.

The Secretary
NEA—William M. Rountree
NE—Donald C. Bergus

Mr. Eban said there were signs of improvement in the Near East. There were lessening chances of military outbreak, less emotionalism with respect to Israel, and growing awareness of the threat of Nasser and Communism. It was against this background that he wished to raise a matter which was disquieting Israel.

Mr. Eban referred to the Saudi Arabian attitude with respect to the Gulf of Aqaba. Israel had done what it could to decrease tension, such as minimizing publicity on transits through the Gulf, and eliminating the United States aspect by stressing vessels of other flags. One Israel flag vessel had now passed through. The traffic to and from Eilat was innocuous to legitimate Arab interest.

On the other side, there had been effort to increase tension. There had been false charges that Israel ships had bombarded Saudi territory. Mr. Eban assured the Secretary that these reports were untrue. The Israelis would be "off their heads" to do such a thing. If the Saudis had in fact been bombarded they would have done much more than send a letter to the Security Council. Mr. Rountree mentioned that a Saudi representative had recently stated privately to him that the bombardment had taken place on the Egyptian side of the Gulf.

Mr. Eban continued that the Saudis were now appealing to religious sentiment and stating that Israel's presence in the Gulf threatened the pilgrimage. Mr. Eban said that this was untrue and referred to his Government's assurances on this point. Furthermore, only 2 percent of the pilgrims to Mecca came via Aqaba, therefore the action of Saud and Hussein in closing the Gulf had been purely gratuitous. The Saudis had put pressure on Iran with respect to oil sales to Israel. There had been pressure on the Turks with regard to their relations with Israel. Parallel to this, the Israelis noted increased cooperation in the relations between Saudi Arabia and the United States. When the United States had pointed out to Israel the need for strengthening Saudi Arabia against Egypt, Israel had seen the wisdom of such a course. The Israel Government hoped that the United States would use its influence to prevent difficulty in the Gulf.

Use of the Gulf of Aqaba, Mr. Eban continued, posed a crucial question for Israel. It was Israel's southern outlet and its defense and maintenance were more important to Israel than destroying this route would be of importance to the Arabs. Eilat would hardly become an oil port; it would be used primarily for things such as phosphate and potash. Israel had no certainty with respect to the use of Suez. Israel would be disturbed if a controversy developed with respect to the Gulf and the Saudis raised litigation. This would serve to discourage shipping companies from using this route. Israel regarded the understand-

ings reached on the basis of the United States February 11 Aide-Mémoire as paramount. Israel hoped that the United States could tell the Saudis that it was to their interest to make less of an issue of this. There should be no act of interference nor raising this as a litigious or contentious issue. The United States position should be emphasized.

As for Israel warships, Mr. Eban could now say that there was no intention to use them to convoy vessels through the Gulf. Israel would not move the vessels through the Straits either northward or southward. Although there were territorial waters in the Gulf which were indubitably Israeli, and Israel war vessels had a right to maneuver in them, Israel would abstain from maneuvers. The Secretary thought this showed a constructive attitude.

Mr. Eban said his Government was disturbed at reports that the United States might supply naval weapons to Saudi Arabia. This could lead to an explosive situation in the Gulf.

The Secretary said that he was perplexed to explain the degree of Saudi Arabian intransigence on this matter. When Saud had been in the United States he had shown considerable agitation but had seemed to acquiesce in the United States position towards the end of his visit, particularly when he noted our assurances with respect to the pilgrim traffic. We had been surprised at the action taken in closing the Gulf to pilgrims. The King was, however, surrounded by advisers, many of whom were unfriendly, even to the United States. The Secretary wondered whether the fact that Saud was splitting with Nasser and Syria made him feel that he must keep the Aqaba issue more actively alive.

Mr. Rountree said that we thought there was a great deal in that. The attitude taken by Saud and Hussein had been an attempt to elicit broad Moslem support. . . . Israel's plans with respect to the non-movement of its warships were a good step. The warships could have clouded the issue.

The Secretary said that while the Israel step was important, he did not know whether it would suffice. He felt that the Saudis would try to keep the issue alive. The United States was not giving Saudi Arabia naval craft of any kind. The Secretary was inclined to believe that the Saudis would do more talking than acting. That was our hope and that was the direction in which we were using our influence.

One point Mr. Eban had made the Secretary wished to qualify. The Secretary did not know if the United States could dissuade the Saudis from taking this matter to the International Court of Justice. There was in fact no desire on the part of the Saudis to take it there. If anything, they were more reluctant than Israel. The United States on the other hand would like to see a decision by the International Court of Justice which would sustain the position which we had taken and

which we thought was the correct international position. The United States had a broad maritime interest in this matter which went beyond the area.

Mr. Eban said he had not suggested that the matter not be taken to the International Court of Justice. He did, however, wish to see nothing transpire which would discourage the maritime powers from using the Gulf of Aqaba. The Secretary acknowledged that usage had importance in matters of this kind.

Mr. Eban said that the United States could convey to the Saudis Israel's intentions with respect to its warships, if the United States thought this would be useful. The Secretary expressed appreciation and said this might be found useful. It would depend on the willingness of Saudi Arabia to see this matter come to an end or whether there was a Saudi desire to keep the question alive. Mr. Rountree pointed out that the warships had created problems in discussions with the Saudis on the Gulf. They raised such questions as the General Armistice Agreements, rights of warships in territorial waters, whether warships are entitled to innocent passage, etc. This served to complicate the relatively simple issue of commercial use of the Gulf.

(*Note:* Subsequent to this conversation, Mr. Shiloah, in a telephone conversation with Donald Bergus of NE, said that he hoped Mr. Eban made it clear that the Israel assurances with respect to warships would no longer apply if there were forceful interference with Israel-bound shipping. Neither would Israel war vessels leave the Gulf. Subject to these provisos, however, the warships would be "virtually mothballed" at Eilath.)

340. Telegram From the Department of State to the Embassy in Egypt¹

Washington, June 17, 1957—5:30 p.m.

4092. Hold for Ambassador. You should seek opportunity to see Nasser in order reply to questions raised by him (Embtel 3627)² along following lines:

¹ Source: Department of State, Central Files, 774.11/5-2957. Secret. Drafted by Stabler, Burdett, Mathews, and Dulles; approved in draft by Dulles; and approved by Rountree who signed for Dulles.

² Document 334.

1. Questions raised during conversation May 28 were discussed in Washington during your recent visit. You found general surprise that Nasser should have doubts regarding US policies since our position repeatedly made clear by words and actions. Overall US policy is to strive for peace with justice, and stability. To this end US assists its friends in area at their request to maintain their independence and freedom. Our actions last October and November as well as last February and March underline earnestness of US intentions. President's Middle Eastern proposals designed further UN principle of security against aggression from any source, and acceptance these proposals by majority of nations in area testify to their belief in honesty and sincerity of our intentions. Nevertheless you instructed explain again to Nasser our position on first two questions he asked.

2. Regarding "positive neutrality", US convinced from experience major threat to world peace and security is international communism which, regardless of statements and blandishments of Soviet leaders, still has world domination as its objective. International communism has seized by force or threat of force all or major parts of nearly score of nations, with aggregate population of about 900,000,000 people. No one of these seized nations was, at time of seizure, protected by treaties of mutual security and common defense system created thereunder. But not one nation which did share in such a common defense has been lost to international communism.

US continues believe most effective manner to combat international communism, within framework of our major objective of enduring world peace with justice, is for society of free nations to collaborate to preserve their independence by building up collective defensive system. We believe any non-communist nation is unwise forego benefits of association with other free nations for this purpose. Also in our view "positive neutrality" is basically "unsocial" since each free and responsible nation in world community, just as each individual in free society, has obligation to others to collaborate to assure freedom and independence for all.

US does not condition normal relations with Egypt or any other country upon that country's acceptance of its views. It does not insist upon adherence or commitment to collective security arrangements against communism.

US does judge nations by their acts. If given nation declares it has adopted policy of neutrality, non-alignment or non-commitment, it should in fact be neutral. Egypt's "positive neutrality" has expressed itself in actions and propaganda directed against many of the free nations which have declined to accept its views and which have joined in collective defense against Communism. Whatever their intent, these Egyptian actions and propaganda have benefited international Communism, and in this sense Egypt has not, in fact, been neutral. In

Syria, Egyptian activities have abetted communist infiltration and created extreme example of non-neutral country which professes to follow "positive neutrality" concept.

Egypt seems determined to attempt deny to other states freedom of choice which it demands for itself. It insists all its neighbors adopt policy of "positive neutrality" despite fact that some of them have freely concluded that their independence can be better assured by association with collective security arrangements against Communism. US cannot condone Egyptian attempts to dictate or subvert policies of its neighbors.

If Egypt will in fact accept rights of its neighbors to assure their independence in way that seems best to them, principal cause of current differences with US will be removed.

3. Regarding nationalism, US has always supported constructive nationalism. US encouragement and assistance to many nations which have sought and achieved independence since World War II is clear and irrefutable demonstration this fact. On other hand, US believes nationalism which appeals only to emotions rejecting reasonable approach to problems can cause much damage. Nationalism which is used as coverall for efforts by one nation to dominate other nations and to oblige other countries to follow blindly its policies will inevitably be opposed by US. Specifically US has in mind activities which Egypt under guise of "nationalism" has been carrying out in certain Arab countries to undermine regimes of those countries. Jordan is case in point. Nasser should be under no illusion regarding US determination that Jordan shall be left free to decide its own policies according to its own conception of its national interests. Also, US will not condone refusal in name of nationalism to recognize just rights of countries outside area. Suez Canal question is case in point.

US believes GOE has much useful work to do in domestic matters and that "nationalism" in Egypt should be put to work in constructive fashion to achieve standard of living and economic development which Nasser himself has set as goal for revolution.

4. Regarding allegations of US "conspiracies" or "hostilities", such suggestions are so preposterous that USG does not believe they warrant comment. Charges of this nature by Egyptian press and radio can only harm relations between two countries.

5. United States strives in these matters to be guided by basic principles. Egypt has itself mightily benefited from principles which United States adhered to and which were largely responsible for bringing about withdrawal first of British and French, and later of Israeli, forces from Egyptian territory. Just as we believed Egyptian sovereignty should be respected, so also we believe that sovereign right of other countries to adopt their own international policies

should be respected by Egypt and we also believe that no nation can long preserve its own independence unless it accepts the implications of interdependence and cooperates reasonably with other free nations.

We are confident Egypt will come to see that policies which United States espouses are, in all their aspects, in true interest of Egypt.

Dulles

341. Editorial Note

Assistant Secretary Rountree spoke again with the representative of King Saud, Azzam Pasha, on June 17 concerning the Gulf of Aqaba. In addition to reiterating previous points made by the Saudi Arabian Government concerning Israel's presence in the Gulf, Azzam conveyed word from King Saud that if doubt existed as to the presence or movement of Israeli warships in the Gulf, he was prepared to accept a U.S. or UNEF investigation of the matter, and that Saudi Arabia would not consider going to the International Court of Justice before a return to the status quo existing prior to recent hostilities. Azzam also presented his personal view that King Saud was awaiting American advice before making a decision on whether to take the matter to the Security Council. Azzam noted that Saud had been advised that such a move might produce problems for Saudi Arabia. Rountree and other American officials present reconfirmed the previously-stated U.S. position that the legal character of the Gulf had existed for some time and that recent hostilities had not altered its status. (Memorandum of conversation by Newsom, June 17; Department of State, Central Files, 980.74/6-1757)

On June 18 at the Secretary's Staff Meeting, Rountree reported the conclusion of talks with Azzam Pasha and observed that the Saudis evidently did not intend to take the Gulf of Aqaba question to the Security Council or to the International Court of Justice. He also noted that the Saudis sought a modus vivendi which would exclude from the Gulf of Aqaba Israeli strategic cargoes destined for Eilath, including petroleum, and the absolute exclusion of all Israeli warships. Rountree expressed his doubt whether Israel would accept any limitation on its commercial shipping or movement of cargoes, but noted that Israel might be more flexible concerning the movement of warships. (Tentative Notes, June 18; *ibid.*, Secretary's Staff Meetings: Lot 63 D 75)

**342. Memorandum of a Conversation, Department of State,
Washington, June 20, 1957¹**

SUBJECT

Israel's Financial Problem and Request for U.S. Assistance

PARTICIPANTS

Mr. Levi Eshkol, Minister of Finance, Israel
 Mr. Meir Sherman, Economic Minister, Embassy of Israel
 W—Mr. Dillon
 NEA—Mr. Lathram
 NE—Mr. Bensusky

Mr. Eshkol's presentation of Israel's financial problem and his request for U.S. assistance in meeting this problem followed in general the approach set forth in the attached Aide-Mémoire, which was handed the Department by the Israel Embassy on June 19, 1957.²

After briefly reviewing the role and problems of immigration from the founding of the State of Israel to present, the heavy investment required to handle such an influx and the results of efforts already made by Israel with outside help to absorb the newcomers, he stated that this year his country was faced with the task of taking in 100,000 immigrants from behind the Iron Curtain and from Egypt. He went on to make the points (1) that even with the most stringent economies feasible Israel could not meet the costs of this new wave of immigrants and (2) that even if Israel wanted to it could not stop this inflow. Therefore, during its current fiscal year, Israel was heading into a grave financial situation with income being short by tens of millions of dollars of meeting required expenditures. Under these circumstances,

¹ Source: Department of State, Central Files, 784A.5-MSP/6-2057. Confidential. Drafted by George M. Bensusky, an international economist attached to the Office of Near Eastern Affairs, on June 21.

² Not printed. A briefing memorandum from Rountree to Dillon, dated June 20 and written in preparation for the conversation with Eshkol, noted that Israel would face a shortfall of foreign exchange during the period April 1, 1957-March 31, 1958.

The aide-mémoire listed the following possibilities whereby the United States could assist Israel:

"a) A PL 480 program in the amount of \$48 million to be agreed upon by June 30, 1957.

"b) Favorable action on the full amount of Israel's loan application to the Export-Import Bank for \$75 million for water development.

"c) United States economic aid to Israel for fiscal year 1958 in the form of a development loan of \$40 million.

"d) If necessary, \$20 million in special assistance from either fiscal 1957 or fiscal 1958 funds.

"e) Aid projects to Israel within the framework of the American Doctrine." (*Ibid.*, 884A.10/6-1857)

he thought that it was time that Israel's friends, whom he knew were concerned with its welfare and had the legal channels through which they could help, should be informed of its serious financial problem.

Mr. Eshkol then turned to a brief review of ways, set forth in the Aide-Mémoire, in which the U.S. might help Israel. He noted in particular that (1) PL 480 aid had amounted only to \$10.7 million in FY 1957 as compared to \$28 million in FY 1956, (2) MSP aid which had dropped from a high point of \$72.5 million to \$25 million should be increased by \$20-\$30 million, (3) Israel's application of more than a year ago for a loan from the Export-Import Bank was still in an uncertain state, and (4) Israel had not received any aid within the framework of the American Doctrine. He concluded his presentation by stating that Israel would require during its current fiscal year much more assistance from the U.S. than it had received during recent past years.

Mr. Dillon asked Mr. Eshkol to elaborate on the immigration trend against which Israel was basing its economic and financial planning. Mr. Eshkol replied that three years was the longest period that could reasonably be used for planning purposes and that during this period Israel must plan on taking in between 60,000 and 70,000 immigrants a year. He added that he hoped that private German reparations would provide a couple hundred millions of dollars during this time and that private foreign investment could be directed into the housing field. He thought that before private American investors would put money into housing in Israel they would want to be covered by the investment guaranty program.

Mr. Dillon said that Mr. Eshkol's visit was timely in that we were approaching the beginning of a new fiscal year and thus were well into the planning stage of our foreign assistance programs. However, with regard to providing immediate help, he pointed out that, with the exception of PL 480, we could not expect funds to be appropriated for another month. As for PL 480, he added we hoped that Congressional action would be completed within ten days to two weeks. Mr. Dillon indicated that at that time we would sympathetically consider in the context of the amount of funds available and the applications for this assistance by other countries Israel's PL 480 request in hopes of doing somewhat better for Israel than last year.

With regard to the FY 1958 Mutual Security Program, Mr. Dillon thought that Israel would be in a good position to obtain development loan assistance since it had the technical ability to set up sound projects. However, he noted that it would probably take a few months to organize the procedure for handling this type of aid which was a departure from the development assistance of past years. As for spe-

cial economic assistance, Mr. Dillon indicated that we could not determine how it would be distributed until we knew how much would be appropriated for this purpose.

In reply to Mr. Eshkol's remarks on Israel's loan application with the Export-Import Bank, Mr. Dillon said the Department has indicated to the Bank that it thought that Israel's application was for a useful project and hoped that the Bank could within its framework make a loan. In addition, he thought the Bank would give serious consideration to Israel's application, but that the Bank's final decision would necessarily depend heavily on the report of its upcoming mission to Israel. Mr. Dillon pointed out that this mission was a part of the Bank's normal procedure for considering loan applications and the delay in sending it to Israel was occasioned by the complications of recent events in the area.

In response to Mr. Dillon's conclusion that the quickest help which the U.S. could provide Israel would be in the form of PL 480 assistance, Mr. Sherman asked if it were not possible to provide Israel with some immediate assistance from the remaining balances of FY 1957 MSP funds. Mr. Dillon replied that he would discuss this prospect with Messrs. Rountree and Hollister but that he thought it would be very difficult to make any FY 1957 funds available in light of the very few days remaining before the end of this fiscal year.

At the close of the conversation, Mr. Dillon said that Mr. Eshkol's presentation had given him a better understanding of Israel's problem and expressed the view that he would be very surprised if U.S. aid to Israel were not larger in FY 1958 than it had been in the recent past.

343. Memorandum From the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Rountree) to the Deputy Under Secretary of State for Economic Affairs (Dillon)¹

Washington, June 20, 1957.

SUBJECT

Additional Economic Aid to Israel out of Fiscal 1957 Funds

Discussion

The Israel Finance Minister raised with you on June 20² the question of special assistance to Israel out of remaining fiscal year 1957 funds.

I understand that there are funds yet available for this purpose. I further recognize that Israel faces a very real and difficult short-term foreign exchange problem. However, the problem arises in considerable part from the military campaign against Egypt, and immigration. Both of these Israel policies are opposed to ours. I can not help but feel that the granting of emergency aid to Israel in the present context would prejudice our overall interests in the area.

My reasons include the following:

a) A special gesture in behalf of Israel at this time could not be kept secret. Its publication in the Near East would almost certainly be interpreted as a further reward for Israel's having withdrawn its forces from Sinai and Gaza.

b) Area repercussions of this nature would be exploited by Arab states unfriendly towards us (i.e., Syria and Egypt) to embarrass Arab states friendly to us (i.e., Jordan, Lebanon, Iraq and Saudi Arabia). Such a gesture on our part to Israel at this time would also greatly complicate our efforts to make progress in delicate situations such as the Gulf of Aqaba, Jordan, and the effort to strengthen Arab resistance to Nasser.

c) There is no political advantage to be gained from Israel by extending emergency aid at this time and in this context. Our thinking has been that in fiscal year 1958 any additional aid to Israel to meet its more pressing needs should be linked to a political gesture favorable to us on Israel's part, particularly with regard to the Palestine Arab refugee situation.

¹ Source: Department of State, Central Files, 784A.5-MSP/6-2057. Confidential. Drafted by Bergus.

² See the memorandum of conversation, *supra*.

Recommendation

That we inform the Israelis we have looked into the matter of additional fiscal year 1957 funds and find that it does not appear to be a practical possibility.³

³ A handwritten inscription on the source text by Dillon reads: "Agree. C.D.D. Suggest NEA so inform the Israelis. C.D.D."

**344. Memorandum From the Acting Deputy Legal Adviser
(Meeker) to the Secretary of State¹**

Washington, June 20, 1957.

SUBJECT

Reasons Supporting Withdrawal of United States Offer of Assistance on the
Aswan Dam Project

At your suggestion conveyed to me by Mr. Macomber, I talked today with Mr. Hoover regarding his recollection of Mr. Eugene Black's views on the Aswan Dam a year ago. Mr. Hoover said that he had talked with Mr. Black frequently concerning the Dam project, and had discussed it with him at some length at various times after the United States offer was withdrawn, as well as before July 1956.

In Mr. Hoover's opinion, Mr. Black thought last June that the Egyptian financial position had not changed significantly in the six months since the UK-US offer was made (December 1955). Mr. Hoover remarked that Mr. Black did not at the time have access to all the intelligence which was available to the State Department, bearing on Egypt's mortgaging of her future to pay for Soviet arms deliveries. He thought that Mr. Black nevertheless foresaw a progressive decline of Egypt's economy if she did not receive outside assistance. Mr. Black always regarded the Aswan Dam as a project which would give a great lift to Egypt's economy and lead to a marked improvement in Egypt's general position. Mr. Hoover said that against this background Mr. Black thought the UK-US offer should not be withdrawn, although he was not pressing to go ahead with it immediately in June and July 1956.

Mr. Hoover said that while he was in the Department he had proceeded on the basis of the International Bank's engineering estimate that the high dam at Aswan was the best project for power,

¹ Source: Department of State, Central Files, 874.26/4-2057. Confidential.

irrigation, and flood control on the Nile. Subsequently, he came to believe that a less expensive and more practical solution would be to build, piecemeal, a system of smaller dams on the river and its tributaries considerably to the south of Aswan. [This kind of argument, even as applied to the Nile valley, inevitably becomes involved in the issues of power development in the Columbia River basin of our own northwest, where the contest between Hells Canyon and the smaller dams of the Idaho Power Company continues to be active.]²

Mr. Hoover said that he had come to the conclusion, in the course of the protracted negotiations with Egypt, that Samir Hilmi (Secretary-General of the High Aswan Dam Project Committee) was anything but friendly to the West and in Mr. Hoover's opinion was probably a Communist. Mr. Hoover said he doubted whether this opinion of his appeared anywhere in the written records of the negotiations, but it was the view to which he had been led. [The Department's Division of Biographic Information confirms that Hilmi is a strong nationalist and supporter of the RCC regime in Egypt; they say there is no agency report that he is a Communist or has Communist leanings.]²

Leonard C. Meeker³

² Brackets in the source text.

³ Printed from a copy that bears this typed signature.

**345. Memorandum of a Conversation, Department of State,
Washington, June 24, 1957¹**

SUBJECT

Israel's Economic Situation²

PARTICIPANTS

Mr. Levi Eshkol, Israel Minister of Finance
Mr. Abba Eban, Ambassador of Israel
Mr. Meir Sherman, Economic Minister, Embassy of Israel
The Secretary

¹ Source: Department of State, Central Files, 784A.5/6-2457. Confidential. Drafted by Bergus.

² During another conversation on June 24, Rountree told the Israeli Delegation that he was not hopeful that the United States would be able to provide Israel with additional assistance from special fiscal year 1957 funds, although the Department of State was still studying the situation. (*Ibid.*, 784A.5-MSP/6-2457)

NE—Fraser Wilkins

NE—Donald C. Bergus

Mr. Eshkol expressed thanks for past United States assistance to Israel. In the nearly ten years of Israel's existence the country had grown from a population of 800,000 to nearly 2,000,000. Exports had risen from \$40 million to \$200 million. Large sums had been mobilized from Jewish communities throughout the world. There had been between three and four hundred million dollars in private investment in Israel. Israel was halfway along on the road to self-sufficiency; the rest of the journey might take another twenty years. There was now a new wave of immigration from Poland, Hungary and Egypt. This was a new financial burden as most of the immigrants arrived without means. Prior to this development, Mr. Eshkol had been able to manage Israel's finances in the face of declining United States aid. Now he no longer saw his way clear to do so. He therefore felt it proper to approach the United States and ask special consideration for Israel's problems. The United States had such channels for aid as the proposed development fund, surplus agricultural commodities, the American Doctrine, the Export-Import Bank, and remaining fiscal year 1957 funds. He asked America's help.

The Secretary replied that Mr. Eshkol would find in the Department and elsewhere in the United States Government a large measure of sympathy for Israel and its problems. The concern we had was not over whether we would like to help Israel but over our own problems in this regard. We were facing a critical review of our foreign aid programs and we did not know where we would come out. It was uncertain whether, if we obtained the necessary legislation for the economic development fund, this would add to our capacity to assist Israel. The Secretary did not wish to speak with finality on this subject, but the fund was intended primarily for states which had yet to demonstrate a capacity to borrow. Israel perhaps should look more to the Export-Import Bank.

The Secretary continued that it was not sound for a country to base its policies on help from other governments. This was abnormal. Of course it might be maintained that Israel's situation was abnormal. Whether Israel should have an immigration policy which could recreate economic problems might be a matter for Israel to decide but this question had international repercussions. There was the apparently genuine concern of the Arabs at increased immigration into Israel and its implications with respect to possible territorial expansion. This concern would be heightened if the United States provided financial support for such immigration. There was also the question of the resettlement of Arab refugees in Israel which would have inevitably to be dealt with as one of the aspects of an overall Arab-Israel settlement, which we assumed Israel favored.

The Secretary concluded that this did not show a lack of sympathy but he felt the Israelis should be under no illusions as to the prospects of assistance from the United States Government. We wished to assist Israel and would continue to do so within the limits of our policies and available funds. There seemed to be a general trend in the United States favoring a declining level of foreign aid. Israel should not base its policies on a contrary assumption. Mr. Eshkol's views would help the Secretary in his thinking on this matter.

Mr. Eshkol stressed that Israel's "historic duty" was to provide a haven for these Jewish refugees from behind the Iron Curtain and that should Israel be unable to receive them they might seek to come to the United States. He discounted Arab concern at Israel immigration stating that the Arabs really wanted to see Israel driven into the sea. Perhaps an increase in Israel strength would force the Arabs to sit down at the peace table.

The Secretary inquired as to what extent the Jews from Poland and Hungary were Communist in thinking. Mr. Eshkol replied that those who were Communist stayed in those countries, those who sought to come to Israel had had enough of Communism.

346. Memorandum From the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Rountree) to the Secretary of State¹

Washington, June 24, 1957.

SUBJECT

Discussions with Azzam Pasha re Aqaba

Discussion:

We have completed two exploratory talks with Abdul Rahman Azzam Pasha, representative of King Saud, on questions relating to the Gulf of Aqaba.²

I am attaching the memorandum of the last of the conversations with Azzam (Tab A)³ which reflects the present far from satisfactory

¹ Source: Department of State, Central Files, 980.74/6-2457. Secret. Drafted by Newsom on June 21. A handwritten notation on the source text by Bernau reads: "Sec saw". Becker concurred in the memorandum and Sisco cleared it provisionally.

² See Documents 337 and 341.

³ Tabs A and B are not attached to the source text.

situation existing on this issue. The difficulties which now appear to me to be coming clearly into focus are of a nature which could well threaten our present effective relations with King Saud.

We have reviewed with Azzam the implications of taking the problem of the movement of Israeli warships in the Gulf to the Security Council, including the difficulty of confining any discussion to that issue alone. We have made clear that the United States would not oppose reference of the Israeli warship matter or of the broader issues to the Security Council or to the International Court of Justice. We have emphasized our position with respect to the free and innocent passage of vessels of all nations through the Strait of Tiran but at the same time have stressed that we would review this position in the light of any overriding contrary decision by an international judicial body.

From these discussions, as well as from the earlier exchanges with Saudi Arabian officials and with the King, himself,⁴ (Tab B) it is clear that the Gulf of Aqaba issue, if not resolved in some way, will pose a most serious threat to our relations with Saudi Arabia and to our position generally in the area. Saudi Arabia is strongly and bitterly opposed to any rights for Israeli vessels in the Gulf. Despite our explanations to the contrary, the King believes that Israel has gained substantially from its aggression by its new ability to use the Gulf. The King has dramatized his fear of Israelis' presence by his letters to the Security Council on the problem of Israeli warships and by his statement, jointly with King Hussein, that the traditional pilgrim routes in the Gulf area were no longer safe. The King has threatened to make a further broad declaration on the danger during the Pilgrimage itself in July. The King demonstrates no enthusiasm for reference of this matter to the International Court of Justice.

Azzam Pasha has, during the recent discussions, suggested to us that it was clear that neither the United States nor Saudi Arabia could change its fundamental position with respect to the Gulf and that it might, therefore, be desirable to create some interim arrangement or modus vivendi which could preserve these positions until legal issues with respect to the Gulf could finally be settled.

We have serious doubts about the practicability or advisability of trying to work out an interim arrangement among the powers in the Gulf. We fear that any acquiescence in an interim arrangement, even if possible, would damage the position of the King himself.

⁴ Wadsworth had last discussed the subject with King Saud on June 2. A summary of the conversation was transmitted to the Department of State in telegram 790 from Jidda, June 12. (Department of State, Central Files, 980.74/6-1157)

We believe it possible and desirable, however, to make strong efforts to get the Israelis to tie up their warships at Elath. In the present circumstances, the movements of these vessels tend to be provocative and, if in Egyptian waters, are in violation of the Armistice Agreement.

It seems to us that the best method of approaching the problem might be by a series of separate actions which would serve to lessen the current dangerous tensions in the Gulf and satisfy at least some of the Saudi Arabian fears. We believe it might be possible to utilize to this end the Israeli willingness to tie up the warships at Elath and the authority of the Secretary General over the United Nations Emergency Force at the mouth of the Gulf.

Recommendation:

1. That, at your earliest convenience, we meet with L and IO representatives to review this difficult problem and consider action along the following lines:

1. A general Middle East discussion with Ambassador Eban during which we suggest that in the interest of area tranquility Israeli warships at Elath be tied up. We would also express the hope that Israel would, in the meantime, continue to move Israeli cargo through the Strait of Tiran quietly and in flag vessels of various countries, in addition to those of the United States;

2. A discussion with Azzam in which I might state:

a) He may inform the King that we would see value in consideration of the Gulf of Aqaba questions in the Security Council only if the end result was reference of the broader questions to the International Court of Justice;

b) The United States expects that the question of the legal status of the Gulf of Aqaba may ultimately be referred to the International Court of Justice;

c) That we have studied the possibility of a modus vivendi and believe any formal efforts to establish an interim regime in the Gulf might create serious problems for the King;

d) That we are considering actively certain other moves which the United States might take, itself, which would alleviate the current tensions in the Gulf and will be in touch with the King, the Ambassador, and Azzam in the near future.

3. An informal conversation with Secretary General Hammarskjöld expressing our deep concern over the interruption of the pilgrim traffic by virtue of events in the Gulf of Aqaba and suggesting the assignment of a neutral warship to the United Nations Emergency Force during the pilgrimage period for the purpose of protecting the pilgrim route through the Gulf of Aqaba. Assuming the Secretary General's agreement, this conversation would be followed by a letter;

4. A letter to King Saud informing him of our grave concern over the interruption of the pilgrim traffic and of our letter to the Secretary General. We would also suggest that King Saud issue a statement welcoming the stationing of a UNEF ship in the Gulf to assist in

providing protection for the pilgrimage. We would also inform him that we were continuing to take such steps as we could to prevent provocative actions by any party in the Gulf.

I have promised Azzam Pasha that I would be in touch with him after my discussions of this problem with you.⁵

⁵ A memorandum from Rountree to Dulles, dated June 25, indicates that Rountree discussed the Gulf of Aqaba question with Dulles on June 24 and that Dulles agreed to meet with Azzam Pasha to complete the series of discussions being held on the subject. (*Ibid.*, 980.74/6-2557) No information has been found in Department of State files concerning Dulles' reaction to the specific recommendations contained in the memorandum printed here.

347. Editorial Note

On June 25, Saudi Ambassador Al-Khayyal delivered to the Department of State a note protesting a statement issued by the Department of State on June 5 (for text, see Department of State *Bulletin*, July 15, 1957, pages 112-113), which had, among other points, expressed the U.S. position that the Gulf of Aqaba comprehended international waters and that no nation had the right to prevent free and innocent passage in the Gulf and through the Straits giving access to the Gulf. At the same time, Al-Khayyal also delivered a message from King Saud to President Eisenhower which informed Eisenhower of the Saudi protest and requested the President to intervene personally in the matter so as to set the United States position in consonance with the principles of justice and equity and in cognizance of Saudi legitimate rights. The Saudi documents are attached to a memorandum from Rountree to Dulles, dated June 26, which informed the Secretary of their delivery and which noted that copies had been forwarded to General Goodpaster at the White House. (Department of State, Central Files, 980.74/6-1257) The Department of State copy of the transmittal note from Greene to Goodpaster, however, indicates that the documents were forwarded to the White House on June 27. (*Ibid.*, 980.74/6-2557)

On June 27, presumably after receipt of the two documents, Eisenhower sent the following note to Secretary Dulles:

"I am truly getting a bit uneasy about the increasing stiffness of King Saud's attitude with respect to the Gulf of Aqaba. It begins to look as if it would be easier to get unlimited use of the Canal for Israeli shipping than to make good on our efforts to have the Gulf of Aqaba considered as an international waterway.

"The seriousness of the matter in my mind arises from the fact that he seems to have been making so much progress to lead most of the Arab world toward the Western camp.

"I think we better do some very hard thinking on this matter." (The note is in the Eisenhower Library, Dulles Papers, White House Memoranda. It bears the marginal inscription by Macomber: "Sec ack by telephone." The memorandum of telephone conversation is printed *infra*.)

Ambassador Al-Khayyal first expressed his concern to Rountree about the U.S. statement on June 24 after reading a newspaper report concerning it. (Memorandum of conversation by Newsom, June 24; Department of State, Central Files, 980.74/6-2457) Later on June 24, the Department of State sent to Middle Eastern posts guidance indicating that the statement in no way represented a change in U.S. policy but was merely a routine restatement of the well-known position expressed in the February 11 Aide-Mémoire. (Circular telegram 994, June 24; *ibid.*) Rountree discussed the statement and the Aqaba question once again with Azzam on June 27. Azzam emphasized how upset King Saud had been over the statement. (Memorandum of conversation by Newsom, June 27; *ibid.*, 980.74/6-2757) On June 28, Rountree told the Secretary's Staff Meeting that his talk with Azzam had advanced nowhere toward resolving the Aqaba question. (Tentative Notes, June 28; *ibid.*, Secretary's Staff Meeting; Lot 63 D 75)

348. Memorandum of a Telephone Conversation Between the President and the Secretary of State, Washington, June 27, 1957, 7:09 p.m.¹

TELEPHONE CALL FROM THE PRESIDENT

[Here follow Eisenhower's comments on his choice to fill the post of Secretary of Defense.]

The Sec said he has the note re Saud.² We are in a bad way and the Sec has been thinking about it and working on it. Saud is acting as the head of the Moslem religion and not as head of state. The route through the Gulf of Aqaba does not go through Saudi water. It is Egyptian and they are not kicking. The Pres said he understands. Saud, said the Sec, talks in terms of Arabs and Holy Places. The Pres asked if he suggested he would allow it to go before the World Court.

¹ Source: Eisenhower Library, Dulles Papers, White House Telephone Conversations. Transcribed by Bernau.

² See the editorial note, *supra*.

The Sec said we got an intimation from some Aramco people he is getting an opinion from Manley Hudson and somebody else as to how they thought it would come out. The Pres said we said from the beginning we would go to the Court. The Pres thinks the note³ would say here is one place where we don't see eye-to-eye and this is with great regret but we have looked at the thing and the entrance of the Gulf of Aqaba seems to be on the Egyptian side. Because it was over and we thought it would not disturb you much and also because we have always said we were ready to take it to the Court and since he is concerned about the travel of the pilgrims we content ourselves at the moment that any agreement of which we are a part will guarantee freedom of use by the Arabs and put it before the Court. . . . The Pres would like to get in a plane and see him [Saud] if it would not create a storm. . . .

[Here follow Dulles' comments on his testimony before the Senate Foreign Relations Committee that day.]

³ Reference is presumably to a proposed response to Saud's letter of June 25.

349. Memorandum From the Assistant Secretary of State for International Organization Affairs (Wilcox) and the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Rountree) to the Secretary of State and the Under Secretary of State (Herter)¹

Washington, July 2, 1957.

SUBJECT

Detailed Review of the Palestine Refugee Problem

Pursuant to the Under Secretary's request of May 13 [14],² IO and NEA, in concert with other interested elements of the Department, have undertaken a detailed review of future United States policy re-

¹ Source: Department of State, Central Files, 320.51/7-257. Secret. Drafted by Ludlow, Bergus, Sisco, and Gamon.

During a meeting called to discuss this memorandum, Dulles appointed Herter's special assistant, Henry S. Villard, to explore the Palestine refugee problem along the lines contained in the memorandum. (Memorandum from Howe to Macomber, July 29; *ibid.*, 784.00/7-2957) Villard's report, entitled "Palestine Refugee Problem, Villard Study, 1957-58", comprises 58 documents pertaining to the refugee question which date from July 2, 1957 to May 7, 1958. The memorandum of July 2 and its nine attachments are item No. 1 of the report, which is *ibid.*, 320.51/7-257.

² See Document 327.

garding the Palestine refugee problem. The following memorandum contains (I) a brief background statement of the problem; (II) an analysis of the political, economic and social factors in the situation; and (III) recommendations. Attached are a series of detailed papers on which the recommendations are based.³

The study was made on two basic assumptions: that it is an overriding political necessity not to permit UNRWA's operations to lapse and that conditions in the area are somewhat more favorable today for an initiative by the United States on the refugee problem.

*I. Background (Tab A):*⁴

During the nine years of the existence of the Palestine refugee problem, thinking as to the best means of solving it has followed a cyclic pattern between two positions: (a) the problem should be isolated from the main body of unresolved Palestine issues and attacked as a thing in itself (e.g. Clapp Mission report,⁵ UNRWA activities, Johnston Plan, etc.); (b) the problem can best be solved in the context of a general Arab-Israel settlement (e.g. your speech of August 26, 1955, and its aftermath).

At present we seem to be on the crest of a wave of opinion favoring a return to the first position. There is widespread feeling among the public and in Congress that something must be done about the Palestine refugees. There have been similar intimations from area leaders. Specific suggestions have been made to the Department, principal among them being:

*Mr. Eric Johnston's Memorandum of June 10 [7], 1957.*⁶ Mr. Johnston proposes: (a) that the United States approach Iraq with an offer to underwrite the cost of resettling Arab refugees in Iraq and of develop-

³ Attached to the source text is a detailed paper entitled "The Palestine Refugee Problem—Future United States Policy", which is divided into nine separate tabs, each containing a discussion of a separate aspect of the subject.

⁴ Not printed. Tab A contained a description of the nature of the problem in terms of its historical background and its various elements.

⁵ Shortly after its creation, the Palestine Conciliation Commission (PCC) established an Economic Survey Mission under the direction of Gordon R. Clapp to examine the economic situation in the area and to make recommendations. The first interim report, or Clapp report, signed at Beirut on November 6, 1948, recommended a program under which direct relief would gradually be replaced by works projects, at a cost of \$54,900,000 for the period January 1, 1950, to June 30, 1951. (G.A. 4th sess., *Ad Hoc Political Committee, Annex*, vol. I, pp. 16-29; for a summary, see *Foreign Relations, 1949*, vol. VI, pp. 1472-1476.) On December 8, 1949, the General Assembly unanimously adopted Resolution 194 (III) approving the Mission's recommendations and providing for a new agency, the U.N. Relief and Works Agency for Palestine Refugees in the Near East (UNRWA).

⁶ Johnston handed his undated memorandum to Rountree during a conversation on June 7. The memorandum of conversation by Bensusan, with attached memorandum, is in Department of State, Central Files, 886.411/6-757. A copy of Johnston's memorandum is attached to the source text as part of Tab F.

ing other projects to benefit Iraq's indigenous population; and (2) that the United States approach Jordan with a proposal to underwrite the cost of developing the Jordan River in Jordan.

*The UN Secretary General's Memorandum of June 17, 1957.*⁷ Mr. Hammarskjold proposes that a quiet diplomatic effort be made to enlist Iraqi, Jordanian, Saudi and perhaps Egyptian support in a program aimed at resettling refugees from Jordan and Gaza in Iraq. The Secretary General feels that the first moves should be made about August 15 and suggests designation of an individual to carry on the negotiations.

Views of UNRWA Director. Mr. Harry Labouisse believes⁸ it essential that there be some element of choice as between repatriation and resettlement offered to the refugees. He also feels that territorial concessions by Israel may be necessary in order to win Arab acquiescence to a solution of the problem.

Israel Trial Balloon. In the course of the past few weeks, Israeli representatives have approached us with the "purely tentative" suggestion that advantage should be taken of the recent improvement of U.S. relations with Jordan. They suggest an approach to Hussein and the Iraqis to persuade them to facilitate the movement of refugees from Jordan to Iraq and mention the possibility of Israel's willingness to pay compensation to refugees agreeing to make such a move.

Palestine Conciliation Commission. Another new element is about to enter into the situation. The work of the Palestine Conciliation Commission in identifying refugee property taken over by Israel will be completed and reported to the UNGA sometime during the autumn of this year. The completion of the evaluation phase of the project will follow.⁹ PCC now indicates that the total figure for the values of the property will be about \$460 million.

II. Factors in the Situation (Tab A):

1. Political:

A. The refugee problem remains the primary cause of tension between Israel and the Arab states, and the primary threat to internal stability in Jordan. It vastly complicates the territorial problem of the Gaza Strip but does not play a role in Egyptian domestic politics, in view of the geographical isolation of the refugees.

B. There is general agreement that conditions in the area are somewhat more favorable than they have been in the past to make a constructive move on the refugee problem. The public position of the

⁷ A copy of the memorandum is attached to the source text as part of Tab F.

⁸ Labouisse spoke with Secretary Dulles on June 19. The memorandum of conversation by Ludlow is in Department of State, Central Files, 886.411/6-1957.

⁹ Documentation concerning U.S. interest in the PCC is *ibid.*, 320.51.

Arab leaders (including those friendly to the U.S. such as Hussein and Nuri) still militates against a solution of the refugee problem in any context other than a general political settlement which would severely truncate and greatly weaken Israel. Moreover, recent propagandist statements by the Egyptians alleging that unusual secret efforts are being made to solve the refugee problem introduce an additional complicating element. This means that only quiet efforts with minimal publicity have any chance of success.

C. Recent developments in the area have tended to involve the United States more deeply than hitherto. This may have resulted in a decrease in U.S. area of maneuver in the problem. For example, a year ago we could have supported a policy of uniform pressure on the Arab host Governments. Today, two of those Governments are close friends (Jordan and Lebanon), two are unfriendly (Syria and Egypt).

2. United Nations:

A. UNRWA. In the seven years of its existence, UNRWA has proved its worth as an efficient relief agency. Its programs of education and medical care have been equally successful. It has been useful in that it has to a large extent insulated the United States from the difficult consequences which would ensue if we were directly involved in a relief program.

On the debit side, UNRWA has been unable to carry out any major economic development project aimed at refugee resettlement. It is supported by voluntary contributions by United Nations members and the willingness of other countries to contribute is getting increasingly limited. Against this decline, UNRWA faces a constantly increasing relief and education budget as a result of the natural increase of the refugee population and UNRWA's inability to prune existing ration rolls. The Agency now has reasonable assurance of funds to enable it to conduct a reduced level of operations only through January or February 1958 (Tab B).¹⁰ This situation will make it increasingly difficult to hold the United States contribution at 70 percent. The effective UNRWA relief program has also tended to insulate Arab politicians from awareness of the very real need for a permanent as opposed to a temporary solution to the refugee problem.

B. PCC. The only activity of the Palestine Conciliation Commission, which was created as a mechanism for reaching a general settlement, for the past few years has been in the field of compensation as described above. There is serious doubt that the PCC could ever successfully be reactivated to resume its entire original task.

¹⁰ Not printed. The paper attached as Tab B posed the need for remedial steps to assure that UNRWA's activities continue as effectively as possible for the immediate future and that the refugees present no greater problem for the security and stability of the area than they did currently. It also discussed the solution of UNRWA's immediate financial difficulties as one such step.

3. *Economic and Social:*

A. The aftermath of the Palestine hostilities has not brought stagnation to the area. On the contrary the Arab States and Israel have passed through a period of unprecedented economic development. This rapid development has several implications: (1) it has demonstrated the area's ability to absorb this population; (2) it has resulted in widespread "automatic resettlement" of skilled and semi-skilled refugees especially in Lebanon and Syria—a process which has largely been hidden in view of refugee refusal to turn in their UNRWA ration cards; (3) this "cream-skimming" process has meant that the bulk of refugees remaining to be resettled are unskilled peasants most of whom left little by way of property behind in Palestine.

B. The resettlement of Arab refugees in Jordan poses the minimum problem of social adjustment (they are already Jordan citizens). By cruel circumstance, however, Jordan has the least economic capacity. Refugee "automatic reintegration" in Syria has proceeded to the point where international relief could be withdrawn from that country without undue personal hardship. Lebanon protests against settlement of Arab refugees in its territory on the grounds that it would upset the delicate Christian-Moslem balance. "Automatic reintegration" has gone forward, however, to a considerable degree. There is no point in considering the settlement of refugees in the already crowded Nile Valley, and there are no grounds for hope at this time that Egypt would make Nile water available to permit refugee settlement in Sinai Peninsula.

C. Iraq presents the most tempting prospect for major resettlement. In addition to the political obstacles, other problems arise. Iraq will wish to adjust any influx of refugees to its ability to respond to the needs of the depressed classes in its own population. There are significant cultural and climatic differences between Iraq and the area where the refugees presently abide and a resulting problem of adjustment. Kuwait is worthy of mention as a remotely possible source of funds for refugee settlement.

D. While a relationship can sometimes be drawn between rehabilitation projects and a specific number of refugees resettled, it is difficult, if at all possible, to predict the full extent or rate of resettlement that could be expected to result from a complex program such as the one envisaged in the present study. For the sake of planning, however, the following estimates might be of use:

If the entire Jordan Valley Plan were eventually to be carried out, Jordan could be expected to absorb up to 175,000 of its 513,000 refugees. It must be conservatively estimated that Mr. Johnston's revised Plan could resettle something over half of the 175,000. The 90,000 refugees in Syria are virtually absorbed into the nation's economy and do not enter into the program. The Gaza Strip is economically incapa-

ble of absorbing any of its 217,000 refugees. A large share of the 102,000 refugees in Lebanon could economically be absorbed there, and the remainder should not be considered for resettlement elsewhere until excess refugees in Jordan and Gaza are taken care of. Of the remaining refugees, it is probable that not over 100,000 would be repatriated to Israel and the balance of approximately 455,000 would be resettled elsewhere in the Middle East, predominately in Iraq.

III. Recommendations:

1. UNRWA (Tab C):¹¹

A. The United States should be prepared to maintain at least its present level (70 percent) of support to UNRWA's relief and rehabilitation programs for the remainder of the Agency's mandate, until June 30, 1960. Anticipated appropriations for our fiscal year 1958 will permit contributions of up to \$17,800,000 toward the Agency's relief budget, and up to \$7,628,000 toward its rehabilitation budget. While such contributions would not exceed 70 percent of the Agency's budget, they would exceed 70 percent of total anticipated contributions to the Agency.

B. We should offer bilateral assistance to Jordan so that Jordan can assume responsibility for some of the Agency's rehabilitation programs which have direct bearing on reducing relief rolls and in which Jordan has expressed an interest, such as the program of individual loans or grants to refugees, projects for the construction of permanent homes for refugees in areas where greater self-support is possible, the continued operation of the vocational training center and instructors' training unit at Kalandia and the construction of two other badly needed similar centers. This assistance would amount to approximately \$5.6 million during fiscal year 1958. To the extent that Jordan was prepared to accept bilateral assistance in any or all of the rehabilitation programs mentioned above, part or all of the \$5.6 million would be expected to come out of the \$7,628,000 which it is anticipated will be available for contribution toward UNRWA's rehabilitation budget.

C. If UNRWA's finances preclude its undertaking the construction and equipment of two vocational training centers and an agricultural training center in Lebanon projected for 1958 at a cost of \$790,500, we might wish to make these projects feasible through bilateral assistance to Lebanon.

D. While no further legislation is required to implement the above three recommendations, we should consult with the appropriate Congressional committees on our plans in this regard.

¹¹ Not printed. The paper attached as Tab C contained a discussion of increased contributions to UNRWA and bilateral assistance to friendly Arab governments (particularly) Jordan as a second remedial step.

E. Between now and the terminal date of UNRWA in 1960, we should reaffirm, as appropriate, our strong desire for the earliest feasible transfer of administrative responsibility for the refugees to the Arab host governments, and should be prepared to assist any host government expressing a willingness to do this (See 6(C) below).

F. Our plan should be based on the assumption of primary emphasis being given to permanent solution of the refugee problem so that it may be possible to achieve our objective of liquidating UNRWA when its mandate ends in 1960.

2. *Repatriation (Tab D)*:¹²

A. We should approach Israel quietly at an early date to secure its agreement to a feasible and equitable program for repatriation of refugees in the spirit of the recommendations of the General Assembly resolution of 1948¹³ establishing a refugee's right of a choice between repatriation or compensation. This would be clearly understood as a "pilot project" designed to demonstrate the good faith of Israel, the Arab states and the Arab refugees, and the feasibility of a repatriation program to other members of the United Nations.

B. The elements of a repatriation program which appear feasible and equitable include:

(1) Israel would agree as the first step in orderly repatriation to admit on an annual quota basis a given number of Arab refugees. Repatriation would be subject to equitable arrangements being made for the care and shelter of refugees who were repatriated with due regard for internal security of Israel. Israel would, insofar as possible, work out arrangements for the restoration of former Arab holdings to repatriated owners and would assure full safety and protection of the refugees under Israeli law.

(2) The Arab refugees would be made aware of the fact that they would be required to live under the laws of Israel, which probably would entail the acceptance of the obligations of citizenship. They would sign agreements indicating their acceptance of the conditions under which they were being repatriated.

(3) A United Nations Agency would be established to ensure that the implementation of a repatriation program was equitable to Israel and the Arab refugees.

(4) The repatriation program would be phased to ensure a satisfactory indoctrination for the refugee as to his rights under either repatriation or compensation, and to permit its being halted at any such time as Israel or the United Nations Agency was of the opinion that the repatriation program was not being carried out justly or peacefully.

C. Israel would be expected to accept in principle the right of all refugees to repatriation subject to equitable arrangements which the Israeli Government could develop as qualifications for repatriation.

¹² Printed below.

¹³ U.N. General Assembly Resolution 194 (III).

The object of the equitable arrangements should be to discourage too wide option for repatriation by the refugees. It would be necessary to phase actual repatriation should it occur. Moreover, we would seek to make the alternative to repatriation, i.e. compensation, as attractive as possible.

D. We should link favorable Israeli action on repatriation with the question of additional aid which Israel is seeking from the United States in its current foreign exchange difficulties.

3. *Compensation (Tab E)*:¹⁴

A. Concurrent with a proposal for repatriation and following Israeli announcement that it had accepted repatriation, the United States should announce its willingness to contribute initially as much as \$100 million to an internationally financed fund, from which Israel could provide compensation to those refugees who decide not to return to Israel.

B. We should seek to make compensation as attractive as possible to the individual refugee while at the same time minimizing possible economic dislocations which would occur from too sudden an influx of funds into the host governments. A fixed sum of money should be established as available to every refugee opting to accept compensation instead of repatriation. The compensation proposal should be used as inducement to Israel to accept repatriation in principle.

C. A Compensation Board should be set up as a United Nations Agency to process all claims for compensations.

4. *Unified Development of the Jordan Valley (Tab F)*:¹⁵

The United States should approach Jordan with a proposal to underwrite the cost of developing the Jordan River in Jordan along lines described by Mr. Johnston in his memorandum. Israeli acquiescence in this would be necessary since it would involve a greater storage use of Lake Tiberias than previously discussed with the Israelis. Full cooperation from the Jordanian Government in substantial refugee resettlement on the developed land should remain part of any agreement on Jordan Valley development.

5. *Iraq (Tab F)*:

The United States should approach Iraq with a proposal to provide funds either through a grant or a loan for an expanded Iraqi development program, as described by Mr. Johnston and the Secretary General, on the understanding that extensive contracting for refugee labor would be involved.

¹⁴ Printed below.

¹⁵ Not printed. The paper attached as Tab F contained a discussion of Johnston's proposal of June 7 and Hammarskjöld's paper of June 17 as remedial steps together with the texts of the papers themselves.

6. *Action in the United Nations (Tab G):*¹⁶

A. On the assumption that quiet negotiations with friendly Arab governments and Israel will be proceeding along the above lines, we shall want to have UNRWA matters handled in as non-controversial a manner as possible in the XIIth General Assembly, both during the pledging session of the Committee of the Whole and in the Assembly itself. During the Special Political Committee's consideration on the UNRWA item we should propose a draft resolution which would take note of the Director's Annual Report, approve the work performed by him and his staff and authorize its continuation, express appreciation of the help of private philanthropic organizations, and urge states to maintain or increase their contributions.

B. Should there be sufficient progress, including the public acceptance by Israel of the principle of repatriation, the United States should take the lead in the General Assembly to set up an appropriate internationally financed fund to be used for payment of compensation by Israel.

C. The United States should indicate that it would be willing to help any host government taking over administrative responsibilities for the refugees prior to June 30, 1960. (Funds for this could come from the anticipated MSA appropriation for refugees for 1958.)

7. *Financial Implications to the United States (Tab H):*¹⁷

In addition to bilateral assistance in undetermined amounts to Iraq (possibly in the form of a loan) and possibly to Israel, the program involved in the above recommendations would cost approximately \$265,000,000 during fiscal year 1958. \$75,000,000 of this would be in the form of an Export-Import Bank loan to Israel.

8. *Tactics and Timing (Tab I):*¹⁸

At the end of the study there is a paper on proposed tentative timing of approaches in carrying out the above recommendations.

9. The foregoing recommendations are presented as possible courses of action. Additional inter-agency consultation and coordination, and consultation with appropriate Congressional Committees would be necessary before the United States could embark upon those courses of action regarding expenditure of US funds.

¹⁶ Not printed. Tab G contained a discussion of possible U.S. action in the United Nations on the refugee question.

¹⁷ Not printed. Tab H contained a chart listing estimated financial costs of the proposed program for Palestine refugees for fiscal year 1958.

¹⁸ Printed below.

Tab D

THE PALESTINE REFUGEE PROBLEM—FUTURE UNITED STATES POLICY

B. Remedial Steps (continued)¹⁹

3. Proposal for Repatriation

a. Basic Factors Involved

(1) Total repatriation is and will remain completely impractical. Jewish immigration into Israel makes a total repatriation impossible both with regard to the reclamation of Arab properties and capacity of the land to support the population. Moreover, the physical management problem is insuperable with regard to the movement of persons, the amount of time which would be consumed in order to make the necessary transfer of populations and the probable expenditure of UN, US and Israeli funds to accomplish such a movement.

(2) Any substantial repatriation of Arabs to Israel would constitute an overwhelming and continuing security problem to the State of Israel, particularly in the absence of a peace settlement, but probably even if there were a peace settlement.

(3) Based on our available information and estimates arising therefrom the majority of refugees (if properly advised) would not choose to be repatriated if the alternative to repatriation were adequate compensation because few would wish to become Israeli citizens and many, as in Syria and Lebanon, have already in effect become assimilated into the "host countries".

(4) Repatriation, while an emotional ideal to the Arab refugees, is of more importance as a political barrier to a peaceful settlement of the Palestine question, including the resettlement of the large majority of Arab refugees in the Arab states. Any proposal for overcoming this barrier, therefore, must be one which is politically defensible with the Arab Governments and will ensure that the political and security interests of the State of Israel are so protected that it may be induced to accept a program of repatriation which is limited in its extent but is fair to the Arabs in its application.

b. Proposal

(1) In the *spirit* of the recommendations of the General Assembly resolution of 1948, the Government of Israel would accept the *principle* of repatriation and undertake, in conjunction with a duly designated United Nations body (see 2(c) below) and representatives of the host Arab Governments, to arrange for the repatriation, on a carefully phased basis, of Arab refugees. It would be clearly understood that this proposal was in effect a "pilot project" designed to demonstrate the good faith of Israel, the Arab states, and the Arab refugees, and the feasibility of a repatriation program to the other Members of the United Nations.

¹⁹ Tabs B and C (neither printed) contained the first two parts of the discussion of remedial steps. See footnotes 10 and 11 above.

(2) The basic requirements for the repatriation program would be as follows:

(a) *Israel* would agree as the first step in orderly repatriation to admit on an annual quota basis a given number of Arabs. *Israel* would, in conjunction with the UN authorities, arrange for adequate shelter and farm land for the refugees and, insofar as possible, would work out arrangements for the restoration of former Arab holdings to their repatriated owners. *Israel* would assure individual Arabs returning to *Israel* full safety and equal protection under *Israeli* law. The public statement *Israel* would make might be along the following lines.

"In accordance with the provisions of paragraph 11 of the December 11, 1948, resolution of the United Nations General Assembly, the Government of *Israel* has decided that all bona fide Palestine refugees who desire to return to *Israel* and are prepared to live in peace with their neighbors in *Israel* may do so if they so elect. The Government of *Israel* is prepared to consult and agree upon feasible and equitable conditions and arrangements for the exercise of such option by the Palestine refugees. The Government of *Israel* requests the cooperation of all responsible authorities in acquainting refugees with these conditions and arrangements once agreed upon.

"The Government of *Israel* must reserve for itself the right to take such equitable measures as it deems necessary in the protection of its internal security with regard to the execution of the proposed program and also, in agreement with a properly designated neutral authority, to terminate the program at any time that it is not being carried out justly or peacefully pursuant to the above-mentioned United Nations General Assembly resolution.

"With international assistance, the Government of *Israel* proposes, through equitable arrangements to be worked out, to compensate those refugees electing resettlement."

(b) *The Arab refugees* would agree to abide by the laws of *Israel* and to accept the responsibilities, such as taxation and, if necessary, military service, flowing from their decision to return. They would undertake their obligation under the 1948 resolution to "live in peace with their neighbors", understanding that failing to do so would be basis for expulsion or such other punishment as is prescribed by *Israeli* law. They would sign, or have signed for them, a written undertaking that they understand that they cannot necessarily be returned to their former properties or holdings and are therefore prepared to accept substitute residence, and would sign a further undertaking that they understand that they may at any time, on notification to the proper authorities, leave *Israel* and relinquish *Israeli* citizenship. However, in so doing they could not take from *Israel* anything which they may have acquired or had formerly claimed in *Israel*, i.e., they would relinquish their right to compensation if they opt to [for] repatriation to *Israel* and subsequently decide to leave *Israel*.

(c) A *United Nations Agency* would be established to undertake to ensure that it was satisfied that at all times Israeli laws and regulations regarding repatriation of Arab refugees were just and equitable and fairly applied, that the Arab refugees had ample indoctrination in advance of their option to repatriation as to the rights and obligations in the event of repatriation, and that it would serve as an appeals board in the event that a refugee was expelled or chose to leave Israel.

(3) Phasing of the proposal:

(a) As soon as the designated United Nations authority were satisfied that the indoctrination program among the refugees had been satisfactorily carried out, the refugees would be given an option as to whether or not they would be repatriated or receive compensation and be resettled in the Arab states.

(b) Repatriation would occur at a rate increasing each year. Following the completion of two years residence in his allotted area, any refugee might indicate to the Israeli authorities and to the United Nations agency where he might wish to settle. The Government of Israel and the United Nations agency would make every reasonable effort to so relocate the Arab refugee in Israel, particularly if he could establish a claim to former property holding.

(c) At the request of Israel, or upon its own initiative, the agency could stop the repatriation program whenever in its opinion the program was not being carried out justly or peacefully. It would report its actions to either the Security Council or the General Assembly for further guidance or recommendations.

c. *Comment*

In suggesting a program such as the above, it is important that the following be borne in mind:

(1) Any program involving repatriation or compensation and resettlement will take time. From the point of view of actual physical repatriation the processing of applicants will take time even after a refugee has exercised his option. The identification of Arab property left in Israel now being pursued by the Palestine Conciliation Commission's refugee office will not be completed until the latter part of 1957 at the earliest. An Arab refugee must be offered the prospect of filing a claim for compensation at the time he is given the option to repatriate.

(2) As suggested, a program for repatriation while being fair in the spirit of what has now become a United Nations shibboleth, must, in fact, be sufficiently unattractive to the large majority of Arab refugees in order to minimize the actual risk in instituting any form of repatriation through creating an insuperable security problem for the Israelis or falsely arousing the Arab refugees' hope as to what awaits them upon repatriation. It is for this reason that an indoctrination program, however difficult the task, must be undertaken and if the Arab Governments cannot be persuaded to cooperate with such a program there would be no point in proceeding any further with it. The program must be so designed so as to be halted at any time, if, through bad faith, it cannot work. Thus there must be not only the indoctrination program which would bring home clearly to those opting repatriation

the full consequences of their decision. There also must be a period in which to permit testing as to the likelihood of those repatriated actually assimilating themselves into Israel and "living in peace with their neighbors".

Tab E

THE PALESTINE REFUGEE PROBLEM—FUTURE UNITED STATES POLICY

B. Remedial Steps (continued)

4. Proposal for Compensation

a. Basic Factors Involved

(1) The refugees who do not return to Israel under a repatriation program must be compensated. This has been understood as their right since the adoption of the General Assembly resolution of December 11, 1948.

(2) To date, the refugee office of the Palestine Conciliation Commission has been engaged in the identification and evaluation of individual land holdings left by Arabs in Israel. The refugee office states that the identification phase of the project should be completed during the latter part of 1957 but that the evaluation phase will take several months longer unless it has additional staff available. It has operated on the presumption that individual claims for compensation should be paid on the basis of their property being identified and evaluated.

(3) Certain criteria had been laid down for estimating total possible cost for compensation by the Palestine Conciliation Commission. The main emphasis has been on evaluation of real property remaining in Israel. The secondary emphasis has been on certain classes of movable goods and property. No consideration has been given to rentals, professional and commercial facilities and good will, and normal household goods. Given the indicated criteria for evaluation, the refugee office originally placed an estimate of approximately \$300 million on holdings left in Israel which might be the basis of claiming and receiving compensation. A current estimate by the refugee office is in the neighborhood of \$460 million.

(4) No formal UN efforts have been made to establish procedures for the processing and payment of compensation claims.

(5) A program for compensating the Arab refugees should have the following elements:

(a) It should be expeditious and equitable in the processing and payment of compensation claims.

(b) It should, if possible be more attractive to the Arab refugees than repatriation. At the same time, it must be governed by the consideration of the details involved in administration and the availability of funds.

(c) Too extensive payment of compensation to refugees in any given area in the Arab world may have serious dislocating effects on the economies of the area. Arab Governmental cooperation, therefore, in the handling of payments of compensation will be desirable from the outset.

b. Proposal

(1) Pursuant to the Secretary's speech of August 26, 1955, and following Israel's announcement that it accepted repatriation, the United States would announce that it was prepared initially to make available \$100 million to help finance a long term loan to Israel for the purpose of expediting the payment of compensation claims against Israel to those refugees accepting compensation in preference to repatriation. If possible, prior to such an announcement, the United States should have undertaken to assess the sources of available funds over and above the \$100 million.

(2) A Compensation Board would be set up as a UN agency to process and pay all claims for compensation along the following lines:

(a) During the indoctrination period suggested in the repatriation proposal, the Arab refugee would be informed of his rights to receive compensation as the alternative to repatriation.

(b) At the time that he exercised his option for repatriation or compensation, if he signified that he chose to be compensated, his option for compensation would entitle him to cash benefits up to \$100 at any time that he chose to accept cash, subject to such spending regulations as the local Arab Government might deem necessary.

(c) In accepting the cash payment up to \$100, or any part thereof, the Arab refugee would not be entitled to change his option at any time thereafter to repatriation, except on specific application to the Government of Israel and the receipt of its consent.

(d) In accepting any or all of the cash payment up to \$100, the recipient refugee would not be barred from establishing claims for higher amounts of compensation. He would, however, be expected to produce such evidence to substantiate the claims that might be required and could be validated by the UN Compensation Board which would be set up to administer the payment of compensation and to review and validate claims for compensation over and above \$100.

(e) The Arab host Governments would be expected to work out with the Compensation Board such arrangements as in their opinion could best regulate large payments of compensation so that any undesirable effects on the local economies could be minimized. For example, an Arab host Government might lay down a requirement that payments of large amounts of compensation over a specified figure would have to be made to a bank and could be drawn upon by the compensated refugees at times and under conditions indicated by the Arab Government.

c. Comment

In suggesting a program such as that above, it is important that we bear in mind the following:

(1) No Arab refugee is going to be attracted away from repatriation unless or until he has demonstrable assurance that compensation or some part thereof would be readily forthcoming upon his opting to be compensated in preference to being repatriated.

(2) While the figure of \$100 is arbitrarily arrived at as being the minimum payment for a refugee choosing compensation, it should be pointed out that, given the suggested available loan to Israel of at least \$100 million, payment of \$100 to each individual refugee now on UNRWA's rolls could be met immediately out of the available funds, assuming that every single refugee opted for compensation instead of repatriation. Actually, since it can be expected that a substantial number of refugees will at least initially opt for repatriation, the funds which would remain, after all those who opted for compensation had been paid, would be sufficient to meet some of the larger claims and serve as an ever-present inducement for at least some refugees who had opted for repatriation to change their minds.

(3) It may be expected that the above-mentioned program will be criticized as being in effect a bribe not to repatriate. This will have to be countered in such manner as possibly pointing out that \$100 per refugee will, in family groups, constitute nearly the equivalent of four years of rations from UNRWA, that \$100 per refugee will be, so far as estimates presently available show, well above the average amount to be received by the individual refugee should a claim be based solely on his individual validated claim for compensation. The general estimate thus far available is that a very small percentage of the refugees will actually have readily identifiable claims and that even a smaller percentage will have by far the largest amounts in claims.

(4) By the payment of a fixed minimum fee to each Arab refugee, predictably half of the initial over-all amount of compensation which would be paid out to refugees could, in fact, result in an immediate increase in available money in Jordan and could, therefore, be a possible attraction to the Jordan Government to participate in such a program. At the same time, it might give the United States an opportunity to lessen its direct bilateral assistance to Jordan. Syria, on the other hand, with the fewest refugees would benefit the least by any influx of funds.

(5) A Compensation Board would have to be established to process the larger compensation claims. In the first place, it may be presumed that compensation as such would be resisted unless it was the basis for individual refugees being able to seek an amount of compensation over and above a fixed minimum figure. The claims of larger amounts obviously would have to be handled in as judicial a manner as possible since those who have the largest claims may be expected to bring the maximum amount of political and legal pressure to bear on that entity or those Governments concerned in the processing of compensation claims. The present refugee office of the PCC being in general disrepute as far as the Arabs are concerned, it cannot be expected that they could undertake this important function. It is suggested that the Compensation Board should be made up of reputable international civil servants from the UN, having nationalities other than those of the affected countries in the Palestine area, and should be paid by the United Nations funds. The actual payment of claims for compensation should be handled by the Compensation Board but each payment of compensation would be charged formally against the loan

to Israel. Representatives of Israel and the interested Arab host Governments could appear before the Compensation Board, or could be called before the Compensation Board on all matters directly affecting them. It would, of course, be expected that the Compensation Board would have full and working liaison with the United Nations agency handling the repatriation.

Tab I

THE PALESTINE REFUGEE PROBLEM—FUTURE UNITED STATES POLICY

E. Tactics and Timing

1. *General Considerations*

The three key approaches envisaged in the recommendations are, in the order of their importance to the problem, the following:

a) *Israel*—The acceptance by Israel of the principle of repatriation and its willingness publicly so to state and to give effect to the principle is crucial to any effort to resettle Arab refugees. Without such a willingness on the part of Israel, there is no chance of any significant cooperation from any Arab Governments.

b) *Iraq*—Other than Syria where such resettlement is not now politically feasible, the only country in which a significant number of refugees can be resettled is Iraq. Without an agreement from Iraq to allow a large number of refugees into the country, only limited solutions are possible.

c) *Jordan*—Over half of the refugees are concentrated in Jordan where only limited numbers of refugees could be resettled; the remainder would have to be resettled to Iraq. Jordan's political position is not secure enough to permit it to take the initiative among Arab states in accepting publicly resettlement. Its acquiescence would have to depend on prior Iraqi approval.

While neither Lebanon nor Saudi Arabia would be called upon to play any active role in the program, their acquiescence would be helpful. In addition, as a courtesy, we would want to convey to them at an early stage the elements of the program. The recommendations do not envisage approaches to either Syria or Egypt. The United Kingdom should be taken into our confidence and its cooperation requested at a very early stage. The same is true for the Secretary General. No early approach to the French is envisaged.

In order to reduce to a minimum public speculation and Syrian and Egyptian efforts to obstruct, at least the first approaches to Israel, Iraq, and Jordan should be carried out with as much secrecy as possible.

Israel's public announcement of its acceptance of repatriation should be made on the heels of our approaches to Iraq and Jordan. Immediately thereafter the United States should publicly announce its readiness to provide the initial funds for compensation.

350. Telegram From the Embassy in Egypt to the Department of State¹

Cairo, July 2, 1957—5 p.m.

22. Re Department telegram 4090, June 17² and CA-10709, June 17.³ Saw Nasser last night in order re-establish contact following return from Washington and communicate contents reference telegram in answer questions posed by Nasser prior my departure.

[Here follow Nasser's references to his travels, readings, television appearances, and the recent Egyptian election.]

Up to this point conversation was relaxed and affable but, upon my turning to real business of communicating substance of reference telegram, going became heavy. Our replies, said Nasser, were what he had expected and result will be continuing to go around "in vicious circle". US policy regarding Egypt, he maintained, was based on false reports from prejudiced sources. Only case of irregular conduct by Egyptian official was Military Attaché in Libya. If we could furnish him complete list of all allegations of improper activity by Egyptians, he was confident he could refute every one. I replied strange that such large number of similar stories emanating from various sources in all neighboring Arab countries should be false; just too difficult to believe. Nasser, however, stood his ground and point was dropped on mutual unacceptability of two points of view.

Nasser also challenged our basic policy concept. Said there three forces at work in area: Communism, Western (principally American) domination, and nationalism. USG seeking dominate area by isolating Egypt and working with elements in other Arab countries who out of touch with people. We also attempting build up King Saud as Arab

¹ Source: Department of State, Central Files, 774.11/7-257. Secret; NoFORN. Received at 2:23 a.m., July 3. Repeated to Baghdad, Amman, Beirut, Bonn, Damascus, Jidda, London, Moscow, Paris, Rabat, Tel Aviv, Tripoli, Tunis, and Khartoum.

² Reference should be to telegram 4092, Document 340.

³ In circular airgram 10709, the Department of State conveyed to Middle Eastern posts and to the Embassies in London, Moscow, and Paris the text of the instructions sent to Hare in telegram 4092. (Department of State, Central Files, 123-Raymond A. Hare)

and Moslem leader. But we would find in end that we backing wrong people; that impossible isolate Egypt; and that nationalism would triumph. Furthermore, far from preventing spread of international Communism into area, our present policy is having effect of presenting USSR in increasingly favorable, and US in increasingly unfavorable, light. It is not Arab policy of "positive neutralism" but American policy itself which is cause of shift toward Russians.

This gave rise to spirited and protracted debate in which I told Nasser he was starting on wrong foot in attributing to USG desire to dominate Mid-East. Our policy in area sincerely based on promotion peace and stability in order protect Mid-East from falling prey to Soviet-Communist domination. Last thing we wanted do was dominate area ourselves. In fact, nothing would make us happier if, politically speaking, we could just forget whole thing. However, we clearly have responsibility to fulfill and, if we can't collaborate with Egypt, we shall do so with others. What would Nasser have us do? Sit with our arms crossed and leave Russians unopposed? What frankly would he do in our place? Nasser admitted natural we should try make converts to our way of thinking but still insisted we were going about it in entirely wrong way.

Aside from foregoing general criticism of our sources of information, basic policy and tactics, Nasser also mentioned following:

1. Said he had decided two days ago to crack down hard on Communists but just at that moment had learned of anti-regime pamphlets being circulated in connection with elections which he convinced were of American origin. Fearing become involved in fight on two fronts, he had called off anti-Communist action.

2. GOE has positive information that American sources providing arms to opposition elements in Syria.

3. Some time ago Libyan request of arms from GOE was favorably acted on only to have Libyans use Egyptian acceptance as means extracting arms from British and Americans. Recently Tunisians made similar request but this time GOE saw through move and turned it down.

4. Nasser mentioned my comments to Fawzi re Egyptian press and maintained American press many times worse than Egyptian (Embassy telegram 3850)⁴ mentioning editorial in *New York Times* three days before in which reference made to "Cairo-Moscow axis." Once again I refuted any attempt equate presses of two countries.

5. At one point Nasser asserted that all foreign policy, both basic and tactical, is made by him personally and spoke disdainfully of Fawzi and Foreign Office.

⁴ In telegram 3850 from Cairo, June 25, Hare reported on a conversation with Fawzi, during which the Egyptian press' "vilification" of the United States was discussed, as well as other aspects of U.S.-Egyptian relations. (*Ibid.*, 674.00/6-2557)

Toward end of conversation I observed that, if check-list were made of all items we had discussed, would appear Nasser would put all our actions in "wrong" column, none in "right". As human beings, we made no assertion of our perfection but, on other hand, we do try adhere to principles and exercise reasonable intelligence. In circumstances, I would suggest that Nasser might find it advisable do some basic re-thinking. Over long period of time USG has tried understand Egypt's problems but so far this has been one-way street. How about taking another look at problem, beginning with asserted assumption of our desire to dominate area, which simply not true and I had reason know what I was talking about?

Nasser replied that Egypt's policy for time being, say from 6 months to year, will be to let things ride and see what result will be. He had learned, he said, to curb impetuosity which formerly characterized regime. He also believed he was right and we were wrong and that in end, when natural forces had played role, we will find that nationalism will be triumphant and Egypt will not be isolated.

Foregoing is attempt report with some degree of orderliness conversation which actually surged back and forth very animatedly for better part two hours. What result may have been, or may be, difficult assess although no question but that direct and unvarnished replies to Nasser's questions obviously hit under his guard and caused him come back swinging rather wildly. However, rules of game were observed and call terminated with usual courtesy.

Hare

**351. Memorandum of a Conversation, Secretary Dulles' Office,
Department of State, Washington, July 2, 1957, 3:10 p.m.¹**

PRESENT

The Secretary
Mr. Becker
Mr. Rountree
Mr. Newsom
Mr. Cunningham

¹ Source: Department of State, Central Files, 980.74/7-357. Secret. Drafted on July 3 by Joseph H. Cunningham, an international affairs officer in the Department of State.

SUBJECT

The Aqaba Problem

Mr. Becker raised the question of the legal validity of the US position on navigation of the Gulf of Aqaba and the commitments made in connection therewith. He noted that our views on the 3-mile limit were not universally accepted, and stressed the advantage of the British argument that any littoral state has a right to have access to the open sea. L's past view that the US can take no action not fully in accord with its public position was, in Mr. Becker's opinion, too inflexible. It might, he felt, be desirable to seek a temporary *modus operandi* in the Gulf, involving certain restraints on parties concerned, without prejudicing the final determination of the Aqaba question by an international tribunal.

To the Secretary's query as to what point he wished to make, Mr. Becker replied with the suggestion that the Secretary, with his recognized eminence in matters of international law, might make an impression on Azzam Pasha with a statement along the following lines. "Although we stand by our previously stated position on Aqaba, we recognize that difficult questions are involved, some of which have never come up in any other context, and that arguments of substance can be raised. You (Azzam Pasha) have suggested adoption of a *modus operandi* pending determination of the question by an international body; we are open to suggestion in this regard. We are still giving consideration to possible courses of action, and may, if you are patient with us, come up with a suggestion of our own." The objective of such an argument would be to avoid ending the talks with Azzam Pasha with complete rejection of the Saudi argument.

The Secretary emphasized that we cannot consider any arrangement which would detract from the position taken in the February 11, 1957 Aide-Mémoire, as the Israelis withdrew from the Straits of Tiran on the strength of the assurances contained therein. The thought that we had wished to convey was that the right of commercial transit would be guaranteed. It would be unfair to nullify now what all, including we ourselves, thought at the time we had in mind.

Mr. Becker noted that "innocent passage", as used in the February 11 Aide-Mémoire, was an ambiguous term, and wondered if it had been intended to include all types of cargo. Mr. Rountree rejoined that the question had been discussed at the time, and that we had accepted the Israeli interpretation that the term "innocent passage" relates to the conduct of a ship and not to its flag or cargo. The Secretary interjected that we had clearly had in mind freedom of passage for commercial cargoes and pilgrims, and had made no commitments regarding naval vessels.

A possible compromise position suggested by the Secretary would involve asking US ships going to Elath not to use the Saudi side of the Gulf, pointing out to the Saudis that we were doing this as a courtesy to them and were not abandoning our claim to freedom of passage. Since, unlike the Saudis, the Egyptians have recognized the right to innocent passage through the Gulf, and since the natural passage is through their territorial waters, the Egyptians could not logically claim the same treatment as the Saudis.

Mr. Rountree commented that it would be useful to end the talks with Azzam Pasha on a somewhat encouraging note by indicating that we are still exploring the Aqaba problem and recognize that there can be diverse views on the subject. The Secretary called attention to the statement along these lines in his draft talking paper for the next interview with Azzam, and it was agreed that Messrs. Rountree and Becker would reconsider the draft in the light of the discussion.²

² An earlier draft of the talking point paper, dated June 28, is *ibid.*, L/NEA Files: Lot 64 D 290, Gulf of Aqaba 1951-1957. The briefing material forwarded by Rountree to Dulles on July 3 included a proposed talking paper based on suggestions made by Dulles. A marginal notation on Rountree's covering memorandum indicates that Dulles saw the briefing material. (*Ibid.*, Central Files, 980.74/7-357)

**352. Memorandum of a Conversation, Department of State,
Washington, July 3, 1957, 11 a.m.¹**

SUBJECT

The Gulf of Aqaba

PARTICIPANTS

The Secretary
Abdul Rahman Azzam Pasha, Special Representative of King Saud
William M. Rountree—NEA
John Hanes—IO
Loftus Becker—L
David Newsom—NE

The Secretary opened by stating he and the President were much concerned by differences which had arisen between Saudi Arabia and

¹ Source: Department of State, Central Files, 980.74/7-357. Secret. Drafted by Newsom on July 8.

the United States over the Gulf of Aqaba.² He said he wished to make clear that he and the President were determined to do all they could, consistent with basic United States interests, to find a solution which would accord with the views of the Saudi Arabian Government and the King. He stated that he and the President believed that the close friendship with Saudi Arabia which had been reinforced by the King's visit should not be marred by differences. He said he realized that the Gulf of Aqaba was a matter of particular and proper concern to the King, not only as a Ruler of a littoral state but also as the Keeper of the Holy Places.

The Secretary said that the United States shared Saudi Arabia's view that Israel should not gain as the result of armed attack. This view, he said, had been expressed by the President, by Ambassador Lodge, and others, on many occasions. He stated that there was apparently some misunderstanding with Saudi Arabia on this point which it might be possible to clarify. He stressed that there was a difference between the acquisition of a new right and greater use of an old right. In the view of the United States there had always been a right of free and innocent passage through the Gulf of Aqaba by any nation with a position on the Gulf. The Secretary stressed that this conformed to views held by the United States from earliest times. He acknowledged that the United States might take a more liberal view than certain other countries, and pointed to strong United States adherence to the three-mile limit as an example. He pointed also to the United States view that when a body of water served several nations it could not be closed without the consent of all.

The United States views on Aqaba, the Secretary said, were not invented to meet a particular situation. The United States had fought the War of 1812 because of the encroachment on the United States rights on the high seas. The Secretary, illustrating with a globe, pointed out controversies over territorial waters in which the United States was engaged in the Far East, particularly near to Soviet waters. He stressed that the United States must insist on its right to send ships and planes to within three miles of Soviet mainland. The United States, he said, could not go back on this position without repudiating its historic view and endangering rights important to its security.

² During a conversation with Ambassador Wadsworth on June 27, King Saud once again spoke strongly against the Israeli presence in the Gulf of Aqaba and expressed his deep concern over the U.S. statement of June 5 (see Document 347), which Saud claimed contradicted the substance of talks with President Eisenhower and other U.S. officials on the subject. The King also warned that the current U.S. policy toward the Gulf of Aqaba would adversely affect relations between Saudi Arabia and the United States, if it were not altered. (Telegram 861 from Jidda, June 29; Department of State, Central Files, 980.74/6-2957)

The Secretary said that the United States recognized that there were varying views regarding the character of the Gulf of Aqaba. He acknowledged that there was a respectable body of opinion contrary to that of the United States. He did not know what the decision might be if the matter were submitted to the International Court. He pointed out that the United States view was shared by nations which were largely maritime powers and that such a view was in their interests.

If the question were submitted to the Court, he said, and the Court held that the three-mile limit did not apply to the Gulf of Aqaba, or that the Arabs had the right to close the Gulf, the United States would accept that view and act accordingly. If Saudi Arabia wished to take the matter to the Court, he said, the United States would be sympathetic, would not oppose its going to the Court, and would abide by the Court's decision.

The Secretary said he was frank to admit that, while Israel has not gained a new right in the Gulf of Aqaba, it was exercising the old right to a greater extent. The question of rights in the Gulf, he said, had been raised with Egypt in 1950. Egypt had indicated there would be free and innocent passage through the Strait of Tiran. Israel has been exercising that right. He pointed out that the port of Elath was developing, that pipelines were being built and transportation facilities were being increased. As a result, he said, transit was more frequent. This is not, he said, a development stimulated or sought by the United States, but was the result of the closing of the Suez and the desire on Israel's part to develop alternate means of access which did not depend on the Canal.

Some ships of United States registry had been used in the traffic to Elath. The use of such ships, he emphasized, was without the knowledge or connivance of the United States Government. Any one could charter a vessel and use it in lawful pursuit. The United States had no way under its law in which it could stop such traffic. Even if it could, he said, ships of other nations would be obtained. In point of fact, most of the transit of the Gulf of Aqaba has been by ships of other than the United States registry.

The situation respecting naval vessels, the Secretary said, was probably different from that governing commercial vessels. The United States had never expressed views on naval vessels and their rights in the area, particularly regarding naval vessels of Israel.

The Secretary stressed once more that the views held by the United States on the international character of the Gulf were basic and that in its opinion commercial vessels in exercising this right were exercising a right they had always had. Recognizing differences with Saudi Arabia, however, the Secretary indicated that he had been examining what might be done to resolve the differences.

The Secretary said he had already referred to the fact that if Saudi Arabia wished to take this problem to the International Court of Justice the United States would have no objection. If the views upheld by the Court did not conform with those of the United States, he said, the United States would conform to the Court's decision.

In respect to warships, he stated that whatever the legal position may be in the Gulf, the right of Israel to use its warships in the territorial waters of other states poses a different problem. He said he believed Israel should agree to take its warships out of the Gulf or to keep them tied up. They should, he said, not be permitted to maneuver and threaten peaceful passage. If Saudi Arabia wished, the Secretary said, the United States would seek to bring about restrictions on the warships, either directly with Israel or through an appropriate intermediary.

Commercial vessels, he added, did not have to proceed to Elath through Saudi Arabian or Jordanian waters, although many did. He said he would be willing to explore the extent to which the United States could ask vessels of United States registry to avoid encroachment on Saudi Arabian waters.

The Secretary said that the Department had not expressed the view, and did not hold the view, reported in the press that there need be no notice given to coastal sovereigns. While differences of opinion existed on this question, he said, it was generally accepted in international law that, at a minimum, a sovereign nation might ask notice of ships proceeding through territorial waters. He said the United States would be willing to have its ships give notice to Egypt if Egyptian waters were to be used.

Another problem dealt with the pilgrims. This had been discussed personally between the King and the President, the Secretary said. The President had expressed his view frequently that nothing should happen which would in any way interfere with the pilgrims. The fact that the King has found it necessary to warn pilgrims is a matter of some sadness to the President because it seems to indicate that the President's assurances do not appear to the King to be adequate.

To meet the King's concern on the pilgrim matter, the possibility might be explored of making an exception to normal rules in the Gulf of Aqaba. Because of the presence of pilgrims this is a matter of great importance. The Secretary suggested this might be a case which the Government of Saudi Arabia might wish to take to the United Nations and ask for a special resolution. This would recognize the King's position as Keeper of the Holy Places and might give a special protection to the pilgrims. If the Government of Saudi Arabia wished to do this, the Secretary said, the United States would give full support to

reasonable steps. Whatever might be the general rules of international law, he said, he could conceive that there might be some special rule to protect the privileges of the pilgrims.

Referring to the King's expression of concern over possible Israeli aggression, the Secretary stated that he did not believe Israeli aggression against Saudi Arabia to be likely. The United States, he said, was determined to prevent such a development. The United States had stood firmly against aggression and the Israelis were aware of this. The Secretary mentioned the declaration of 1950 (Tripartite Declaration) and statements by the President during the Egyptian crisis of 1956. He emphasized most strongly that it was the United States which got the forces of Israel out of Egypt. It was not Soviet arms in Egypt, he said, but the fact that the United States stood against aggression and was prepared, if necessary, to impose sanctions on Israel. It was not, he said, an easy position for the United States. The Government had acted in the face of heavy pressure. No government in the United States had, he said, ever been subjected to a sterner test or had exhibited a comparable determination to stand on its principles. Israel, he added, would probably not tempt fate a second time. The Arab Governments should be aware that the United States Government would stand up against Israel if it became an aggressive force.

The Secretary said he was aware of Saudi Arabia's special concern now that it had, in fact, become a direct neighbor of Israel. Israel was now closer to Saudi Arabia. He said he could understand that, in the King's mind, Israel represented a threat. The Secretary said he wanted to make it clear that the United States would not stand idly by if there were a threat of aggression by Israel against Saudi Arabia.

The Secretary said that the Department had explored the matter thoroughly and sympathetically. He recapitulated the possibilities he had suggested, including the International Court, action regarding warships, the avoidance of Saudi Arabian territorial waters by United States ships, the willingness of United States ships to give notice, and a possible formula relating to the pilgrim traffic.

The Secretary said he was prepared to explore these possibilities with the Saudi Arabian Government and the King and believed that through some, or all, a *modus vivendi* might be found which would avoid disturbing the good relations between the United States and Saudi Arabia. He pointed out that the United States had a number of differences with friendly countries. He said the United States hoped to reduce its differences with Saudi Arabia; if this were not fully possible, he hoped the differences would not affect good relations.

The Secretary stressed the dedication of the United States to the maintenance of the independence and integrity of the Arab countries. He said the United States looked particularly to the position and to the role of King Saud in the area. Recalling the events of the fall of 1956,

he said the United States role had prevented the clock being turned back in the area. He stressed that the United States, he believed, was entitled to recognition for its stand and to the fact that no ties in the world prevented the United States from standing up for its basic principles.

The Secretary suggested that the various ideas put forward might be followed up, either by further discussion in Washington or by a letter which Azzam might wish personally to take to the King.

Azzam Pasha said he was grateful for the Secretary's comments. He said that for the first time in the last few years the Arabs had new hopes in the United States, mainly because the United States was now standing for its basic national interests. He said the United States and the Arabs might differ but if the United States regarded its own interests first, these differences could be worked out. The Arabs, he said, had no basic quarrel with the United States; legal issues regarding the Gulf of Aqaba could be settled at some later time.

The present problem in the Gulf of Aqaba, Azzam said, resulted from other problems—from history and from fears that have made the Gulf of Aqaba sensitive. For thousands of years, he said, this was an Arab Gulf. The establishment of the Israelis at Elath drove a wedge between the Eastern and Western Moslem peoples; it cut the traditional pilgrim route from North Africa. In Elath, he said, the Israelis, a Mediterranean power, were trying to develop a piece of desert without water in an abnormal fashion. He said they had visions of reviving history and of establishing links between Israel and the Far East. He stressed that throughout history the Arabs had been opposed to every power which sought to establish itself on the Gulf of Aqaba.

The British, he said, were aware of the sensitive situation in the Gulf. When difficulties there flared up, they quietly made an agreement with Egypt. Egypt, he said, did not make much trouble and even permitted some ships to go to Elath.

Azzam said when the Secretary referred to the re-establishment of the original position in the Gulf of Aqaba, he was not wholly correct. The existence of Israel is a new factor. Elath itself was established after the armistice agreement and is itself illegal.

When the Israelis settled in Elath, according to Azzam, Saudi Arabia asked Egypt to occupy the islands at the mouth and gave Egypt ten million dollars to fortify the mouth. The Saudis, he said, have always been more sensitive to the situation in the Gulf than has Egypt. When Egypt disappeared from the Gulf, the King became involved in a difficult situation. Egypt put the burden on King Saud to protect Aqaba. Saud had no power except the friendship of the United States. He cannot retire from this responsibility without dishonor.

Azzam admitted that the United States had taken its action in order to save the situation. He admitted that the Arabs should be grateful to the United States. He stressed, however, that the true status quo to which the King wished to return was that existing under the armistice agreement in which there were neither warships nor commercial vessels in the territorial waters of the parties to the armistice agreement. A return to the status quo, he said, would take the immediate problem of the Gulf out of the scene and permit ultimate consideration by the Court or the United Nations.

Azzam claimed that the Israelis had heightened the tension by pushing ships into the Gulf and boasting about developments at Elath. He suggested that all of this was in view of Israel's difficult financial situation and Israel's need to appeal to world Jewry.

Azzam stressed again that the United States was not actually involved and that the King had no objection to the passage of American vessels into the Gulf. He said that he felt a return to the situation under the armistice would provide a way to resolve the difficulty.

The Secretary agreed that there was no reason that the United States should be so deeply involved since it was merely representing an opinion held by many other maritime nations. He referred again to his earlier suggestion regarding a declaration in the United Nations providing a special pathway for the pilgrims. He said that this might provide a way for the United States to step aside, although the United States remained prepared to work out a voluntary agreement with Israel. When the Secretary suggested that all warships might be excluded from the pilgrim pathway, Azzam said Moslem warships frequently escorted pilgrim ships and suggested that only non-Moslem warships be excluded.

Azzam replied that while United Nations action might ultimately be desirable, United States good offices would be helpful in the beginning. He stressed, however, that a declaration regarding the pilgrim traffic would not be of much help unless the activity of Israeli warships in the Gulf were reduced.

It was agreed that Mr. Rountree would be in touch with Azzam within a few days and that in the meantime the Department would ask Ambassador Wadsworth to inform the King of the general status of the discussions.

353. Editorial Note

On July 9, Secretary Dulles transmitted to President Eisenhower a proposed response from Eisenhower to King Saud's letter of June 25 on the Gulf of Aqaba (see Document 347) and a draft of an aide-mémoire intended for the Saudi Arabian Embassy on the same subject, both drafted by Newsom. In a letter to Dulles on July 10, Eisenhower approved the two drafts with two exceptions. He rewrote the final paragraph of the response to Saud (see footnote 3, *infra*) and suggested new phraseology for the first paragraph of the fourth U.S. suggestion in the draft aide-mémoire. (Memorandum from Dulles to Eisenhower, July 9; Department of State, Central Files, 980.74/7-357; and memorandum from Eisenhower to Dulles, July 10, attached to memorandum from Rountree to Dulles, July 10; *ibid.*, 980.74/7-957)

The original text of the paragraph in question in the draft aide-mémoire reads as follows:

"Saudi Arabia might wish to have the Security Council consider the question of the safety of the pilgrims with a view to having a resolution adopted which would establish a recognized international pathway for pilgrims through waters of the Gulf of Aqaba. Such a resolution might provide suitable guarantees for the safe passage of pilgrims by restricting activities which appeared to imply a threat to the pilgrims. The United States is prepared to consult with the Government of Saudi Arabia on the form such a resolution might take and to support reasonable efforts in this direction in the Security Council. The United States recognizes that it might be found that the special character of the traditional pilgrim routes provided some basis for special treatment."

Eisenhower suggested to Dulles on July 10 that the phrase "a recognized international right of use" be substituted for the phrase "a recognized international pathway." Rountree, however, objected to this language in a memorandum to Dulles written later that day. He noted that the Saudi Arabians "consider that they have an unrestricted right to use the Gulf of Aqaba. They do not consider that others have that right. By saying to the Arabs that we propose to establish "a recognized international right of use", we fear we may be suggesting something which the Saudi Arabians consider already exists. By the term "pathway" we meant to imply not only a recognition of the right to use the Gulf, but, further, the restriction of Israeli activities which might impair that right." Rountree, therefore, suggested that the Department propose to omit all references to a "pathway" or "right of use" and instead to refer to "the special character of the traditional pilgrim routes", which would, according to Rountree, leave the concept somewhat vague. (*Ibid.*)

During the evening of July 10 Dulles presented the alternate language to Eisenhower. According to a memorandum by Newsom written the following day, "The President said he would prefer not to use any language such as "pathway' or "traditional pilgrim' routes which might imply assigning a special character to west-east routes as well as north-south routes in the Gulf of Aqaba, pointing out that there were traditional pilgrim routes from North Africa across the Gulf. He said he was concerned that any recognition of these pathways might have the effect of blocking the passage of vessels to the northern portion of the Gulf." (Memorandum from Newsom to Becker and Sisco, July 11; *ibid.*, L/NEA Files: Lot 64 D 290, Gulf of Aqaba 1951-1957) For the final text of Eisenhower's letter to Saud, see *infra*; for the aide-mémoire, see Document 355.

354. Message From President Eisenhower to King Saud¹

Washington, July 10, 1957.

YOUR MAJESTY: Since the receipt of your message on March 31,² we have been giving the situation in the Gulf of Aqaba our most earnest consideration. We have appreciated the opportunity afforded by Your Majesty's acceptance of our suggestion of May 15 that the various aspects of this question be discussed with your representative. At all times in these discussions, we have been particularly aware of Your Majesty's position as the Keeper of the Holy Places of Islam, as well as the leader of an important Arab state on the Gulf.

Secretary of State Dulles has kept me informed of the course of his discussions and those of other Departmental officers with Azzam Pasha. I believe the talks have been useful in developing possible ways to ease the situation in the Gulf. The Secretary of State has prepared an Aide-Mémoire containing certain suggested avenues of approach, which is being provided to Azzam Pasha who will, I presume, arrange for its appropriate consideration by Your Majesty and your counselors.

¹ Source: Department of State, Central Files, 684A.86/7-1057. Secret. Transmitted to the Embassy in Jidda in telegram 49, July 10, which is the source text.

Newsom prepared the original draft of this letter, which Dulles transmitted to Eisenhower on July 9. Eisenhower rewrote the final paragraph of the letter and otherwise approved the draft on July 10; see *supra* and footnote 3 below.

² See Document 260.

The memorandum seeks to be responsive to the principal points of concern which have emerged from your message and our further conversations with Azzam Pasha, namely: the presence of Israeli warships in the Gulf, the serious question of the safety of Moslem pilgrims transiting the Gulf, the responsibilities of United States vessels toward the coastal sovereigns on the Gulf, and the legal status of the Gulf of Aqaba and the straits leading into it.

In our consideration of this problem, we are mindful of the special responsibilities which Your Majesty bears during the current pilgrimage season. I can assure you, as I have in the past, that we would view most gravely any action by any nation which would interfere with the safe transit of pilgrims. If, in your deliberation with the representatives of other Moslem nations during the present pilgrimage, it would assist Your Majesty's position to make mention of our assurances on this matter, you may feel at liberty to do so.

I was grateful that Your Majesty brought to my attention in your letter of June 25 your special concern over a circular to shipowners regarding the Gulf. The routine character of this circular, and the fact that it was not intended to forbid compliance with requirements of prior notification issued by a coastal state in accordance with the principles of international law, have been fully explained by the Department of State to Ambassador al-Khayyal and to Azzam Pasha.

Our declaration³ on the legal status of the Gulf of Aqaba was motivated by the same reliance on principle and international law which governed our actions during the events of last October and November. Even then we did not insist that our individual views were fixed and inflexible; to the contrary we expressed the hope that if there should develop differing views on the matter, the whole affair might be decided by the International Court at The Hague, which decision we stand ready, in advance, to accept. That our attitude then announced, should have created differences with Saudi Arabia at a time when the parallel nature of our objectives in the area are becoming increasingly apparent is a matter of particular regret. I am hopeful that what we are proposing will offer a way to reduce these differences and to maintain the peace and tranquility in the area which we both so earnestly seek.

³ The original version of this paragraph, as transmitted to Eisenhower on June 9, reads as follows: "Our declaration on the legal status of the Gulf of Aqaba was motivated by the same reliance on principle and international law which governed our actions during the events of last October and November. That this should have created differences with Saudi Arabia at a time when the parallel nature of our objectives in the area are becoming increasingly apparent is a matter of particular regret. I am hopeful that what we are proposing will offer a way to reduce these differences and to maintain the peace and tranquility in the area which we both so earnestly seek."

May God grant you His safekeeping.
Your sincere friend,

Dwight D. Eisenhower⁴

⁴ Telegram 49 bears this typed signature.

355. Aide-Mémoire From the Department of State to the Saudi Arabian Embassy¹

Washington, July 12, 1957.

The United States Government and the special representative of His Majesty King Saud have, during a series of discussions, considered various possibilities with respect to the Gulf of Aqaba. The position of each Government has been explained and examined and means have been sought to relieve the current apprehensions of Saudi Arabia regarding the situation in the Gulf.

The United States recognizes that there are differences of views concerning the legal status of the Gulf and shares with King Saud concern over the maintenance of peace and tranquility in the area of the Gulf. It acknowledges the historic significance of the Gulf as a traditional path for Moslem pilgrims to the Holy Places located in Saudi Arabia. It recognizes that the situation in the Gulf is a matter of legitimate concern to His Majesty, King Saud, not only as the ruler of an important Arab state and littoral power on the Gulf, but also as the Keeper of the Holy Places of Islam.

During the discussions, the United States has stated its views that the Gulf of Aqaba comprehends international waters and that the commercial ships of all nations are entitled to free and innocent pas-

¹ Source: Department of State, Central Files, 980.74/7-1257. Secret. Newsom prepared the original draft of this aide-mémoire, which Dulles transmitted to Eisenhower on July 9. Eisenhower approved the draft on July 10 except for the paragraph containing the fourth U.S. suggestion. For a summary of the subsequent discussion concerning the wording of this paragraph, see Document 353.

Rountree handed the Aide-Mémoire to Azzam Pasha on July 12. During the discussion that followed Azzam asked Rountree what the U.S. position was concerning the notice which a vessel might properly give a coastal sovereign when passing through its territorial waters and whether the sovereign had the right of search. Becker responded that the right to ask for notice did not, in the U.S. view, imply a right of search. Azzam also expressed the hope that the United States would not press the legal aspects of the problem, as practicalities required some liberality in the legal concepts involved. (Memorandum of conversation by Newsom, July 12; Department of State, Central Files, 980.74/7-1257)

sage through the Strait of Tiran and in the Gulf. It has been emphasized that this position is based upon recognized principles of international law with due consideration to the interests of the United States as a maritime power. The principle of the freedom of the seas has been a cardinal point in United States policy since the beginnings of the Republic. The application of this principle to the Gulf of Aqaba by the United States is not intended to establish any rights to which nations on the Gulf and other nations have not always been entitled.

The United States has sought to determine how the legal questions might be resolved by an authoritative impartial body and what practical steps might be taken to preserve peace and tranquility.

The United States specifically suggests that:

1. Saudi Arabia might wish to consider taking the question of the legal status of the Gulf of Aqaba to the International Court of Justice. Insofar as vessels of United States registry are concerned, the United States would abide by any decision or advisory opinion rendered by the Court.

2. The United States recognizes that the principal question raised by His Majesty in advance of the present discussions was the movement of Israeli naval and air forces in the territorial waters of the other littoral powers on the Gulf. The United States has not considered that its declared position on the character of the Gulf implies the unrestricted passage of war vessels in the territorial waters of the Gulf under present circumstances. To meet His Majesty's special concern in this matter, the United States is prepared, in the interests of maintaining peace and tranquility in the Gulf, directly or through a suitable intermediary, to seek restrictions on the use of Israeli naval and air forces, including such measures as the tying up of the vessels in Elath or their removal from the Gulf.

3. The United States would be prepared, if requested to do so, to ask vessels of United States registry to avoid Saudi Arabian territorial waters in transiting the Gulf. The United States is also prepared to request masters of vessels of United States registry to give notice when requested to do so by regulations of littoral powers conforming to accepted principles of international law.

- 4.² Saudi Arabia might wish to have the Security Council consider the question of the passage of the pilgrims. In this event, the United States is prepared to support a resolution, consistent with its position respecting the Gulf, which would put the authority of the United Nations behind the rights of the pilgrims to undisturbed passage through the Gulf of Aqaba and give United Nations affirmation to His Majesty's rightful concern for the safe passage of pilgrims as Keeper of the Holy Places of Islam.

In presenting these suggestions, the United States is acting in the spirit of close friendship which has always characterized its relations with Saudi Arabia. The United States wishes to restate and reaffirm the assurances given on many occasions in the past that it supports

² Regarding paragraph 4, see Document 353.

firmly the territorial integrity and independence of Saudi Arabia. We have also stated we would regard most gravely any threat to the safe passage of religious pilgrims to the Holy Places of Islam. Certainly in a matter which involves the maritime rights of many nations and the territorial rights of several nations, the United States has no desire to be cast in the role of a principal protagonist. We are confident that with good will the divergences of opinion may be practically reconciled in a matter meeting the legitimate concern and protecting the just interests of all concerned.

356. Notes of the Secretary of State's Staff Meeting, Department of State, Washington, July 18, 1957, 9:15 a.m.¹

[Here follows discussion of other items on the agenda.]

Export Controls on Blocked Egyptian Funds

6. Mr. Dillon said that there now remains, exclusive of diplomatic funds, a little less than 30 million of Egyptian blocked funds in this country. He observed that, since this sum represents only about 3 months collection in canal tolls, the pressure on the Egyptian Government is not so great as before the canal was reopened. He contrasted this diminishing pressure with the increasing difficulties encountered by American firms, particularly TWA, which are losing money on its overseas operations and cannot get its money out of Egypt. With respect to export controls, Mr. Dillon said that American automobile concerns have complained because the UK controls are less stringent than those imposed by our government; and the American firms fear they will lose an export market to British competition.

In the light of the changing circumstances, Mr. Dillon said he planned to initiate a review of the adequacy and desirability of maintaining the present financial and export controls on trade with Egypt. He noted, however, that we are committed to consult with the British before making any changes.

Suez Canal Clearance Costs

7. Mr. Dillon said it will soon be necessary to adopt a clear, firm policy with respect to UK and French claims for reimbursement for their participation in clearing the Suez Canal. He said he judges that

¹ Source: Department of State, Secretary's Staff Meetings: Lot 63 D 75. Secret. The source text does not indicate a drafting officer.

their claims for the use of equipment during the UN clearance operation under the direction of General Wheeler are valid; but that the claims which antedate the UN operation must be dealt with separately. Unless this is done, he said, the surcharge question will become terribly involved and repayment to the UN will be difficult to effect.

Mr. Becker added that it would be difficult to recognize the UK and French claims without prejudging the question of ultimate liability and that most Egyptian claims would have equal standing with those of the British and the French. Mr. Wilcox agreed, and said that the Egyptian claims will be larger in amount and will have tremendous nuisance value.

[Here follows discussion of the remaining items on the agenda.]

357. Memorandum of Discussion at the 331st Meeting of the National Security Council, Washington, July 18, 1957¹

[Here follow a paragraph listing the participants at the meeting and the first part of Allen Dulles' briefing under agenda item 1 entitled "Significant World Developments Affecting U.S. Security".]

Mr. [Allen] Dulles then turned to the Middle East. He said that Nasser was scheduled to make a major speech on July 23, an anniversary of the Egyptian Revolution and approximately the first anniversary of the nationalization of the Suez Canal. Some people are guessing that Nasser's speech will contain a call for a holy war against Israel. Recent troop movements in Syria have also led to the rumor that Nasser may proclaim a union with Syria. In any event, Nasser is in a mood to make extreme statements, particularly since his disappointment in the results of the Egyptian elections.

Mr. Dulles then noted that the situation in the Gulf of Aqaba was acute, and that, according to Naval Intelligence reports, was being exacerbated by the presence of Israeli war vessels. Nasser appeared to be trying to get King Saud back in his camp as a result of the Gulf of Aqaba issue.

Secretary Dulles noted that King Saud had been reasonably well satisfied with the recent U.S. aide-mémoire,² and that our relations with him appeared to be better than ever before. The President said he had read the comments which Saud had made on receipt of our aide-

¹ Source: Eisenhower Library, Whitman File, NSC Records. Top Secret; Eyes Only. Prepared by Boggs on July 19.

² Document 355.

mémoire. Admiral Radford said he was concerned over the situation created by Israeli-Syrian relations. It did not seem to him that the strong Syrian reaction against Israel had been justified by anything the Israelis had done. Mr. Allen Dulles said that Syria had provocation in mind.

Secretary Dulles said that both Egypt and Syria were deliberately trying to provoke a crisis. Admiral Radford wondered whether anything could be done to cool off the situation. Mr. Allen Dulles said it was possible that the young and militant group in Syria which was making a great deal of noise at the present time, wanted a foreign adventure as an excuse for taking over the government.

Admiral Radford pointed out that in the event of Syrian-Israeli hostilities, Jordan would be obliged to join Syria against Israel. Secretary Dulles doubted that Jordan would automatically join Syria. Admiral Radford said that in the event of Syrian-Israeli hostilities, the Israelis would have no difficulty in defeating Syria if they were allowed to use their full military capabilities.

Mr. Cutler asked whether a UN team was not at present in the area. Admiral Radford said such a team was there, but its activity was restricted to reporting after the fact. He wished to emphasize the fact that events could happen any day which would change the whole situation very rapidly. Mr. Dulles thought that Israel would probably not take strong action against Syria, and Admiral Radford agreed that the Israelis had thus far been quite restrained.

The President wondered whether the United States should not tell Israel that the Syrians were merely trying to provoke a crisis. Secretary Dulles said this had already been done.

Mr. Cutler asked whether Lebanon was involved in this crisis. Mr. Allen Dulles said that Lebanon had recently protested to Syria over border incidents.

The President asked what military capabilities Syria had. Admiral Radford said the Syrians had some Soviet equipment, but were probably not fully trained in its use. The President said if the Syrians tried to use it before they were ready, they would probably lose it all.

[Here follows the remaining agenda items including discussion of the military implications of Joint Resolution 117 on the Middle East (scheduled for publication in volume XII).]

Marion W. Boggs

358. **Telegram From the Department of State to the Embassy in Turkey**¹

Washington, July 31, 1957—2:37 p.m.

287. Embtel 226.² Department concerned by seeming Turkish change of heart regarding Nasser and particularly by Prime Minister's assertions he would visit Egypt should Nasser invite him. We see no change in Nasser's policies and in fact violent anti-Western tone his recent speeches, particularly that of July 26,³ coupled with attacks on Near Eastern states with courage to insist on deciding their own policies, confirm our view that there no sound basis for Western rapprochement with Egypt under present conditions. We recall general view during recent Baghdad Pact meeting⁴ that present trend Nasser's isolation should be allowed mature further. We believe Nasser's approaches to British, and now to Turks, must be viewed as his attempts to counteract this isolation. However, these approaches tactical in nature and do not represent any sincere intention by Nasser to change his ways.

You should discuss above with Prime Minister and try ascertain whether he seriously considering trip prior elections. If it develops he is you may indicate our belief that for Turkey to soften its attitude on Nasser without concrete evidence of change in Nasser's policies would be to play into Nasser's hands and tend to discourage Jordan, Lebanon, Saudi Arabia, Iraq and Sudan in policies they have adopted re GOE. We think visit to Cairo by Menderes would be difficult for above states to understand.

FYI. View large Greek community in Egypt, and fact Greece not neighbor of Arab states nor member Baghdad Pact, our view re possible Karamanlis trip, while negative, was less so than in present case. End FYI.⁵

Herter

¹ Source: Department of State, Central Files, 674.82/7-2857. Secret. Drafted by Stabler and approved by Wilkins who signed for Herter. Repeated to Cairo.

² In telegram 226 from Ankara, July 28, Ambassador Fletcher Warren reported that, during a conversation, Prime Minister Menderes expressed satisfaction over the recent warming in relations between Turkey and Egypt. Menderes also stressed that Nasser was not a Communist, and that Nasser's earlier objections to the Baghdad Pact were "water under the bridge". (*Ibid.*, 674.82/7-2857) A trend toward a rapprochement between Turkey and Egypt was also the subject of despatch 67 from Ankara, August 5. (*Ibid.*, 674.82/8-557)

³ An Intelligence Note analyzing the contents of Nasser's speech of July 26 was transmitted by Cumming to Herter on July 30. (*Ibid.*, INR Files: Lot 62 D 42, Egypt 1957)

⁴ Documentation on the meeting is scheduled for publication in volume XII.

⁵ On August 17, Warren quoted the views which Menderes had expressed to him as follows: "It is very subtle matter to follow decision (which I supported) taken in Karachi, Tehran and other meetings that Nasser should be isolated, and at same time to be able manage public opinion in Arab world. That public opinion must not be allowed

359. **Telegram From the Department of State to the Mission at the United Nations**¹

Washington, August 3, 1957—1:40 p.m.

89. USUN 89² and 104.³ At earliest convenience advise Hammarskjöld of Department's reaction to Egyptian acceptance of compulsory jurisdiction of ICJ for "all legal disputes" arising under para 9(b) of Egyptian Declaration of April 24:⁴ as SYG knows US has always regarded para 9(b) of Declaration as inadequate since it is limited to disputes between parties to 1888 Convention whereas that Convention created legal right of free and unrestricted passage of Canal for shipping of all nations. Egyptian acceptance ICJ jurisdiction is not even as broad in scope as para 9(b) since it is based on "condition of reciprocity." By conditioning its acceptance ICJ jurisdiction on reciprocity Egypt has in effect limited its acceptance to disputes with only two countries: Of the ten parties to the 1888 Convention Germany is not a party to Statute ICJ; Austria, Hungary, Italy, Spain and USSR have not filed declarations accepting compulsory jurisdiction of ICJ; acceptance ICJ jurisdiction by Britain and France are subject to sweeping exceptions of which Egypt could take advantage and deprive ICJ of jurisdiction; only Netherlands and Turkish acceptances are relatively unqualified. Such an acceptance is even more limited than scope para 9(b) and indicates Egyptian unwillingness to have impartial juridical settlement of all disputes arising under 1888 Convention.

Moreover, Egyptian acceptance limited to disputes arising after April 24, 1957 rather than after date of nationalization, thereby excluding from ICJ's jurisdiction any issues concerning validity nationalization as it relates to Egypt's obligations under 1888 Convention.

to accept idea that we Turks are enemies of any Arab country. For this reason, Turkey's position somewhat difficult. Change (i.e. in Turkish policy vis-à-vis Egypt) which Washington thinks it sees is merely change in appearance and not in fact. We Turks also know very well that no essential change in Nasser's mind has taken place. In any case, we will have to be very careful about this (i.e. appearance of change which Washington sees)." (Telegram 415 from Ankara; Department of State, Central Files, 674.82/8-1757)

¹ Source: Department of State, Central Files, 974.7301/7-2357. Limited Official Use. Drafted by Ford; cleared by Shaw, Stabler, and Cargo; and approved by Ware. Repeated to Cairo and London.

² In telegram 89, July 22, the Mission conveyed Hammarskjöld's report that the Egyptians had finalized the terms of acceptance of ICJ jurisdiction. (*Ibid.*, 974.7301/7-2257)

³ Telegram 104 from USUN, July 23, conveyed the texts of a letter dated July 18 from Fawzi to Hammarskjöld and the enclosed Egyptian acceptance of ICJ jurisdiction. (*Ibid.*, 974.7301/7-2357) Fawzi's letter and its attachment were circulated as U.N. doc. S/3818/Add.1. (Same as A/3576/Add.1)

⁴ See footnote 5, Document 300.

Foregoing is for purpose of informing SYG of US views and guiding Mission in discussing subject with other Delegations should they raise matter. Emb London may also use information in discussing matter in SCUA should subject be raised by others.

Herter

360. Memorandum From the Under Secretary of State's Special Assistant (Villard) to the Under Secretary of State (Herter)¹

Washington, August 6, 1957.

SUBJECT

Recommended Approach to the Palestine Refugee Problem

Discussion

According to your request, I have studied the attached IO-NEA memorandum² which reviews in detail the Palestine refugee problem. I am in general agreement with the *Recommendations* on pages 4-8 (see Tab) and believe that they form the basis for further study and action on a program looking to the eventual solution of this problem. To assist me and to be available in the implementation of any agreed course of action, I have assembled a very small working group from the interested bureaus of the Department.³

1. The timeliness of a fresh approach to the Palestine problem is evident. UNRWA is scheduled to end its activities on June 30, 1960 but in the absence of increased financial support—over and above what the United States can give under present commitments—its rehabilitation functions will soon have to cease and before long so will many of its relief activities. The number of registered refugees has increased 25,000 the past year and now totals 947,000. In these critical circumstances the future of UNRWA and the Arab refugees will be debated at the forthcoming General Assembly.

¹ Source: Department of State, Central Files, 320.51/7-257. Secret. Drafted by Villard, Ludlow, and Gamon on August 6. The memorandum is item No. 2 of the "Palestine Refugee Problem, Villard Study, 1957-58". A marginal notation on the source text reads: "Sec saw".

² Printed as Document 349.

³ The working group consisted of representatives from the Bureau of Near Eastern, South Asian, and African Affairs and the Bureau of International Organization Affairs. Miscellaneous papers of the working group are in Department of State, NEA/IAI Files: Lot 70 D 229, Refugees. Ref 1 General Policy & Plans 1950-1957 and in Wilcox Files: Lot 60 D 113, Refugees.

2. There is some evidence to the effect that conditions in the Middle East, including in particular the attitude of Israel, may be sufficiently propitious at this time to warrant a fresh approach to the refugee problem on the part of the United States. The extent to which this is so should be the first object of our investigation. It is difficult to say precisely how an answer is to be obtained but the forthcoming Assembly may afford an opportunity to take informal soundings with leaders of the area, or, if it should prove desirable, eventually to conduct negotiations within the UN framework.

3. Since the crux of the refugee problem is whether or not a refugee shall have the option of being "repatriated" to Israel or shall be compensated, as stipulated by the General Assembly resolution of December 11, 1948, it seems clear that any progress toward a solution hinges on the possibility that Israel may now accept, within certain limitations, the principle of that resolution. Failure in the past to provide the Arab refugees with the means of exercising their option has remained one of the major obstacles in the way of an Arab-Israel settlement. Any attempt to prepare the ground for an amelioration of the refugee problem should therefore begin with discussions concerning the present position of Israel.

4. It is possible that we may be able to develop a certain leverage with the Israelis, who are pressing us for substantial amounts of economic aid. We might be in a position to provide some aid including an Export-Import Bank loan, over and above regular MSA funds, which might be a factor in persuading Israel to adopt a favorable attitude. Until the refugee problem is taken up, it would seem advisable not to make any commitments to Israel in regard to such additional economic aid.

5. Part of the complexity of the situation is the intransigent attitude in some Arab quarters toward *any* settlement of the refugee problems. Unless the Arabs are presented with a proposal which carries with it the *principle* of repatriation and which at the same time offers a just and feasible plan for the resettlement and assimilation of refugees who do not return to Israel, it will be futile to expect Arab cooperation. The most promising method of inducing cooperation would be, on the one hand, an offer of cash to refugees choosing compensation in lieu of repatriation, and, on the other, a proposal for economic programs designed to assist in resettlement and assimilation projects. Jordan and perhaps Iraq should be the starting point for discussions on this subject.

6. Needless to say any such program would not only commit the United States politically and morally, but also financially to a very substantial degree. (See estimates, Tab H⁴ of the attached memoran-

⁴ See footnote 17, Document 349.

dum) For this reason the utmost care must be exercised to see that the prospects for acceptance and implementation of a program by Israel and the Arabs alike are reasonably assured before opening discussions with Congress. It is our present estimate that were Israel to accept the proposals tentatively outlined in Tab D of the attached memorandum,⁵ thereby opening the way to the possibility of some affirmative action by Jordan and perhaps Iraq, we would be justified in beginning exploratory conversations regarding the necessary appropriations. Whether or to what extent we should attempt to use present MSA fiscal 1958 funds for the purpose could be determined in the light of the situation at that time, but until we are prepared to request Congressional action on a concrete plan we should limit our approach to informing a few key members on the most informal, personal basis of our intentions.

The IO-NEA memorandum did not attempt to evaluate the extent of financial assistance that might be envisaged for Iraq in connection with the absorption of refugees. I have requested that such a study be undertaken.

I have also requested that a study be undertaken to determine the extent to which the proposed program could be undertaken with available funds.

7. I believe it would be desirable, in view of the nature of the subject and the countries involved, to conduct further operations on a secret basis. Likewise, to avoid publicity at least at this stage, I would not favor sending a special envoy to explore the subject in Tel Aviv or in the Arab capitals, although it might eventually be necessary to pursue negotiations there on the spot. However, I think we should take the UN Secretary General into our confidence at an early date, as well as the British and perhaps the Norwegians and Canadians who have tended to be helpful in UNRWA matters.

Recommendations

1. Approval should be given to the IO-NEA memorandum as a basic working paper for the necessary further planning and for the implementation of any steps that might be agreed upon in carrying out a suitable program.

2. An initial approach should be made to Ambassador Eban after his return from Israel about September 6, at which time a proposed plan of action, carefully prepared in the interval, could be laid before him. Because of the importance of the subject and the desirability that our proposals should carry the full weight of Presidential authority, the Secretary might wish to be our spokesman on this occasion.

⁵ Attached to Document 349.

3. If the Israeli response is encouraging, recommendations 1, 4 and 5 of the attached IO-NEA memorandum should form the basis of exploratory conversations with the Jordanians and Iraqis. On the success of these conversations would depend the formulation of plans and proposals for development projects which could be taken up with the key members of Congress concerned with appropriations.

4. Meanwhile, the United States position during the 12th General Assembly should be that outlined in recommendation 6 of the IO-NEA memorandum. The United States should continue to support UNRWA at generally the present level and again be prepared to pledge up to \$21,500,000 to the Agency's relief and rehabilitation program for the fiscal year 1958. Possibly supplemental to our contribution to UNRWA, the United States should be prepared to enter into bilateral arrangements with Jordan to enable it to continue rehabilitation projects which UNRWA may have to abandon as a result of reduced over-all financial support to the Agency.

**361. Memorandum of a Conversation, Department of State,
Washington, August 6, 1957¹**

SUBJECT

Review of United States-Israel Relations

PARTICIPANTS

Mr. Abba Eban, Ambassador of Israel
 Mr. Yohanan Meroz, Counselor, Embassy of Israel
 The Secretary
 NEA—Lampton Berry
 NE—Donald C. Bergus

Mr. Eban stated that he was shortly departing for Israel to remain three weeks, during which time Mr. Meroz would be in charge. One of the objects of his visit was a review with the Israel Government of outstanding matters prior to the meeting of the United Nations General Assembly this fall. He believed that the United States and Israel

¹Source: Department of State, Central Files, 611.80/8-657. Secret. Drafted by Bergus on August 7. Prior to this meeting Rountree forwarded to Dulles a briefing memorandum which discussed possible topics of discussion and recommended responses. (*Ibid.*, 611.84A/8-657) The Department of State transmitted a summary of the conversation to the Embassy in Tel Aviv in telegram 113, August 6. (*Ibid.*, 684A.86/8-657)

had reached a degree of cooperation which was satisfying not only with respect to the restoration of relations since the Suez crisis but good in itself.

The picture in the NE was not serene. While there was no unity among the Arab states with regard to Nasser and there was in some countries disillusionment with the USSR, the Arabs were still united in their opposition to Israel. One result of the split in the Arab world had been that both factions sought to increase their armaments. Israel was deeply concerned at continuing Soviet arms deliveries to Egypt and Syria, but there was also concern at deliveries which the United States and others were making to Iraq, Saudi Arabia, and Jordan. Israel did not like to see arms become the symbol of cooperation with an Arab state, and felt strongly that economic and social aid was much more beneficial.

Israel was concerned at the growth in strength of the Arab boycott and particularly at the decision of the British firms of Shell and British Petroleum to withdraw from Israel without even attempting to make satisfactory succession arrangements as had been the case with Socony.² There was now a report that Imperial Chemical Industries, under pressure mainly from Iraq, was thinking of pulling out. Israel hoped that the United States might be able to counteract this trend which seemed to be taking place in the United Kingdom. The Israelis were giving thought to raising this whole question in the United Nations but it was difficult to find a legal approach.

Israel remained troubled by Soviet threats and accusations, the latest of which was to accuse Israel of being about to invade Syria and to state that Syria would not be alone in such an event. Israel was reluctant to conclude that the Soviets wished to provoke the Syrians into a rash military action but Mr. Eban wished to draw attention to Israel's concern, in view of the American Doctrine.

Mr. Eban said that there had been little trouble between Egypt and Israel lately because the UNEF had sealed off two points of conflict. Israel hoped the United States would agree that an early withdrawal of the UNEF would be premature and take steps in the United Nations to maintain it.³

On Aqaba, Israel had continued to pursue a policy of peaceful and unpublicized exercise of its right of innocent passage. Seven or eight tankers and other vessels had proceeded to Eilath. Israel thought it would be better if the United States made no statements which ap-

² Documentation concerning the withdrawal of British oil firms from Israel is *ibid.*, 880.2553.

³ Documentation concerning withdrawal of the U.N. Emergency Force is *ibid.*, 320.5780.

peared to indicate doubt as to the validity of its position or to invite litigation. The proximity of litigation sometimes invited incidents as, for example, in Cyprus and North Africa.

Mr. Eban noted that two specific problems with a bearing on Arab-Israel relations were scheduled to be discussed in the forthcoming UNGA. These were financing of UNEF and UNRWA. Israel wondered if this were the time for more specific movement in the UNGA toward an Arab-Israel settlement. In the past, the Israelis had felt that, since there was little prospect of progress on outstanding issues, broad UNGA discussion would not be very useful. If the United States were coming to hold a different view, it would be appreciated if it could share its thoughts with Israel. The Israelis sensed a growing concern in this country over the refugee problem. They felt that although Israel could make a contribution to a solution of this problem, the main effort would have come from the Arabs. If there were an overall scheme which looked to a solution of the whole problem, there were things Israel could do.

Mr. Eban noted that the Export-Import Bank Mission had completed its work in Israel. The Israelis believed the mission had obtained a favorable impression. Mr. Eban noted that Congressional action had been completed on PL-480 legislation, and that Israel had submitted an application for \$48 million worth of agricultural commodities. He hoped that early and favorable action could be taken.

Mr. Eban expressed his Government's interest in high-level United States participation in Israel's forthcoming tenth anniversary celebration and his hope that it might be possible for the Israel Prime Minister to be invited to the United States.

The Secretary said that with regard to Mr. Eban's statement concerning closer understanding between our two Governments, he agreed that we now talked with more intimacy and confidence than we had even before last November. We had had to place confidence in each other and each had come to feel that he was justified in so doing. This was a basis for greater trust in the future.

We also were concerned by the fact that whereas the Arab world was divided with respect to Nasser, it seemed to be united in its opposition to Israel. The Secretary did not know to what extent there was genuine unity or whether Israel was just a good thing for politicians to talk about. There was some unity in the conduct of the Arab boycott where the mechanism had been established for some time. The Secretary did not discount an unchanged basic animosity toward Israel. There was also an animosity towards the United Kingdom.

Recent developments in Oman⁴ were a matter of concern to us because here again there seemed to be a plausible excuse to unite the Arabs against the West. This made it difficult for us to implement a policy of discouraging extreme Arab nationalism and promoting closer ties with the West and less close ties with the USSR. The Secretary hoped that the Oman trouble would be quickly over, but it was difficult to be confident that a few days could bring a result.

On arms, the Secretary agreed that economic and social development was much more important. He had repeatedly pointed out to the Arabs the folly of wasting resources on arms which were difficult to maintain and use effectively. We did not encourage Saudi Arabia or other states to acquire large quantities of arms but tried to hold down their requests to an irreducible minimum.

On the Arab boycott and the withdrawal of British firms, the Secretary would bear in mind the Israel suggestion that we speak to the British but he did not know if an occasion for our doing so would arise or what we could say to them. In London, the Secretary had received the impression that the British regretted this step but felt it was inevitable.

On the Soviet attitude toward Israel, we inclined to the view that the USSR would not provoke an overt incident that would bring us militarily into the scene but, of course, we could not be sure. The Syrian border situation seemed to have calmed down. The Secretary General seemed to be concerned about the problem of United Nations observers along the frontier. There appeared to be some question of the mobility of observers on the Israel side of the line. The Secretary expressed the hope that Mr. Eban would look into the problem while he was in Israel. Israel reluctance with respect to the mobility of United Nations observers put Israel constantly on the defensive and created the suspicion that Israel might be up to mischief. This was the greatest single handicap to Israel's United Nations relations. He urged Mr. Eban to seek greater acceptance in Israel of the need to cooperate with the United Nations observers.

The Secretary said that we hoped the UNEF could continue in its mission.

On Aqaba, the Secretary expressed appreciation for the Israel Government's cooperation in the exercise of what we considered to be its right in a way to minimize Arab opposition. We were still having a difficult exchange of views with King Saud on this subject. It was difficult to exaggerate the King's sentimental attachment to what he considered to be a sacred highway for pilgrims. Israel's tying up its

⁴ In July 1957, the Imam of Oman had taken up arms against the Sultan of Muscat. The insurrection was eventually suppressed with British support. For documentation concerning U.S. interest in the matter, see vol. XIII, pp. 226 ff.

naval units had been extremely helpful and we hoped this would continue. We did not expect an Israel undertaking which would have the effect of limiting its freedom of action but we appreciated what had been done. Mr. Eban said that what his Government had said with respect to the tying up of warships and the conditions under which they would remain tied up would hold. The Secretary said that this was reassuring. Despite rumors to the contrary, we were unwilling to modify our position on the Gulf of Aqaba. All we have said was that we recognized the right of people to challenge our views through the appropriate international procedures. The Secretary referred to our global position with respect to freedom of the seas and stated that we were presently studying the recent Russian declaration with regard to the Bay of Vladivostok and might be making some sort of public statement about it.

The Secretary knew of no plans whereby UNGA action in the overall Palestine problem would be sought. We intended to support the continuance of UNEF. As to the refugee problem, the Secretary had asked his associates to restudy the question. He felt that we were drifting into a bad situation with respect to the refugees and that we could not for long go on paying simply to keep the refugees alive. The Secretary recalled his recent press conference statement that perhaps the initiative in the Arab-Israel problem should be taken by another country in view of the rather controversial position which the United States now had in the area.⁵ This did not mean that we had lost interest or vigilance. If we had any ideas, we would consider whether we or others might put them forward. We had no new ideas at this moment although he had asked that a restudy be made. He hoped that Israel would give us its ideas as to what might be done.

As to PL-480, Israel's position would be taken into account. There were, however, a number of claimants and the long-term future of the PL-480 program was by no means certain.

We looked with sympathy on the suggestion for United States participation in the tenth anniversary ceremonies and the possibility of a visit to the United States by the Israel Prime Minister. The former would be much easier inasmuch as the President had a heavy schedule of official visits running well into the next year. Nevertheless, the Secretary would take the question up with the President.

The Secretary concluded that at times he was despondent regarding the Middle East and its problems, but Israel had to live with them. We would maintain our interest in the area which was vital to us in so many ways. He felt, however, that since the Soviets had started to make trouble in the area, we would have to live with its problems for a

⁵ Reference is to Dulles' press conference of July 16; see *Department of State Bulletin*, August 5, 1957, p. 232.

considerable time. He had thought at one time we might be able to find an overall solution to the Palestine problem and this had led to his August 26, 1955 speech. The problems of the area, however, were difficult of solution even without the Russians. Now, he did not feel hopeful as to the prospects of an overall early settlement, since there was too much evil loose in the area. Therefore, we must live with the problems on a crisis-to-crisis basis, perhaps until there were a basic change in Soviet thinking or other developments took place. Mr. Eban said that Israel did not envisage shortcuts to solutions which only time and faith could probably bring. Israel took comfort in the fact that next year it would be celebrating its tenth anniversary. The Secretary said he would be glad to discuss these questions further with Mr. Eban when he returned from Israel. The prospects of an overall solution appeared dim. Perhaps we should work on it piecemeal with a start on the refugee problem.

362. Memorandum From the Director of the Executive Secretariat (Howe) to the Under Secretary of State (Herter)¹

Washington, August 8, 1957.

PALESTINE REFUGEE PROBLEM

The Secretary held a meeting on this problem in his office on Wednesday, August 7. Present were: Henry Villard; NEA—Messrs. Rountree, Berry, Rockwell and Ludlow; IO—Messrs. Wilcox and Gamon.

In introducing the subject, Mr. Villard stated his view that the refugee problem should be tackled quickly both because of the fact that the UNRWA will go out of existence in 1960 and because there have been hints from various quarters that the moment may now be propitious for some progress to be made. Mr. Villard proposed that: 1) an approach be made to Eban when he returns in September with the hope of gaining Israel's acceptance of a plan to either repatriate the refugees or compensate them for the rights and property they have left behind 2) if the Israeli response is encouraging, further exploratory conversations should be held with the Jordanians and Iraqis to deter-

¹ Source: Department of State, Central Files, 884.411/8-857. Secret. A copy of the memorandum is item No. 3 of the "Palestine Refugee Problem, Villard Study, 1957-58". (*Ibid.*, 320.51/7-257)

mine whether they would be willing to move ahead with the Jordan Valley development scheme as well as projects for refugee employment and resettlement in Iraq.

There was some disagreement among the conferees, however, over whether such approaches should be limited to Israel, Jordan, and Iraq. Mr. Rountree stated firmly his belief that Jordan and Iraq could never by themselves reach a public "political" settlement with Israel on the refugee question because of the pressures which would be brought to bear on them by the other Arab states. On the other hand, the Secretary opined, it appeared dangerous to attempt to expand the discussions into a search for an overall settlement of the refugee problem as Nasser's influence would probably overturn the prospects for any solution. Yet, the Secretary stressed, it would be impossible to get money from Congress for the implementation of any large refugee relief and resettlement scheme unless the Department was in a position to say that the expenditure of these funds would put us on the track of finally solving the problem and also terminating Israel's legal and moral obligations in this regard.

The Secretary reduced it to a question of whether a *de facto* or *de jure* solution is sought. A *de facto* solution might quietly solve the problem—at least in so far as the refugees in Jordan and Iraq are concerned—but the money for its implementation could probably not be obtained from Congress. On the other hand, a *de jure* solution could probably not be arrived at because a public political agreement between Israel and the Arab states seems impossible to obtain.

The Secretary also noted that the question of sponsorship of any agreement depended on the scope of the proposals. If we deal only with Israel, Jordan and Iraq, the US could play a direct role initially and other countries could later join us in sponsoring the agreement. On the other hand, if we prefer a broader approach initially, we cannot be the prime mover; we shall have to envisage bringing in Italy or Norway or India or Pakistan—or more than one of them—as soon as possible to prevent a violent reaction on the part of Egypt and Syria.

The Secretary indicated that he would be willing to have private discussions take place initially with Eban following the return of the Ambassador from Israel. Before that time, however, he said he would want to see on paper, succinctly, what we might say to Eban. In the Secretary's view, our suggestions should be limited to the problem of Arab refugees in Jordan, and should include a formula under which Israel could offer to these refugees the alternative of repatriation or compensation.

Mr. Dulles closed the meeting by saying that the problem still appeared to him to require a good deal more thought on the part of those who were present.

Mr. Villard has now gone on leave until Monday, August 26. He has directed UNP to prepare two papers in his absence:²

1. The first will focus on a possible approach to Israel with a view to exploring the possibilities for Israel's public acceptance of the principle of repatriation as well as Israeli compensation of those refugees not electing to return. On this latter point, then, the paper would include the "formula" aspect desired by the Secretary. The paper would also attempt an assessment of the financial support for such a scheme which might be forthcoming from Congress.

2. The second paper will be addressed to the Secretary's expressed interest in having third parties, i.e. other nations, assist in the initial approaches to the countries concerned and in the carrying out of such programs of repatriation, compensation and resettlement as may be agreed upon.

Fisher Howe³

² Draft memoranda on the two subjects described here are *ibid.*, NEA/IAI Files: Lot 70 D 229, Refugees. Ref 1 General Policy & Plans 1950-1957.

³ Printed from a copy that bears this typed signature.

363. Editorial Note

In mid-August 1957, a crisis in United States-Syrian relations erupted when, in response to Syria's expulsion of two U.S. diplomats and the Military Attaché for plotting against the Syrian Government, the United States declared the Ambassador and Second Secretary of the Syrian Embassy *persona non grata* and dispatched Loy Henderson to the Middle East to discuss the Syrian situation with Turkish, Iraqi, Jordanian, and Lebanese officials. For documentation on the Syrian crisis, including discussions with British, Egyptian, and Israeli officials on the subject, see volume XIII, pages 632 ff.

364. **Memorandum From the Director of the Office of Near Eastern Affairs (Rockwell) to the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Rountree)**¹

Washington, August 21, 1957.

SUBJECT

Jordan Ambassador's Call, Thursday, August 22, 2:15 p.m.

The Jordan Ambassador is calling to convey his Government's complaint concerning Israel activity in the neutral zone in South Jerusalem² and to seek U.S. support for Jordan in the Security Council. He will doubtless emphasize the need for U.S. support on this question to strengthen the position of King Hussein.

Background

In July, 1957, Israel workers entered the neutral zone in the Government House area South of Jerusalem under cover of a military guard and began work on the land which slopes downward from the Western border of the zone. The Jordanians immediately protested this act and asked that the Israelis withdraw. While the military guards seem to have withdrawn, it appears that work on the land continues.

The *Israel position* is that the work in the zone is merely the preparation of the soil for the planting of trees needed to control erosion and that no military advantage accrues. They cite an agreement concluded with the Jordanians in 1949, but never ratified, which divides the zone between the two parties and the fact that the Israel activity has been confined to the portion of the zone allocated to them.

The *Jordanian position* is that the Chief of Staff of UNTSO is the supreme authority in the zone and that it is incumbent on him to maintain the status quo there. The Jordanians suspect that the Israel activity aims at establishing de facto control over the Western half of the zone. Jordan's position is complicated by the fact that in the past the Jordanians have built trench fortifications in the zone (which were manned during the first days of the present dispute) and that the new Jerusalem-Bethlehem road which cuts through the zone often carries military traffic.

The *Chief of Staff of UNTSO* does not accept the Jordanian position that he has supreme authority in the zone. The Israel-Jordan General

¹ Source: Department of State, NEA/NE Files: Lot 59 D 582, Office Memos, 1957. Confidential. Drafted by Bergus.

² Reference is to the neutral zone surrounding Government House, the former residence of the British High Commissioner of Jerusalem. Background documents concerning its neutral status are attached to despatch 24 from Jerusalem, August 15. (*Ibid.*, Central Files, 684A.85/8-1557)

Armistice Agreement³ seems to bear out this thesis. The Jordanians seem to be drawing an inaccurate parallel between this neutral zone and the demilitarized zones between Syria and Israel created by the Israel-Syrian Armistice Agreement. The Chief of Staff feels that this is a problem to be handled by the Mixed Armistice Commission which Israel is presently boycotting. Because of the boycott, the Chief of Staff hesitates to call a meeting of the MAC inasmuch as he would almost certainly be presented with a Jordanian resolution inaccurate as to the true situation in the zone, on which he would either have to abstain or vote against.

This incident has had some repercussions in the area. The fact that the Israel activity continues in full sight of the population of Arab-held Jerusalem has been seized upon by the Syrian and Egyptian propaganda as "proof" that King Hussein has made a deal with Israel and sold out to them this portion of the neutral zone. The Jordanians therefore felt that they must take action against the Israelis and, according to a statement released on August 19 (attached)⁴ have complained to the Secretary General about the Chief of Staff of UNTSO and instructed their delegate at the United Nations to seek a Security Council meeting on this point.

U.S. Position: We seek to avoid Security Council discussion of this question at present and have so stated to the Jordanians (Deptel 371 to Amman).⁵ We have also urged the Israelis to cease activity in the neutral zone for the time being.

United Nations Developments: The Secretary General was approached by the Jordanian UN representative on August 20. The Jordanian said that he had been instructed to request an urgent meeting of the Council but went on to observe that certain legal issues still needed clarification. The Secretary General cautioned against precipitate action on three bases: a) the complaint needed more clarification; b) the case presented certain legal difficulties; and c) it would certainly lead to a discussion of wider issues in the Council. The Secretary General suggested that this be reported to the Jordanian Foreign Minister before definitive action were

³ For text of the Israeli-Jordanian Armistice Agreement, signed at Rhodes on April 3, 1949, see *Official Records of the Security Council, Fourth Year, Special Supplement No. 1*.

⁴ Not attached to the source text.

⁵ Telegram 371, August 20, instructed the Embassy in Amman to use the following arguments with the Jordanian Foreign Ministry: The United States did not believe that Security Council consideration of the Jordanian complaint would have a constructive result, as failure to obtain a clear-cut stand in the Council would be used by the Soviet Union, Syria, and Egypt to strengthen opposition to King Hussein; and Jordan would be placed in a vulnerable position in view of its previous activities in the neutral zone. (Department of State, Central Files, 684A.86/8-1957)

taken. The Jordanian said he would do this (New York's 240, August 20).⁶

Recommendation

That you state our position to the Jordanian Ambassador as set forth in Deptel 371 to Amman (attached).⁷

⁶ Not printed. (*Ibid.*, 684A.85/8-2057)

⁷ Deputy Assistant Secretary of State Berry spoke with Ambassador Haikal along the lines indicated on August 22. The Department of State transmitted a summary of the conversation to the Embassy in Amman in telegram 388, August 22. (*Ibid.*, 684A.85/8-2257)

Subsequently, on August 30 in a memorandum to Dulles, Rountree noted that despite U.S. efforts, Israeli activities in the neutral zone surrounding Government House continued. (*Ibid.*, NEA/NE Files: Lot 59 D 582, Memos to the Secretary thru S/S) Later that day, the Department of State instructed the Embassy in Tel Aviv to request the Israeli Government once again to terminate its activities in the area. (Telegram 191 to Tel Aviv, August 30; *ibid.*, Central Files, 684A.85/8-2057)

365. Editorial Note

The White House Staff Notes (No. 177), forwarded to President Eisenhower on August 22, include the following item concerning Anglo-Egyptian financial relations:

"Embassy London has received a British aide-mémoire summarizing the status of Egyptian blocked accounts and emphasizing that there has been no change in the UK policy, agreed with the US, of continuing economic pressure on Nasser in order to obtain a satisfactory settlement of financial claims. The only major change being considered is the possible refusal of export licenses for 'prestige' goods such as Viscount aircraft. The aide-mémoire was apparently delivered because of Foreign Minister Lloyd's concern that press reports would give us the impression that Britain is relaxing its financial restraints on Egypt and increasing economic exchanges." (Eisenhower Library, Whitman File, Eisenhower Diaries; President Eisenhower initialed the text.)

Text of the aide-mémoire was transmitted to the Department of State in despatch 453, August 20. (Department of State, Central Files, 641.74231/8-2057)

366. Memorandum From the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Rountree) to the Secretary of State¹

Washington, August 23, 1957.

SUBJECT

Recommended Response to Israel Arms Request

Discussion

I refer to my memorandum of August 13, 1957 (Tab C), transmitting the original of Ambassador Eban's letter of August 10, 1957, on the question of purchases by Israel of military equipment in this country.²

In conversations in the Department and with leading American Jews, Ambassador Eban has stressed the importance of the principle involved in U.S. refusal to make any military goods whatsoever available to the Israelis. The Israelis have not [*now*] made the point that our attitude threatens their security. Our own estimate remains that there is no present military threat to Israel from inside the area. We have also felt that there was merit in our adherence to a strict interpretation of the provision of the November 2 United Nations General Assembly resolution which calls upon United Nations members to refrain from introducing military goods into the area.

It is probably unrealistic, however, for us to attempt to maintain a position whereby even spare parts for U.S. military equipment already in Israel hands are effectively denied. Accordingly, I recommend that we indicate to the Israelis our willingness to grant export licenses for certain spare parts. The list of priority items transmitted with Ambassador Eban's letter includes not only spare parts but items such as helicopters, C-82 aircraft, machine guns, half tracks, ammunition, etc. Although the Israelis will doubtless insist that these are "replacement items", I believe that it is to our interest to continue to avoid shipping

¹ Source: Department of State, Central Files, 784A.56/8-2357. Confidential. Drafted by Bergus on August 22; concurred in by Walmsley and Gardiner (U/MSA); and forwarded to Dulles by Rountree through Herter and Murphy, both of whom initialed it. Originally, the memorandum referred to Tabs A, B, and C, but the references were changed by hand to read Tabs D, E, and F. The source text, however, has no attachments, and the editor has been unable to ascertain why the change was made.

² Eban's letter of August 10 is *ibid.*, 784A.56/8-1057. Rountree's memorandum to Herter of August 13 with an attached copy of Eban's letter and a "List of Priorities as supplied to Mr. Bergus on May 31, 1957" is *ibid.*, NEA/NE Files: Lot 59 D 582, Memos to the Secretary thru S/S 1957. Rountree's covering memorandum describes Eban's letter, which was delivered to NEA/NE on August 12, as "urging in the strongest terms the resumption of the sale of arms to Israel". Eban had spoken previously with Rountree on the subject on August 9. (Memorandum of conversation by Roberts, August 9; *ibid.*, 784A.56/8-957)

identifiable arms as such to Israel. Accordingly, I recommend that we grant licenses only for what are genuinely spare parts. I attach a short analysis³ (Tab E) of the Israel priority list indicating the items we recommend for release.

Recommendations

1. That I be authorized to convey orally to the Israeli Chargé the points set forth in the attached talking paper³ (Tab D) as a response to the Ambassador's letter.⁴

2. That we proceed with the issuance of export licenses for spare parts as set forth in the attached summary (Tab E).⁵

³ Not found in Department of State files.

⁴ Dulles initialed his approval of this recommendation.

⁵ Dulles initialed his approval of this recommendation and made the marginal notation: "Note change in Tab C".

Telegram 167 to Tel Aviv, August 27, reported that the Department of State on August 27 informed the Israeli Chargé that it was prepared to release items on the Israeli list which were bona fide spare parts for U.S. military equipment already in Israeli possession and that the United States would determine which items fell within that category. (Department of State, Central Files, 784A.56/8-2757) In telegram 173 to Tel Aviv, August 28, the Department added that it had emphasized to the Israelis the need for secrecy regarding the U.S. decision to release spare parts. (*Ibid.*)

367. Telegram From the Embassy in Egypt to the Department of State¹

Cairo, August 24, 1957—noon.

540. On occasion of visits to Washington this past winter and spring I had opportunity review with Department various ideas regarding situation here as developed with Embassy staff and other agency representatives. As result this consultation and regular Embassy reporting I believe Department has had fairly good idea of our thinking. However, recent events, including Nasser speeches on opening parliament and fifth anniversary of revolution and developments in Syria, have created stock-taking atmosphere and following is effort broad-brush situation as I now see it after staff consultation, and series

¹ Source: Department of State, Central Files, 123-Hare, Raymond A. Secret; Noforn. Received at 12:35 p.m. Repeated to Amman, Baghdad, Beirut, Damascus, Jidda, London, Moscow, Paris, and Rome. On August 26, Howe transmitted a copy of telegram 540 to Goodpaster at the White House under cover of a note indicating that Secretary Dulles had asked that the telegram be sent to President Eisenhower. (*Ibid.*, 611.74/8-2557)

talks with American correspondents, diplomatic colleagues, American community leaders and any others who might have ideas or knowledge or interest.

To begin with, it must be admitted that any effort to formulate definitive analysis of this situation is a frustrating business, not only to Embassy but to our diplomatic and press contacts. This arises partly from complex of forces at play in area as whole but it is made particularly difficult here because so much centers in enigmatic character of Nasser himself. He is both frank and secretive, straightforward and conspiratorial, bold and irresolute, generous and petty, liberal and dictatorial, wise and foolish, dedicated and egotistical—a veritable Doctor Jekyll and Mister Hyde. Consequently any evaluation of him, his motives and his intentions must of necessity be qualified. In situation of this kind there is always natural feeling that, if last and inner door could be found and opened, a final clarification would be revealed but I have feeling in this case that, if inner sanctum of Nasser's thinking could be located and illuminated, it would be found to contain more half-formed ideas than well laid plans. However, we have to deal with man as he is and following is effort analyze situation as I see it.

Basic fact in analyzing role of Nasser is that it has dichotomous quality. On one hand he is self-appointed leader of Egypt. On other hand, partly as result his own efforts but more largely as consequence of mass psychological phenomenon, he has become symbol of radical Arab nationalism and also, to lesser extent, of revolt against so-called imperialism in areas outside Arab orbit.

At present time both Nasser the leader and Nasser the symbol have suffered reverses and are at bay. Nasser, leader of Egypt, is encountering increasing economic and financial problems and, although he still retains considerable popular support, the recent elections proved disappointment.² To be sure parliament was elected which should be generally subservient to regime but this had to be accomplished by high-handed methods. As recounted in his "Philosophy of the Revolution", Nasser had hoped that, once old regime was over-thrown, Egyptian people would surge forward to take their places and assume responsibilities in new order. They failed do so and new regime has to impose its will by fiat. Five years elapsed and he tried again. Once again people failed respond and as consequence new parliamentary regime bids fair to be continuation of imposed, as contrasted with popularly supported, rule. Significance as far as Nasser is concerned is much more than ideological. He may not be wisest of men but he does have political flair which has convinced him of lack

² On July 3, the first Parliamentary elections were held in Egypt since the Revolution of 1952.

of long term dependability of largely military based regime. Consequently he has sought broader base and more solid support in masses. But masses have failed come forward and his basic domestic strategy has failed, not perhaps completely, but nevertheless sufficiently to give pause.

The other emblematic Nasser has also suffered reverses. Partly, perhaps even largely, this has been result of clumsy, heavy-handed and inept methods which aroused resentment among governing classes, if not among people, of Arab countries. Partly, it has been result of action of USG, especially through American Doctrine, which has cracked apparent, but never too solid, monolith of Arab unity under Egyptian leadership and domination.

Opinion regarding course which Nasser may be expected to follow in these circumstances varies but falls into two general categories. First and more reassuring is that he has learned lesson and will henceforth pull in his horns in foreign affairs and concentrate on domestic matters. Second is that, while taking cognizance of his reverses, he merely regards difficulties he has encountered as several lost battles in war which he still hopes and intends to win, and that he is currently engaged in re-forming his forces and re-tooling his organization preparatory to resuming attack while in meantime giving semblance of emphasizing domestic matters and also indulging in orgy of bluster in order satisfy radical elements both within and outside country.

My own thinking runs along second line, but, as between domestic and foreign problems, my guess is that he may actually be somewhat more perplexed by former, which are sufficiently varied and complex to give headache to most experienced administrator; which Nasser is not. In the foreign field on other hand—or perhaps one should say in general area of the Mid-east which constitutes only area of Nasser interest and knowledge—he is maneuvering on more familiar ground of rampant nationalism and intrigue. Not only that but it seems extremely likely that he means what he says when he maintains that, regardless of temporary reverses caused by other Arab leaders kicking over Egyptian traces, Arab people remain strongly nationalist and will follow him rather than those who have now turned against him. How far this may be true or false, I am unable to evaluate from here but no doubt that Nasser believes it and will presumably act accordingly. In fact there are those in his entourage who profess even to see advantage in present turn of events since they foresee that liquidation of "feudalism" in Arab countries will actually be hastened hereby. As one of them rather crudely put it, "You (the Americans) have merely stretched necks of reactionary rulers so that their heads may be more easily lopped off".

Question therefore arises as to policy which we should follow in this situation, but before approaching that unenviable task there are several subjects bearing on the situation about which few words might be said, i.e., posture of Egypt re the USSR and communism, "neutrality" and present Egyptian attitude toward United States.

As regards USSR and communism, Nasser repeatedly told me following my arrival in Egypt that, although force of circumstance (especially cotton and arms) had led to closer contacts with USSR than before, he was fully aware of danger of becoming enmeshed too closely with any great power, including USSR and US, and felt certain he was not getting on dangerous ground. He especially maintained that his arms commitments were not of nature to constitute serious loss of freedom of economic action. Gradually and especially more recently, however, such professions have tended die away and to be replaced by expressions of appreciation for Soviet favors not only in respect of arms and cotton but in political matters of interest to Egypt, although, to give the devil his due, it should be mentioned that both of Nasser's recent speeches were notable for their somewhat perfunctory references to the USSR.

As regards communism, picture is somewhat blurred as Egyptian communists and Nasser seem to be in sparring stage with neither quite decided whether, or how, to make fight of it. Nasser once told me that thing he most feared in setting up parliamentary regime was that communists would adopt policy of supporting him and then use this as grounds for playing role in united front and bore from within to establish communist power. This in fact now seems to be general communist line although there is said to remain smaller group of hard-bitten communists who strongly opposed Nasser in beginning and are said to be still of same mind. As regards Nasser himself, he gives impression of continuing to be suspicious of local communists but of being undecided exactly what to do about it and his task is not made easier by presence of a number of communists, crypto-communists and leftists on periphery of regime, if not actually in it.

Concerning "positive neutralism", I would suggest reading of article entitled "The Strategy of Egyptian Defense" in publication *The Armed Forces* which appeared last fall and copies of which were transmitted to Defense by ARMA as enclosure to R-1692-56 dated December 12, 1956.³ We are, of course, familiar with standard Egyptian arguments for "positive neutrality" but this article puts case in particularly cogent form and gives substance to conclusion that, much as we may disagree with them and shortsighted as we may feel them to be, Egyptians have not adopted this policy merely from whimsy or only in order exploit its nuisance value but have real convictions which we

³ Not printed.

should take into account in presenting controverting argument. However, what is particularly disturbing is that, whereas arguments of certain plausibility may have been adduced to support positive neutralism at an earlier stage, there is now alarming tendency for it to be sublimated, either unintentionally or intentionally, into form of non-neutral leftism, such as is already case in Syria.

Regarding Egyptian-American relations, one might conclude from excessive and vulgar fulminations of press that last strand of understanding had been severed. Situation is admittedly serious and depressing but I do not believe that it has gone as far as appearances might indicate. It is, of course, true that Nasser is in frustrated and vindictive mood as he sees our policies standing in way of some of his most cherished ambitions and also as he concludes, as he apparently has, that we are not only out to oppose him but in the end to do him in. It is also true that many Egyptians, including no small number of our Western oriented friends, are convinced that we are trying to stifle Egypt, not just regime but people themselves. But despite all this, and it should not be minimized, there is still great deal of residual goodwill for Americans personally and for our institutions and principles as distinct from governmental policy, and I have no doubt that if political developments could take happier turn there would be a strong upsurge of this feeling. In saying this, however, it should be noted that the present regime has spawned class of radicals and malcontents which will probably put its ugly imprint on Egyptian society for long time to come. If only for that reason, it is difficult to foresee return to "good old days" but that there still remains wherewithal for reestablishment of some reasonably constructive relationship, I have no doubt.

Finally, where do we go from here? Assuming, as I regretfully do (although many of my diplomatic colleagues and non-official Americans, including American correspondents, do not agree) that we have exhausted our persuasive powers to bring Nasser around to our point of view, or at least near enough to it to make minimum necessary collaboration possible, there are several courses of action which could be considered, such as:

(1) It might be argued that our status as one of two colossi in the East-West conflict and our identification with Palestine issue has resulted in our having two strikes against us in dealing with Egypt but that others not so placed might be able to be effective where we have failed. The Indians are known to be aspirants to play this role and there have been indications from time to time that some of Mediterranean governments might not be averse to trying their hand. Spain, Italy, Yugoslavia, Greece and Turkey come to mind in this connection. Excluding India, this idea has at least a certain superficial attractiveness because of fact it would bring Nasser into contact with mentalities and attitudes different from complex-ridden Arabs and Asiatics for

whom Bandung is symbol. It would also fit into recent Egyptian moves to develop traditional but recently neglected Mediterranean associations. However, this would seem rather thin reed on which to put much weight in itself. It might, however, have supplemental usefulness.

(2) Another idea to be mentioned but presumably only to be dismissed as unrealistic would be some agreement with the Soviet Union re area. This would have advantage of raising level of action above present plane where we forced to maneuver on treacherous terrain of dissention, dissimulation and frustration re inter-Arab and Arab-Israeli conflict. However, I am aware of Department's reaction to such suggestions in past and merely include it here for completion of check-list of alternatives.

(3) Consideration could also be given to reviving Anglo-American cooperation in Mid-east but it is difficult see how policy which failed when British were stronger could have much promise in their present weakened state, particularly with Suez affair in background and Oman in foreground. However, policy of maximum consultation and collaboration of course desirable.

(4) The United Nations has possibilities, has actually proved worth in certain instances and should be used to maximum. However, it has its limitations and it would be unrealistic to look to it alone for resolution of either area problems generally or Egyptian difficulties in particular.

On basis foregoing, conclusion would seem inevitable that, although we should develop collateral support as much as possible and perhaps to greater degree than we have done so far, we shall have to continue rely largely on our devices. . . .

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. . . Another problem is to be able maintain sufficient degree of pressure on Nasser without forcing him to point where he will see no line of escape except to Soviets and will in fact go over to them and seek to take Egypt with him. (How this would fit in with Soviet policy is of course another question.) This would be one way of bringing situation to a head but it would be extreme and ominous expedient since it could, and probably would, involve American armed intervention of unpredictable magnitude.

This suggests that, in policy of curbing Nasser which we are in fact now following and which it is now proposed that we continue and supplement, we should provide some alternative way out which, even though Nasser did not accept it, would make our posture more unassailable to both people of Egypt and others who, although critical of Nasser in varying degrees, see him in role of victim as well as villain. For appearances sake if for no other, sinner should be given opportunity for redemption. Not only is this important from Soviet angle but it would also make it easier to enlist varying degrees of support from others, possibly even Indians, who are perturbed at development

events here but could hardly be expected go along with overt oust-Nasser policy. In other words, it is suggested that what is needed is a well-labelled escape hatch which Nasser could use in unexpected event he decided to mend his ways but which would in any case serve to put USG in better position with countries which might lend hand, and also lessen latitude for Soviet exploitation.

As regards form of such an escape hatch, following would seem to be essential characteristics:

(1) It should be consistent with American policy but nevertheless should not give impression that we are being more rigid in dealing with Nasser than we are with others, such as Titos and Nehrus who are only willing meet us part way.

(2) It should be a formula which could, and probably should, be made public, although not necessarily in a formal statement.

(3) It should not give idea that we are going soft on Nasser or that we are in any way letting down friendly governments of area.

(4) It should be formulated in obviously reasonable terms which would contrast with wild screeching of Egyptian propaganda.

(5) It should be used as peg to re-state our traditional sympathy with constructive nationalism.

(6) It should be accompanied by quiet but comprehensive campaign to re-explain our position in matters where Nasser claims he has been wronged (arms, wheat, Aswan, frozen assets, expert export controls) and where unfortunately he is more generally believed than may sometimes be realized.

Although this criteria might seem somewhat formidable, I believe that necessary ingredients were contained in Deptel 4092⁴ instructing me regarding replies on neutralism and nationalism which I might make to Nasser following my return from Washington in June. At least, it would seem to be good starting point.

What should be made clear not only to Nasser but to others is that US will match Egypt stride for stride in any march toward constructive nationalism and also that it is not necessary to see eye to eye on neutralism in order to maintain reasonably friendly relations. We would have no necessary quarrel with Nasser as a really patriotic Arab or honest neutralist. Where our ways part, and part sharply, is at point where nationalism is perverted by derogation of the rights of the individual into a mass radical movement which will eventually fall into the hands of outsiders far more experienced and adept in using such movements for their own ends, and also at point where other Arab States are not allowed that liberty of action which Nasser asserts so strongly for Egypt. What should be made clear is that any pressure exerted on Egypt is not for the purpose of crippling it but directing it along road of its real self-interest and of area peace and stability. As regards Nasser's alleged opposition to Communism in Egypt, that is

⁴ Document 340.

all to the good if sincerely pursued but we cannot back him solely on that count in situation where, as result other ill-conceived area policies, he is giving Soviet gilt-edged introduction to ME.

At same time we are making these basic principles clear, it could be helpful and also in keeping with such principles to indicate our disposition to reciprocate in specific matter where GOE is prepared demonstrate good intent by forthcoming acts. Blocked accounts, especially [come] to mind in this connection and forthcoming visit of Kaisouny to Washington could furnish appropriate occasion make clear solution possible if GOE prepared face up squarely to reasonable settlement with old Suez Company. Complications, with [both?] practical and subjective, of this problem realized but it is also fact this is case which gives Nasser more grist for his persecution mill than any other and outline of our policy would emerge much more clearly if this obfuscating issue could be satisfactorily liquidated.

In this connection and also by way of general observation it should be noted that, in maintaining and supplementing our present policy in respect of Egypt, distinction must constantly be made between "pressures" which can be applied within scope of a policy of chilly and non-cooperative correctness, and "sanctions" which are characteristic of policy of active hostility. Mixture of two policies would be natural in transition from first or second but, in absence such decision, such mixture tends toward confusion and lessened effectiveness.

Finally, I would suggest that, in adopting this general type of approach, we will still maintain liberty of action to follow a harder line if circumstances should require. I believe, however, that on the basis of the situation as seen from here as of present, our best tactic is to combine carefully applied pressure coupled with indication of a reasonable one of retreat for Nasser. Frankly, I do not expect he will take it but, by so doing, we would not only retain maneuverability but also prompt a better understanding of our policy both inside and outside Egypt.

Foregoing has been in process formulation for past month and conclusions reached and suggestions made do not take into consideration current Syrian developments. Question here is degree to which Nasser may have been privy to Syrian events, or, if they took place without his full knowledge, may endorse or deplore them. Information available on this subject fragmentary but usually reliable sources close to Nasser indicate to us that Nasser feels Syrian situation has gone too far (Embassy telegrams 534 and 537)⁵ and is perturbed not only be-

⁵ Telegrams 534 and 537, August 23, reported Haikal's view that Nasser viewed Syrian leaders as leftists rather than Communists and feared that U.S. pressure might drive them further toward the left. (Both in Department of State, Central Files, 783.00/8-2357)

cause of itself but possible effect on Egypt. If so, it would not be first time Syria has failed coordinate with Egypt without however causing serious difficulty but just possible that present situation could be horse of another color and might be possible exploit. If so, manner of approach would be important.

One way would be for us to approach Nasser direct. Argument for so doing is that Nasser has at times complained of failure consult him in person regarding important matters and indicated problems could be simplified if direct approach used. Argument against is that could appear we were approaching him in recognition his indispensability and thus further inflate his ego and raise ante for his possible cooperation.

Another approach could be through other Arab leaders, especially King Saud, who, although currently at loggerheads with Nasser, might be able establish common ground of interest and action in Arab context.

Judging by Nasser's response to similar overtures, I am not sanguine he will show greater statesmanship in this instance but there is no gainsaying fact that opportunity exists and it would seem desirable explore even though prospects of success not bright.

I regret length this self-imposed de-briefing but, as mentioned at outset, this seems to be period for stock-taking and perhaps for decisions of gravity and therefore seemed desirable round out picture somewhat beyond scope routine report.

Addressee note this telegram Noforn.⁶

Hare

⁶ In response to telegram 540, Dulles instructed Hare to seek an appointment with Nasser in order to discuss the Syrian situation. Hare met with Nasser on August 31 and discussed both the Syrian situation and U.S.-Egyptian relations in general. During the conversation, Hare stressed U.S. concern over the spread of Communism in the Middle East. Nasser, in turn, stressed his personal opposition to Communism, but noted that American efforts to pressure and isolate Egypt were of greater concern to him. A report of the conversation was transmitted to the Department of State in telegram 608 from Cairo, September 1. (*Ibid.*, 783.00/9-157)

368. Editorial Note

In a letter to President Eisenhower, dated August 25, King Saud acknowledged receipt of Eisenhower's letter of July 10 (Document 354) and the U.S. Aide-Mémoire of July 12 (Document 355) and expressed his regret at the U.S. position on the Gulf of Aqaba contained in these documents. Saud reminded Eisenhower of the latter's promise that he would not reward an aggressor for his hostility and noted that the two documents were tantamount to a confirmation of rights which Israel did not possess prior to the conflict. (The Saudi Embassy delivered Saud's message to the White House on August 27. An English translation supplied by the Saudi Embassy is in the Eisenhower Library, Whitman File, International File; the Embassy in Jidda also transmitted the text of the message to the Department of State in telegram 222, August 28; Department of State, Central Files, 683.00/8-2757.)

On September 9, Azzam Pasha handed to Rountree a Saudi Foreign Office note concerning the Gulf of Aqaba, written in response to the U.S. Aide-Mémoire of July 12. In it, the Saudi Government expressed its regret at the position taken in the Aide-Mémoire and offered the following responses to the four suggestions contained in the note: (1) The Saudi Government rejected the idea of taking the problem to the International Court of Justice because it had never known a country to appeal to the court in order to establish its sovereign rights over its own territorial waters; (2) the second United States suggestion had not gone far enough, because Saudi Arabia had been issuing a categorical protest against all of Israel's attempts to exercise the right of passage through the Straits and into the waters of the Gulf of Aqaba, and not merely against the transit of naval vessels; (3) the third United States suggestion, that it might request masters of vessels of U.S. registry to avoid Saudi territorial waters within the Gulf, was again off the mark, because Saudi Arabia maintained that the Gulf was a closed Arab Gulf with a Saudi-Egyptian entrance, and that there existed only Arab sovereignty over the territorial waters of the Gulf and its entrance; and (4) the Saudi Government also rejected the fourth suggestion, that the pilgrim question be referred to the Security Council, because Saudi Arabia could not entrust such a religious task to any international body. (An English translation of the Saudi Aide-Mémoire of September 9 is attached to a memorandum from Rockwell to Becker, November 4; *ibid.*, 974.7301/11-457; the memorandum of the conversation between Azzam and Rountree on September 9 is *ibid.*, 980.74/9-957.)

369. Editorial Note

On September 4, Jordanian U.N. Representative Haikal requested an urgent meeting of the Security Council to consider Jordan's complaint concerning continued Israeli activities in the no-man's land around Government House in Jerusalem. (Letter from Haikal to the President of the Security Council; U.N. doc. S/3878) The following day, Israeli Representative Kidron requested the Security Council to consider an Israeli complaint that Jordan was violating provisions of the Israeli-Jordanian Armistice Agreement, particularly Article VIII, which provided for a special committee to enlarge the scope of the agreement. Kidron maintained that Jordanian refusal to agree to the function of this special committee had resulted in an infringement of Israeli religious and educational rights. He also charged that Jordan had constantly violated the provisions of Article I of the Armistice Agreement which affirmed the principles of non-aggression, non-intimidation, and the promotion of peace, and Article XII which provided for a review of the provisions of the agreement. Finally, Kidron denied that there were any aggressive aspects to the work being undertaken in the area in question. (Letter from Kidron to the President of the Security Council, September 5; U.N. doc. S/3883)

Both items were placed on the Security Council's agenda and discussed at the 788th meeting on September 6. After considerable discussion, the Council decided to request separate reports from the Chief of Staff of UNTSO on each complaint. (U.N. doc. S/PV.788)

In his first report, dated September 23, Colonel Leary of UNTSO maintained that while the Chief of Staff had authority to ensure the demilitarized character of the area between the lines, there was no basis for UNTSO authority to regulate civilian activities there. Therefore, Leary proposed a meeting of the Mixed Armistice Commission (MAC) to discuss civilian activities in the zone with a 2-month deadline to reach a decision, and that pending such discussions Israel suspend its activity. (U.N. doc. S/3892)

In his second report, dated October 31, which dealt with the Israeli accusations of September 5, Leary advised that Israel was entitled to request the implementation of the provisions of Article VIII of the Armistice Agreement, but that Israel could best facilitate the implementation of the Agreement if it resumed full participation in the meetings of the Mixed Armistice Commission and offered full cooperation to UNTSO. He also noted that each side accused the other of violating Article I and that no progress had been made toward the implementation of Article XII. (U.N. doc. S/3913)

370. Department of State Position Paper¹

SD/A/C.1/473

Washington, September 9, 1957.

REPAYMENT OF ADVANCES FOR CLEARANCE OF THE SUEZ
CANAL²

(Committee One—Item 5a)³

The Problem

At the end of last December, the Secretary General, mindful of the serious consequences that prolonged closure of the Suez Canal might lead to, made a special appeal to ten countries, including the United States, about the possibility of raising the necessary cash in order to proceed with getting the Canal cleared by contract with private firms. This action was taken pursuant to General Assembly resolution 411 of November 24, 1956 [by the General Assembly],⁴ as well as to a request by the Government of Egypt to the United Nations for assistance in the matter. No countries were approached which were directly involved in the dispute. The Secretary General let it be known that a plan would eventually be worked out for making repayment. Accordingly, the United States advanced \$5 million, with the further understanding that every effort would be made to have this amount matched. Actually, a sum of about \$11.2 million was raised, and the total cost, instead of being in excess of \$20 million, as estimated, is less than \$10 million. What, now, should be the United States position with regard to repayment of these advances?

United States Position

1. The United States should let it clearly be known that it expects that the sums advanced should be eventually repaid.

2. The United States should support a politically feasible plan calling for repayment through a surcharge on the tolls, provided it is made without prejudice to any question regarding ultimate legal responsibility for blockage of the Canal and clearance costs.

3. The United States should support submission to the General Assembly by the Secretary General of a plan designed to cover the repayment of advances according to (1) and (2). It should seek to

¹ Source: Department of State, IO Files: Lot 71 D 440, PP 12th GA Committees 1-6. Limited Official Use. Prepared for the use of the U.S. Delegation to the 12th Regular Session of the U.N. General Assembly, which opened in New York on September 17.

² Documentation concerning this subject is *ibid.*, Central Files 974.7301.

³ It would seem that this item would be more appropriately a Committee V matter. [Footnote in the source text.]

⁴ Brackets in the source text.

avoid, by such means as are appropriate, having the Assembly get involved in a serious political rift which could embrace questions of claims, war damages, compensation, and responsibility. For this reason, it should take the position that the United Nations is obligated in the first instance to repay the advances made by the original group approached by the Secretary General. Our objective should be to isolate this issue in this way in order not only to avoid serious political difficulty but to assure repayment to the original group making the advances.

Comments

Those countries which reacted favorably to the Secretary General's special appeal are the United States, Norway, Germany, Canada, Denmark, Italy, Australia, Sweden and Holland. (Belgium was also approached, but did not react favorably.) The Secretary General is committed to seeking means for making repayment. Further, several of the legislatures of the countries making the advances clearly indicated that repayment was expected. Nevertheless, there is the possibility of a move to have the advances written off. The United States should make it clear, therefore, when appropriate, that it expects that repayment will eventually be made.

The rationale of the surcharge plan is to devise a politically acceptable method for obtaining repayment. This implies a plan which, if it does not answer the problem of who is to blame, at least avoids the issue. A temporary charge would be placed on all shipping regardless of origin, and the extra cost presumably passed on to the consumers. The tolls would not be raised, and the surcharge would be eliminated once the sums advanced were recovered. The plan must, as noted, be without prejudice to legal responsibility, but this, of course, is the whole purpose of the surcharge proposal in the first place.

Obviously, some form of Egyptian cooperation is necessary for the plan to be a success, purely from a mechanical point of view. Further, the cooperation of India is also necessary. Without such cooperation, there would be grave danger that the plan would in practice not apply to all shipping, and it is important to the success of such a plan that it apply to all shipping, at least to shipping other than merely that of the Suez Canal Users Association nations. Obtaining Egyptian cooperation might well require allowing Egypt to play some role. This should be kept as small as possible, and, whatever Egypt does, it should be made clear that she acts, not on her own, but as a United Nations agent. Furthermore, the United Nations should have full right to examine the activities of whatever entity is finally appointed to collect the surcharge on its behalf, and to audit all pertinent accounts. It is not to be excluded that, with proper handling, use of Egypt could possibly serve to give the United Nations more entry into the Canal

affairs, rather than to strengthen Egyptian management control. It is to be stressed, however, that it would be unacceptable to the United States for Egypt to "cooperate" with the surcharge plan to the point of blocking shipping, even if this were done alone in the name of the United Nations. Such action would be illegal since the United Nations does not have the legal authority to impose a charge on private shipping for any purpose. Further, a most dangerous precedent would be set. As noted below, the effectiveness of a surcharge plan recommended by the United Nations must be based on the support of public opinion and by a broad segment of the membership.

Recently, the United Kingdom and France have taken active interest in the matter. These countries, since they were directly involved in the dispute, were not approached by the Secretary General for a monetary advance at the time of the special appeal addressed by the latter to ten nations. They have, however, submitted claims to the United Nations for work done both prior to the United Nations take-over and subsequent to it. These claims amount to approximately \$3,500,000. The Secretary General has replied that he intends to submit the matter to the General Assembly for decision. The United States wishes to reserve judgment on the question until an opportunity will have been had to examine the claims in detail and to review the general United Nations attitude toward them. At such a time, an addendum to this position will be formulated and submitted.

Some countries have suggested that the advances be written off. This would of course eliminate all possibility of eventual repayment. Accordingly, the United States position is fully opposed to such a suggestion. Other countries have proposed that the costs be covered by United Nations assessment in accordance with the regular assessment scale. United States objection to the assessment plan is based mainly on the belief that such a plan could not possibly receive adequate United Nations support, if for no other reason than the large sum involved. The United Nations budget is approximately \$50 million. This year the United Nations will already be faced with the rather overwhelming problem of raising an additional \$40 million to finance its Emergency Force (UNEF).

General Assembly rather than Security Council approval of a surcharge plan would be desirable, not only because two of the several parties concerned are not Security Council members, but also because the plan, to be successful, must enjoy broad United Nations support and, in fact, a broad mandate. Obviously, the mandate of merely the creditor nations is not adequate. A final consideration is the fact that the surcharge plan is fundamentally a voluntary arrangement. It is therefore necessary to obtain broad General Assembly endorsement.

**371. Memorandum of a Conversation, Department of State,
Washington, September 12, 1957¹**

SUBJECT

Israel and the Syrian Situation

PARTICIPANTS

Mr. Abba Eban, Ambassador of Israel
Mr. Yohanan Meroz, Counselor, Embassy of Israel
The Secretary
Ambassador Edward B. Lawson
NE—Stuart W. Rockwell
NE—Donald C. Bergus

Mr. Eban said that Prime Minister Ben Gurion had asked him to bring greetings to the Secretary and to give a full and frank account of Israel's views on the Near East situation. There had been great changes in Israel during the period between Mr. Eban's visit of last February and that of August 1957. Most of these changes had been for the better. The situation with respect to Gaza and Aqaba was quiet. No one who had worked to bring about the present arrangements there should regret them. The Secretary said that he was glad to hear this expression from Mr. Eban's standpoint since it had been Mr. Eban who had taken much of the responsibility. Mr. Eban continued that the country had been liberated for peaceful pursuits. Israel was developing, in accordance with its mission, as a center of scholarship and art. All this had been overshadowed by recent developments indicating deepening Soviet penetration of the region. Israel's task was to preserve sanity in a region in violent disequilibrium. The Syrian crisis was bringing back to Israel a preoccupation with matters of security, survival and defense.

Prime Minister Ben Gurion felt that the situation was grave in global terms. The USSR now had footholds of varying depth in Egypt, Syria, and Yemen. The infection would spread, unless there were effective resistance, to Jordan and other Near East states and would weaken Europe. Israel associated itself with the grave formulations stated by the President and the Secretary.

Israel thought that Egypt was the architect of these developments with which Nasser was completely identified. Israel felt that since the issue was not an Arab-Israel one, there was only one power, the United States, which could counteract these developments. If they

¹ Source: Department of State, Central Files, 684A.86/9-1257. Top Secret; Limited Distribution. Drafted by Bergus on September 13 and 16. A briefing memorandum by Rountree, prepared for Dulles prior to the conversation, is *ibid.*, 780.00/9-1257.

Eban discussed similar topics with Rountree on September 10. (Memorandum of conversation by Parker; *ibid.*, 611.80/9-1057)

continued, no free society and certainly no free Israel could live in the Near East. The Prime Minister was asking questions which he was sure other Near Eastern non-communist leaders were asking. Did the United States see the danger in grave terms? Was the United States willing to take some risks? Did traditional United States policy (such as that applied to Greece and Turkey) apply to the Near East? Anxiety led Israel to ask these questions. In all other areas Soviet encroachment had been checked when the USSR had come to believe that further expansion would meet United States resistance. For Israel it was of vital importance that the spread of communist influence be checked. There were other countries which had the same interest: Turkey, Lebanon, Iran, and the present regimes in Saudi Arabia, Jordan, and Iraq. The United States must assure leaders of the free societies in the Near East of its determination which should be publicly restated.

Israel wished to put forward a few suggestions for United States consideration: It was hoped that the United States would take a most serious view of developments and not be consoled by a lull from time to time. This is what the Syrians would seek in their hope to consolidate the position of the regime. The United States should have no illusions regarding the role of Nasser. Israel was disturbed at a movement which seemed to be emerging, particularly in the United Kingdom, which looked to Nasser for salvation. The most urgent problem was the fragility of the regime in Jordan which Egypt and Syria were trying very hard to undermine. Jordan needed not arms but better internal security. The regime there was unaware of internal movements which sought to undermine it. The king was unaware of the identities of the leaders of these movements. Israel received information from time to time on these matters which it would make available to Jordan through a friendly state. Israel had previously sent through such channels assurances that it had no designs on Jordan. These could be renewed. It was also worth exploring alternative communications to Jordan across Israel. Israel would hope that Jordan, for its part, would cease provocative utterances and gestures.

As to Lebanon, Israel wondered if the Lebanese were sufficiently alarmed to help themselves and the region. There was currently throughout the area a sense of Soviet proximity but a feeling that the United States was remote. There was no real United States military presence in the area. Israel wondered whether Lebanon might not wish to seek a defensive arrangement with the United States which would facilitate United States military presence. This would be a source of great assurance.

As to Saudi Arabia there was a danger of greater cooperation between Nasser and Saud. Saud had played a clear role in the Jordan crisis but his recent attitude had been much more equivocal. It would be fruitful, if United States influence with Saud were still great, to warn him against a tendency to accept the developments in Syria.

Israel felt that if Turkey and Iraq believed that they could prevent the present Syrian regime from consolidating itself that it should be encouraged to do so. Communism never left a country in which it had once established itself. There might still be a few months left in Syria in which to work despite the fact that Syrian foreign and security affairs were probably already under Soviet control and Soviet techniques in Damascus were more intense than those in Cairo. Israel had the impression that the Turks and Iraqis felt prepared to use their influence fully in Syria.

Israel advised against United States adherence to the Baghdad Pact. This would cause the United States to lose freedom of maneuver in the area and its present medial position. The United States could assist the Pact without joining it.

Israel looked upon growing Soviet influence as a plague which should be prevented from spreading. The United States should exercise vigilance regarding peripheral countries such as the Sudan, Ethiopia, Libya, and Yemen. For example, the forthcoming elections in the Sudan were to be decided on the issue whether the Sudan should be an independent African state or a satellite of Egypt. The success of Israel in resisting Nasser had awakened interest in Israel in African countries such as Ghana, Ethiopia, and Tunisia.

Israel believed that Western propaganda should be intensified in the Arab world. At present the other side had greater volume and intensity. Western propaganda might be linked to the traditional religions of the area.

Israel assumed that the danger to oil communications must be in American minds. Alternatives such as the Turkey-Iraq pipeline should be speeded up. There were practical discussions now going on in commercial circles with regard to an oil link from Elath to the Mediterranean. Israel did not seek United States support but might ask for an expression of benevolence at an appropriate time. 200,000 tons of oil had already been delivered to Elath.

Israel doubted the utility of trying to meet Soviet arms programs with deliveries of United States arms. The press had been wrong in ascribing to Israel an attitude of nervousness or weakness with regard to United States arms deliveries to Jordan. The political psychology of such deliveries was wrong. In such a competition the USSR would always win because it faced no considerations of conscience. The Arabs should not be given to believe that arms deliveries were a measuring rod to be applied to the United States and the USSR. The

whole level of armaments had been raised in Syria. This inevitably created a problem in Israel. Israel could not avoid a sense of public insecurity. Israel must divert its own resources to arms purchases at the expense of its development budget. Israel sought not the same number of weapons as the Soviets were delivering but at least a few weapons of each category. Israel thought it would be wiser for the United States to deplore the obsession of the area with arms. Could not the United States give equal dramatization to development programs? The impact of the Marshall Plan in Europe had been great. This was a field in which the United States could beat the Soviets.

Israel felt that the most urgent and central point at this time was that we must take seriously the prospect of armed aggression in the area—even though it might not be immediate. The American commitment to oppose aggression must be clarified. There must be some act to close the door to the prospect of successful aggression by any state. If this door were shut, arms deliveries would lose their point. There appeared to be areas of potential miscalculation. Under the Middle East Doctrine the United States had said that it would come to Israel's aid if attacked by a state dominated by international communism. Syria had not been so defined. In fact there had been public expression in the United States to the contrary. The President's statement of April 9, 1956² also had relevance in this context and was more comprehensive. This question had been discussed with Ambassador Richards when he was in Israel. He had said that the Doctrine did not mean that the United States would remain idle in the face of non-communist aggression but that Israel could expect vigorous action.

Mr. Eban urged that the loopholes be closed and that the Soviets must be made to feel that any attack on any state would engage the United States. It would be helpful psychologically if Mr. Eban could tell his Government that it can place its reliance on the April 9, 1956 statement and the Doctrine. Israel had taken some comfort in the fact that the Secretary's statement at the White House on September 7³ had spoken of subversion of Syria's *Arab* neighbors but aggression against Syria's neighbors.

Mr. Eban turned to the forthcoming session of the UNGA and said that discussion of Near East items should be limited to the agenda items already subscribed⁴ and that there should be no attempt to seek

² For text, see Department of State *Bulletin*, April 23, 1956, p. 668. Documentation is in volume xv.

³ For text, see Department of State *Bulletin*, September 23, 1957, p. 487.

⁴ These were: item 26, "Report of the Director of the United Nations Relief and Works Agency for Palestine Refugees in the Near East"; item 64, "Clearance of the Suez Canal: report of the Secretary-General"; item 65, United Nations Emergency Force: report of the Secretary-General"; and item 69, "Complaint about threats to the security of Syria and to international peace".

an Arab-Israel settlement. He felt that the UNGA might be the proper place for the United States to make it clear that all Near East states could count on United States help against aggression.

There were various other matters which Mr. Eban had not stressed. The Israelis had considered whether, in the light of Soviet arms deliveries to the area, they should seek military assistance from the United States. Mr. Eban said that "some of us" doubted the wisdom of such a course and understood the difficulties which it would present to the United States. Still, armaments were a heavy burden to the Israel economy. Indirect assistance, by way of economic aid, was some substitute. Mr. Eban would prefer that the United States-Israel bilateral relationship would stress economic cooperation. He hoped these thoughts would guide the United States in fixing the level of economic aid to Israel. The most urgent matter was P.L. 480 assistance which should shortly be up for negotiation.

Israel hoped there could be more consultation between the United States and Israel on Near East matters. While Israel was "alone in the Arab world", it had some relations with Turkey and Iran which the United States should help to strengthen.

Mr. Ben Gurion's final message had been an expression of hope that the Secretary would agree that Israel's concern was not exaggerated. He felt that there was a need for fundamental and frank discussion at the highest level in the United States Government. Israel would need steady nerves to live in the Near East during the days ahead.

The Secretary welcomed the Ambassador's presentation. While the Secretary would be unable in the time available to cover all the points raised, he would direct a few words to the essential part.

We had no illusions as to what was taking place in Syria. The fact that there might be more moderate manifestations would not delude us into thinking that things were going well. We had no reason to doubt the Ambassador's judgment with respect to Nasser. While it was some exaggeration to state that he was the architect of recent developments—Moscow had played this role—there was no doubt but what he was an aider and abettor of them. There was no hope for Nasser as a means of retrieving the situation in Syria.

Developments there were extremely grave. While we did not believe that it would be wise for Israel to take any active part in efforts to remedy the situation, the Secretary could assure the Ambassador that the United States was not discouraging elements in Arab or Moslem countries who wished to do something. On the contrary, we were extending a large measure of encouragement. We did not know whether anything would come out of this because these Governments were indecisive and unsure of themselves. It was preferable that something be done under Arab auspices rather than by the Turks acting alone. The course of events was not readily predictable.

The Secretary wished to make it clear that we judged recent developments very seriously. We were not discouraging anybody. We were prepared to take grave risks if that would assist in reversing the present trend. While we were not without hope that there might be action, this did not mean that we had exaggerated hopes in the view of the uncertainties and vacillation that existed.

The USSR had been threatening Turkey sharply. The Gromyko statement of September 10 had been one of the most intemperate and vicious Soviet statements ever to appear.⁵ Developments in the world suggested that the Soviets were taking a hard line. There was danger from the fact that Khrushchev was unpredictable and reckless. Previously the Soviets had been of a "chess playing" mentality but now there was a different type of mentality This very dangerous situation compelled us to look at the world scene from an overall standpoint. Nevertheless, the Secretary could assure the Ambassador that there was no disposition on the part of the United States to be intimidated or deflected.

The Secretary had been surprised to find that the press had interpreted his September 10 press conference⁶ as stating that there was no danger in the situation. The Secretary had taken a calm view because the situation was so dangerous that he had not wished to inflame it. He had not wished to say that things were calming down.

The Secretary could see that these trends would present special danger to Israel if, for example, Lebanon, Syria, Jordan, and Egypt became communist dominated and there were a large buildup of arms, etc.

The Secretary had made a statement in the press conference which reaffirmed the President's statement of April 9, 1956 and pointed out its relevancy to the situation in Israel. While this might not have the same weight as a more formal expression, we thought that Israel and other Near East states need not believe that the United States would be indifferent to armed attack from any quarter. While there had been no formal finding that Syria was controlled by international communism, in a borderline situation the decisive fact would be aggressive action on its part. This would be final proof if proof were needed.

The Secretary welcomed Mr. Eban's concrete thoughts with respect to Jordan and offer of information concerning the internal security situation there. The vehicle for transmitting this information

⁵ For excerpts from Gromyko's statement of September 10, see *American Foreign Policy: Current Documents, 1957*, pp. 1068-1069.

⁶ The press conference transcript is printed in *Department of State Bulletin*, September 30, 1957, pp. 526-532.

would probably be the Central Intelligence Agency. This was an important suggestion as we shared Mr. Eban's view as to the frailty of the position in Jordan.

Mr. Eban's suggestion regarding Lebanon merited further consideration on our part. We had given thought to the matter of United States presence in the area.

Saudi Arabia presented a difficult situation because of the King's obsession with regard to Israel and the Gulf of Aqaba. His expressions on these matters had been very strong. We felt, however, that he was deeply concerned with regard to the situation and would like to reverse the present trend. While he would deprecate an outbreak he was not averse to using other methods which were more customary. The Secretary noted that the King had gone to Baden Baden and that the Crown Prince was in the United States.

Mr. Eban had asked whether the Secretary felt that the internal situation in Syria was hopelessly lost. There seemed little hope of a change brought about by internal means. The opponents of the present trend were intimidated and were not hopeful of any early change. This might alter if there were external pressures; Syrians now abroad might have greater hope. The Secretary recognized that one had to weigh the prospect of favorable events developing in time against the prospect of the Syrians being able to consolidate their position in time. The Syrians might have more assets in surrounding Arab countries than those countries had in Syria.

We shared Israel's view regarding United States adherence to the Baghdad Pact and would concentrate on implementation of the Middle East Doctrine. We were aware of the deficiencies and needs of countries such as the Sudan. We were endeavoring to step up radio transmissions to the area but it might take some months.

We were endeavoring to hold arms shipments to a minimum. The Secretary had said to Arab leaders that arms were not a measure of friendship. We had held off as long as possible in Jordan. There we had done what had been advertised and would do a bit more. In the main what we were doing was designed to help maintain internal security. We might have to go beyond the minimum necessary for this purpose in order to maintain the prestige of King Hussein.

The other matters raised by the Ambassador should be discussed with Messrs. Rountree and Rockwell.

The Ambassador referred to the Secretary's statement about defining Syria as a state controlled by international communism under the Middle East Doctrine. If it took an aggressive act to bring about such a definition, the deterrent effect of the Doctrine would be lost. The Secretary said that he or the President might find an occasion to say publicly that an aggressive act would result in a finding that Syria was controlled by international communism.

372. Message From President Eisenhower to King Saud¹

*Newport, Rhode Island, September 12, 1957.*²

YOUR MAJESTY: I have received Your Majesty's two messages of August twenty-fifth concerning the situation in Syria and the matter of the Gulf of Aqaba.³ Your Majesty has spoken as one good friend should speak to another—in full frankness and sincerity. I am hopeful that out of such exchanges we can reach that measure of understanding which is so vital to all of us in this day of dangerous and conflicting currents.

I was gratified to learn that you will devote your wholehearted efforts to removing the danger which events in Syria have brought closer to the Middle East. There is no doubt that such action, as you say, is in the best interests of the Arabs.

I appreciate, further, your frank report on the thoughts and feelings of the Arab people as they appear from your vantage point. I cannot but be concerned that concepts concerning the role and attitudes of the United States persist which are not only without foundation but which distort completely the strong desire of this nation to support the independence and integrity of the free nations of the Middle East.

In this connection, we fully recognize the need of the nations of the area to possess adequate defense forces. We regret, however, that friendship should appear to be measured by the amount of arms one nation supplies to another. That is a Soviet Communist concept which coincides with the facts of their materialistic atheism and their ample stocks of surplus war material. We believe that Egypt benefitted far more from the steadfast adherence of the United States to the princi-

¹ Source: Eisenhower Library, Whitman File, International File. Secret. Transmitted to the Embassy in Bonn in telegram 704, September 11 with the instruction to deliver the message in writing personally by an Embassy officer to King Saud who was staying at the Hotel Schloss in Baden-Baden. (Department of State, Central Files, 783.00/9-1157)

² The President had been staying intermittently at the summer White House at Newport since September 4. (President's Daily Appointments; Eisenhower Library)

³ A summary of the letter concerning the Gulf of Aqaba is in Document 368. In the second letter, Saud contended that the West's failure to supply Syria with the arms it had requested had contributed to the current situation in that country. Saud also conveyed Arab complaints that the West had prevented the sale of Arab goods and had kept the Arabs from arming leaving them nothing with which to defend themselves at a time when the West was giving aid to their enemy. (Department of State, Presidential Correspondence: Lot 66 D 204, King Saud/Eisenhower)

On August 28, in a note to Secretary Dulles, President Eisenhower suggested that one response be written covering the two letters. (*Ibid.*) Dulles forwarded a suggested reply to Eisenhower on September 9 and Eisenhower approved it with a suggestion that the text emphasize the idea that Egypt benefitted from U.S. adherence to U.N. principles. The letter to Saud was transmitted without revision. (Eisenhower Library, Whitman File, International File)

ples of the United Nations Charter than it did from the arms it had purchased from the Soviet Union. To possess powerful friends who are loyal to protective principles such as those in the Charter is a very valuable asset.

The United States did not, furthermore, refuse to provide arms to Egypt and Syria. These governments declined to acquire arms in this country under procedures well known to Your Majesty and accepted by Your Majesty.

We have, moreover, never been an important supplier of arms to Israel, nor are we now. You, of course, know that we are sending arms to Saudi Arabia, Iraq, Jordan, and Lebanon, and are aware of the special measures I have directed be taken to expedite the delivery of the arms Saudi Arabia is now obtaining in the United States.

I am sure Your Majesty notes, with me, that those nations which have turned to the Communists for arms are a minority in the Arab world. It is my firm belief that the Egyptian and Syrian Governments turned to the Communists, not under the pressure of any action taken by the West, but because it suited their purpose to do so. They believed that they could undertake close relations with the Communists and obtain benefits from them without endangering their national independence and the security of the Middle East. I am sure you share with me the belief that they were wrong.

My purpose in repeating again what is, I know, familiar to you, arises out of my fear that these misconceptions about the role of the United States gain currency and divert attention from the danger of Communist imperialism. Your Majesty has mentioned the Arab fear of Israel. Should Israel attempt to conquer any Arab state the United States would, as it did last October, take action to prevent this. To do so would present far less difficulties than preventing the assumption of Communist control of the Middle East should one or more states of the area become captives of the Soviet system.

The United States stands fully prepared to meet aggression against the free states of the Middle East. The most dangerous form of aggression, however, is that which takes place through the quiet and masked subversion of independent nations. To meet this kind, any nation needs more than the force of arms. We all need the understanding and support of our friends.

I wish also to acknowledge the receipt of Your Majesty's letter on Aqaba. We received the Foreign Office note to which it refers on September ninth.⁴ You may be certain that the note will be given most careful study. I do wish to express initial regret, however, that, from your message, it would appear that you have found little basis for a closer understanding on this problem in the suggestions put forward

⁴ See Document 368.

by the United States in our Aide-Mémoire of July twelfth.⁵ This Aide-Mémoire was, as you know, drafted after extensive and fruitful discussions with your representative in the United States. In it we sought to emphasize that the rights for which we stand are primarily rights for United States vessels and not those of Israel or, particularly, for any other nation. The United States, a maritime power since its earliest days, has always stood for the right of its vessels to use the seas outside of the three-mile limit and in waters involving access to multiple states. Only recently the United States felt impelled to protest proposed action with respect to certain international waters in the Far East,⁶ even though United States vessels in recent years have not often transited such waters. Our Aide-Mémoire represented a sincere effort on the part of the United States, within the framework of its historic position in this respect, to assist in finding a meeting ground on this problem.

I have spoken frankly to Your Majesty because of the great value I place upon our friendship and because I know that you agree that good friends should not conceal from each other what is in their hearts. Even among the closest friends in the family of nations differences have existed and will continue to exist. This does not prevent mutually beneficial cooperation between these states. Though you and I may not always agree in all respects, I value our continuing fruitful collaboration. It is my hope and intention that the United States and Saudi Arabia will work together closely and harmoniously.

I send Your Majesty my warmest regard and best wishes.

May God have you in His safekeeping.

Your sincere friend,

Dwight D. Eisenhower⁷

⁵ Document 355.

⁶ On August 12, the Embassy in Moscow delivered to the Soviet Ministry of Foreign Affairs a note protesting the closure of Peter the Great Bay. For text, see Department of State *Bulletin*, September 2, 1957, p. 388.

⁷ Printed from a copy that bears this typed signature.

373. Memorandum by the Deputy Director of the Executive Secretariat (Greene)¹

Washington, September 20, 1957.

MEMORANDUM FOR S/S

During a conversation with the Secretary in New York,² Dr. Malik said Nasser thought that he had received assurances in 1953 that the United States would give him a free hand in the Middle East. Now he was bitter. Malik asked whether it was true that the Secretary had told him that the United States policy was to work through him with the Arab world. The Secretary replied that he would have to check memoranda of conversation to find out exactly what he had said to Nasser. It was possible that he had said we recognized that he had a position of leadership in the Arab world, but if Nasser thought we had given him any so far-reaching assurances, he was crazy.

Please give me what you can find on the above.³

JG

¹ Source: Department of State, Conference Files: Lot 62 D 181, CF 916. Secret.

² Dulles was in New York to attend the opening of the 12th Regular Session of the U.N. General Assembly, September 16-22. For text of the memorandum of this conversation with Malik, see vol. XIII, p. 710.

³ On September 24, Greene forwarded to Reinhardt and Rountree "the only two relevant documents we have been able to find". They were a memorandum of conversation dated May 12, 1953, and telegram 2417 from Cairo, May 12, 1953, both printed in *Foreign Relations, 1952-1954*, vol. IX, Part 1, p. 19 and Part 2, p. 2065. Greene also commented: "My own conclusion from these is that the matter can be left where it is with Dr. Malik but I pass this package along for your judgment." (Memorandum from Greene to Reinhardt and Rountree, September 24; Department of State, Conference Files: Lot 62 D 181, CF 916)

374. Memorandum of a Conversation, Department of State, Washington, September 23, 1957¹

SUBJECT

Blocked Egyptian Assets

PARTICIPANTS

Mr. Robert Anderson, Secretary of the Treasury
Mr. Randolph Burgess, Under Secretary of the Treasury

¹ Source: Department of State, NEA/IAI Files: Lot 69 D 488, Suez Canal, Blocked Assets and Fiscal Control 1957. Confidential. Drafted by Rockwell.

The Secretary

Mr. Douglas Dillon, W

Mr. Stuart W. Rockwell, NE

Mr. Anderson and Mr. Burgess called upon the Secretary to discuss the matter of the blocked Egyptian funds in the light of the presence in this country of the Egyptian Minister of Finance,² and the possibility that the Minister, in the meeting of the International Monetary Fund, might raise this matter.³ Mr. Anderson said that he felt that continued blocking of Egyptian funds was doing no financial harm to Egypt.⁴ He realized, of course, that there were important political considerations involved, but he wondered how far the Secretary thought it might be possible to go in encouraging Mr. Kaissouni regarding the possibility of unfreezing the Egyptian assets.

The Secretary said that he did not see much possibility of this. In New York recently the United States and United Kingdom had agreed to make no change in their economic measures affecting Egypt until they could see their way more clearly regarding the Syrian problem. The Secretary felt the original reasons for blocking the Egyptian funds remained valid. Furthermore, despite their agreement to do so, the Egyptians have made no move to reach a settlement with the Suez Canal Company.

Mr. Anderson said that he felt we were in a weak legal position regarding that portion of the blocked funds (\$16 million), which represented the reserves of the Egyptian National Bank. Mr. Burgess remarked that in addition we were in a technical violation in that we had not notified the Monetary Fund of our blocking action. Mr. Anderson believed that it was not good for the United States to remain indefinitely in a tenuous legal position on this matter. The Secretary said that he appreciated these considerations but that it was a very bad time from the political point of view to release the Egyptian assets. He asked that Mr. Anderson, in his conversations with Mr. Kaissouni, say nothing which might expose us to fresh charges of bad faith.

² Dr. Abdelmoneim El-Kaissouni.

³ The 12th annual meeting of the Boards of Governors of the International Monetary Fund and of the International Bank for Reconstruction and Development was held in Washington September 23-27.

⁴ On September 13, Kalijarvi forwarded to Dillon a paper, prepared in the Office of International Financial and Development Affairs, which concluded that the blocking of Egyptian assets in the United States had had little effect on the Egyptian economy. The paper also maintained that the British and French blocking measures had had a greater effect than U.S. measures because they had included restrictions on receipts from current transactions. (Department of State, NEA/IAI Files: Lot 69 D 488, Suez Canal. Blocked Assets and Fiscal Control 1957)

375. Memorandum of a Conversation, Washington,
September 30, 1957¹

SUBJECT

Suez Canal

PARTICIPANTS

Mr. Kaissouni, Egyptian Finance Minister
Secretary Anderson, Treasury
Deputy Under Secretary Dillon
Eugene Black, President, World Bank

At Mr. Black's invitation Secretary Anderson and Mr. Dillon met Mr. Kaissouni at Mr. Black's house for tea. Mr. Black opened the conversation, which lasted about an hour, by describing his earlier talk with Mr. Kaissouni² and indicated that he had tried to impress upon Mr. Kaissouni the importance of Egypt's initiating compensation negotiations with the Suez Canal Company. Both Secretary Anderson and Mr. Dillon then took up this line and pressed him vigorously, stating that they were sure the Egyptian Government meant to live up to the commitment it had many times repeated to provide adequate compensation. Mr. Dillon pointed out that nothing could be more helpful towards a solution of the problem of the blocked Egyptian funds in the U.S. than progress by Egypt on the compensation matter. Mr. Kaissouni professed not to fully understand how the two questions were linked, and this was explained to him in clear and simple language so that he finally admitted that he understood our problems.³

Mr. Kaissouni then said that President Nasser's statement that he would like to meet with President Eisenhower was most significant and that it was unfortunate that the U.S. had not promptly answered this overture in a more friendly manner.⁴ Secretary Anderson answered at some length, pointing out the fact that in a situation where there was a lack of confidence between two countries a meeting at the

¹ Source: Department of State, Central Files, 974.7301/9-3057. Confidential. Drafted by Dillon.

² During the evening of September 26, Black and his wife dined with Kaissouni and his wife. During the conversation, Kaissouni, who impressed Black as being genuinely pro-Western and extremely anxious to prevent a further turning of the Egyptian people against the United States, emphasized the psychological impact of the blocked assets question. Kaissouni also stated that he was hesitant to raise the question with U.S. officials as any direct refusal would exacerbate the problem. Black later reported the contents of the conversation to Rountree. (Memorandum of conversation by Rountree, September 28; *ibid.*, 398.14/9-2857)

³ Documentation concerning interaction between the Department of State and the Compagnie Universelle du Canal Maritime de Suez is *ibid.*, 974.7301 and *ibid.*, NEA/IAI Files: Lot 69 D 488, Suez Canal—The Suez Canal Company 1957.

⁴ Telegram 850 from Cairo, September 28, reported that Nasser made the statement during an interview with NBC and AP correspondents. (*Ibid.*, Central Files, 974.7301/9-2857)

highest level would not necessarily be very productive. This type of meeting was most effective when steps had already been taken to begin to restore confidence. In this connection he again mentioned that some action be taken on the compensation problem for the Suez Canal stockholders.

Mr. Kaissouni said there were legal problems involved in a solution of the Suez Canal Company problem and the Egyptian Government had difficulty deciding with whom they should deal as the representatives of the stockholders. It was pointed out to Mr. Kaissouni that the members of the Board of the Suez Canal Company were reportedly willing and ready to negotiate with Egypt as the representatives of the stockholders rather than as the representatives of the Company.

Mr. Kaissouni then said that lack of contact led to many misunderstandings, and he cited in particular the Egyptian economic relations with Syria. He said it had been reported to him that a member of the Egyptian Embassy had recently visited the Department of State where he had been told that the U.S. frowned on the Egyptian proposal for a common market with Syria. Mr. Kaissouni said that this proposal had been put forward in order to strengthen Syria and to prevent its moving too far to the left, and therefore should have been welcomed by the U.S. He then mentioned the purchase of Syrian wheat by Egypt for 6 million English pounds in a triangular deal through Italy. He said that this was not in the best economic interests of Egypt as Egypt could have much more easily bought the required wheat from the Soviet Union and paid for it in cotton. However, they had foregone this opportunity in an attempt to strengthen the independence of the Syrian regime.

Mr. Kaissouni then closed with a renewed appeal for more high level contacts between the Egyptian and U.S. Governments, and expressed the hope that high level U.S. governmental officials could visit Egypt to talk at first hand with Egyptian leaders. The tone of the meeting was cordial throughout.

376. Memorandum From the Under Secretary of State's Special Assistant (Villard) to the Secretary of State¹

Washington, September 30, 1957.

SUBJECT

Palestine Refugee Problem

Discussion:

Since the preparation of the IO-NEA memorandum of July 2 and mine of August 6 on the Palestine refugee problem (Tab 1),² which were discussed with you on August 7, developments in the Near East have cast a shadow over the possibility of constructive action regarding the refugees at this time.

1. The IO-NEA study and recommendations were made on two basic assumptions: (1) that it is an overriding political necessity to have some solution prior to UNRWA's expiration date in 1960, and (2) that conditions in the area are somewhat more favorable today for an initiative by the United States on the refugee problem. With the first of these assumptions I am still in general agreement. But events in Syria have so changed the climate in the area that whatever encouragement we may have had two or three months ago to believe that conditions were more favorable seems now to have been offset by the disturbing effect of Syria's pro-Soviet trend, the deteriorating security situation in Lebanon, and the prevailing political uncertainty in Jordan and other neighboring countries.

2. At a meeting on September 17, attended by officers of NEA and IO, it was agreed that in view of the Syrian situation, conditions in the area were not ripe for a fresh attempt, on United States or other initiative, to solve the long-standing problem of the Palestine refugees. It was felt, however, that as a preliminary step in this direction it would be well if I conferred with the Secretary-General of the United Nations in regard to his memorandum of June 17, 1957³ and outlined to him the plan of approach which had been under tentative consideration here. It was further agreed that I should explain, on a personal

¹ Source: Department of State, Central Files, 320.51/7-257. Secret. Rountree and Walmsley concurred in the memorandum which was sent through Herter and the Executive Secretariat. The memorandum is item No. 5 of "Palestine Refugee Problem, Villard Study, 1957-58".

² Not attached to the source text. See Documents 349 and 360.

³ Not printed, but see the brief summary of it in Document 349. Later in August, Cordier delivered to the Department of State an aide-mémoire by Hammarskjöld, dated August 16, which contained a summary of developments subsequent to the June 17 memorandum. A copy is in Department of State, Wilcox Files: Lot 60 D 113, Refugees.

basis and as reflecting the views of the political officers concerned with the area, that it would be inadvisable to start to carry out any plan for the refugees until circumstances were more favorable than at present.

3. I accordingly went to New York and conferred in the strictest confidence with Mr. Hammarskjöld on September 19. A copy of my memorandum of conversation with him is attached. (Tab 2)⁴ The Secretary-General agreed completely that this was not the moment to launch an attack on the refugee problem, especially as neither side appeared anxious to disturb the status quo of the Palestine question during the current General Assembly. He thought, however, that he had had sufficient encouragement in the past from Egyptian Foreign Minister Fawzi to explore the Palestine issue with him as soon as Fawzi arrived at the United Nations. Fawzi's reaction might serve as a guide to the next step. I have the impression that Mr. Hammarskjöld himself would like to serve in some way on the refugee problem, as far as Cairo is concerned, and that he believes he has a good deal of personal influence there which might be helpful. From past experience, however, I would not expect too much from the forthcoming talks between Fawzi and the Secretary-General.

4. I have also talked with Mr. Eric Johnston, who continues to believe that we should push the Jordan River plan as a vital element to the solution of the refugee question as well as a necessity to the existence of Jordan as a viable state. Mr. Johnston did not seem impressed by the political problems created by developments in Syria, pointing out that Syria's pro-Soviet tendencies have been known for some time. He felt that we should put pressure on Israel to agree to the principle of repatriation, and that this could best be done by an approach to Ben-Gurion, with the President's backing, and by an effort to enlist the support of responsible Jews in this country who were neither Zionist extremists nor non-Zionists. Mr. Johnston suggested this was a job which he would be willing to tackle personally.

5. It may be said that no time has ever yet been opportune to press for a solution to the refugee question, nor is it ever likely to be completely so in the future. There is, of course, a certain urgency to the matter, if any move is to be made before UNRWA goes out of existence in 1960. Moreover Israel is anxious to obtain financial assistance from us at this time and has shown a desire to orientate its foreign policy with ours in some respects. Other considerations aside, presentation of

⁴Not attached to the source text. A copy is item No. 4 of the Villard Study. The original memorandum of conversation is in Department of State, Central Files, 884.411/9-1957. A memorandum, dated September 18 and drafted by Villard, which contained a discussion of the points which Villard intended to make to Hammarskjöld, is *ibid.*, 320.51/9-1857.

a concrete proposal by the United States regarding the refugee question might reveal a more cooperative attitude on the part of Israel than in the past.

6. If for no other reason, we are under an obligation to move in the direction of a solution because the Congress, in appropriating funds for UNRWA in the fiscal year 1958, attached this condition: "In determining whether or not to continue furnishing assistance for Palestine refugees in the Near East, the President shall take into account whether Israel and the Arab host governments are taking steps toward the resettlement and repatriation of such refugees."⁵ The presumption is that in the absence of any such steps there may be a cessation of United States contributions for the remainder of UNRWA's life. If this prospect were brought home to the Arab host governments, they might see some merit in an early solution of the problem.

7. Nevertheless, we must recognize the fact that however divided the Arab countries may be on other issues, they continue to preserve a remarkably united front on the question of Palestine. No one of them is likely to take the lead in accepting a refugee solution; and by injecting the refugee problem into the political situation at this time there is a danger that the attention of the Arabs would be distracted from the Communist threat in the area and again concentrated on a highly sensitive segment of the Arab-Israeli dispute. Taking into consideration the realities of the situation, it would appear that the best we can hope to do at the present time is not to initiate an all-out effort to break the back of the refugee problem, but to continue working on a plan which might have a reasonable chance of acceptance under more favorable circumstances.

Recommendations:

1. We should postpone action on the steps suggested in the IO-NEA memorandum of July 2, at least until the Syrian situation is more clearly resolved.

2. We should continue to devote careful study to the refugee problem and to the proposed plans for its solution so as to be in a position to move ahead promptly whenever circumstances warrant.

3. If developments justify, and particularly if Mr. Hammarskjold should encourage further discussion, I should take advantage of the General Assembly in New York to study the situation at firsthand and possibly lay the groundwork for whatever steps may be practicable in the direction of a settlement at the proper time.⁶

⁵ Additional amendments to the Mutual Security Act of 1954 were signed into law on August 14, 1957. See 71 Stat. 361.

⁶ Dulles initialed his approval of all the recommendations on the source text.

377. Letter From the Director of Central Intelligence (Dulles) to the Secretary of State¹

Washington, September 30, 1957.

DEAR FOSTER: You may be interested in the following paragraphs from a letter I received from Harry F. Kern² under date of September 23, just before his departure for Japan.

"While I am writing, I might give you something to pass on to Foster. I had a talk last night with Prince Faisal. Azzam and a few others were present. They were puzzled by Foster's talk at the U.N.³ and there was some mild criticism. Azzam thereupon said that while they had some complaints from time to time about Mr. Dulles, he, Azzam, wanted to say from personal experience, that no American ever had battled more courageously on the Israeli issue than had the Secretary and all Arabs should appreciate it. Prince Faisal warmly seconded this sentiment and said that Mr. Dulles was a great man and a friend of the Arabs. I remarked that I had seen at first hand some of the pressures generated in Washington, and particularly in Congress, and that it was remarkable Foster had managed to hold his ground as well as he had. Azzam said they all knew this when they thought about it.

"I found this tribute rather moving and I thought Foster might like to hear of it."

Sincerely,

Allen W. Dulles

¹ Source: Department of State, Central Files, 684A.86/9-3057. A notation by Bernau on the source text reads: "Sec saw".

² Senior editor for international affairs for *Newsweek* magazine.

³ Reference is presumably to Dulles' address before the U.N. General Assembly on September 19; see Department of State *Bulletin*, October 7, 1957, pp. 555-559.

378. Memorandum From the Deputy Assistant Secretary of State for International Organization Affairs (Hanes) to the Secretary of State¹

Washington, October 2, 1957.

SUBJECT

Implementation of Section 407 of the Mutual Security Act—Palestine Refugees in the Near East

Discussion:

1. The question of continued support for the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) will come up before the General Assembly once again at the twelfth session. On October 4, an ad hoc committee of the General Assembly will hold a "pledging session" for the purpose of soliciting financial contributions to UNRWA. The position paper on this question provides that the United States should make pledges of up to \$17,500,000 to the Agency's relief fund and up to \$4,000,000 to its rehabilitation fund, provided the US contributions do not exceed 70 percent of the total contribution to these funds (Tab A).²

2. Section 407 (Palestine Refugees in the Near East) of the Mutual Security Act of 1954, as further amended by the Mutual Security Act of 1957,³ provides in pertinent part:

"In determining whether or not to continue furnishing assistance for Palestine refugees in the Near East, the President shall take into account whether Israel and the Arab host Governments are taking steps toward the resettlement and repatriation of such refugees."

3. By Executive Order 10575 (Tab C),⁴ the President delegated to you the authority to formulate US policy with respect to the assistance program of UNRWA. It is therefore considered appropriate that you determine whether to continue assistance to UNRWA, taking into account, among other factors, the position of Israel and the Arab host

¹ Source: Department of State, Central Files, 320.511/10-257. Confidential. Drafted by Shaw. Concurred in by Rountree (NEA), Barnes (U/MSA), Fobes (OIA), FitzGerald (ICA), and Villard (U) in substance.

² Not printed. The position paper, prepared within the Department of State for use of the U.S. Delegation to the 12th Regular Session of the U.N. General Assembly, is entitled "Voluntary Contributions to the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA)". (SD/A/C.1/472a)

³ 71 Stat. 361.

⁴ Not printed. The extract is from Section 103 (C) of Executive Order No. 10575. See 19 *Federal Register* 7249-7253.

Governments toward the resettlement and repatriation of refugees (Tab B).⁵

4. During the past year, Israel and the Arab host Governments (Jordan, Egypt, Lebanon and Syria) have continued to show no inclination to assist in a permanent solution of the Palestine refugee problem. Israel continues to hold that the solution of the refugee problem rests in the resettlement of the refugees in Arab countries, particularly Iraq. It does not accept any obligation for repatriation. It has in the past indicated a willingness to discuss compensation. The Arab host Governments have continued their opposition to any resettlement or rehabilitation schemes which, barring large-scale repatriation, offer the only practical solution to the refugee problem.

5. In the face of this dilemma, UNRWA must continue relief for the Arab refugees and maintain such limited rehabilitation programs as educational and vocational training facilities. The collapse of UNRWA operations could create grave internal problems in Jordan and Lebanon and would certainly be the cause of serious difficulties in the Gaza area which could lead to fresh sources of conflict between the Arab states and Israel. Failure to make the contribution referred to in paragraph 1 above would effect the immediate collapse of UNRWA's operations, thereby giving rise to the problems referred to and causing grave difficulties between the United States and the affected Arab Governments.

6. The mandate under which UNRWA operates expires on June 30, 1960. Concrete plans must, therefore, be formulated promptly for the solution of the refugee problem or the handling of the Arab refugees' welfare after that time. A working group under Ambassador Villard is presently considering plans for the permanent solution of the refugee problem. The cessation of UNRWA activities at the present time would not only have serious political repercussions but would create an atmosphere not conducive to the success of such plans.

7. In order to stimulate planning by UNRWA and the Arab host Governments toward a permanent solution of the problem, and in an effort to meet the above concern of the Congress, we propose that the following steps be taken at the forthcoming pledging session scheduled for October 4: The US representative would indicate, with regard to the US pledge of \$17,800,000 for the Agency's relief fund, that \$300,000 of that pledge will be held by the United States as earmarked for such planning and implementation of plans for effecting the transfer of the administration of the refugee relief to the host Governments as the Director and the Arab host Governments may be able to arrange

⁵ Not printed. The attachment is a memorandum entitled "Implementation of Section 407—Palestine Refugees in the Near East", which discusses the problems arising from Section 407.

during fiscal year 1958. The remaining \$17,500,000 (which is identical with the amount the United States pledged for relief last year) would be made available on the customary basis to UNRWA, i.e., 50 percent as soon as possible before the end of calendar year 1957, and the remaining 50 percent at such times during the period from January 1 to June 30, 1958 when contributions from other countries permit US contributions under the 70 percent limitation rule. We would point to this limitation at the time we make the pledge.

8. In view of the above considerations, it is concluded that it is in the best interests of the United States to continue financial assistance to UNRWA during fiscal year 1958, despite the fact that Israel and the Arab host Governments have not as yet taken any decisive steps toward the resettlement and repatriation of the refugees.

Recommendation:

That you determine that it is in the best interests of the United States to continue financial assistance to UNRWA during the fiscal year 1958 in spite of the fact that Israel and the Arab host Governments have not as yet taken any decisive steps toward the resettlement and repatriation of refugees.⁶

⁶ Dulles initialed his approval on the source text.

379. Memorandum of a Conversation, Department of State, Washington, October 4, 1957¹

SUBJECT

Report of Gromyko's Conversation with Israel Foreign Minister

PARTICIPANTS

Mr. Abba Eban, Ambassador of Israel
 The Secretary
 NE—Stuart W. Rockwell
 NE—Donald C. Bergus

The Israel Ambassador felt that it would be useful for the Secretary to know something about Gromyko's frame of mind prior to the Secretary's meeting with Gromyko on October 5. . . . The burden of Mr. Gromyko's remarks was that an improvement in relations be-

¹ Source: Department of State, Central Files, 661.84A/10-457. Secret. Drafted by Bergus on October 5.

tween the USSR and Israel depended upon a cessation of Israel's "subservience" to the "aggressive policies of the United States" in the Middle East. The Israelis had also been impressed by the air of buoyancy and satisfaction with the present Middle East situation which Gromyko had displayed.

The Secretary commented that the Soviets' great asset was their complete identification with the Arabs against Israel. This put us at a tremendous disadvantage. . . .

Mr. Eban said that the Soviets were making effective use of propaganda to the effect that the United States, as the powerful but remote heir to the British and French, hoped to dominate the area. The Soviets were playing on the area's traditional xenophobia. This line was useful throughout the area, even in those states such as Iran and Turkey, which were not susceptible to the Arab-Israel matter. Another element in the Soviet position was that of sheer intimidation.

Mr. Rockwell observed that the remarks made by Gromyko were along the same lines which the Soviets had been taking in their Arab language broadcasts. Mr. Eban replied that the Israelis had been impressed by Gromyko's stressing Israel's relations with the United States as an obstacle to good Israel-USSR relations. The Secretary remarked that what one could become used to in propaganda broadcasts could become highly offensive in a diplomatic communication.

Mr. Eban felt that Soviet intimidation had been working and had been partly responsible for the weakening Arab front on the Syrian matter. It might help explain such developments as the unexpected trip of the Iraqi Prime Minister to Damascus.² In the light of the present Soviet attitude, it took courage to be friendly to the United States. Courage was not an abundant commodity in the Near East.

Mr. Eban said that Israel concluded that the Middle East crisis was not an outgrowth of the Arab-Israel dispute but a function of the relationship between the United States and the USSR. Whether the crisis could be resolved except at that level was very doubtful. Another conclusion started with the assumption that the West could not allow this tide to engulf the Near East. Therefore, the present "vagueness" which surrounded the security system in the Near East could not continue. Mr. Eban stressed the need for institutionalizing the American Doctrine to give it the needed strength and vigor. He expressed some preliminary thoughts as to the wisdom of seeking to "marry" the NATO family and the American Doctrine family. He felt that while it might not be possible to make Middle East states members of NATO, there could be some sort of informal relationship such as existed in the case of Turkey and Greece before those two countries formally joined

² Premier Ali Jawdat visited Damascus on September 26 to confer with Syrian leaders and with King Saud who also was currently visiting the country.

NATO. Mr. Eban said that some of Israel's friends in Europe felt that we could no longer distinguish between Europe and the Middle East so far as the Soviet threat was concerned.

The Secretary commented that such an approach would create a great many problems. For example, those Arab states which would be most naturally disposed to participate in such an arrangement—the North African states—were in a high state of emotion over developments in Algeria which were poisoning the atmosphere.

Mr. Eban concluded by stating that Mrs. Meir had asked him to say that it might be salutary if the Secretary warned Gromyko that our commitments to defend Middle East states against Communist aggression included Israel and that it would not be realistic to assume that a recrudescence of Arab-Israel hostility could be localized. We should also make clear to Gromyko that a Communist take-over of the Middle East would not be tolerated.³

³ The memorandum of the conversation between Dulles and Gromyko on October 5 is scheduled for publication in volume XII.

380. Memorandum From the Under Secretary of State's Special Assistant (Villard) to the Secretary of State¹

Washington, October 8, 1957.

SUBJECT

Palestine Refugee Problem

Discussion:

In compliance with your request that further thought be devoted to Eric Johnston's interest in the Arab refugee problem,² it is my belief that at the proper time Mr. Johnston might be able to play a useful and constructive role, both because of his long familiarity with the issues involved and the possibility that he might be able to do some maneu-

¹ Source: Department of State, Central Files, 320.51/7-257. Secret. Concurred in by Rountree and Wilcox. The memorandum is item No. 8 of "Palestine Refugee Problem, Villard Study, 1957-58".

² On October 2, Greene informed Villard that Dulles wanted further thought given to the possibility mentioned in paragraph 4 of Villard's memorandum of September 30 (Document 376) that Eric Johnston might be able to contribute to progress in this matter. Specifically, Dulles wondered whether it would do positive harm to the U.S. position to have Johnston take an active role along the lines indicated. (Item No. 7 of the Villard Study; Department of State, Central Files, 320.51/7-257)

vering outside the rigidity of government channels. However, for the same reasons outlined in my memorandum of September 30 (Tab A),³ I am not convinced that the present would be an opportune moment for Mr. Johnston to press for a solution either through an approach to Ben-Gurion on the principle of repatriation or through an attempt to revive the Jordan River Plan with the Jordanian Government.

1. Mr. Johnston's suggestion that we should try to obtain the support of responsible Jews in this country for an approach to Israel constitutes an interesting proposal in connection with which he would be especially well-qualified to serve. It was his thought that the great majority of influential, intelligent and wealthy Jewish citizens who contribute to the United Jewish Appeal and otherwise give financial help to Israel are not extremists and are open to reason on a subject which would tend to lessen tensions in the Arab-Israeli dispute. Mr. Johnston is of the opinion that if he were to draw upon his wide acquaintance in this circle, approaching not more than four or five persons at a time on a private and informal basis, he would be able to develop substantial backing for an attempt on his part to gain acceptance by Ben-Gurion of some degree of responsibility in the matter of repatriation and/or compensation. If in no other way, I think Mr. Johnston could be of considerable assistance here, especially if he should thus serve, as in the past, with the prestige of Special Representative of the President. Until the ground is better prepared in the Arab states, however, until the Syrian crisis is past, and until we have some indication as to Arab receptivity of a concession by Israel, it would not seem profitable for Mr. Johnston to engage in discussions with Ben-Gurion.

2. I also feel that Mr. Johnston is on sound ground in urging the benefits of the Jordan Valley scheme not only to ameliorate the refugee problem but as a concrete and lasting contribution to the economy of Jordan. In fact, I feel that ultimately we may have to face the refugee problem essentially as one of integrating as many as possible of the 520,000 refugees in Jordan permanently into the life of that country, in which case development of the water resources would be even more of a necessity if Jordan is to survive politically and economically. Pending the results of our further studies, I am less inclined to agree with Mr. Johnston in his memorandum of June 10 (Tab B)⁴ that it would be practicable simultaneously to introduce into Iraq, or any other country for that matter, thousands of alien Palestinian refugees who probably would require much persuasion to move in the first place.

³ Not attached to the source text.

⁴ Not attached to the source text. Reference is to the memorandum which Johnston delivered to the Department of State on June 7. See the summary in Document 349.

3. In any case, I cannot believe that the present state of affairs in the Middle East would be conducive to a renewed effort by Mr. Johnston to promote the Plan so closely associated with his name, however admirable it may be in concept. Such a move would immediately be construed by the Arab extremists as another attempt by the United States to force a settlement with Israel on the basis of the status quo and would doubtless be rejected by Jordan to our general disadvantage. As Mr. Hammarskjold has pointed out, the Jordan River project is currently "taboo" in the area.

4. Specifically, therefore, it would seem that the appearance of a public figure like Eric Johnston on the scene at this juncture might do more harm than good in the matter of the refugees. Once he became active, his role would certainly be known, especially because of his association with the problem in the past; nor would it be possible to disassociate him from all connection with the United States Government. While we may well be appreciative of Mr. Johnston's desire to be of assistance, and without discounting his potential usefulness in this delicate matter, it would seem better to reserve his contribution until such time as we may be encouraged to move ahead in the direction of a solution. This, in turn, still depends on the outcome of the highly unsettled political conditions in the area.⁵

⁵ On October 19, Howe requested that Villard clarify the latter half of the first numbered paragraph of this memorandum, as to whether or not Villard would encourage Johnston to work in the field on a limited basis. Howe also conveyed Herter's suggestion that the best approach with Johnston would be the one taken by Herter during a recent conversation with Senator Jacob Javits. (Memorandum from Howe to Villard, October 19, item No. 9 of the Villard Study; Department of State, Central Files, 320.51/7-257) Herter pointed out to Javits that the dislike of Israel was the principal unifying factor in the Arab world and that, to avoid an increase in tensions, Israel and prominent American Jewish leaders should be extremely restrained in their actions, in hopes that some day tensions would be relieved sufficiently to allow discussions, preferably through neutral rather than U.S. sources, of the refugee and boundary problems. (Memorandum of conversation by Herter, October 16, attached to item No. 9 of Villard Study)

Villard responded to Howe on October 22 that he did not believe that Johnston should do any work at that time along the lines mentioned in this memorandum and that he had no intention of encouraging Johnston to proceed in this way. He also endorsed Herter's suggestion. (Memorandum from Villard to Howe, October 22, item No. 10 of Villard Study)

**381. Memorandum of a Conversation, Department of State,
Washington, October 8, 1957¹**

SUBJECT

Egyptian Situation

PARTICIPANTS

Dr. Ahmed Hussein, Egyptian Ambassador
The Secretary
NEA—William M. Rountree
NE—Wells Stabler

The Egyptian Ambassador called at his request this afternoon prior to his departure on October 11 for Cairo in connection with his sister's illness.²

The Secretary opened the conversation by saying that although he regretted the circumstances of Dr. Hussein's return to Cairo, nonetheless he was glad to have the opportunity to talk with him as a person who sincerely believed in better US-Egyptian relations and who had done what he could to contribute to those relations. Dr. Hussein thanked the Secretary for these words and said that indeed he did believe in better US-Egyptian relations.

The Secretary then said that he had been mystified by Egyptian and Syrian reaction to US efforts of late last year and early this year to stop the attack against Egypt and to remove the Israelis from the Gaza Strip and Sharm el-Sheikh. The position and action which we had taken against our NATO allies and with potentially grave risks had represented one of the greater acts of political courage by a President in some time. Notwithstanding our efforts, Egypt and Syria apparently had completely forgotten what we had done and now treated us as if we had been the aggressors. Dr. Hussein intervened to say that he thought US action had been appreciated by everybody in the Near East, but the Secretary demurred, saying that it was hard to find any evidence to that effect at the present time. The Secretary went on that Egypt may have reasons which he could not fathom for such an attitude, but that irrespective of the reasons, he wished to say that the US did not consider that the door to improved relations was closed. Unfortunately judging by Egyptian propaganda and continuing violent attacks on the US, Egypt did not view the matter in quite the same light. Egypt was now somewhat a prisoner of its propaganda. We think, the Secretary said, that Egypt and Syria are underestimating the dangers involved in their dependence on the Soviet Union and in their

¹ Source: Department of State, Central Files, 611.74/10-857. Confidential. Drafted by Stabler.

² According to a briefing memorandum, which Rountree forwarded to Dulles on October 8, Hussein had not called at the Department of State since February. (*Ibid.*)

belief that their independence and freedom are fully immune against Soviet designs. We believe that President Nasser is in error in his judgment on this matter and we believe that our greater experience with the Soviets gives us some competence in understanding the basic Soviet objectives. It may be that the Soviet Union has changed its ways and its relations with the Arab States no longer represent any dangers to the freedom and integrity of those states, but there is absolutely no evidence to support such a belief and Soviet protestations about not interfering in internal affairs of other countries are without foundation. The Secretary cited Soviet intervention in Hungary as an example of how the Soviet Union honored its pledges of non-interference. He said that when confronted with the accusation of interference in the internal affairs of Hungary, the Soviets denied that this constituted internal interference. The Secretary stated that if this was to be the standard of the Soviet Union, neither the US nor many other countries could accept that standard as legitimate in the conduct of international affairs.

The Secretary said that there were certain specific problems between Egypt and the US, and he cited our blocking Egyptian funds in this connection. He indicated that the blocking of these funds, which are being gradually reduced by our licensing of payments for certain Egyptian obligations, had taken place in order to protect American shippers from double jeopardy. We feared that at the time of the nationalization of the Canal, American shippers, who paid approximately \$12,000,000 worth of tolls annually, might be involved in suits from the former Canal Company which believed that the tolls should be paid to it. The Egyptian funds were being held to protect American shippers from such double jeopardy. The Secretary indicated that, as Secretary Anderson and Deputy Under Secretary of State Dillon had said to Finance Minister Kaissouni, a settlement between the Egyptian Government and the former Canal Company would remove the reasons for continued blocking of the funds.³ The other problem, said the Secretary, was the matter of Egyptian propaganda which continued its violent attacks on the US. This constituted an obstacle in the improvement of our relations.

The Secretary continued that although he was not entirely sure what President Nasser meant by his policy of "positive neutrality," he wished to say that the US had no quarrel with neutrality as such. We believed that collective security was the more sensible and more dependable way of protecting the independence of the free world against the Soviet Union, but we recognized that other countries had the right to adopt neutrality as their policy and we maintained friendly relations with many such countries—Finland, for example. However, we be-

³ See Document 375.

lieved that the countries concerned should be truly neutral and that they should not permit their neutrality to be used as a vehicle to facilitate penetration of international communism. With regard to nationalism, the Secretary indicated our support for nationalism and said that the vast majority of those nations which had gained independence in recent years had been those having ties with the West. There was no evidence to show that any country which was tied to the Soviet Union was making any progress towards gaining its freedom and independence. He said he was concerned that if Egypt and Syria should continue in their present policies, Arab nationalism would eventually disappear and be swallowed up by the Soviet Union. We regretted that there was not a greater awareness on the part of Egypt to the dangers of the Soviet Union and until there was such an awareness, there was not very much we could do. To maintain a friendly and constructive relationship with a country which did not have this awareness would be tantamount to our agreeing that there was no threat to the independence of that country from the Soviet Union. This in turn would have an adverse effect on those countries of Western Europe which would not understand why there should be a double standard of conduct. The Secretary indicated that we did not insist that Egypt or any other country refuse to have any dealings with the Soviet Union. That was not the point since countries such as Yugoslavia, India and Finland had many dealings with the Soviet Union but always in the awareness of the dangers involved. In the specific case of Yugoslavia, Tito had been through a trial by fire and had realized what such dealings had meant in terms of his country's freedom and independence. The Secretary stated that if a country should come to us and say that it believed it was dangerous to its freedom and security to be dependent on the Soviet Union and needed assistance, then the US could probably help. However, if a country came and indicated that it was in a good bargaining position and that if we did not give them what they wanted, they could get it from the Soviet Union, we were not interested in that sort of a relationship.

Ambassador Hussein expressed appreciation for the Secretary's views and said that he regretted the present impasse since it could only be in Egypt's interests to have good relations with the US. He was certain it was not the intention of President Nasser or President Quwwatli to compromise the independence and freedom of those countries which were greatly treasured by the Egyptian and Syrian people and which were zealously guarded. The Secretary remarked that while he had no doubt it was not the intention of the leaders to place their countries in jeopardy, he could only quote the proverb "The road to hell is paved with good intentions." The Egyptian Ambassador went on that he believed it was necessary to find some way to clarify the points of difference between the two countries which had

been obscured by press and radio treatment in both Egypt and the US. He wondered whether it might be possible to have high level discussions between the two countries aimed at identifying the specific areas of agreement and disagreement and what each country might do to settle the disagreements.

At this point the Secretary intervened to say that he wished the Ambassador to know that President Nasser's suggestion of a meeting with President Eisenhower had not been ignored, but that visits of chiefs of state were a complicated matter requiring long preparation in advance. The President was already involved in the forthcoming visits of the French and German Presidents and the Sultan of Morocco. Moreover, such visits were largely ceremonial in nature and the President did not concern himself with negotiations, as this was the business of the Secretary of State. There had been one exception to this rule, the Summit Conference, which had not proven to be a particularly constructive exercise. The only thing which had been agreed to was the unification of Germany through free elections but the Soviets had now repudiated even that. The Secretary stressed that the President would not involve himself in specific negotiations of this type. The Ambassador said he wished the Secretary to know he did not agree with President Nasser's suggestion. The Secretary replied he had raised the matter to let the Ambassador know that we had not ignored President Nasser's statement.

Ambassador Hussein then inquired whether the Secretary could give him any advice or ideas as to some constructive approach to settling the problem of US-Egyptian relations. The Secretary recalled that Ambassador Hare had had a number of conversations with President Nasser, the last one being some weeks ago, and that he had nothing further to add at this particular point. Mr. Rountree said he was seeing the Ambassador on October 9⁴ and that they would pursue the matter at that time. The Secretary thanked the Ambassador for coming in and asked to have his regards conveyed to President Nasser.

⁴ See the memorandum of conversation, *infra*.

382. Memorandum of a Conversation Between the Egyptian Ambassador (Hussein) and the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Rountree), Department of State, Washington, October 9, 1957¹

SUBJECT

Egyptian Situation

Following up on his call on the Secretary of October 8, Egyptian Ambassador Hussein called at his request on Mr. Rountree on October 9. The Ambassador said that he hoped to be able to take with him to Cairo certain constructive suggestions on how to improve U.S.-Egyptian relations which he could discuss with President Nasser. He expected to be away for about two months and thought that his trip could be useful in view of the fact that it has been over a year since he has been in Cairo. The Ambassador said he would leave for New York on Friday² and have lunch with Dr. Fawzi, the Egyptian Foreign Minister, who expected to remain in New York at the General Assembly for about a month.

The Ambassador went on that after his conversation with the Secretary on October 8 he had telephoned to Dr. Fawzi concerning the Secretary's reference to the blocked Egyptian funds. Dr. Fawzi had indicated that he had been in touch with Secretary General of the UN Hammarskjold in order to find out what practical steps could be taken to carry out the Egyptian assurance that it desired to reach agreement with respect to the compensation of the Canal Company shareholders. Dr. Fawzi said that he had also been in touch with certain friendly governments, including the U.S., in order to obtain similar suggestions from those countries. Dr. Fawzi had reported that he had heard nothing further from Mr. Hammarskjold or from the countries he had consulted. Mr. Rountree said he was aware that Dr. Fawzi had mentioned this question in general terms to Ambassador Hare in Cairo but he was not aware that Dr. Fawzi had in any way addressed a request to us to provide any ideas regarding solution of the question. We were also aware that Dr. Fawzi had been in touch with Mr. Hammarskjold and Mr. Rountree imagined that the matter was now between Dr. Fawzi and the Secretary General of the UN. Mr. Rountree then reminded the Ambassador that at a meeting between Messrs. Anderson, Dillon, Black and Kaissouni,³ we had made an informal suggestion that it might be possible for Egypt to agree to negotiate with members

¹ Source: Department of State, Central Files, 611.74/10-957. Confidential. Drafted by Stabler.

² October 11.

³ See Document 375.

of the Suez Canal Company board as individuals representing the shareholders rather than as directors of the Company. We assumed that the Egyptian Government would prefer to do business with persons familiar with the affairs of the company rather than with some other party who in the final analysis would only have to refer the discussions back to the Canal Company. Dr. Hussein agreed that there might be a misunderstanding with regard to what Dr. Fawzi had wanted and said that he would talk to Dr. Fawzi by telephone again prior to leaving Washington. If there were any further suggestions or comments he wanted to pass on to the Department on this subject before leaving for Cairo, he would telephone to Mr. Rountree.

Mr. Rountree then recalled that the Secretary yesterday had emphasized that the U.S. did not consider the door closed to improved relations with Egypt. He reviewed the Secretary's statements regarding our concern over apparent Egyptian unawareness of the dangers of its present policies in relation to Soviet designs for domination of the area. He stressed that we had no doubts in our mind regarding the ultimate aim of the Soviet Union and its ill concealed efforts to subjugate the area through one means or another. Mr. Rountree said that it was difficult for him to understand how Egypt could have so misinterpreted a unilateral pronouncement of the U.S. in favor of the very integrity and independence which Egypt sought and treasured such as was embodied in the President's Middle East proposals. The U.S. sought no special political, economic or territorial interest in the Near East and our main objective was the creation of an atmosphere in which all the states in the Middle East could live in tranquility and without fear for their security and integrity. In such an atmosphere there should be no problem with respect to constructive relationships between the U.S. and countries of the area. We had made efforts to reach such a state of relationship with Egypt, but unhappily Egypt had embarked on another course and although we had no quarrel with Egypt's right to be neutral if it desired, we did object to Egypt's activities in trying to undermine the right of other governments to make their own choice. We were deeply concerned by the effects of Egyptian policy in terms of facilitating the ultimate aims of the Soviet Union in the Near East.

Mr. Rountree reviewed some of the efforts we had made to reach agreement with Egypt and the difficulties which we had encountered. He said that he had no desire to go over this ground simply for the sake of the exercise alone, but rather to set the positions of both Egypt and the U.S. in better perspective. He said that Ambassador Hare had on several occasions had frank talks with President Nasser, the most

recent one having been on August 30.⁴ We had endeavored through these talks, which had fortunately been characterized by frankness, to set forth our views on the current situation not only with respect to U.S.-Egyptian relations but also with regard to Syrian developments. It was unfortunate that no specific progress had been made and we could only note with regret the continuing hostile attitude of the Egyptian press and government radio. Mr. Rountree also mentioned our disappointment that in his recent speech before the General Assembly the Egyptian Foreign Minister had shown little disposition towards accommodation with the U.S. and had in fact omitted any reference to the role which we had played last fall in connection with the aggression against Egypt. We had had the impression that our action had been of very great assistance to Egypt and had indeed earned the appreciation of the Egyptian people. At the present time there appeared to be no further evidence of that appreciation and of the contribution which we had hoped our action would have made toward amelioration of American relations with Egypt.

Ambassador Hussein commented that he in all honesty could not say that all the actions of his government had been well considered or had contributed to the easing of tensions. He did not believe that too much weight should be given to what was written in the Egyptian press or aired on the Egyptian radio. He believed that these manifestations of hostility were more symptomatic of a certain attitude and state of mind with respect to the US which now existed in Egypt. Rightly or wrongly, Egypt believed that the US was employing economic warfare against Egypt with the hope of reducing Egypt to compliance with American desires. Here Ambassador Hussein cited the usual Egyptian complaints with regard to wheat, CARE programs, medicine and blocked funds. He then went on to describe the almost psychopathic fear of Israel which had forced the Arab states, particularly Egypt and Syria, to turn to the Soviet Union for assistance. He personally doubted that any Egyptian or Syrian had any desire to become a Communist or to permit the satellization of their countries. He hoped that American policies would, however, not push Egypt and Syria closer to the Soviet Union. He was certain that neither Egypt nor Syria desired to be dependent on the Soviet Union for their economic well-being and for their national defense. Egypt had already shown signs of such wariness with respect to dependence on the Soviet Union and he recalled that such personal emissaries of President Nasser as Mr. Amin, who had called on Mr. Murphy, were evidence of President Nasser's reluctance to be driven to greater dependence on the Soviet bloc. Ambassador Hussein emphasized that it was necessary for the

⁴ Hare spoke with Nasser concerning the Syrian situation on August 31; see footnote 6, Document 367.

West, particularly the US, to find some means of accommodation with the Arab states to blunt the psychological victory which the Soviet Union has won. He doubted whether the Soviets would desire or could achieve satellization of the Arab states since they might feel that they should consolidate the success of their first step in estranging the Arab states from the West before embarking on further actions which in turn might arouse deep popular suspicion and reaction against the Soviet Union.

Ambassador Hussein then inquired again whether there were any suggestions which Mr. Rountree could make which would contribute to breaking the present impasse in US-Egyptian relations. What specific action could be taken, he inquired, to identify the areas of disagreement and to decide how to resolve them. He would, of course, put the same questions to President Nasser, whom he would "try" to see and would be in touch with Ambassador Hare on the subject.

Mr. Rountree said this was not a question which could be answered offhand and that he would give it further thought. He believed that the first and most important step was to regain mutual confidence between our two countries. It was pointed out that one of the obstacles was the apparent impression in Cairo that Egyptian policies are wholly right and our policies are wholly wrong. It was clear that such a contention could not provide a favorable basis for reestablishing that mutual confidence which we believed had existed in 1955.

The Ambassador thanked Mr. Rountree for his views and said he would look forward to hearing further from him should any ideas occur to him before departure for Cairo.

383. Memorandum of a Conversation, Ambassador Eban's Residence, Washington, October 12, 1957, 3:30 p.m.¹

SUBJECT

Arab-Israel Problems

PARTICIPANTS

Acting Secretary Herter
NEA—William M. Rountree

Mrs. Golda Meir, Foreign Minister of
Israel
Mr. Abba Eban, Israeli Ambassador
Mr. Hertzog

¹ Source: Department of State, Central Files, 684A.86/10-1257. Secret. Drafted by Rountree. On October 11, Rountree forwarded to Dulles a briefing memorandum for preparation for this meeting. (*Ibid.*, 780.00/10-1157)

Mrs. Meir, a few days previously, had a meeting with the Secretary when the latter's time was extremely limited.² She desired to continue conversations begun with the Secretary, and the Ambassador had therefore invited the Under Secretary and Mr. Rountree to his residence for this private meeting.

Mrs. Meir said that she had discovered in her conversation with the Secretary no differences in our respective evaluations of the seriousness of the Syrian situation. She desired to discuss further what might be done; to review where Israel stood with respect to present tensions; and see how to prevent a Soviet take-over in Syria and indeed in the Middle East. She referred again to her conversations with Gromyko, and mentioned her concern over his unfriendly, indeed "threatening" attitude. She felt that Israel and the U.S. should talk about these matters in a concrete fashion because "what is good for Israel is good for the area and what is good for the area is good for Israel".

Mrs. Meir indicated that her particular interest was in finding out whether Mr. Gromyko had been told, and whether the U.S. would be willing to tell the Soviets publicly, that the U.S. would not tolerate any aggression against Israel. She said that what she desired was along the lines of the statement made by us with respect to Turkey.³ Secondly she wanted to know what could be done by the U.S. to strengthen Israel to face the threat of Soviet-supported Arab armies.

Mrs. Meir and the Ambassador took the position that while Israel would not quarrel with the Secretary's estimate that at the present time Israel had the military capability to defend itself against the Arab forces, Israel was in fact weak in certain essential respects. For example, Israel did not have adequate bomber strength to serve as an effective deterrent to possible Arab air raids against Israel. Secondly, Israel had no defense against submarines, notwithstanding the serious threat which Egyptian, and now Syrian, submarines posed for the Israeli shipping lifeline. Mrs. Meir said that she assumed that the U.S. would come to the assistance of Israel if it should be attacked but it was imperative that the Israelis be helped to take care of themselves during the critical period after a possible attack and before the arrival of outside assistance.

In the discussion Mrs. Meir also raised the question of NATO's interest in the Middle East and a possible relationship between NATO and the "security problems of the Middle East countries which had associated themselves with the Eisenhower Doctrine".

² The memorandum of conversation is not printed. (*Ibid.*, 780.00/10-857)

³ For text of the October 10 statement, see *American Foreign Policy: Current Documents, 1957*, pp. 1045-1046.

In response to Mrs. Meir's comments and questions, the Acting Secretary said that while he was not present during the Secretary's meeting with Gromyko he had no doubt that the Secretary had made clear to Gromyko the determination of the U.S. to stand by its policies with respect to the independence and integrity of the Middle East countries. He did not know whether Israel had been mentioned by name in this particular conversation, but the U.S. had from time to time made its position clear. He observed there were special considerations relating to the U.S. statement regarding Turkey, which was in response specifically to Khrushchev's interview with Reston.⁴ He avoided any indication of willingness to make a special statement at this junction regarding Israel.

Mr. Herter commented generally regarding the distinction between acquiring defensive type weapons, such as anti-aircraft guns, and military equipment which is clearly identified with offensive purposes, such as bombers. He did not respond directly to Mrs. Meir's request for American assistance to Israel in obtaining arms. He noted Israel's success in obtaining substantial quantities of equipment, including modern aircraft, from France. (Mrs. Meir observed that the Israeli Air Force required the most modern types of aircraft in order to cope with the MIG 19's which were now in Syria. Questioned further on this point, she said that Israel's intelligence services were "certain" Syria now had MIG 19's and promised to seek further specific information which the Embassy would pass to Mr. Rountree).

In a further general discussion of Arab-Israel problems, Mr. Herter said that there were three points, two of which were relatively minor, where he thought a different Israeli attitude might be most constructive and helpful in dealing with more important issues. The first of these was the question of immigration. Repeated statements, whether from Israelis or from prominent Zionists in this country, that Israel was prepared to take a very greatly increased number of immigrants into the country produced an effect of alarm that such expansion of the Israeli population would have to be accompanied by territorial expansion and lent weight to the fears expressed by Israel's neighbors that she had territorial designs beyond her present boundaries. In addition, he mentioned the desirability of Israel accepting UNEF forces on its side of the Gaza frontier. He also referred to the tree planting episode, and mentioned the very sharp emotional reaction of the Jordanians to this affair which had had a political importance far outweighing any material value to Israel of a few trees.

⁴ James Reston of *The New York Times* interviewed Khrushchev on October 7; the interview was published on October 10.

Mrs. Meir responded by stating that it was impossible for her or for any of the leaders in Israel to change their policy with regard to immigration since the whole purpose in the creation of the State of Israel was to find a homeland for the Jewish peoples who were not happily settled elsewhere. However, she did state that she had repeated publicly over and over again that Israel had no further territorial ambitions but that no one seemed to pay any attention to such statements. With regard to the second point, Mrs. Meir responded by stating again in emotional terms Israel's reasons for not wanting United Nations forces in Israel, adding nothing new to arguments which she had previously made. She ridiculed the Jordanian complaint regarding the tree planting, and said that the Jordanians themselves had built a road in the same area which was contrary to the agreement but to which the Israelis had not objected. Her suggestion was that we advise the Jordanians to "cut out this nonsense about these trivial matters which could cause no harm whatsoever to Jordan."

At the close of the discussion Mrs. Meir expressed the hope that the Acting Secretary would give further thought to the questions which she had raised, and that they could be discussed further at an early date with the Ambassador.

384. Memorandum of a Conversation, Department of State, Washington, October 15, 1957¹

SUBJECT

British and American Policy Toward Egypt

PARTICIPANTS

U.S.

The Secretary
C. Burke Elbrick, EUR
Stuart W. Rockwell, NE
John Dorman, NE
William N. Dale, BNA

U.K.

Selwyn Lloyd, British Foreign Secretary
Sir Harold Caccia, British Ambassador
Viscount Samuel Hood, Minister,
British Embassy
Willie Morris, First Secretary, British
Embassy
Dennis Laskey, Private Secretary/
Foreign Secretary

¹ Source: Department of State, Central Files, 611.74/10-1557. Secret. Drafted by Rockwell. Rountree forwarded a briefing memorandum to Dulles on October 15 prior to this conversation. (*Ibid.*, 783.00/10-1557)

Mr. Lloyd opened the discussion of this item by referring to conversations between British and Egyptian representatives in Rome concerning economic matters.² He said that he thought that if Egypt were prepared to de-sequester British property in Egypt (estimated by Mr. Lloyd as being valued at between 40 and 50 million pounds) the United Kingdom would agree to resume normal trade with Egypt. If Egypt were to agree to assess and pay compensation for "Egyptianized" British property or to "de-Egyptianize" this property, the United Kingdom would probably agree to unblock Egyptian funds up to a total of around 21 million pounds. The above figures were tentative as there had been no definite conclusion reached on this point in the United Kingdom. Mr. Lloyd said that the British were willing to go step by step with the Egyptians but that the latter must "do something" in order for the British to reach agreement with them.

Mr. Lloyd thought there were three general lines British policy might follow. The British could say they would not discuss anything at all with the Egyptians and maintain a complete "freeze" on relations with Egypt; they could change their policy completely and say that if Nasser would work with the West he could "have anything he wanted" from the U.K.; there was a line of policy in between these two extremes which the British preferred.

Mr. Lloyd asked what United States policy toward Egypt was to be in the next year or so and how we regarded Nasser's situation.

The Secretary said that our policy toward Egypt at present might be regarded as "coolly correct". We do the minimum required to deal with a country with which we are not at war and with which we have no formal trouble. We have said we expect to keep Egyptian funds here blocked until there is a settlement with the Canal Company, which looks as if it would require a long time. We are not giving assistance to Egypt and have cut off the CARE program, and do not presently contemplate resuming either one.

He had recently told Ambassador Hussein that it is not so much a question of a listing of specific steps the Egyptian Government might take to improve relations with the U.S.; the basic difference lies in our appraisal of the situation. Nasser thinks he can deal safely with the USSR and we do not. We do not intend to help him ease the way for the destruction of Egypt, and for Communist penetration of the Middle East. We believe that as long as Nasser holds his present views concerning the alleged lack of harm in dealing with the USSR, Egypt's best interests and those of the Middle East are not being served. We do not intend to help Egypt in these circumstances or give the impression

² Since the previous May, British and Egyptian officials had been negotiating intermittently over financial matters in Rome. Reports received from the British Government concerning these discussions are *ibid.*, 641.74.

that we approve of Egyptian policy by aiding the Egyptian Government. We could cooperate with Egypt if there were a realization on the part of the Egyptian Government of the dangers of dealing with the Soviet Union and adequate manifestation of this realization in Egyptian policy.

Turning to the UK's dealings with Egypt, the Secretary said that if an agreement between the two countries were to be judged to be a victory for Nasser, the political consequences would be very bad. If the agreement resulted in judgment that Nasser had given in, this would be all right. We were not in a position to express an opinion as to what specific formula would be required to reach an agreement which would be a victory for the U.K. However, if the British arrived at an agreement which in effect was a capitulation to Nasser, we might have to make adjustments in our own policy toward Egypt.

Foreign Secretary Lloyd asked whether the Secretary thought Nasser is in real difficulties. The Secretary said that he thought Nasser has serious problems but no immediate real difficulties.

Mr. Lloyd said that it was not possible for the U.K. to say that it would not have any dealings with Nasser. The Secretary replied that he realized this. The problem was in getting off a position without it being wrongly interpreted. The Foreign Secretary agreed.

Mr. Lloyd observed that in his view it would be better for the U.K. to have no agreement at all with Egypt than one which involved British payment of war damages to Egypt.

In conclusion the Foreign Secretary said that the U.K. would keep us advised of what it plans to do with regard to the possibility of reaching any kind of agreements with Egypt.

385. Telegram From the Department of State to the Mission at the United Nations¹

Washington, October 16, 1957—9:06 p.m.

Gadel 48. Suez Canal Clearance. Delga 124.² Secretary General's draft report acceptable to Department. Believe however surcharge not in excess three percent preferable. Smaller percentage would make arrangement more palatable and might also permit in some cases absorption extra cost without rise in prices. If majority favor five percent US would of course concur.

In advising Secretary-General Department's acceptance, suggest you note following:

1. Department believes Secretary General should make every effort use United Nations as Collecting Agent.
2. Department believes adequate assurances must be obtained that surcharge will be collected without favoritism and that there will be adequate UN accounting and audit control.
3. From a tactical point of view Department of opinion best course of action is to avoid specific and formal determination at this time whether Egypt has or has not authority under UN resolution block passage non-payment surcharge and to accept resolution at face value (which certainly worded imply some sort of obligation to pay).³ Formal acknowledgement Egypt given this authority by UN not acceptable to several countries legal point of view and would lose United Kingdom support surcharge arrangement. Formal recognition Egypt

¹ Source: Department of State, Central Files, 974.7301/10-757. Limited Official Use; Limit Distribution. Drafted by Waring; cleared by Dillon, Raymond, Hanes, Berry, and Robert T. Merrill of the Office of Transport and Communications in the Bureau of Economic Affairs; and approved by Dulles.

² In Delga 124 from USUN, October 7, Lodge reported that he had received from Hammarskjöld the text of the latter's draft report on the clearance of the Suez Canal and that the report was fairly well set except for sections on siltage and reimbursement of advances, on which Hammarskjöld sought U.S. comment. The text of the reimbursement paragraph (No. 42), as conveyed by Lodge to the Department of State, reads as follows:

"After consideration of various possible alternatives for meeting the costs of the operation as reflected in paragraph 41 above, the Secretary General would recommend that repayment to contributor countries be effected by means of the application of a surcharge on Canal traffic under which arrangement a levy of 5 per cent on Canal tolls would be paid into a special United Nations account, the procedures to govern such payments to be negotiated with the Egyptian government. On the basis of the current level of Canal traffic, it can be estimated that by this method the costs will be reimbursed over a period of one-and-a-half to two years." (*Ibid.*)

³ Loftus E. Becker and Dulles exchanged memoranda on this subject on October 9. Becker's memorandum, with attached comments from Dillon and Wilcox, is *ibid.*, 974.7301/10-957. Dulles' memorandum is *ibid.*, 320.5774/10-957.

given no authority block passage not acceptable some countries and would create too great temptation not to pay. On other hand, so long no such positive evidence exists that shipping will not be blocked, most likely shippers unwilling take chance risk non-passage economic extra charges equal to only three percent tolls.

FYI Department no longer opposed (Deptel 128, August 16)⁴ imposition by Government of Egypt of compulsory surcharge pursuant to recommendation UN resolution. Department does not wish make this fact known however in view general agreement UK nature of surcharge plan and settlement UK French claims issue. End FYI.⁵

Dulles

⁴ Not printed. (*Ibid.*, 974.7301/8-957)

⁵ Hammarskjöld submitted his report to the General Assembly on November 1. (U.N. doc. A/3719) Paragraph 42 embodied several changes from the original draft including the provision for a 3 percent surcharge. The General Assembly considered Hammarskjöld's report on December 14 and adopted Resolution 1212 (XII) which authorized the Secretary-General to take the necessary steps to put into effect his recommendations for reimbursing the advances made by contributor countries. (U.N. doc. A/PV.730)

386. Memorandum of a Conversation, Department of State, Washington, October 22, 1957¹

SUBJECT

Joint US-UK Statement on Palestine

PARTICIPANTS

U.S.

The Secretary
NEA—William M. Rountree
EUR—Burke C. Elbrick
EUR—Ambassador Whitney
NE—John Dorman

U.K.

Selwyn Lloyd, British Foreign Secretary
Sir Harold Caccia, British Ambassador
Viscount Samuel Hood, Min., British
Embassy
Willie Morris, First Secretary, British
Embassy
Dennis Laskey, Private Secretary/
FonSecy
Roger Jackling, Head of Chancery

¹ Source: Department of State, Central Files, 784.00/10-2257. Top Secret. Drafted by Dorman on October 23.

The Secretary said he wished to discuss the draft of the Joint U.S.-U.K. statement on Palestine.² The Secretary indicated that the substance of the statement was very good, although he questioned the advisability of making such a statement at this time. The Secretary said he had just received a visit from the Saudi Ambassador during which, for the first time in a long while, the Saudi representative had made no mention of Palestine or Aqaba.³ It was apparent that the Saudi Ambassador wished to retrieve some of the prestige which he felt King Saud had lost by the refusal of Syria to accept King Saud's efforts to mediate between Turkey and Syria. This development now gave us a little room to maneuver which would be closed to us should we evoke the Palestine issue through a joint public statement at this time.

Foreign Secretary Lloyd said that although he had not yet read the draft statement carefully, on first sight he was inclined to agree with the Secretary. He would like an opportunity to think the matter over.

The Secretary pointed out that he had made a similar statement in 1955 with no particular effect.⁴ We were still exploring every possible way to bring about a solution to the Palestine problem since; as long as it exists, the Soviets have a trump card in the Middle East. The Secretary recalled that he and Mr. Lloyd, in discussing the paper prepared by the Joint Working Group on Palestine, on October 15, had agreed that they could not go as far as the recommendations contained in the Working Group paper, and that anything less would satisfy neither the Jews nor the Arabs.⁵

² Earlier on October 22, Rountree sent to Dulles the text of what Rountree described as a "British draft statement on Palestine, prepared by the British Embassy." In a covering memorandum, Rountree advised that Lloyd would probably raise it at their meeting and that the British Foreign Office envisioned issuing the statement as a joint U.S.-British document on October 25 at the conclusion of Macmillan's visit to Washington. Rountree recommended against U.S. participation in such a statement, because it would alienate the Israelis without gaining "any real measure of Arab favor", and it would lead the Arabs to conclude that the statement was made "to gain their favor in the face of the present Soviet political advances in the Middle East". Rountree also noted: "The Arabs would react strongly against what they would consider US-UK pressure for a solution of the Palestine problem. It is highly doubtful that the British reputation in the area has been sufficiently restored to render it advisable for the United States to identify itself so closely with the United Kingdom with respect to this highly charged issue".

Rountree also forwarded to Dulles a memorandum from the Bureau of European Affairs indicating that the substance of the proposed statement was acceptable. (*Ibid.*, 684A.86/10-2257)

The draft British statement is printed below.

³ Saudi Arabian Ambassador Sheikh Abdullah al-Khayyal discussed the Syrian situation with Dulles earlier that day. The memorandum of conversation by Newsom, October 22, is in Department of State, Central Files, 682.83/10-2257.

⁴ Reference is to Dulles' speech of August 26, 1955. See vol. xiv, pp. 378 ff.

⁵ On October 15, Dulles and Lloyd discussed the "Report of Joint US-UK Working Group on Syria", dated September 18, which consisted of 17 separate papers on various aspects of the problem. In paper XVIII, "Decisions Required in Connection With a 'Containment Plus' Policy", the Joint Working Group proposed a substantial redefini-

Mr. Lloyd felt it would be good to have a statement of this kind as a common doctrine which could be used as an internal exercise in discussions between the United States and the United Kingdom. This would serve as a useful guide-line even though both countries agreed it should not be made public as a joint declaration.

The Secretary pointed out that the Arab world is now gradually becoming more concerned with the threat of Communism in the area than with the Palestine issue. He had told the Saudi Arabian Ambassador that the Syrian rejection to King Saud's offers of mediation had been instigated in Moscow and not Damascus. Although the Ambassador had not replied to the comment, he was obviously impressed.

Mr. Rountree stated that the substance of the draft statement was a departure from United States policy. The offer to permit all refugees who desired to return and the requirement of a compromise between the frontiers delimited in the 1947 Resolution and the present boundaries was farther than we had ever gone in the past. Never before had we given such a specific framework within which a solution to the Palestine problem must be found.

The Secretary noted that the joint draft statement did not address itself to a very important aspect of the Palestine situation, namely the dangerous policy of increased immigration which the Israeli Government is following. The Secretary suggested that the Working Group might do some more work on this draft statement for possible future guidance. Meanwhile, he concluded, it would be inappropriate at the moment for the United States and United Kingdom to make such a joint statement.

tion of U.S.-U.K. policy with respect to the Palestine problem which possibly would include: 1) a public reaffirmation of support for the principle that Arab refugees had a right to return to their former homes in Israel if they so desired, and to receive compensation if they chose to settle elsewhere; 2) public opposition to Israeli immigration policies and adjustment of Western policies on economic aid to Israel; 3) exploration of the possibility of devising a formula for a settlement of borders; 4) examination of policy toward the Gulf of Aqaba; and 5) possible formulation and eventual publication of the revised U.S.-U.K. positions on Palestine. The memorandum of conversation and the report are in Department of State, S/S Files: Lot 66 D 123, US/UK Working Group and US-UK Report—Sept. 18, 1957, respectively.

Attachment**Draft Statement Prepared by the British Embassy⁶**

Washington, October 21, 1957.

The Governments of the United States of America and the United Kingdom agree that the unsolved Arab-Israel problem presents a grave obstacle to the peaceful and prosperous development of the peoples of the Middle East, and that tranquillity will never come to the area without a just settlement of that problem.

They have no intention of trying to impose a settlement. Nor do they think it would advance a settlement for them to put forward specific proposals. For there to be a hope of success, these must come from the parties themselves. But they think it timely to reaffirm their views on the principles which should govern such a settlement, and on the contribution which their governments are ready to make.

The two governments are opposed to any attempt to reach a solution by the use of force: it must be found by peaceful means in accordance with the Charter of the United Nations. The Arab Governments frequently express fears that Israel will seek by violent means to expand at their expense. Similar fears are expressed by the Israelis. The United States and United Kingdom Governments are firmly opposed to any such use of force. They are against aggression from any quarter.

Any settlement must make provision for the three basic elements of refugees, security and boundaries.

A just settlement should accord recognition to the right of repatriation for those Arab refugees who desire it, and should make adequate provision for the compensation and resettlement of those who do not return. A lasting settlement should give security based on acceptance by countries within the area, backed if so desired by guarantees from other countries, of the territorial arrangements embodied in the settlement. Acceptance would appear to require that these territorial arrangements should represent some form of compromise between the present Armistice lines and the boundaries proposed in the United Nations Resolution of 1947.

The two Governments would for their part support any effort, either through United Nations machinery or by other means, to bring about a settlement. They would contribute to a loan to make possible the compensation of refugees who are not repatriated; and they would, if so desired, join in a guarantee of any frontiers embodied in an agreed settlement.

⁶ Top Secret; Limit Distribution. The source text was attached to the October 22 memorandum from Rountree to Dulles; see footnote 2 above.

Until such a settlement can be brought about they will continue to support efforts by the United Nations to maintain peace in the area and to reduce tension on the Armistice lines.

387. Telegram From the Department of State to the Mission at the United Nations¹

Washington, October 23, 1957—4:34 p.m.

373. Subject: UNEF. USUN 280.² Briefly U.S. position on UNEF financing³ designed to accomplish one of three objectives in order of preference:

1. GA should recognize that UNEF is a UN responsibility and that UNEF expenses therefore are responsibility incumbent on membership as a whole in accordance with regular assessment scale. It should formally authorize SYG to incur expenses on behalf of UNEF up to the amounts indicated in his report (i.e., approx. \$30 million for 1957 and \$30 million for 1958) and assess itself the difference between total those authorizations and what has been raised to date.

2. GA should recognize UNEF a UN responsibility and expenses therefore responsibility incumbent on membership as a whole in accordance regular assessment scale. It should formally authorize SYG to incur expenses up to amount indicated his report. Noting, however, economic hardship caused many member governments by such a precipitous and significant increase over the normal UN budget of \$50 million, GA should urge those countries financially able to grant special and extraordinary assistance in meeting UNEF costs but at same time must assess all members for the difference between what is authorized and what may be raised by the SYG as a result of plea for special and extraordinary assistance. The U.S. for its part would answer the plea by making a special contribution of approximately \$12 million.

3. GA should recognize that UNEF a UN responsibility and expenses therefore responsibility incumbent on membership as a whole in accordance regular assessment scale. It should formally authorize SYG to incur expenses up to amounts indicated his report. Noting,

¹ Source: Department of State, Central Files, 320.5700/10-2357. Confidential. Drafted by Waring and Fobes and approved by Wilcox who signed for Dulles.

² The reference is evidently in error. Telegram 280, August 26, concerns an unrelated subject. (*Ibid.*, 340.53/8-2657)

³ The Department of State prepared two position papers on UNEF for the Delegation to the 12th Regular Session of the U.N. General Assembly: "United Nations Emergency Force: Administrative and Financial Arrangements", October 24; SD/A/C.5/267; and "United Nations Emergency Force: Politico-Military Considerations", October 28; SD/A/C.5/266. (Both *ibid.*, IO Files: Lot 71 D 440, PP 12th GA Committees 1-6)

however, economic hardship caused many member governments by precipitous and significant increase over normal UN budget, GA should urge those countries financially able to grant special and extraordinary assistance to meet half the authorized amounts, assessing members the remaining half. The U.S. for its part would answer the GA's plea by making special contribution of approximately \$12 million.

Following guidance recommended regarding tactics:

1. First objective should be defended vigorously and actively. No suggestion of compromise should be indicated until very late stage.

2. Second objective should be pursued as a logical consequence of the first flowing from additional consideration of economic hardship rather than as a relinquishment of principle. Here again objective must be pursued vigorously and actively.

3. Third objective is Dept's final position.

4. Whether reference should be made to specific sum \$12 million or to merely a "substantial sum" is left to Delegation's discretion. Whether reference to sum should be made before, during or after consideration resolution also left to Delegation's discretion, as is problem of public and private emphasis to be given to fact that sum proposed U.S. special assistance not contingent matching basis.

5. Delegation's task could perhaps be facilitated in some cases by noting that principal failures cooperate UNEF have been Communist-controlled countries.

6. Dept's opinion necessity fight for first objective based not on confidence Delegation can be successful but on belief counter-balance required for strong general feeling indifference toward UNEF undertaking.

7. View failure "voluntary contributions account" Dept believes psychologically preferable as can be seen use expression "special and extraordinary assistance".

Note: Delegation must bear in mind objective No. 2 far more desirable than objective No. 3. As weakness objective No. 1 lies in great likelihood it unobtainable so weakness objective No. 3 lies in fact that with UNEF assessments covering only half of estimated costs, probable total special assistance from countries other than U.S. would be insufficient meet balance required fully cover estimated costs.)

Dulles

388. Message From Secretary of State Dulles to Prime Minister Ben Gurion¹

Washington, October 23, 1957.

MY DEAR MR. PRIME MINISTER: I am concerned at a number of recent developments which have served to increase tension between Israel and Jordan at this very critical time.²

We have already expressed to you our hope that the tree planting activity being carried out by Israel in the area between the lines at Jerusalem be suspended, without prejudice, at this time. We greatly regret that Israel has seen fit to continue this activity. The matter is now before the Security Council and the Chief of Staff of the UNTSO has submitted a report³ to the Council recommending that work be stopped to create an atmosphere in which the Mixed Armistice Commission might be able to resolve this problem peacefully.

We were disturbed to hear of the incident of October 19 involving a Jordan civilian passenger aircraft and an Israel fighter plane wherein the civilian plane, which had seven American citizens aboard, was subjected to Israel fire. We have already had occasion to invite the attention of the Israel Government to this matter and to urge that fullest cooperation with the Mixed Armistice Commission be extended so that the facts of this case can be determined and a basis established for the prevention of the recurrence of such dangerous incidents.

We have now received reports that since September there have been indications of digging activity at night in the Mount Scopus area and that free access to the area has not been accorded to personnel of the UNTSO desiring to inform themselves as to the nature of this activity. This situation has given rise to apprehension and concern.

As you know, the Jordanians are being subjected to very heavy propaganda and other pressures from the Soviet Union, Syria, and Egypt because of the demonstrated determination of King Hussein to

¹ Source: Department of State, Central Files, 684A.85/10-2357. Secret. Transmitted to the Embassy in Tel Aviv in telegram 310, October 22, 8:19 p.m., which is the source text, with the instruction: "Deliver following personal message to Prime Minister soonest". Telegram 310 was drafted by Bergus, cleared by Rountree and Howe, approved by Dulles, and signed by Rountree for Dulles.

² On October 22 in Amman, Foreign Minister Rifa'i protested strongly to Ambassador Mallory regarding a recent Israeli attack on a Jordanian civilian airplane, maintained that such provocations appeared to be increasing, and threatened to stop the next Israeli convoy headed for the Israeli sector of the enclave on Mt. Scopus. Mallory commented to the Department of State that "that the Jordanian Government cannot continue impotent for too long particularly as such Israeli activity embarrasses Jordan's pro-Western stand and makes her even more a target for Russian and Syrian propaganda." (Telegram 807 from Amman, October 22; *ibid.*, 684A.85/10-2257)

³ U.N. doc. S/3892. See Document 369.

maintain the independence and integrity of his country. It seems clear that further tension between Jordan and Israel could only serve to benefit the interests of disruptive elements in the area. There are indications that the Jordanians may feel impelled to take dramatic action of some sort to demonstrate that they have not acquiesced in the Israel initiatives.

We wish to make clear that we are not now seeking to comment on the substance of the rights and duties of the parties under the Israel-Jordan Armistice Agreement. We feel the determination of this is the responsibility of the appropriate bodies of the United Nations. Our object is to avoid injecting the Israel-Arab dispute in acute form into the situation.

We see no basis for deferring action in the Security Council with respect to the tree-planting matter. Our position in those debates will be based largely on the recommendations of the Acting Chief of Staff. We would urge renewed consideration by your Government of the suggestion that tree planting be suspended without prejudice for the time being.

We hope that your Government will cooperate fully with the Mixed Armistice Commission with respect to the October 19 plane incident.

We feel that concern over the reports of activity on Mount Scopus could be dispelled if a representative of the UNTSO were able to make a thorough inspection of the area.

These suggestions demonstrate the great importance we attach to full cooperation with the Israel-Jordan Mixed Armistice Commission by both parties to the Armistice Agreement.

In expressing the hope that you and your Government will give earnest consideration to this message, I would emphasize again the high importance which we attach to avoiding Israel-Jordan incidents at this particularly grave period in Middle East affairs. We are expressing our views to the Jordan Government and strongly cautioning against any precipitate action.

With kindest personal regards,
Sincerely,

John Foster Dulles⁴

⁴ Telegram 310 bears this typed signature.

**389. Memorandum of a Conversation, Department of State,
Washington, October 25, 1957, 10:30 a.m.¹**

SUBJECT

Palestine

PARTICIPANTS

U.S.

The Secretary

The Under Secretary

Mr. Robert Murphy, G

Mr. C. Douglas Dillon, W

Ambassador John Hay Whitney

Ambassador Livingston T. Merchant [and eight officials from the Department of State]

U.K.

Mr. Selwyn Lloyd, British Foreign Secretary

Sir Norman Brook, Foreign Office

Sir William Hayter, KCMG, Foreign Office

Sir Harold Caccia, British Embassy

Viscount Samuel Hood, Minister, British Embassy [and five British officials]

The Secretary indicated that he had little to add with regard to former conversations he had had with Mr. Lloyd on Palestine. The Secretary recalled his August 1955 speech on Palestine which had been worked out in advance jointly with the British. He said we must continue to exchange views on the Palestine problem.

Mr. Selwyn Lloyd recalled recently discussing with the Secretary the draft of a possible joint US-UK statement on Palestine.² Mr. Lloyd had agreed, he said, with the Secretary that this was not the time for such a statement. However, he believed it would be desirable to work out a common doctrine on Palestine, merely as an internal exercise, which would form the basis of a US-UK position. He suggested that the wording of such a common doctrine on Palestine be studied further.

Mr. Lloyd pointed out that according to telegrams from the British Embassy in Baghdad, Nuri Said had favored a statement by the Western powers on Palestine. Mr. Rountree said that Foreign Minister Malik had similarly urged the United States to make a statement on Palestine.³ According to Mr. Malik, the minimum requirements for such a statement would include the recommendation for a permanent

¹ Source: Department of State, Conference Files: Lot 62 D 181, CF 926. Secret. Drafted by Dorman.

² See Document 386.

³ The memorandum of conversation between Lebanese Foreign Minister Charles Malik and Dulles, plus three others, which took place in Washington on October 17, is in Department of State, Central Files, 611.84/10-1757.

solution to the frontier problem based on the 1947 resolution, a cessation of the present Israeli immigration policy, a solution to the Arab refugee problem, and adequate guarantees against aggression. Mr. Malik had indicated that this was the only way in which to stem the Russian propaganda campaign in the Middle East but that unless the United States statement could include all these elements, it should refrain from any statement on Palestine.

Mr. Lloyd said he had no knowledge of the Israeli plans for immigration. This, it appeared to him, was now the root of that problem and possibly should be tackled first. Mr. Rountree replied that the Israeli Government had given us their plans for immigration which included 100,000 immigrants this year and the same number next year. The Israeli Government had an open-door policy toward immigration. The Secretary agreed that the immigration question was a serious problem and the fact that the prestige of the Israeli Government was involved merely made the problem more difficult to tackle.

**390. Memorandum of a Conversation, Department of State,
Washington, October 29, 1957¹**

SUBJECT

Egypt

PARTICIPANTS

The Secretary
Mr. Eugene Black, President of IBRD
W—Mr. C. Douglas Dillon
NEA—William M. Rountree

The Secretary, referring to Mr. Black's tentative plan to visit Egypt, said he thought that if Mr. Black could promote a settlement with the Suez Canal Company, it would be extremely helpful and the United States would be disposed to release frozen Egyptian funds as soon as an agreement was arrived at, perhaps even before the actual implementation of the agreement. The Secretary assumed that Mr. Black would talk with both the British and the French before proceeding to Egypt. Mr. Black said that he planned to do so. He was leaving

¹ Source: Department of State, Central Files, 398.14/10-2957. Confidential. Drafted by Rountree.

tomorrow for Paris and then would go to London. If he went to Egypt it would be in about ten days, after conversations had been held with the British and French representatives.

The Secretary commented that the French might be difficult to deal with on this question since they have had an exaggerated idea as to their rights and what might be done to protect them. He had the impression, however, that they had been somewhat deflated in the recent past. Mr. Dillon added that the French had in fact been deflated and wanted to make a deal quickly with the Egyptians in order that the old Suez Canal Company could move in other directions with respect to investments. The Secretary said that although the blocked funds constituted one of the few pressures upon the Egyptians to make a settlement, the French should not assume that they could remain frozen indefinitely. It was likely that we would feel compelled to unblock the funds sometime in the relatively near future. Mr. Black observed that representatives of the Suez Canal Company had developed an interest in investing in an iron ore project in French Africa as well as a tunnel under the English Channel.

The Secretary offered to review for Mr. Black something of his philosophy regarding Nasser and Egypt. He had pointed out to the Egyptians over the past few months and particularly when Ambassador Hussein met with him just before the Ambassador departed for Egypt our attitude toward what Egypt might do to improve relations with the United States. The Secretary had said that he could not outline a specific course of action, but thought it important that the whole point of view of Nasser with respect to the USSR should undergo a substantial change. Nasser seemed to think that he could deal with impunity with the Soviets and did not appear alarmed as to where his policies might take him. He seemed to feel that the United States was urging him not to become too involved with the Soviets simply because we ourselves did not like the Soviet Union. We have tried to persuade Egypt that we felt they were going down a path toward disaster. While the United States did not object to Egypt maintaining friendly relations with the Soviet Union, and indeed in concluding economic agreements and buying reasonable quantities of military equipment, the Egyptians should realize that in such relationships they were taking a chance and must be on their guard; otherwise they were becoming trapped. The Secretary had pointed out that the United States maintained relations with such countries as Finland, Poland, Yugoslavia and India, who themselves dealt with the Soviet Union. Those countries, however, knew in varying degrees the dangers of doing business with the Soviet Union. Finland had been involved in a war with Russia; for eight years Yugoslavia had been

subjected to attacks and threats from the Soviet Union; India, although giving the appearance of not being worried was in fact worried about the Soviet Union.

In general, the Secretary said, he had pointed out that Egyptian blindness toward the danger of the Soviet Union had presented a barrier between Egypt and the United States. The United States could not understand it when the Egyptians stated that the Soviets are really nice, that they wanted to help Egypt and that Egypt could accept that help on the assumption that there were no strings attached and no danger involved. The Secretary thought the Egyptians might be waking up a bit, although their attitude was still quite unsatisfactory. He thought the Egyptians might have been embarrassed by Gromyko in New York when he pounded the table and insisted upon the Arabs following the Soviet lead. It was clear to most people that the Syrians had been directed by the USSR with respect to the UN action. The Soviets had achieved a large measure of economic domination of Syria and Syria was on the road to losing its political independence.

Continuing, the Secretary said if the scales would drop from Nasser's eyes before it was too late, we might work together again. There were certain problems due to Nasser's blindness and his desire to play one power off against another. . . . The Secretary said that Nasser had claimed that he had been told by the Secretary in 1953 that the United States would pledge itself to back him as a leader of the Arab World.² The Secretary had never made any such pledge, although in 1953 he had said something to Nasser to the effect that the United States looked upon Egypt as a leading Arab country. Naturally no commitment could possibly be made to Nasser that regardless of circumstances the United States would back him. Nasser's action in recognizing Red China, in concluding the large arms deal with the Soviet Union, etc. had completely changed the situation with regard to our attitude toward him as an Arab leader. Nevertheless if there should be a change in Nasser's attitude he could enjoy good relations with the United States. It was not at all impossible that the United States would resume economic ties, a CARE program, the sale of PL 480 wheat, etc. if we felt that our effort would not become wasted because of the blindness of Nasser toward the Soviet Union.

Mr. Rountree added that in addition to our deep concern over Nasser's attitude toward the Soviet Union, we had also made clear to him our opposition to Egyptian efforts to enforce its own ideas regarding "positive neutrality" upon other countries of the area. We had said that while we recognized the rights of Egypt to decide its own foreign policy we would insist also upon the right of other nations in the area to decide their foreign policy of friendship toward the West without

² See Document 373.

the interference of Egypt. We had also expressed great displeasure over the activities of Egyptian agents in several countries throughout the area where their purpose clearly was to bring about changes in governments and regimes in order to bring into power people amenable to Egyptian leadership.

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Mr. Black said that when Kaissouni was in Washington he had inquired about the possibility of the Bank becoming interested again in financing the Aswan Dam. Mr. Black had told Mr. Kaissouni he felt that when a situation was established whereby the Bank could extend loans to Egypt, first priority should be given to the expansion of the Suez Canal rather than financing the Aswan Dam. Kaissouni had inquired whether, assuming that order of priority, the Bank might later be interested in the Dam. Mr. Black had reminded Mr. Kaissouni that the Secretary had said at the time of the withdrawal of the U.S. offer on the Aswan Dam that the United States might at a later date be willing to consider the development of the Nile on a broader basis, taking into account the interests of other countries through which the Nile flowed.

The Secretary confirmed that he had made such a statement and showed Mr. Black the press release which was issued June 19, 1956.³

In a side conversation with Mr. Dillon and Mr. Rountree, Mr. Black mentioned that Egypt had joined the IFC and had not made its initial payment of about a half million dollars. The Egyptians had said that the money could be taken out of frozen funds if the United States would permit. Mr. Black asked whether this might be done, pointing out his desire and the desire of Mr. Garner⁴ to avoid a situation in which the Egyptians would have to be declared in default. Mr. Dillon and Mr. Rountree responded that they did not see how the funds could be used for this purpose, unless there was a general unfreezing. They mentioned that the Egyptians had in fact employed this device with respect to considerable amounts of money owed by them to others. They had, for example, told the Greek Government that the Greeks might obtain several million dollars owed by Egypt if the Greeks would obtain the permission of the U.S. to unblock the funds. There were also indications that the Egyptians told the Saudis that they would repay the Saudis by transferring to Saudi Arabia a substantial portion of the frozen funds, with the idea that the Saudis would then press the United States to release these funds which belonged to Saudi Arabia.

³ For text, see Department of State *Bulletin*, July 30, 1956, p. 188.

⁴ Robert Livingston Garner, President of the International Finance Corporation.

391. Memorandum of a Conversation, Department of State,
Washington, October 31, 1957¹

SUBJECT

Israel's Need for Security Guarantees

PARTICIPANTS

The Secretary

Mr. Abba Eban, Ambassador of Israel

Mr. Yaacov Herzog, Minister Plenipotentiary, Embassy of Israel

Mr. Stuart Rockwell, NE

Miss Elizabeth A. Brown, UNP

At the outset the Secretary expressed his personal shock and regret at the bomb incident in the Israeli Parliament and gratification that members of the Government, including the Prime Minister and Foreign Minister, had escaped serious injury. Ambassador Eban replied that the Prime Minister wished him to convey Israel's appreciation to both the President and the Secretary for their messages on this matter.

Ambassador Eban presented a letter from Prime Minister Ben-Gurion replying to the Secretary's letter of October 23.² After reading the letter the Secretary commented it was a very interesting, important communication.

The Ambassador then turned to the specific matters covered in the correspondence.

Referring to the tree planting, he remarked that Jordan had made a "great fuss about nothing" and was not really entitled to request suspension. The United Nations representative, Colonel Leary, he said, supported the Israeli position on many points of principle but did suggest a two month suspension.³ The Prime Minister had informed Mr. Baxter⁴ that, in line with the Leary report, Israel was disposed to suspend the tree planting until the end of November and would perhaps be willing to extend the period to the middle of December. However, Ambassador Eban emphasized that it was a deliberate, voluntary suspension without prejudice to Israel's basic rights.

¹ Source: Department of State, Central Files, 611.84A/10-3157. Secret. Drafted by Brown.

² Ben Gurion's letter to Dulles, October 31, is not printed. (*Ibid.*, 784A.00/10-3157) Dulles' message to Ben Gurion, October 23, is Document 388.

³ Reference is to Leary's report of September 23; see Document 369.

⁴ Baxter transmitted a report on the conversation in telegram 408 from Tel Aviv, October 29, not printed. (Department of State, Central Files, 684A.85/10-2957)

The Ambassador continued that Israel would accept the Jordanian proposal on Mount Scopus if Jordan, for its part, would carry out its obligations under the 1948 agreement and Article 8 of the Armistice Agreement. The Prime Minister expected to see Colonel Leary within the next few days to discuss this matter further.

Next Ambassador Eban referred to the airplane incident, on which Israel was awaiting the report of the Mixed Armistice Commission. The Prime Minister had informed Mr. Baxter that every effort would be made to avoid a repetition of such incidents. The Secretary inquired whether the fact of over-flight of Israel had been established. The Ambassador replied that this was Israel's contention, which it believed the MAC report would elucidate. In fact, the plane had circled for twenty minutes over Israeli territory.

The Ambassador turned to three specific conclusions in the Prime Minister's letter. Israel believed the Soviet Union had encountered a setback in the U.N. debate on Syria, even among the Arab States who were somewhat embarrassed by the effects of the Soviet embrace. The way the Soviet campaign had subsided was also noteworthy. While this tactical development was favorable, it did not of course affect the circumstances of continued Soviet penetration of the Middle East.

The most urgent matter, the Ambassador said, was the necessity for achieving greater precision in warning the Soviet Union against the danger of any attack on Israel. Despite their tactical setback in the United Nations the Soviets clearly intended to continue to seek the support of Arab nationalists. While it was difficult to unite the Arab world against Turkey, a Moslem state, it might well be easier to unite it in a similar war of nerves against Israel. In this connection, he noted Gromyko's marginal remarks on Israel which might in the future become more central to the Soviet campaign. A specific U.S. warning to the Soviet Union was particularly important for Israel, which was without formal contracts for mutual defense with other states.

The Secretary asked whether Israel was really concerned over the possibility of a Soviet attack. Ambassador Eban replied that Soviet statements, plus its arming of Syria and Egypt, plus rocket rattling, made his Government believe that a danger existed, at least to the same extent as any danger to Turkey existed. He referred also to a previous comment of the Secretary in an earlier conversation that there was danger of Soviet-inspired frontier provocation of Israel. The Secretary responded that he believed he had said danger might come from an effort to unite the Arab world by a sort of feint against Israel to draw it into attacking Syria. However, he gathered the Ambassador had been speaking of the Soviet Union itself. The Ambassador replied affirmatively, saying he had in mind a direct attack by air or by inciting Syria to attack Israel. Either could produce far graver consequences in what would otherwise be a local conflict.

Returning to the subject of a security guarantee, the Ambassador observed that general statements previously made by the United States might be said to cover Israel fully. Israel was of course aware of United States policy regarding support for Israel and for Israeli independence. All that having been said, however, there was now a new context, having regard to the tactical objectives of the Soviet Union and the impulsive character of Mr. Khrushchev borne out by the current hysteria regarding Turkey. That door should also be closed. He expressed the hope that the United States could find a suitable occasion to make a public statement to the effect that if Israel were attacked there would be immediate American reaction. He recognized that such a statement could only be made in appropriate circumstances. Consequently, until such time as there was a clear context to justify such a statement, his Government wondered whether through diplomatic channels the United States could not inform the Soviet Union that an attack by it on Israel would involve immediate American reaction under existing commitments. Such action would be most reassuring. The context for the other type of statement would have to be looked for in the future. He referred to what the Under Secretary had told him concerning the Secretary's conversation with Gromyko, which had also been helpful in this regard.

The Ambassador referred next to Israel's extreme vulnerability to submarine blockade, emphasizing that no other country in the world had more fragile communications lines. Turkey had informed his Government that Latakia⁵ was being transformed into a formidable submarine base. In these circumstances, Israel needed means to protect its commercial and naval communications. It was also extremely vulnerable to aerial attack. There were both financial and defensive aspects to both matters which assumed increased importance in the light of Soviet irresponsibility in arming Egypt and Syria.

Ambassador Eban referred finally to NATO's preoccupation with defense, observing that by its concentration on Europe, NATO was becoming a kind of Maginot Line since its strength could be rendered nugatory in the event the Middle East was overrun by communism. In Israel's view Europe and the Middle East must be considered together. It believed that the NATO commitment should be extended to the Middle East. His government had some more concrete ideas on this matter which would be put in writing. Meantime, it wished to urge the need for a Western policy for the defense and protection of the Middle East against communist domination. Prime Minister Ben-Gurion especially wished to know whether the United States regarded this subject as one of growing urgency.

⁵ A seaport in northwest Syria.

The Secretary began by saying that the tree-planting, Mount Scopus, and plane over-flight involved technical aspects on which he was not sufficiently informed to comment on what the Ambassador had said other than to make certain general observations. This was a time when the Soviets were attempting to capitalize as much as they could on the close relations that exist between Israel and the United States, and on the support which in one form or another is received from both government and private sources here. At a time when the Soviets were attempting to make these facts seem to the Arabs to be their great danger, coupled with general Soviet policy, he was concerned that Israel should be proceeding with the policy of accepting all the Jews who wished to come to Israel. This might well create an explosive situation. The point to be remembered was that this was a time when the Soviets, in order to create a smoke-screen, were trying in every way possible to make the danger from Israel seem the most important and to arouse the Arab states against that danger.

The Secretary added that of course the Ambassador and he both knew that the Soviet Union was the real danger to the area. However, when he talked, as he had done recently, with important Arab leaders and sought to emphasize this point, they replied that perhaps communism was a danger but it was remote, and the real danger was Israel in their midst. They had drawn an analogy to the effect that if a dangerous gunman was in the room with you, that was a more immediate worry than what might be happening farther away in Moscow.

At the same time, the Secretary continued, we were going through a period where the Arab states were gradually becoming educated to the fact that the Soviets, operating through communist parties, subversion and infiltration, were a real present danger in the area. What had happened in Syria, unhappy as it was, had at least served to bring to many important Arabs a realization that what we had been saying was not false but a real present danger. The way in which the Soviets had dictated to Syria and the way Gromyko had pounded the table in dealing with the Arabs in New York had clearly created a bad impression. At the end of this period there might be increased feeling in influential Arab quarters that Soviet communism presents more of a danger to the Arab world than Israel, which would be a desirable outcome if not at too great a price.

The Secretary therefore wished to suggest to the Israeli Government that during this period when we were trying to allay Arab fears about Israel and drive home to the Arabs the realization that the real danger comes from the Soviet Union, Israel should try hard, as he thought it was doing, to avoid any actions tending to revive Arab fears of Israel or bringing the Arab-Israeli problem to the forefront. We wished the Arabs to forget the problem of Israel. If this eventuated, we might be able to turn things around in a way to our mutual advantage.

The Secretary hoped strongly Israel would take into account the new formative development in the area, namely recognition that the Soviet Union is really the force to be feared rather than Israel. If that sentiment took hold in the Arab world, its significance would be tremendous.

Our great problem, the Secretary said, was that we were tagged as supporters of Israel and Zionism, while the Soviet Union claimed to be against them. This was a liability for us to carry in the Arab world. The way to escape it was to make the Arabs see that the Soviet Union was a greater danger than Israel.

The Ambassador replied that he thought his Government would be congenial to this general approach, noting that recent Israeli activities, including agreement to suspension of tree-planting, fortified this. He commented also on Israel's general policy of non-involvement, emphasizing that in the U.N. debate on Syria the Israeli Delegation had not answered provocative charges in the hope that the debate would foster this new understanding. Moreover, Israel was vigilant to maintain tranquillity on its frontiers.

The Secretary said that efforts would be made by others to try to prevent Israel from following through in this way. The going would be tough, especially if the Soviets pushed the Syrians into provocative activity along the Israeli border. Ambassador Eban interjected that additional U.N. observers were helpful in this regard. The Secretary agreed that the more Israel could get U.N. officers to protect it, the better off we would all be. The Ambassador said Israel did need help when the other side became most provocative and referred to Egypt's holding of an Israeli fishing vessel the past six weeks. He expressed the hope that the United States would also use its influence on others to keep such things from erupting. The Secretary assured him that we would do so.

The Ambassador referred to the Secretary's view that immigration equalled expansion, which in Israel's view was not well-founded. He promised to submit a note on the matter. The Secretary responded that we would very much like reassurance on this point.

The Secretary informed the Ambassador that we would consider whether, perhaps through diplomatic channels, we could make our concern known to the Soviet Union. As for air and submarine defenses, he had never really seen how Israel could expect to develop adequate air defenses to protect against a well-planned strike; he just did not think there was any way. He noted that at the National Security Council this morning there had been discussion of some of our own problems in this regard; it got down to the question of minutes even here where enemy planes would have to traverse thousands of miles. The geographical situation of Israel was such that it was going to have to depend largely upon the security it might obtain

from the consequences of an attack upon it. In this connection he referred to the Eisenhower-Macmillan communiqué⁶ which underscored the impossibility of any nation achieving security by itself. This concept of interdependence applied to a very great degree to Israel. He hoped that Israel would not find it necessary to expend a great deal of its resources on military efforts which to some extent would be futile.

Ambassador Eban replied that Israel's security concern was to maintain a prudent level of national arms to provide capability to respond in the first instance to any attack. The Secretary said of course no country should be totally denuded of defensive ability. It was virtually a sine qua non for people to be willing to fight for themselves; for example, Denmark's take-over by the Nazis without resistance had a marked effect upon international support for that country. He was not suggesting total demilitarization but rather, in George Washington's words, "a respectable defensive posture."

Ambassador Eban rejoined that the United States rested largely on its retaliatory power. The Secretary observed, however, that retaliatory power against an enemy set to attack you first might not be enough. He continued that we were thinking a lot about the question of interdependence. The first move to develop our thinking would be the NATO December meeting. He did not want to build exaggerated hopes or expectations, but out of the new thinking something more might emerge.

The Secretary drew the Ambassador's attention to the following language in the Eisenhower-Macmillan communiqué: "All members of this community, and other friendly nations which so desire, should possess more knowledge of the total capabilities of security that are in being and in prospect. There should also be provided greater opportunity to assure that this power will in fact be available in case of need for their common security, and that it will not be misused by any nation for purposes other than individual and collective self-defense, as authorized by the Charter of the United Nations." Ambassador Eban said that his Government had noted this passage as significant.

The Secretary continued that he did not regard our security treaties as treaties of alliance at all. What we were trying to do was to advance the society of nations, or that part of it which is friendly, toward the kind of collective defense system which nations have domestically. He had tried as far as he could to impart that character to these arrangements and to build toward a system developing capability for the defense of all against any attack and of protection against its

⁶ Reference is to the "Declaration of Common Purpose" released upon the conclusion of Macmillan's visit to Washington on October 25; for text, see Department of State *Bulletin*, November 11, 1957, pp. 739-741. Documentation on the visit is scheduled for publication in volume xxvii.

abuse. If the world could move forward in that direction, even though down a fairly long road, everybody would benefit. This was a sound philosophy, in his judgment, applicable to present circumstances.

Ambassador Eban said this philosophy was very relevant to his country. If Israel knew there were plans of other organizations and powers, it would have a great effect; it would not then aspire to reach military autarchy. The more Israel knew about concrete plans to resist aggression, the more its arms problem would fade, and in time arms might even lose their obsession for the Arabs. The Secretary commented that the Arabs loved arms, just as, once, crowns and diadems were treasured by kings and queens.

392. Memorandum From the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Rountree) to the Secretary of State¹

Washington, November 4, 1957.

SUBJECT

Our Relations with Egypt in the Light of the Syrian Situation

Discussion:

In your staff meeting on October 28 you mentioned the possibility that developments in Syria might have contributed to establishing an atmosphere favoring the improvement of our relations with Egypt. We offer the following views on this point.

Although public and even private utterances by President Nasser have set Egypt squarely behind Syria,² we nonetheless have the impression that Nasser has been concerned by the manner in which the Syrians have involved themselves with the Soviet Union. We think it is likely that the Syrians took their recent steps in this direction without consulting Nasser and that Nasser thus considers that the primacy of Egypt in Syria has been seriously compromised. He may also have qualms that the Soviet Union is seeking to displace him as the leader of the area. We are inclined to believe that the dispatch of Egyptian troops to Syria was more a reflection of Nasser's desire to bolster Egypt's prestige and to give Egypt a greater voice in Syrian affairs than a genuine act of solidarity with the new Syrian regime.

¹ Source: Department of State, Central Files, 611.74/11-457. Secret. Drafted by Rockwell on November 1.

² Documentation on this subject is *ibid.*, 661.83, 783.00, and 674.83.

In addition to what we believe to be Nasser's concern with regard to the Soviet-Syrian understanding, there have been indications that Egypt is increasingly concerned that it has become too dependent on the Soviet Union, particularly in the economic field. It may well be that Nasser understands that many of his difficulties in the area have stemmed from his losing the balance necessary to maintain a policy of "positive neutrality." It is probably out of desire to restore the equilibrium in his role as between East and West that he has made some moves to seek better relations with the West, especially the UK and France. He may believe that for economic reasons, relations with France and the UK are more important at this stage than relations with the US. However, he undoubtedly recognizes that a full balance can only be regained if tolerable relations are established with all three major Western powers.

Restoration of tolerable relations with Egypt would clearly be in our interests, provided that Nasser shows greater awareness of the dangers of close association with the Soviet Union and adopts a genuinely neutral position, and provided that a resumption of constructive relations can take place in such a way that Nasser cannot claim a victory for his policies. In this connection we have in mind the adverse effect which such a victory would have upon the Western position in those Arab states, particularly Saudi Arabia, which have become alarmed by Nasser's activities and the facilitation they have afforded Soviet penetration in Syria.

While it is probable that the Syrian development, in addition to the situation in Egypt itself, may be producing an atmosphere slightly more favorable to laying the groundwork for better relations between Egypt and the US, we believe we should proceed most cautiously in the circumstances. In the first place, despite what may be Nasser's unexpressed though real concern over Syrian developments, Syria remains Egypt's only ally and thus ties between those two countries are close. We should be under no illusion that Nasser is ready or willing to use his influence to bring about the kind of changes we would like to see in Syria, or approves of our policy toward Syria. Secondly, although there are encouraging signs that Nasser is fearful of too great an economic dependence on the Soviet Union, there has been no basic change in the Egyptian Government's attitude toward close political associations with the Soviet Union. In this regard it is not without significance that while Nasser is unwilling to go to Moscow, his Minister of Defense³ is departing on November 1 in a special Soviet TU-104 plane for a twelve-day visit to Moscow, a new invitation having been issued to him by Khrushchev following Zhukov's removal. Thirdly, we may be certain that Nasser will seek to gain

³ Major General 'Abd al-Hakim Amir.

concessions from the West without giving anything in return and will do everything in his power to present such concessions to the other Arabs as a triumph of "positive neutrality" and a victory over the West. We believe that the policies we have followed have been responsible in important measure for Nasser's political isolation and economic discomfiture. We believe that we should continue these policies without basic change, but be prepared to make adjustments here and there to remove relatively minor points of irritation, in order to reveal that we are not entirely inflexible with regard to the possibility of better relations.

Recommendations:

1. That we recognize that current circumstances may have improved in some degree the possibilities of restoring tolerable relations between the US and Egypt.

2. That we make no basic changes in our present policy at the moment but carefully watch developments to determine whether there are signs of an improved atmosphere in Egypt with regard to the US. For example, it would be of interest to see whether the Egyptian press and radio will cease their attacks on the US, its policies and official personalities.

3. That we take appropriate opportunities to indicate our open-mindedness about improved relations with Egypt and our desire to continue correct relations at this stage. (In this regard we believe it would be useful to make a now-due deposit (\$600,000) to the joint account of the Egyptian-American Rural Improvement Service since failure to do so would represent a definite breach of an agreement which has been suspended but not cancelled. Failure to make the deposit would result in termination and would raise doubt about our present policy of "cool, but correct" relations.)⁴

4. That we be prepared to reduce specific points of irritation between the US and Egypt, provided always that there is appropriate reciprocal action on the part of Egypt. (For example, and as we have already informed the Egyptian Government officially, we will be prepared to release the blocked funds if substantial agreement is reached between the Egyptian Government and the Suez Canal Company. Additionally, increasing evidence that Egypt is becoming aware of the dangers of close association with the Soviet Union and is taking action to reduce that association, might enable us to negotiate PL-480 wheat

⁴ Documentation concerning the EARIS project is in Department of State, Central File 774.5-MSP.

shipments and to resume activity in some of our development and technical assistance programs.)⁵

⁵ Dulles initialed his approval on the source text with the comment: "Suggest possibility of very private check with Saud as to what he now thinks". A handwritten notation, dated November 22, indicates that action on this directive was taken by Rockwell. See telegram 713, Document 406.

Dillon also initialed his concurrence on the source text with the comment: "Concur, but would go slow on starting up PL 480 again". Dulles initialed his concurrence next to this comment. G.W. La Rue (U/MSA) also concurred in the memorandum.

393. Memorandum From the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Rountree) to the Secretary of State¹

Washington, November 6, 1957.

SUBJECT

Initiative for a Palestine Settlement

Discussion:

In recent weeks there have been a number of expressions that the time was not only opportune for a new initiative looking toward a general settlement of the Palestine problem, but that the situation in the Near East made such an initiative imperative. Ahmed Shukairy, the Palestinian presently heading the Saudi Delegation to the United Nations, has so indicated to Ambassador Lodge. Charles Malik of Lebanon has stressed this point both in his conversations with you and in talks in New York. Canada and Norway, in working closely with us in the handling of the Syrian matter in New York, did so with the hope that they were helping to create an atmosphere favorable to progress toward a settlement. Mr. Menzies of Australia in a recent speech stressed the need for an imaginative and vigorous approach to this problem.

These expressions of view seem to resolve around the central point that it is up to the United States to take a strong lead in any effort looking toward a Palestine settlement. We believe that insofar as a United States initiative is concerned, we would be at a heavy disadvantage. In the present situation in the area, any display of vigor on our part would almost inevitably be exploited by unfriendly elements

¹ Source: Department of State, Central Files, 784A.00/11-657. Secret. Drafted by Bergus on November 5. Concurred in by Walmsley and Villard.

as an attempt by the United States to impose a settlement by force. Furthermore, it is difficult to envisage a successful effort for a settlement which would not involve the cooperation of Nasser. The status of United States-Egyptian relations makes it unlikely that such cooperation would be forthcoming to a United States initiative.

At the same time, the encouragement of widespread interest throughout the world in a Palestine settlement furthers United States objectives in the area. To this end we feel it would be useful if we evinced our interest in such a settlement at a high level. We suggest that you might wish to invite Ambassador Engen, head of the Norwegian Delegation to the United Nations, to come to Washington for a confidential and informal discussion on the Palestine situation, with a view to suggesting that Norway might wish quietly to explore the possibilities for progress toward a settlement. Ambassador Engen is deeply interested in this matter and has been most helpful to us in United Nations questions regarding the Middle East. In such an exchange of views, you would have the opportunity to set forth to him in some detail what the United States would be prepared to do by way of contributing to an Arab-Israel settlement.

Recommendation:

That you invite Ambassador Engen to come to Washington at your convenience for an hour's discussion of the Palestine problem. A briefing memorandum will be prepared.²

² Dulles initialed his approval on the source text.

394. Editorial Note

The White House Staff Notes for November 6 include the following item concerning developments in relations with Egypt:

"Egypt's Envoy Talks to Nasser.—Egypt's Ambassador to the US says he recently told Nasser that we are not 'out to get' Egypt or Nasser, but that we are forced to counter any Nasser moves which assist the USSR. He said he urged on Nasser a three-stage program of: (1) a propaganda 'truce' with the US, (2) a quick settlement with Canal Company shareholders, to make possible the unblocking of dollars, and (3) 'deemphasis' on Egyptian contacts with the Soviet bloc. Nasser reportedly responded only to ask whether we would accept trainees in various fields, including the military. His Ambassador could not an-

swer, but suggested he try West Germany instead." (Eisenhower Library, Whitman File, Eisenhower Diaries; Eisenhower initialed the notes.)

The Embassy in Cairo conveyed reports received from Ambassador Hussein to the Department of State in telegram 1099 from Cairo, October 30, and in telegram 1125 from Cairo, November 3. (Department of State, Central Files, 611.74/10-3057 and 611.74/11-357, respectively)

395. National Intelligence Estimate¹

NIE 36.1-57

Washington, November 12, 1957.

THE OUTLOOK FOR EGYPT AND THE NASSER REGIME

The Problem

To estimate: (a) the changes in Egypt's position since the Suez crisis; (b) the chances for survival of the Nasser government; and (c) probable future developments in Egypt's internal situation, and its regional and international position.

Summary

1. Nasser has achieved a position of virtually unchallenged authority in Egypt. Foreign policy and events have served both as a distraction and an excuse for the regime's failures to fulfill its promises of social and economic reform. Although it is almost certain that the regime will be unable to make appreciable progress in solving Egypt's staggering economic problems, it is unlikely that the regime will be overthrown in the next few years.

¹ Source: Department of State, INR-NIE Files. Secret.

According to a note on the cover sheet, "The following intelligence organizations participated in the preparation of this estimate: The Central Intelligence Agency and the intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and The Joint Staff." This estimate was concurred in by the Intelligence Advisory Committee on November 12, 1957. "Concurring were the Director of Intelligence and Research, Department of State; the Assistant Chief of Staff, Intelligence, Department of the Army; the Director of Naval Intelligence; the Assistant Chief of Staff, Intelligence, USAF; and the Deputy Director for Intelligence, The Joint Staff. The Atomic Energy Commission Representative to the LAC and the Assistant Director, Federal Bureau of Investigation, abstained, the subject being outside of their jurisdiction."

2. Nasser has wide popular support throughout the Arab world as the symbol of the resistance of radical Pan-Arab nationalism to Israel and to Western "imperialism." This enables him to exert heavy pressures upon the conservative Arab governments through their own peoples. Nasser, however, may be concerned that the role of the Soviets in Syria and the independent policy of the Syrian government will prejudice his position as leader of the Arab world. It is almost certain that Nasser will not acquiesce in an over-all settlement which Israel would be willing to accept. On the other hand, he is unlikely during the next year or so deliberately to initiate a war with Israel.

3. Nasser's position has been strengthened and his objectives have been advanced by his association with the Soviet Bloc. Nevertheless, he has stopped short of political alliance and, although he has accepted heavy economic obligations, he has sought to offset economic dependence upon the Bloc with revived and increased trade relations with Western and other Free World states. However, Egypt is likely to become more dependent upon the Bloc over the next few years if the demand for Egyptian cotton in the non-Communist world continues to be low. Egypt's determination to maintain access to a source of arms which would be open in the event of war with Israel will also tie it to the Bloc. Furthermore, political and psychological pressures favor closer relations with the Bloc because it appears to be championing the Arab point of view.

4. Nasser is convinced that the US desires his downfall. He believes that the US hopes to combat Soviet influence and advance its own interests by exercising dominant influence over the area states and that it is unlikely to accept and deal with him as a neutral. Nasser may hint of a desire for US moves toward reconciliation, but he is likely to concentrate on improving relations with other Free World and neutral states. However, he is unlikely to make any significant changes in his neutralist policy in order to improve relations with the US or other Free World states.

[Here follows a detailed eight-page discussion of the points in the summary. The discussion is divided into three major subdivisions: Egypt's internal affairs, its armed forces, and its external relations.]

396. Message From Secretary of State Dulles to Prime Minister Ben Gurion¹

Washington, November 12, 1957.

DEAR MR. PRIME MINISTER: Ambassador Eban has given me your letter of October 31² to which I have given considerable thought. I appreciate the expression of awareness of the need to preserve quiet along the armistice lines between Israel and the neighboring Arab states. I am sure you have no doubt of the importance which we attach to this. We do not, of course, contemplate that cooperation by Israel to achieve this purpose would involve relinquishment of any rights which Israel may have. Sometimes, however, it is the part of wisdom to refrain from exercising rights.

We believe that we have made quite clear to the Soviet Union our deep interest in the maintenance of independence and integrity of all the states of the Near East, including Israel. We do not, however, exclude the possibility that a reiteration to the Soviets, through the diplomatic channel, of our attitude, perhaps in more specific terms, might be useful. We are giving consideration to this possibility with a view to determining the most effective context in which such a reaffirmation of our policy might take place. It is obvious that we would wish to avoid providing the Soviet Union with an opportunity further to capitalize on the unresolved Arab-Israel conflict as a means for the attainment of Communist objectives in the area.

We continue to believe that the Israel armed forces retain their superiority and their capability of dealing with any threat which may arise from within the area. We feel that Israel's membership in the United Nations and the totality of United States policies afford very substantial protection to Israel in the event of an attack coming from inside or outside the area. We doubt that by a substantial increase in armaments Israel could hope to obtain a capacity to ward off entirely an initial air onslaught or to prevent an isolated attack on Israel shipping. Furthermore, the implications, for Israel's total economic and

¹ Source: Department of State, Central Files, 684A.86/10-3157. Secret. Transmitted to the Embassy in Tel Aviv in telegram 371, November 12, which is the source text, with the instruction: "Deliver following personal message to Prime Minister soonest". Telegram 371 was drafted by Bergus; cleared by Rountree, Jones, Howe, Walmsley; and approved by Dulles.

On November 8, Rountree forwarded to Dulles for his approval the text of this message under cover of a memorandum which noted, among other points, that a *démarche* to the Soviet Union either by public statement or through the diplomatic channel would most certainly be used by the Soviet Union as a basis for propaganda aimed at weakening the U.S. position with Arab states. (*Ibid.*, 784A.56/11-857)

² See Document 391.

productive strength, of maintaining an even greater military capacity than Israel now enjoys warrant the very careful consideration I am sure you and your colleagues are giving them.

I was glad to hear through your Ambassador that you were interested in my remarks to him with regard to our hope to advance the society of nations, or that part of it which is friendly, toward the kind of collective defense system which nations have domestically. As I stated to your Ambassador, I believe that if the world could move forward in that direction, even though down a fairly long road, everybody would benefit. I believe that this is an area of fruitful discussion between our two governments in the critical period which lies ahead. I feel that substance rather than form is of the essence in this situation.

I believe that all of us recognize that we must face a period of tension and instability in the Near East for a considerable time ahead. I am convinced, however, that the Free World has the strength and the determination to deal effectively with the problems that face us, not only in the Near East but elsewhere.

With kindest personal regards,
Sincerely yours,

John Foster Dulles³

³ Telegram 371 bears this typed signature.

In telegram 476 from Tel Aviv, November 15, Lawson reported: "Delivered to Prime Minister at his residence Jerusalem Secretary's personal message November 13. He read it carefully saying he would not at time make comment. However in aside to Shiloah and Comay as he handed them letter with instructions to discuss it with Foreign Minister he remarked 'It is very general—very general.'" (*Ibid.*, 684A.86/11-1557)

**397. Memorandum of a Conversation, Department of State,
Washington, November 13, 1957¹**

SUBJECT

Israel's Security Position; Suggestions for Strengthening the Position of the West
in the Middle East

PARTICIPANTS

Mr. Abba Eban, Ambassador of Israel
Mr. Ya'acov Herzog, Minister of Israel
The Under Secretary
NE—Stuart W. Rockwell
NE—Donald C. Bergus

¹ Source: Department of State, Central Files, 780.00/11-1357. Secret. Drafted by Bergus on November 14.

The Israel Ambassador handed the Under Secretary a letter dated November 13, 1957 to the Secretary containing a message from the Prime Minister and copies of a memorandum entitled "The Middle East: Crisis and Remedy."² The letter noted that the Prime Minister had indicated special interest and satisfaction with Paragraph 5 of the Declaration of Common Purpose published by President Eisenhower and Prime Minister Macmillan.³ Israel wished to participate in the proposed pooling of knowledge and planning in order to strengthen its own security within the framework of the security of the entire Free World. Mr. Eban expressed the hope that joint consideration of these questions could proceed even prior to the opening of the December meeting of the Council of the North Atlantic Treaty Organization.

Mr. Eban summarized the memorandum by stating it set forth the somber view which Israel took of the Soviet effort in the area. The memorandum suggested the following remedies to strengthen the Western position in the Middle East: 1) Precision should be given to Western commitments to defend the independence and integrity of Middle Eastern states; 2) New thinking as to the economic problems of the area was required; and 3) Efforts in the field of propaganda and counter-subversion should be stepped up. Mr. Eban added that with regard to the latter point he was awaiting more specific material with respect to Jordan. The Under Secretary and the Ambassador discussed briefly the problem of internal subversive activity in the area and the fact that in so many cases in the Middle East individual leaders played a very large role, and that the interests of the West were perforce bound up to a large extent with specific personalities.

Mr. Rockwell pointed out that the basic concept behind the close defense association among the Western Powers was defense against international Communism and the USSR. Some nations of the Middle East did not think that the USSR represented the greatest threat to them. Therefore, they were not so interested in the Middle East Doctrine and other collective security arrangements as they might be. He wondered how this could be overcome. Mr. Eban referred to the other commitments the U.S. had with respect to aggression in the Middle East. He alleged that most countries preferred a guarantee against aggression from any quarter. Mr. Eban felt that Soviet behavior in the area made the distinction between intra-regional conflicts and the threat of Communism less valid.

² Neither printed. (*Ibid.*)

³ See footnote 6, Document 391. Point five of the Declaration concerned the need to develop a greater sense of community security through collective defense arrangements and affirmed that the United States and the United Kingdom considered their possession of nuclear weapons as a trust for the defense of the free world.

398. Letter From the President to the Secretary of State¹*Washington, November 13, 1957.*

DEAR FOSTER: Do you think there would be any percentage in initiating a drive to attempt to bring back Nasser to our side? I do not have in mind anything spectacular or, indeed, anything that would get in the papers. My thought would be that either through the Ambassador or anybody else you can trust, you would start inquiring from him whether he saw any basis for rapprochement and [what] would he be prepared to do in the way of easing tensions in the Mid East if we on our part would resume efforts to help him over some of his difficulties.

If we do this it will, of course, have to be skillfully done—certainly we don't want to be in the position of "bootlicking a dictator."

Please do not send me any written answer. This note is merely to suggest that we talk about the subject when we have a little time together.

As ever,

D.E.

¹ Source: Eisenhower Library, Dulles Papers, Meetings with the President. Personal; Eyes Only. Attached to Document 400. A marginal notation on the source text by Bernau reads: "Sec saw".

399. Telegram From the Department of State to the Embassy in Jordan¹*Washington, November 14, 1957—7:27 p.m.*

1169. We are conveying to Egyptian authorities in Cairo and Washington our strong disapproval of current Cairo radio attacks on King Hussein,² stating that this is good example of type of move by

¹ Source: Department of State, Central Files, 674.86/11-1457. Secret; Priority. Drafted by Dorman and approved by Rountree who signed for Dulles. Also sent Priority to Baghdad, Beirut, and Jidda; repeated to Cairo and Damascus.

² On November 6, Ambassador Mallory reported from Amman that Egyptian radio commentaries were accusing King Hussein of trying to make peace with Israel and exhorting Jordanians in effect to assassinate the King. Mallory also noted that, according to Foreign Minister Rifa'i, the Jordanian Government was responding with its own propaganda. (Telegram 930 from Amman, November 6; *ibid.*, 674.85/11-657) No documentation on direct U.S. approaches to Egyptian authorities in Washington or Cairo has been found in Department of State files. Ambassador Hussein, however, did give Am-

GOE which places serious obstacle in way of establishment of fruitful US-Egyptian relations.

At same time we are exploring possibility of suggesting to Iraq, Lebanon and Saudi Arabia that they come out openly in condemnation of Egyptian-Syrian-Russian campaign of interference in domestic affairs of sister Arab state. Without consulting Government to which you are accredited, cable your estimate of its reaction to such approach and your views re desirability thereof.

Dulles

bassador Hare a report on his discussion with Nasser on the subject; see telegram 1226, Document 403.

400. Memorandum for the Record by the Secretary of State¹

Washington, November 15, 1957.

At the Cabinet meeting this morning I spoke briefly to President Eisenhower with reference to the subject matter of his memorandum to me of November 13, 1957, annexed,² dealing with Nasser. I said that we were giving this matter closest consideration. At the present time we had good relations with all the Arab States from Morocco to Saudi Arabia, excluding Egypt and Syria. We did not want in an effort to win good relations with Nasser to alienate those who had maintained good relations with us. There was danger that Nasser would be satisfied with nothing less than our willingness to treat with him as the leader of the Arab world; that was the position he coveted. But for us to accede to this would antagonize King Saud and the other Arab countries such as Jordan, Lebanon, Iraq, and so forth, which looked primarily to Saud and were somewhat fearful of Nasser.

The President felt that we could not of course be disloyal to King Saud or attempt to push Nasser into leadership ahead of Saud.

JFD

¹ Source: Eisenhower Library, Dulles Papers, Meetings with the President.

² Document 398.

401. Position Paper Prepared by the Department of State¹

SD/A/C.1/472/ b/Add.1

Washington, November 15, 1957.

ADDENDUM

REPORT OF THE UNITED NATIONS RELIEF AND WORKS
AGENCY FOR PALESTINE REFUGEES IN THE NEAR EAST*The Problem*

The report of the Director of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA)² has projected a budget of \$40.7 million for 1958.

The pledging session for UNRWA held by the ad hoc committee of the whole General Assembly on October 4, 1957, netted pledges of a little over \$25.5 million. At that time the United States pledged \$17.5 million toward the Agency's relief program and \$4 million toward its rehabilitation program. Unless considerably more funds are forthcoming, the Agency will have to curtail operations even more than it has done so far. The Secretary General circulated a letter on November 7 indicating a reduced rehabilitation program of \$7.2 million and inviting members to announce new or increased contributions during the Special Political Committee's discussion of the Director's report. The Secretary General made the point that the response would have a direct bearing on the discussion, particularly on what elements in the Agency's calendar year 1958 program should be eliminated. The Special Political Committee will be convened to consider the Director's Annual Report in the light of the Secretary General's appeal.

United States Position

1. Before the Special Political Committee turns to the Director's report the United States Delegation should, at the outset of the Committee's meeting, invite other members to respond to the Secretary

¹ Source: Department of State, IO Files: Lot 71 D 440, PP 12th GA Committees 1-6. Confidential. Prepared for the use of the U.S. Delegation to the 12th Regular Session of the U.N. General Assembly. The original State Department position paper concerning UNRWA, dated September 12, to which this paper is an Addendum, described the position which the United States should take during the discussion of the report of the Director of UNRWA (Henry Labouisse). It stated that the United States should seek adoption of a resolution that would extend the essential provisions of Resolution 1018 (XI) in order to provide for the continued operation of the Agency at substantially the current level. (*Ibid.*) Regarding Resolution 1018 (XI), adopted by the General Assembly on February 28, see footnote 5, Document 323.

In a memorandum to Dulles dated November 15, Wilcox recommended that the Secretary approve the Addendum. A copy is in Department of State, Wilcox Files: Lot 60 D 113, Refugees.

² U.N. doc. A/3686 and Corr. 1.

General's appeal and, for its part, raise previous United States pledges to \$18 million for relief and \$5 million for rehabilitation provided United States contributions do not exceed 70 percent of total contributions. The Delegation should make it clear that these pledges are for the United States 1958 fiscal year, which ends on June 30, 1958 and that any United States pledges during the second half of the Agency's fiscal year (July 1-December 31, 1958) will have to depend on further Congressional action.

2. In order to encourage additional support, the Delegation should, prior to the time that the Special Political Committee takes up the Director's report, approach selected delegations and inform them of the United States intention, inviting them to suggest to their governments that they be authorized to indicate during the Committee's discussion possible new or increased pledges.

3. If no further pledges are received and it becomes obvious that the Agency will have to curtail operations, the following clause should be added to the first operative paragraph of the draft resolution contained in the attachment to the original position paper (SD/A/C.1/472 b): "and bearing in mind that, if the funds available to the Agency are not sufficient to enable the Agency to continue all existing services, the provision of essential food, medical care and shelter under the relief program should be the last services to be reduced."

Comment

If funds available to the Agency during 1958 fall as far short of the budget as indicated by the pledging session, the Special Political Committee will have to make some clear-cut decisions with regard to the matters raised in the Director's Annual Report. For one thing, the Committee could not approve the 1958 budget as requested by the Director. Furthermore, the Committee would have to take upon itself the responsibility of indicating, at least in broad terms, what services the Agency should curtail. It is therefore necessary for the Special Political Committee to approach the problem with a full sense of realism. This tone has been set by the Secretary General's appeal and the United States Delegation can contribute to that atmosphere by speaking at the very outset of the Committee's consideration of the Director's report, making its additional offer and making it absolutely clear that consideration of the Agency's projected budget for relief and rehabilitation would be pointless unless greater support is forthcoming.

Any additional United States pledge based on the 70 percent limitation would not benefit the Agency unless accompanied by new pledges from others. However, its additional pledge would underscore United States concern for the future of UNRWA and would limit the grounds on which the United States would be subject to criticism

should it have publicly to recognize that the Agency will have to retrench. It would also pre-empt the Soviets from seizing an initiative, should they decide to step into the breach and offer to help meet the Agency's deficit.

402. Editorial Note

After November 15, United States officials discussed with other delegates in New York the text of a draft resolution that, among other points, directed UNRWA to pursue its program, bearing in mind fiscal limitations, with the proviso that if funds were not sufficient to enable the Agency to continue all existing services, the provision of essential food, medical care, and shelter under the relief program should be the last services to be reduced. The draft resolution also urged all members to contribute or to increase their contribution to the fund. (Delga 455 from USUN, November 20; Department of State, Central Files, 320.511/11-2057) The United States draft, however, elicited strong opposition from Arab delegates who argued that host countries could not support the principle that UNRWA's budget would depend on voluntary contributions and that some means must be found to ensure that the deficit be met. (Reports from USUN concerning discussions of the UNRWA question are *ibid.*, 320.511 between the dates November 26 and December 5.)

After considerable negotiation, the Department of State decided to modify its draft resolution, a revised version of which had been tabled in the Special Political Committee on December 3 (U.N. doc. A/SPC/L.21) in exchange for an Arab agreement to abstain on the resolution. (Gadel 102 to USUN, December 5; Department of State, Central Files, 320.511/12-557) The resolution was finally adopted by the Special Political Committee on December 6 (49 in favor, none opposed, 21 abstentions) and by the General Assembly on December 12 (52 in favor, none opposed, 19 abstentions). In its operative paragraphs, General Assembly Resolution 1191 (XII): (1) drew the attention of governments to the critical financial position of UNRWA and urged them to consider to what extent they could contribute or increase their contributions; (2) requested the Secretary-General to make special efforts to secure the additional financial assistance needed; (3) directed UNRWA to pursue its program bearing in mind the response to paragraphs 1 and 2; (4) requested the host governments to cooperate fully with the Agency; (5) requested the governments in the area in cooperation with the Director of the Agency to plan and carry out

projects capable of supporting substantial numbers of refugees; (6) requested the Agency to continue consultations with the Palestine Conciliation Commission; (7) expressed thanks to the Director and staff of UNRWA; and (8) requested the Director of UNRWA to continue to submit reports.

403. Telegram From the Embassy in Egypt to the Department of State¹

Cairo, November 16, 1957—8 p.m.

1226. Ambassador Hussein today gave me account of two-hour conversation he had with Nasser last night following their previous talk as reported Embassy telegrams 1099 and 1125.² In this conversation, as in preceding one, Hussein says he pulled no punches but that Nasser, although frequently arguing back, took it well.

Hussein opened by citing various examples of recent actions by USG culminating in its endorsement of Black Mission which indicated our position not obdurate and also covered pertinent portions of messages which had been passed to him from Washington. He expressed opinion opportunity for improvement relations exists and, renewing recommendation for "truce", stressed need for quiet. When Nasser observed unusual seek "cease-fire" while truce terms being discussed, Hussein replied that might be good military dogma but existing situation requires immediate quieting without splitting hairs on terms. Furthermore, even in military operation it would hardly be expected that new front would be opened up while truce under discussion and he cited press and radio attacks on Jordan as new factor which making bad situation worse.

Mention of Jordan revealed this was sore spot. Nasser said not Egyptian but Jordanian radio which had begun attack. In fact, he had maintained restraint for sometime but had finally decided forbearance no longer a virtue and had ordered Voice of Arabs to pay Hussein in his own coin. Hussein said he was somewhat at a loss to know how to reply to this since he had heard nothing re prior Jordanian attacks but had nevertheless argued that, regardless of who had begun present slugging match, it was undignified and disgraceful and was blackening Egypt's face in world. Discussion went on for

¹ Source: Department of State, Central Files, 611.74/11-1657. Secret; Priority. Received at 9:07 p.m.

² See Document 394.

sometime during which Nasser also mentioned clandestine stations, especially Voice of Truth and Free Egypt, which were vilely slandering him every day and which he had intelligence reports to prove were tools of Counter-Subversion Committee of Baghdad Pact to which US belongs. He also gave impression of suspecting that Radio Jordan would not dare be so aggressive without American encouragement. However, Hussein stuck to his guns and said he was left with impression that attacks will in fact be relaxed not only against Jordan but US and he noted in that connection that several of today's papers had stopped featuring Jordan issue.

(Note 1. Nasser's confident statement that it was Jordan and not Egypt which had started exchange of insults raised our eyebrows as well as those of Hussein since we had always assumed that campaign in Egyptian press and radio was coldly calculated move. However, upon reviewing available FBIS reports we find that Amman radio began extreme and provocative campaign against Egypt as far back as October 18 but that Cairo radio failed to respond until November 3. Nasser, therefore, may have point as far facts re current campaign go but to be noted that sporadic attacks on Jordan have been taking place for sometime past.)

(Note 2. . . . informed today Nasser did in fact indicate intention relax attacks on Jordan after talk with Hussein last night and as first step ordered Middle East News Agency cease fabricating reports of alleged unrest in Jordan. However, intended reduce pressure gradually as to avoid arousing suspicion.)

Discussion next turned to Syria with Hussein saying Bizri known to be Communist and steps should be taken oust him possibly by Diplomatic appointment. He also emphasized danger of general move to left in country. Without bothering to repeat usual protestation that Syria nationalist and not leftist, Nasser said couldn't see who could move against Syria [Bizri?]. Hussein suggested Sarraj but Nasser expressed doubt he would take on such task in such way that Hussein given impression Nasser sees Bizri as real power in Syria. Hussein also mentioned recent Alsop article³ purporting show that large amount of Soviet tonnage going through Turkish Straits gave rise to suspicion that military materials going to Syria must be far beyond its absorptive capacity and must, therefore, be regarded as for Soviet stockpile purposes. Nasser questioned this but it seemed to set him thinking, as also did Hussein's warning that Egypt's close ties with Syria could become

³ See *The Washington Post and Times Herald*, November 4, 1957, p. A17.

source great danger if Bizri decided do Kadar act⁴ and go over to Russians.

Last part of talk was focused on Soviet Union and Communism. Re former Hussein pointed to danger of increasingly close contacts and said rumors going around already that Soviet Ambassador Kissilev was becoming new Lord Cromer.⁵ Here Nasser professed to have no fears, saying Russians behaving circumspectly but that he was watching and would act promptly and firmly if there were signs they were going too far. Nasser also seemed similarly sure of himself when Hussein brought up matter of local Communism which was not only making inroads but being directed at times against Nasser himself. In fact, Hussein went so far as to suggest that Russians might well be grooming someone replace Nasser when opportune moment arrived. Hussein also deplored fact that press impregnated with Communists and that Communists and neo-Communists given responsible government positions, mentioning specifically Ahmed Fuad, Magdi Hassanein, Achid Barawy and Abu Nosseir as following in that category and being crooks in the bargain. Nasser said such accusations had been made before but charges did not bear up under investigation. Hussein maintained that confident thorough investigation would substantiate his statements.

Hussein's conclusions from foregoing were as follows:

(1) Nasser feels the idea of a truce has possibilities and told Hussein to continue his efforts in that direction. Question is what to do next.

(2) Attacks on Jordan are largely result of sense of personal injury felt by Nasser under bite of Amman radio attacks coming on top of propaganda of clandestine radio stations with which he now associates USG, in fact this has become obsession.

(3) Although he will not actually admit it, Nasser is worried about Syria and has doubts re strength his protégé Sarraj vis-à-vis Bizri.

(4) Nasser is dangerously over-confident of his ability to match wits with Russians and to crack down on local Communists at will.

(5) Despite fact that Hussein bore down to extent of actually rubbing it in, Nasser not only did not take offense but seemed appreciate being approached so frankly.

Comment follows.⁶

Hare

⁴ Reference is to the Hungarian Communist leader Janos Kadar, who had cast his lot with the Soviet Union when the Nagy government repudiated the Warsaw Pact on November 1, 1956. With the Soviet suppression of the Hungarian revolt, Kadar emerged as Prime Minister of Hungary.

⁵ As the British Consul General in Egypt between 1883 and 1907, Lord Cromer (Sir Evelyn Baring) used his control over Egyptian finances to exercise significant influence over the country as a whole.

⁶ *Infra*.

404. Telegram From the Embassy in Egypt to the Department of State¹

Washington, November 17, 1957—8 p.m.

1229. Following is comment on Embtel 1226.²

1. At time of Ambassador Hussein return from Washington his stock with Nasser was very low as was indicated by his having to wait about two weeks before even being granted interview but since that time his stock seems to have risen somewhat as result his taking bit in teeth and telling Nasser some homely truths such as he was not accustomed to hear from his sycophants. It would be mistake however to overemphasize this development since there considerable element of risk in Hussein tactics.

2. Hussein's idea of truce based on quid-pro-quo moves, without commitment on either side, has merit in sense that it meshes with realities of situation here, including character of Nasser who is congenital reactor and who therefore tends reach general conclusions as result of specific actions as contrasted with person of Bourguiba's type who makes basic determination and then proceeds to specific implementation. In circumstances there would seem to be little prospect of success of policy of waiting till Nasser comes to his senses of his own volition or even of bringing him to his senses by abstract persuasion. If there is any hope at all of bringing him around to something approaching more acceptable position, it believed that it will be by pragmatistical means.

3. Although idea of truce something to which Hussein has obviously given considerable thought, specific suggestions which he has made have been casual ideas developed in course of conversation with US and are not specific product of consultation with Nasser, although Hussein says he did tell Nasser that press and radio, GOE ties with USSR and Egyptian interference in other Arab states would obviously be areas in which we would desire changes. Endorsement given by Nasser to Hussein continuing his efforts would therefore seem be in nature of temporary hunting license rather than mandate discuss agreed points.

4. Idea of truce which would be without commitments or publicity which could be stopped at will and which would not presuppose non-existent confidence either way appeals to us here as being logical in set of circumstances where . . . alternative of complete non-cooperation can deprive US of maneuverability. Ultimate purpose would of course

¹ Source: Department of State, Central Files, 611.74/11-1757. Secret; Priority. Received at 7:30 p.m.

² *Supra.*

be to reach point where sufficient degree of confidence could be restored to permit of more forthright collaboration, although difficult at present to foresee results which would go beyond making best of continuingly difficult situation. That, however, not situation peculiar to Egypt.

5. In carrying out any such policy we would not think it advisable to draw up comprehensive check lists of grievances and requirements for over-all negotiation but would suggest proceeding point by point on ad hoc basis as for instance was case in Black Mission. To attempt handle on comprehensive basis would not only serve to complicate matters by relating unrelated matters but it would also presuppose measure of basic understanding which only time and experience can furnish. Under such arrangement successes may not be spectacular but by same token failures need not acquire undue significance.

6. As regards media by which such policy might be tested, it would seem desirable for time being to use normal contacts supplemented by services of Ambassador Hussein as long as he here and reserve decision on sending special emissary till later time when it will be possible see whether sufficient progress has been made to widen horizon of prospective action.

7. On assumption that Nasser's decision tone down attacks on Jordan³ doubtless regarded by him as related to truce with US and, taking note of noticeable improvement in this regard in past two days, Department might wish to see that this development brought to attention of Jordanians in order avoid possibility of Amman radio proceeding under momentum and re-kindling fire. Should be made clear, however, that we are in no position certify present partial let-up other than temporary and Jordanians should of course keep up their guard.

Hare

³ On November 17, the Embassy in Cairo reported in telegram 1228 that it had been reliably informed that Nasser had decided to taper off his radio and press campaign against King Hussein. The Embassy in Cairo also commented that reciprocation by the Hashemite Broadcasting System would be an important factor in determining the continuation of this trend. (Department of State, Central Files, 974.40/11-1757)

Subsequently, on November 18 the Department of State instructed the Embassy in Amman to inform the Jordanian Government that reports indicated that the Egyptian media campaign was tapering off and to suggest that some reciprocation by the Jordanian media would improve the atmosphere. (Telegram 1196 to Amman; *ibid.*, 674.85/11-1857) On November 20 the Embassy in Amman reported that a strident anti-Hashemite broadcast, emanating from Cairo and Damascus on November 19, had eliminated all reason to believe that Egypt was easing its propaganda campaign against Jordan. (Telegram 1025; *ibid.*, 674.85/11-2057)

405. Letter From President Eisenhower to Captain E.E. Hazlett¹

Augusta, Georgia, November 18, 1957.

[Here follow the President's comments on unrelated subjects.]

Since July 25th [26th] of 1956, when Nasser announced the nationalization of the Suez, I cannot remember a day that has not brought its major or minor crisis. Some of these have been handled in secret; that is, no explanation or recitation of fact is possible for the simple reason that to bring some of them out in the open would cause as much trouble as the wrong answer. For example, had we published an account of the long, patient and hard work we did with the British and French, as well as the Israeli, in order to prevent the attack on Egypt and in making plain what would be our attitude in the event that such an attack was undertaken, there would have been the greatest political trouble in Britain, and probably in France. So we just had to let people think that we acted on the spur of the moment and astonished our friends by taking the action we did. Actually, they knew exactly what we'd do.

[Here follow the President's comments on unrelated subjects.]

¹ Source: Eisenhower Library, Whitman File, Name Series, Hazlett, Swede. Personal.

406. Telegram From the Department of State to the Embassy in Saudi Arabia¹

Washington, November 20, 1957—3:35 p.m.

713. In your forthcoming audience with King we desire you discuss question US relations with Egypt along following lines:

We have consistently made clear to Egyptian authorities that we desire see exist a basis for fruitful and mutually advantageous relations between US and Egypt. We have also made clear that what has stood in way of establishment such relations has been apparent belief of GOE that Soviet Union and international Communism represent no threat to security and integrity of Egypt and NE and that Egypt can

¹ Source: Department of State, Central Files, 611.74/11-2057. Secret; Niact; Limited Distribution. Drafted by Rockwell and approved by Dulles. Repeated to Dhahran and Cairo. The telegram was sent as a result of Rountree's memorandum to Dulles, Document 392.

with impunity establish close relations with USSR. We have also left no doubt in minds GOE that other principal obstacle to establishment better relations with US is GOE policy, while professing neutrality, of attacking and seeking to undermine sovereignty of other governments in area which do not choose to adopt Egyptian policies. We have told Egyptians that it seems to us what is necessary is basic change in attitude and atmosphere in Cairo.

Ahmed Hussein Egyptian Ambassador in Washington has exhibited serious personal concern over need for improvement in relations between US and Egypt. Since his return to Cairo we understand Hussein has urged upon Nasser need for improved US-Egyptian relations. He has reported to Nasser his conversations with us and the observations we have made on the obstacles in way of improved US-Egyptian relations. Hussein has reported to US Embassy in Cairo that he has not been discouraged by Nasser from continuing his efforts. We have received from GOE other indications which could be interpreted as overtures.

In spirit of close collaboration and mutual confidence which happily exists between US and SA, we desire discuss with His Majesty problem of our relations with Egypt at present time. We have made clear to GOE our hope that it will see its way to modify the policies which prevent better relations with US and our belief that action on individual secondary issues, such as matter of blocked funds, will not solve central problem. At same time we are faced with indications, such as initiative of Ambassador Hussein, that GOE making overtures toward us. We are aware that Nasser's motive in so doing may be to seek to establish his leadership in the Arab world. At same time we believe we should not totally exclude possibility that Nasser may genuinely feel that he has become too deeply involved with USSR and may desire to reorient his policies in the direction of true neutrality. If latter should be the case it would perhaps be unwise for us not to encourage this trend.

We are proceeding with great care in this matter particularly since we have received no concrete indication that GOE is prepared to modify the policies which have impeded cordial relations between the US and Egypt. In considering what steps we should take in connection with Egyptian overtures, we would be most grateful for His Majesty's appraisal of the current position and motives of GOE and his counsel to us.

Dulles

407. Memorandum From the Under Secretary of State's Special Assistant (Villard) to the Secretary of State¹

Washington, November 21, 1957.

SUBJECT

Palestine Refugee Problem

Discussion

As a result of my study of the Palestine refugee problem and in light of conditions now prevailing in the Near East, I have come to the conclusion that the IO-NEA recommendations of July 2, 1957 (Tab IV) should be re-examined.²

I believe it is generally agreed that political developments in the area have made it impractical at this time to attempt the direct solution of the refugee question recommended in the IO-NEA memorandum. It does not seem possible to predict when the time may be opportune to do so. Meanwhile, we have to deal with the predicament of UNRWA and the fact that even the minimum amount of funds for our contribution may not be forthcoming unless some progress is made toward a refugee solution.

Basically, I feel that the refugee question represents an integral part of an over-all Palestine settlement and that the one cannot be treated separately from the other. I therefore welcome the possibility that the Palestine issue may be explored with the Norwegians³ or another third party, such as Secretary-General Hammarskjold. The results would be helpful in determining our approach to the specific problem of the refugees.

While it does not appear advisable to make an all-out attempt to solve the refugee problem until the climate is more favorable, I think we should in the meanwhile do everything we can to melt down the mass of refugees by encouraging the natural process of attrition which, for the first time, has begun to be noticeable. This would involve the implementation of part of the IO-NEA recommendations, directed primarily at providing bilateral assistance to friendly host governments. It is the purpose of the attached memorandum (Tab II)⁴ to analyze the present situation as I see it and to suggest, as a start, the desirability of focusing our attention on reducing the refugee camps in

¹ Source: Department of State, Central Files, 320.51/7-257. Secret. Sent through Under Secretary Herter. The memorandum is item No. 15 of "Palestine Refugee Problem, Villard Study, 1957-58".

² Document 349.

³ See Document 393.

⁴ Printed below. Villard sent to Rountree and Wilcox on November 12 an earlier draft of the attached memorandum for their comments. (Item No. 11 of the Villard Study)

Jordan. This in itself will not produce a dramatic or overnight break in the longstanding deadlock, but would help to promote the ultimate liquidation of the problem without waiting for political negotiations or compromise.

The memorandum was prepared after discussions with Mr. Harry Labouisse, Director of UNRWA, with the Secretary-General of the United Nations, and with Mr. Eric Johnston. It must be added that Mr. Johnston did not subscribe to the thesis that political conditions were unfavorable for seeking a direct solution at this time. NEA, which has seen the memorandum, agrees with the conclusion that present circumstances are unfavorable and that the IO-NEA proposals would not succeed at the present time. NEA recommends that these proposals be held in abeyance but that we should be alert for opportunities to put them into operation. NEA also suggests that as part of our effort to improve the present atmosphere, we should encourage quiet exploration by other parties of the possibilities of progress toward a Palestine settlement.⁵

I have also discussed this paper with IO, which is submitting its comments separately (Tab III),⁶ and with Mr. Elbert Matthews of S/P, who is in general agreement with the contents.

Recommendations

1. That the IO-NEA recommendations for a direct solution remain in abeyance for the time being, but that the refugee problem be explored with the Norwegians or other third parties in the context of an overall Palestine settlement.
2. That consideration be given to implementing the IO-NEA proposals in regard to UNRWA and bilateral assistance programs (Tab I).⁷
3. That you call a meeting at a date convenient to yourself, attended by IO and NEA, for further discussion of the problem in the light of current political developments.

⁵ Rountree stated the position of the Bureau of Near Eastern, South Asian, and African Affairs in a memorandum to Villard on November 15. (Item No. 12 of the Villard Study) A discussion of additional views within NEA are in Rockwell's memorandum to Rountree of November 12. (*Ibid.*, 884.411/11-1257)

⁶ *Infra.*

⁷ Not attached to the source text, but see part III, subsection 1 of Document 349.

[Tab II]

PALESTINE REFUGEE PROBLEM

I

1. Political developments in the Middle East over the last few months, beginning with the Syrian crisis, have prevented the implementation of the IO-NEA recommendations of July 2, 1957 on the Palestine refugee problem. Those recommendations were based on the assumption that conditions were favorable for making a constructive move in regard to the refugees. It is now generally believed that the contrary is the case and that it would be a mistake to press for a solution to this delicate and long-standing problem at the present time.

2. The IO-NEA recommendations were further based on the assumption that the refugee question could best be solved by isolating it from the main body of unresolved Palestine issues and attacking it as a thing in itself. Public opinion, as well as the sentiment of Congress and area leaders, was believed to favor this position rather than inclusion of the refugee problem in the context of a general Arab-Israeli settlement. However, there seem to be no grounds for the belief that the former approach offers more hope at present than the latter. In the words of the Director of UNRWA, the refugee problem is "inextricably linked" to the political background of the Palestine problem. Consideration of the one without relation to the other is an impracticability.

3. There have been indications recently that the time may be near when it will be possible to undertake quiet explorations looking toward a general Palestine settlement. The Secretary-General of the United Nations has expressed his intention to survey the situation with Fawzi of Egypt. Charles Malik of Lebanon is actively concerned with the problem. The interest of Norway has been made clear. In each case, the importance of an over-all settlement is recognized, although a separate approach on the refugee aspect is not ruled out.

4. Despite regional rivalries which divide the Arabs, there is complete unity among them on the question of the Palestine refugees. While some Arab leaders may privately profess a desire for the solution of this question, none would dare move openly toward that end unless it were the policy of the Arab League to do so. Cairo's vicious campaign against Jordan on the subject is a warning what to expect if one country should get out of line. Again to quote the Director of UNRWA, the refugee problem represents for all the Arab governments "a burning issue of internal and foreign policy." So far, there has been no indication that any Arab country or group of countries would agree to a refugee settlement in the absence of an over-all Palestine solution.

5. Arab antagonism for Israel is, if anything, on the increase. It is certainly not being weakened by the increased flow of arms to Arab countries from abroad and by the military confidence which this engenders among the Arabs. Furthermore, the Arab sense of unity has been reinforced by the public reaction of their governments to the question of communist activities in Syria. In Arab eyes the spectre of Zionism is still the major threat. An attempt to detach and solve the sensitive problem of the refugees in this charged atmosphere, without reference to such fundamental political factors as boundary adjustments and Israel's unrestricted immigration policy, would not seem to hold much prospect of success.

6. Success of the IO-NEA plan depends on acceptance by Israel of the principle of repatriation and the establishment of an international loan to enable Israel to pay refugees opting for compensation in lieu of repatriation. To date, there is nothing to indicate that Israel would be willing to accommodate itself to the Arab point of view represented by acceptance of the repatriation principle. Unless Israel receives what it considers to be an adequate quid pro quo, in the form of as yet unspecified financial assistance from the United States, it will in all probability decline to accept even a few thousand refugees on a quota basis, the admission of which would have no appreciable effect in reducing the total number of refugees in the host countries.

7. The principle of repatriation, to be acceptable to the Arabs, must be unconditional. Refugee sentiment, whipped up by agitators, has hitherto been united and adamant on this score. Owing to its current policy of unrestricted immigration, as well as the financial difficulties besetting that country, it is highly unlikely that Israel would agree to a repatriation plan without limitations and safeguards which in turn would cause its rejection by the Arabs. There is a danger that rejection of such a plan by the Arabs might relieve Israel, in its view, of any further responsibility, and the problem of resettling the refugees would be no nearer solution. If the United States were associated with a plan turned down by the Arabs, the United States would be charged—at least in Cairo and Damascus—with having been the author of a "Zionist imperialist plot."

8. While there are a number of organizations which purport to speak in their behalf, none can be said to represent the refugees either officially or unofficially. The same is true of the self-appointed personalities associated with the camps or with the refugee body as a whole who seek to interpret refugee attitudes and objectives. These so-called leaders have a stake in the situation only because of the property or its equivalent which they hope to recover from Israel. The Palestine Conciliation Commission, which is engaged in evaluating the property of all Arab refugees in Israel, estimates the total value of such property at \$460,000,000. The political pressures in the refugee problem would

tend to disappear if the principal agitators were silenced by compensation for their losses and if opportunities for permanent resettlement outside of Palestine were provided for the rank and file of the rest.

9. Establishment of an international loan to enable Israel to pay refugees opting for compensation has certain drawbacks. While it is true that we have committed ourselves, in the Secretary's speech of August 1955, to a proposal of this nature, there is a danger that such payments would be interpreted by those desiring to exploit the situation as a fee to the refugees for the sale of their birthright. Interminable haggling over any sum that might be offered, whether to property owners or not, must also be expected, especially since the refugees have no authorized spokesman to negotiate in their collective behalf. To avoid such difficulties it might be better to provide compensation, in the form of economic aid, to those governments willing to resettle refugees at so much per head. This in turn would have to be handled with due regard for the inflationary aspects of large amounts of money entering a given country at one time.

10. It is believed that not more than 50,000—or at most 100,000—refugees would be prepared actually to return to the land of their birth if a plan of repatriation were agreed to by Israel and accepted by the Arabs. The main problem of resettlement would remain. A careful survey of the neighboring territories where resettlement might be possible demonstrates that only Iraq could absorb or provide employment for a substantial number of refugees. It is unreasonable to suppose, however, that Iraq would accept a mass transfer of Palestinians unless the move were fully in line with Arab policy on the Palestine question. Furthermore, Iraq has economic and social problems of its own. Palestinians constitute an alien group, not too popular with the indigenous population, whose introduction into the country on a scale that might contribute substantially to reduction of the refugee total would be a questionable matter from the political standpoint. While an increasing number of refugees can be absorbed in the normal fulfillment of economic opportunities, a large-scale influx for settlement purposes would be virtually impractical if for no other reason than that strong opposition would be engendered to Palestinians taking up traditional and jealously-held tribal lands.

11. Economic development projects, supported by the United States, could help to drain off refugee labor and thus reduce the number of unemployed. However, it is unrealistic to expect such schemes to bear fruit if they are in any way associated in the Arab mind with a "plan" or "proposal" for settlement of the refugee problem. The most promising program for economic development in the area is the Jordan River Project (the "Johnston Plan"), which would provide for approximately 175,000 refugees or, in Mr. Johnston's revised plan, something over half that number. Because of its political connotations,

this plan is regarded with such suspicion in the area at present that it would be futile to attempt to put it into effect, at least under the Johnston label.

II

12. Out of a total of 933,556 refugees registered with UNRWA as of June 1957,⁸ more than half, or 517,388 are in Jordan. A breakdown shows that 292,330 are fifteen years of age and over, 219,640 are children from one to fifteen, and the remaining 5,418 are infants under one year. These represent a total of 99,939 families. They enjoy Jordanian citizenship and thus represent a politically important segment of the population. The next largest group, numbering 221,058, is in the Gaza Strip. Of the remainder, there are 102,586 refugees in Lebanon and 92,524 in Syria. The figures do not take account of several thousand Palestinians not on relief rolls who have found refuge in Jordan and in other Arab countries.

13. Outside of Jordan, "automatic reintegration" has gone forward to a considerable degree and may be expected to continue in Lebanon, despite opposition to the settlement of Arab refugees on the ground it would upset the delicate Christian-Moslem balance. In Syria, the process of "automatic reintegration" has already reached the point where international relief could be withdrawn without appreciable personal hardship. Gaza presents a special and difficult situation. The refugees here are without the prospect of assimilation into the life of the country, except to a most limited extent, and cannot expect assistance from an indifferent government in Egypt. It is probable that the Gaza refugees will have to depend primarily on relief operations sponsored by the international community for some time to come.

14. It is clear that Jordan, where the problem is greatest numerically, constitutes the heart of the refugee question, and that because of its serious economic and political aspects, a solution is more urgent here than anywhere else. If, irrespective of political arrangements that might be concluded with Israel and the Arab governments at some future date, a start could be made to provide permanent settlement and an economic future for as many as possible of the 100,000 refugee families now encamped within the Kingdom of Jordan, the whole problem would receive an impetus toward eventual solution. This could best be accomplished through bilateral agreements between the United States and Jordan for a program of vocational training and projects for self-support, as outlined in the NEA-IO memorandum of July 2. Such a program would provide a sound foundation for the gradual whittling down of the mass of refugees and their absorption in the economy of Jordan and other Arab countries. It should not, of

⁸ Later statistics place the total at 947,000. [Footnote in the source text.]

course, be labeled a "plan" for a refugee "settlement", but represented as United States financial assistance to enable Jordan to take over and to continue some of the responsibilities which UNRWA, with its depleted finances, is no longer in a position to discharge.

15. There is a steadily growing feeling among responsible Jordanians . . . that resettlement of the refugees should not be attempted by political negotiations but by gradually melting the refugee concentrations away. Foreign Minister Samir Rifai is convinced that a conference table approach would be doomed to failure. Rifai is known to be privately concerned over the large camps in the immediate vicinity of political centers like Amman and Zorka, and to favor breaking them down into smaller units which might facilitate integration of the refugees into the community life of scattered towns and villages. Likewise, he feels that relocating some of the refugees in Jordan would not only help to diminish political opposition to the idea of resettlement but, by converting idle refugees into productive citizens, would benefit the Jordanian economy.

16. Encouragement is lent to the economic, rather than the political, approach to the refugee problem by a significant change in the attitude of the refugees themselves. Hitherto, most of them have been opposed to self-support projects because these have been linked in the refugee mind with permanent resettlement and the abandonment of hopes of repatriation. This year the Director of UNRWA reports for the first time a desire on the part of the refugees for self-support and rehabilitation, looking toward an improvement in their conditions of life and prospects for the future. The 1957 UNRWA Report states that:

"This shift is noticeable not only in the increased demands for assistance in individual self-support projects, but also in the substantial rise in interest in vocational training of all types, and even in the frequent requests for more and better housing."

This trend has been consciously under-played in the Report, because of the Director's feeling that to emphasize such a development might have political consequences. It has, however, been noted by other qualified observers who see the possibility that some of the refugees are beginning to be reconciled to the permanent loss of their homes in Palestine. This is particularly true of the younger element who remember few ties with the mother country, who are increasingly impatient with their present static lot, and who in many instances have emphasized their preference for rehabilitation instead of relief.

17. Through its individual grants program (agriculture, commercial and industrial), UNRWA has rehabilitated 5,400 refugees in Jordan at a cost of approximately \$400 per person. When this activity, which only began in 1955, was suspended owing to lack of funds it had a backlog of 1,600 applicants, each representing a family, all members of

which would have benefited from the grant and become self-supporting. (In Syria 1,800 refugees were rehabilitated.) Moreover, hundreds of additional applications continued to pour in afterwards. A modest program of this type must be regarded as offset by the number of births among refugee families each year, but it indicates one of the paths to resettlement and rehabilitation on a larger scale if facilities were expanded and if adequate funds were provided through bilateral assistance programs.

18. The UNRWA report suggests other ways in which the refugee problem may, with proper assistance, tend ultimately to solve itself. As a result of increased demands from governments and private industry, many refugees have been able to find jobs in the expanding economy of the Middle East; some have been assisted in emigrating to the United States or elsewhere. As an indication of the training provided for them in Middle East institutions, scholarships have been awarded in agriculture, arts, commerce, dentistry, education, engineering, medicine, pharmacy, science and veterinary. The services of refugee school teachers have been widely requested. Existing facilities for vocational training have been quite inadequate to cope with the growing demand for trained personnel in the host countries as well as in the neighboring Arab states. There seems to be no reason why an expanded and adequately financed program for vocational training could not, in time, settle in permanent homes a considerable number of refugees outside the old borders of Palestine. In addition, there are, of course, the approximately 5,000 refugees who find their way into the labor market of Iraq each year. This drift may be expected to continue, whether the refugees have special qualifications or not.

III

19. Assuming that political conditions do not now permit a direct attack on the refugee problem, and pending consideration of the problem in the context of an over-all Palestine settlement, there seem to be several things we could do in the face of the urgent situation presented by UNRWA's shortage of funds and its approaching expiration date in 1960. While it does not appear practicable to put the NEA-IO proposals into effect at this time, this does not mean they should be discarded in their entirety. The recommendations regarding UNRWA and the furnishing of bilateral assistance to friendly Arab governments (Tab B)⁹ still appear valid and should receive early consideration regardless of political circumstances in the area. In addition, the following steps could be explored:

⁹ Not attached.

(a) Maximum utilization of UNRWA as a holding operation until 1960. Study of its possible continuance after that date, or its possible replacement by an agency—whether or not under United Nations auspices—primarily designed to assist the refugees in finding an economic future.

(b) Promotion through bilateral agreements, the United Nations, or Middle East development schemes of economic projects that might attract refugee labor in Jordan, Lebanon or other Arab countries. Such opportunities should be advertised as open to all workers, not specifically to refugees, though the refugee camps might be notified on a priority basis. There should be no political implications in such arrangements.

(c) Utilization of the provisions of Title III of Public Law 480, providing for donations of farm products to non-profit voluntary agencies for use overseas. The full possibilities of this section of the law do not seem to have been taken into account in connection with the Palestine refugees.

(d) Consultation with United Nations officials on the possibility of establishing in Gaza, upon the termination of UNRWA, a form of trusteeship administered by the United Nations which would supervise or direct rehabilitation of the refugees. Egypt might be persuaded to acquiesce in this arrangement upon realization that the problem of the Gaza refugees will be on its doorstep when UNRWA ends.

(e) All-out encouragement of private organizations and of those philanthropic agencies already active in the area to provide funds and services for rehabilitation purposes.

(f) An approach to some of the smaller countries which have manifested an interest in solution of the problem, with a view to obtaining grants or loans on humanitarian grounds. The Director of UNRWA has suggested Switzerland as an example.

(g) Emphasizing to the host governments on every suitable occasion, through diplomatic channels, the responsibilities with which they will be faced on the expiration date of UNRWA and the need for early planning on their part.

20. Obviously, it will be necessary to discuss with Congress the question of funds for the implementation of any future program for the refugees. This would be true whether we were to ask for funds to participate in an international loan to Israel for the purpose of paying compensation to the refugees, to raise our contribution to UNRWA above the 70 percent limit as an emergency measure, to finance economic development projects or to support bilateral assistance agreements designed to make the refugees self-supporting. Our specific objective in this instance should be to remove from the relief rolls as many refugees as possible, particularly in Jordan. This would not only reduce the proportions of the problem as a whole over the course of time but would help Jordan to survive politically and economically. The initial approach could be made in confidence to selected Congressional leaders, in order to examine the realities of the situation and its long-term implications.

21. While the immediate results to be achieved by economic means might not be spectacular, this plan of attack coincides generally with ideas recently put forward by Secretary-General Hammarskjöld, by the French membership in NATO, and by Foreign Minister Pella of Italy. Until the atmosphere for an over-all Palestine settlement is considered favorable, an attempt to break the back of the refugee problem by direct political negotiations courts the risk of failure and the identification of the United States with that failure. On the other hand, an attempt now to encourage the process of attrition by establishing the refugees where they are could serve the ultimate aim of liquidating the camp concentrations as a source of danger and friction in the Near East. The main emphasis in such a course of action should be on the scrupulous avoidance of any semblance of a political arrangement, the very mention of which might well defeat the attainment of the objective.

408. Memorandum From the Assistant Secretary of State for International Organization Affairs (Wilcox) to the Secretary of State¹

Washington, November 21, 1957.

SUBJECT

Palestine Refugee Problem

I

We agree with much of Mr. Villard's paper,² and with most of his recommendations.

1. We agree that the U.S. should continue to support UNRWA as a "holding" operation, recognizing that it will be overwhelmingly a care and maintenance and make-work operation, rather than a real solution. We think the 70% matching limitation on U.S. contributions should be maintained if possible, at an annual cost of about \$20 million.

2. We agree that more use of PL 480 surpluses to meet our obligations to UNRWA would be highly desirable, and should be possible.

¹ Source: Department of State, Central Files, 320.51/7-257. Secret. Drafted by Hanes and sent through Under Secretary Herter. The memorandum is item No. 16 of "Palestine Refugee Problem, Villard Study, 1957-58".

² *Supra.*

3. We agree that urgent attention should be given to the possibility of implementing those recommendations of the IO-NEA paper dealing with the assumption by the U.S. on a bilateral basis of certain projects in Jordan and Lebanon which will promote de-facto refugee resettlement, at the same time removing the necessity of contributing for such purposes to UNRWA. We must be prepared to start supporting these activities early in 1958, at which time UNRWA will probably have to slash its operations to the bone for lack of funds. Such bilateral support has the merit of being confined to assisting friendly countries, while funds given through UNRWA must go in part to Syria, even though not needed there.

4. We agree that we should exploit to the fullest the recent apparent and encouraging trend among the refugees to improve their status and actually (if not admittedly) to become "settled". We agree that this can only be done by carefully avoiding any labels of "refugee-resettlement" on any project which actually accomplishes this objective. We recognize that some of these projects may be in Iraq rather than in Jordan or Lebanon.

5. We agree that the possibilities of third party (i.e. Norwegian; UN Secretary-General) initiative toward the Arab-Israel dispute should be fully explored, and encouraged when promising. We also believe that such an initiative might be usefully directed toward the Refugee problem alone.

6. We agree that the Gaza refugees probably must remain as an international charge so long as they exist. We are dubious but interested at the suggestion of a UN mandate or some variation thereof.

II

We do not agree with certain assumptions.

1. We are not convinced that it would be a mistake to press actively toward a solution of the Palestine refugee problem at this time. We would, of course, agree that much progress would have to be made before we could *publicly* press for such an objective.

2. We are not convinced that the refugee problem is inseparable from the Arab-Israel problem. By this, we mean that we can see possibilities of working toward a solution of the former which do not totally depend on a solution to the latter, and which could precede (and make more likely) the latter. We recognize fully that the refugee problem is in fact almost totally political, and in this sense inextricable from the overall political problem.

3. We do not think it accurate to state: "To date, there is nothing to indicate that Israel would be willing to accommodate itself to the Arab point of view represented by acceptance of the repatriation principle". The Israelis have given us indication of considerably more flexibility than this.

III

We feel that certain aspects of our present situation are insufficiently emphasized in Mr. Villard's paper.

1. The continuance of UNRWA, even if reduced essentially to a care and maintenance operation as herein recommended (by the U.S. taking over bilaterally the promising "rehabilitation" projects) will cost \$25-30 million per year. It will become increasingly difficult to secure the other 30% of such sums to permit us to remain at 70%. In any event, care and maintenance without effective movement toward resettlement is the most wasteful method of dealing with the problem. The fact that *we* think it necessary may not convince the Congress.

The Congressional problem which this wasteful approach presents is, in our opinion, much more serious than indicated in Mr. Villard's paper. It must be recalled that the U.S. has already put \$178 million (exclusive of the current year's contribution) into the "solution" of this problem, and the problem is now larger and more acute than ever.

Moreover, it must be remembered that for the past several years the U.S. contribution to UNRWA has been relatively painless since it has involved only the yearly re-appropriation of money previously authorized. This year's contribution to UNRWA effectively uses up the last of this money. Next year we will have to ask for new money. It is unnecessary to point out the different Congressional attitude which this fact will induce. The questions will be searching, and the answers, in our opinion, will have to contain the prospect of real progress—not just indefinite continuance of the status quo.

2. Mr. Villard's paper seems to us to be optimistic about the cut-off date, 1960. If the refugee situation has not changed markedly by 1960, we feel it unlikely that the UN will allow UNRWA to terminate or will turn the problem back to the host governments. So long as UNRWA continues and is underwritten by the U.S., it is clearly to the political advantage of most states (probably a 2/3 majority of the UN) to continue that arrangement.

3. The increased efforts of the Soviet Union to penetrate the Near East may increasingly diminish our freedom of action in the area. The present, therefore, may not be a good time to act, but it may be a better time than any in the foreseeable future.

IV

We believe the following additional recommendations to those made by Mr. Villard deserve consideration.

1. During Ambassador Engen's visit next Monday with the Secretary, and in any other such "3rd party" discussions, the refugee problem should be discussed as an issue to which a solution must be found

within the near future and not as one that can in time solve itself. While our general views could be explained to Ambassador Engen, detailed discussion of any plan of action we might have in mind, particularly of any contemplated approach to the Israelis, should be avoided lest it inadvertently come to their attention.

2. Renewed consideration should be given to the broad plan of political action embodied in the July 2 IO-NEA memorandum to the Secretary, many elements of which we believe are still valid. We recognize that those parts of the recommendations which would serve to push Jordan, Lebanon and Iraq into a leading role have been temporarily overtaken by events and are not presently valid. Events may also, however, have produced some hope that Egypt and Saudi Arabia might be interested in some aspects of a solution, and this possibility should be pursued. We continue to feel that an initial approach to Israel, seeking its acceptance of the principle of repatriation or compensation, is both feasible and desirable.

3. The financial implications of the recommendations made in the July 2 memorandum should be fully explored.

4. Consideration should be given to the possibilities of some new and dramatic economic development projects in the Near East, possibly utilizing the new U.S. Development Loan Fund or some new national or multilateral agency which we might devise. Any such proposals should have as their actual (although obviously unstated) objective the resettlement of Palestine refugees. It may well be that earlier proposals such as the Johnston Plan, while sound, have become impossible because of the political implications which have attached to them over the years.

5. Consideration should be given to a public statement by the President or the Secretary on what the U.S. is willing to do with respect to the area, demonstrating U.S. concern for conditions in the area and U.S. determination to prevent deterioration. This statement could be anything from an up-dating to an expansion of the Secretary's statement of August 1955.

409. Memorandum From the Assistant Secretary of State for International Organization Affairs (Wilcox) to the Secretary of State¹

Washington, November 22, 1957.

SUBJECT

Financing UNEF—Information Paper

Since our last report to you concerning the United Nations Emergency Force (attached),² there have been some shifts and adjustments in our general approach toward Assembly action.

Working within the broad limit of approximately \$28 million possible total United States payments for the two year period, the US-GADel encouraged negotiations which have led to the introduction of a resolution by 20 nations³ which basically accepts the principle that *all* UNEF costs should be borne by the members on the basis of the regular scale of contributions. Actual total assessments would be subject to a reduction through offers of special assistance during the first year ending December 31, 1957. The idea of a voluntary contributions account, with a target to be achieved, would be abandoned as unrealistic.

On the basis that the principle of assessment would be accepted, that the actual amount assessed, therefore, would run considerably above our expectations voiced earlier, and particularly that 1958 would be put on a reasonably sound financial basis, the United States has announced an extension of its "special assistance" to the Force (originally given in the form of an air-lift). This would involve an amount of \$12 million, as opposed to the approximately \$12.5-\$17.5 million which we had previously estimated as a possible "voluntary" contribution. Other countries have generally regarded this as a generous and constructive approach toward the problem, and several have come forward with offers of similar "special assistance" (e.g. \$1,000,000 by the UK).

Approval of ICA has been obtained for the use of \$9.75 million from current year MSP funds. This, together with \$2.25 million remaining from an allocation of fiscal year 1957 MSP funds for UNEF, provides the \$12 million mentioned above.

¹ Source: Department of State, Central Files, 320.5780/11-2257. Drafted by Fobes and Hanes.

² Not attached to the source text, nor found elsewhere in Department of State files.

³ Reference is to the draft resolution, sponsored by 21 nations (Brazil, Canada, Ceylon, Colombia, Costa Rica, Denmark, Finland, India, Indonesia, Iran, Ireland, Italy, Japan, Liberia, Norway, Pakistan, Spain, Sweden, Thailand, Uruguay, and Yugoslavia) (U.N. doc. A/L.235 and Add. 1). On November 22, the U.N. General Assembly adopted the resolution by a vote of 51 in favor, 11 opposed, with 19 abstentions. (Resolution 1151 (XII))

The Bureau of the Budget has agreed in principle to the submission of fiscal year 1958 supplemental request to the Congress for the funds necessary to pay our *assessment* to UNEF (the same procedure used last spring as regards our first assessment toward the preliminary UNEF budget). The amount involved will total between \$9.5 million and \$10 million. Our *total* contributions will not exceed 50% of the total amounts thus far contributed and being sought under the resolution referred to above.

It is hoped that the basic Assembly action can be completed by the end of this week (November 22).

**410. Memorandum of a Conversation, Department of State,
Washington, November 25, 1957¹**

SUBJECT

The Palestine Problem

PARTICIPANTS

Ambassador Hans Engen, Norwegian Delegation to the United Nations

The Secretary

IO—Francis O. Wilcox

U—Henry S. Villard

NEA—William M. Rountree

NE—Donald C. Bergus

The Secretary said that the Palestine refugee problem was becoming intolerable. It was proving harder for the United States Government to obtain money from Congress for refugee relief. Relief had served to perpetuate a problem which did not deserve perpetuation.

The United States had given this problem great attention. It had been the central point of the Secretary's proposals of August 26, 1955. These proposals referred to other elements of a Palestine settlement, such as boundaries, which should perhaps be laid aside at the moment. It might be possible to separate out the refugee problem and deal with it separately.

The Secretary assumed from Ambassador Engen's willingness to come to Washington for this discussion that he was interested and felt that something should be done. Mr. Villard had been devoting all of his time to a study of the refugee problem over the past several months.

¹ Source: Department of State, Central Files, 884.411/11-2557. Secret. Drafted by Bergus on November 26.

The Secretary felt that a solution to the refugee problem would require an honest willingness on the part of Israel to take some of these people back. By honest willingness, the Secretary meant proposals that were not so surrounded by qualifications as to be a mere paper offer. There was no reason why Israel should not take some back. The Secretary knew that the Israelis considered every square inch of their land precious, and they felt if necessary to be in a position to offer a home to all Jews wishing to come there. On the other hand, if the Israelis felt they could bring a large number of Jews to Israel, it meant that more people could be absorbed there. The question was whether more Jews, more Arabs or a combination of both should be brought to Israel. The latter was possible. The Secretary imagined that the total number of Arabs willing to return to Israel would be quite low. The capacity of Israel to absorb more people depended on what was done for Israel in the rest of the world. A great deal of this help came from United States Jews. We could not attach conditions to their aid. Although there were some leading United States Jews who were willing to urge Israel to do something about the Arab refugees, there were not too many. We were also giving United States Government assistance to Israel. Here we could attach conditions and exert pressure. An offer to the refugees must not only comprehend a return to Israel but also modest compensation and measures to develop the rivers of Jordan and Iraq to create more land for settlement. Money could be raised for these efforts. We got into a political problem here because some Arabs thought that such a move would be the opening phase of a process leading to peace with Israel on the basis of its present boundaries. It would also destroy the refugees as a symbol of how evil Israel has been. There were many Arabs who did not wish to see the problem settled.

Nevertheless, the Secretary thought that there was perhaps enough of a chance of success to make it worthwhile to try. The question was how one went about it. When the Secretary made his speech, he assumed the United States would take the initiative. Since then, events had developed in the area, such as the Suez crisis, the American Doctrine, etc., which made it undesirable for us to take the initiative. We had become a target in the area and were being attacked by Syria and Egypt. If we took an initiative, these countries would perforce have to attack anything the United States did. While we must stand ready to support efforts toward a settlement—to use our influence with Israel, to contribute to a United Nations loan for compensation, to extend economic assistance to help in water development, to urge United States views to help finance compensation—it was better that the United States not take an initiative. We would put these assets at the disposal of someone else.

The Secretary hoped that Ambassador Engen and his Government would be interested in taking an initiative knowing that the United States would fully support it. We had no desire to dictate or control what was done and Ambassador Engen would be an independent operator. The Secretary did not know the chance of success, but nothing succeeded unless one tried. If it turned out that a settlement could not be reached, we would not be worse off for having tried. If we did not try, we knew the situation would get worse.

Mr. Villard said that he had made a tentative approach to the Secretary General. Mr. Hammarskjold had thought that he might explore the idea with Fawzi since he believed he had some good will in Cairo. Mr. Villard had heard nothing further.

The Secretary stated that it was either necessary to have a plan endorsed by all the Arabs or there could be a plan put forward by Israel in the hope that the refugees could accept it. It was difficult to deal with the Arabs as a group. A solution of the refugee problem would mean the destruction of a political instrument presently in the hands of Egypt and Syria for use against King Hussein.

Ambassador Engen spoke of the "petty politics" which the Arab states played against each other. When Egypt recently had permitted, after some delay, two Norwegian ships with Israel cargoes to transit the Suez Canal, Egypt had been attacked by Iraq. Egypt's acquiescence in the stationing of UNEF at Sharm el Shaikh was attacked by Jordan. The same thing would happen with regard to a program for the refugees. Mr. Rountree felt that was why quiet diplomacy was called for. Ambassador Engen continued that while he had no fixed ideas, he had had many talks with the Secretary General and with Arab representatives in New York. He had arrived at the conclusion that one could not get an opening on the refugee problem by means of any action which would compel either the Arabs or Israel to take an official position. Ambassador Engen had become more convinced that the only possible approach to the refugee problem was an effort to get around it by working out and implementing economic projects to create areas of employment in the Near East. Ambassador Engen pointed out that the population picture among the refugees was changing and nearly half of them were young people. He believed that we should work at the refugee problem in terms of providing about 200,000 job opportunities. There were two factors in our favor: it was the obvious desire of all the Arab countries to raise their living standards; and the fact that the only outside agency to assist in this, acceptable to all, was the United Nations. It was difficult to think of a method within the United Nations to link the United Nations with any kind of economic development. The initiative should come from the Arabs. Ambassador Engen did not exclude that possibility.

Ambassador Engen continued that the Secretary General had carried on discussions along these lines with Fawzi and the Iraqis. The Iraqis had approached Mr. Hammarskjold on their own initiative to draw attention to the dangers inherent in the refugee situation and to warn that Iraq could not be looked to as the major contributor to a solution. Fawzi had responded to the Secretary General's initiative by asking for time to think the matter over (obviously in order to consult Cairo), after which he had displayed a quite positive interest. The direction in which we should work was to try to find a combination whereby an initiative would come from the Arabs to seek United Nations assistance. This could lead into appropriate financing.

The Secretary asked if there was a place at the beginning for an Israel offer. Ambassador Engen felt that this was hard to answer. There was perhaps a fifty-fifty chance that such an offer would be forthcoming. Mr. Wilcox did not think that the Israelis would move if it appeared to be as a result of Arab pressures. Mr. Rountree felt that one of the problems of an Israel offer would be the quid pro quo; Israel would desire at a minimum Arab recognition of Israel's existence. The Secretary said he hated to see the United States do things for Israel and not attach the condition that they should think about some Arabs coming back. Ambassador Engen wondered if it were politically possible for Israel to recognize the principle of repatriation. We could not ignore Israel's desire for recognition by the Arabs. Mr. Wilcox wondered as to the possibilities of progress being made, in the absence of any public announcement, by a quiet economic program.

Ambassador Engen felt that this was an appropriate moment for a discussion of the refugee problem. The Secretariat of the United Nations had been asked to study an Economic Commission for Africa and the Near East. This Commission could be utilized for the big development projects. The Secretary General was seeking to obtain the services of Mr. McCloy to assist him in this effort. This matter was not unconnected with Mr. Black's recent talks in Egypt. A pattern was beginning to form for a line of action which would not raise political problems. This was worth exploring. While it could not start while the General Assembly was in session, the Secretary General wished to start immediately after. The Secretary General had assumed from his discussions with the Egyptians and Iraqis that they would come out with a request for a study group to come to the area. Then the question of financing would arise. At a later stage, there would be no incompatibility between such a line of action and talks with the Israelis to see if they could make a move. As far as the Arabs were concerned, the question of a solution to the refugee problem should not be raised—not even privately. Ambassador Engen felt that the permanent em-

ployment for the bulk of the refugees must be found outside Israel, mostly in Iraq and Jordan. Any repatriation should probably come from Gaza.

The Secretary thanked Ambassador Engen for coming and stated we appreciated and valued his interest. He asked if Ambassador Engen thought the Secretary General should take an initiative. Ambassador Engen believed that the present time was not appropriate for either a political or diplomatic initiative. An approach to the problem along economic lines deserved to be explored. Ambassador Engen would be glad to be of use in any further consideration of the matter. He would keep in contact with the Secretary General and would be glad to keep in contact with the United States. Mr. Wilcox inquired whether we might not be probing the Israel attitude at this time. Ambassador Engen felt that in the course of the next two or three months we could see whether we could investigate the possibility of the economic approach. He would hesitate to discuss this matter with the Israelis now.

After the group left the Secretary's office, the discussion continued. Mr. Rountree suggested that after both the United States representatives and Ambassador Engen considered what had been said they might keep in touch through Mr. Villard. Ambassador Engen agreed and concluded by saying he would like to make clear that he had not taken a negative attitude to the suggestions put forward by the Secretary. His present thinking, however, was in favor of great caution.

411. Editorial Note

The following exchange concerning the Arab refugee problem took place at the Secretary's Staff Meeting on November 25:

"There was a discussion of the need for, and the possible early appearance of, a serious proposal from the Israeli looking toward a settlement of the refugee problem, including a willingness to admit refugees into Israel or compensate them. The Secretary referred to his earlier-stated view that the possible Export-Import Bank loan to Israel might usefully be tied into the settlement of the problem. It was noted that Herzog, Counselor of the Israeli Embassy, is approaching a lot of officials and non-officials. Rountree said that the Israelis have embarked on a studied selling campaign to get across the following ideas: a) that NATO should guarantee Israeli security; b) that the US should unilaterally make a declaration on Israeli security; c) the US should give large-scale economic assistance to Israel which in turn would permit Israel to purchase defense items; d) interest should be stimu-

lated in economic development in Israel which would help to compensate for the refugees." (Informal notes; Department of State, Secretary's Staff Meetings: Lot 63 D 75)

412. Telegram From the Department of State to the Embassy in the United Kingdom¹

Washington, November 26, 1957—1:44 p.m.

3873. Deptel 3780.²

1. British Embassy recently gave Department for comment Foreign Office assessment on "present position of Colonel Nasser's government."³ Main thesis of assessment was that since Nasser likely to remain in power for some time to come, consideration had to be given to basis of Western relations with him. Foreign Office paper concluded that attempt should be made to create "situation in which Egypt was regarded as nothing more than unfriendly neutral, rather than risk pushing her further into Soviet embrace by persistent antagonism." Assessment appeared principally to be rationale for UK-Egyptian agreement "resolving British financial interests and commercial property in Egypt, current trade and Egypt's sterling balance," and including resumption limited diplomatic relations.

2. Department handed British Embassy its comment on November 25. Main burden was that fruitful relations between US and Egypt were not possible as long as GOE attitude toward USSR and other NE states remained unchanged; US was ready, however, to establish more normal relations with Egypt if Egypt moved to more truly neutral position; we understood UK desire to regain control of its interests in Egypt as well as to obtain compensation for Egyptianized properties but would prefer that any significant reduction of Western pressures be in response to convincing indications that Nasser is becoming aware of the dangers involved in close association with the Soviet Union. We commented that unless UK agreement with Egypt extracted

¹ Source: Department of State, Central Files, 774.00/11-2657. Secret. Drafted by Rockwell and Stabler and approved by Rockwell who signed for Dulles. Repeated to Cairo and Rome.

² Telegram 3780, November 22, advised the Embassy in London that it would be desirable to discuss with officials from the British Embassy in Washington the possible effects which an Anglo-Egyptian financial agreement might have both on the U.S. position in the area and on the attitude of friendly Arab states. (*Ibid.*, 641.74231/11-1957)

³ The texts of the Foreign Office's assessment and the Department of State's response to it, neither printed, are *ibid.*, 774.00/11-2157.

substantial concessions from Nasser, "it might be better that no agreement be concluded." We believed effect of moves toward Egypt upon friendly Arab states must be kept very much in mind.

3. In giving comments to British Embassy, Department stressed problem which US would face regarding Egyptian blocked dollars if UK released most of Egyptian blocked sterling. We recalled our position was to unblock dollars when agreement or substantial progress toward agreement reached between Egypt and Canal Company. We inquired whether would be feasible that certain portion of sterling to be unblocked be held in reserve pending "agreement or substantial progress toward agreement" between Egypt and Canal Company, but British Embassy official expressed doubt whether this could be injected into Rome talks at this date. He stated his understanding that it was UK intention not release any sterling as result current talks until "satisfactory progress" toward settlement problem compensation Canal Company made. We made clear our view such progress not yet evident.

4. Text Foreign Office assessment and Department's comments being air-pouched.

Dulles

413. Telegram From the Embassy in Saudi Arabia to the Department of State¹

Jidda, November 28, 1957—noon.

497. Deptel 713, repeated information Cairo 1367.² Re US-Egyptian relations. At audience in Riyadh November 24 I gave substance refertel to King Saud Al Saud who replied:

If USG is able to change policy and heart of Nasser it would be great thing. Personally, I do not believe this possible. Even if Nasser may wish improve Egypt's relations with US I do not think he himself will change. He may think he can play on both sides, and it may be he is trying show world and US he is able attract US to his side. His intention is probably to restore what he has lost, namely, good relations with US without compromising his basic policy. So much for analysis of Nasser's intentions.

¹ Source: Department of State, Central Files, 611.74/11-2857. Secret. Received at 7:34 a.m., November 29. Repeated to Ankara, Amman, Baghdad, Beirut, Cairo, and Damascus.

² Document 406.

My personal counsel is this—and it being personal I cannot say for certain it will work—that you go ahead and try improve your relations with Egypt. This will show world your good intentions. But you must be cautious.

Might at least have good proof that Nasser really means to improve relations—that he really understands Communist threat to area—before you proceed too far.

Egypt's latest action has been to send General Amer to Russia, perhaps to sign some secret agreement. This, as you have said, certainly does not indicate Egypt has changed; but at least let us try. If in steps you take to improve these relations you find he really has improved, it will be good for us all.

Wadsworth

414. Memorandum of a Conversation, Department of State, Washington, November 29, 1957¹

SUBJECT

NATO and the Near East

PARTICIPANTS

Mr. Abba Eban, Ambassador of Israel
 Mr. Ya'acov Herzog, Minister, Embassy of Israel
 The Secretary
 NE—Stuart W. Rockwell
 UNP—David L. Gamon
 NE—Donald C. Bergus

Mr. Eban said that Israel looked upon the forthcoming NATO Council meeting as a "town meeting" of the democratic nations which were at a turning point brought about by the rapid increase in Soviet strength. He hoped that this meeting would not produce an anti-climax or be imbued with a spirit of "provincialism." By provincialism, he meant a concentration on NATO internal problems and disregard of the areas which flanked NATO.

¹ Source: Department of State, Central Files, 740.5/11-2957. Secret. Drafted by Bergus on November 30. Prior to Eban's visit on November 29, Rountree had sent Dulles a briefing memorandum concerning possible subjects which Eban might raise. (*Ibid.*, 784A.00/11-2957) Separate memoranda of conversation cover other topics discussed by Dulles and Eban: "Approach to the USSR Re United States Attitude Toward Near East States" (*ibid.*, 780.00/11-2957), "Israel Application for Export-Import Bank Loan" (*ibid.*, 884A.10/11-2957), and "Arab-Israel Problem; Mission of Secretary General" (*infra*).

In his November 13 memorandum,² the Ambassador had put forward three ideas. The first of these was that at the forthcoming Council Meeting, NATO should endorse the principles of the Declaration of Common Purpose issued by President Eisenhower and Prime Minister Macmillan. This would be a step forward, but Mr. Eban doubted that this would be sufficient to deal with the crisis in the Near East. The second proposal was that some means be found of expressing NATO's interest in the independence and integrity of Near East states. Perhaps NATO would wish to endorse the United States commitment in the Middle East Doctrine and have it become a NATO commitment on the basis of the importance of the Middle East to European defense. Mr. Eban admitted that this might be too ambitious. As a middle course between this proposal and NATO's doing nothing about the Middle East, there could be an expression at the conclusion of the NATO meeting of concern for the independence of Middle East states. Israel advocated as a minimal step that NATO find wording to express its interest in preventing the engulfment of the Middle East by Communism. Mr. Eban's third proposal was one that did not involve public action. He referred to the statement in the Secretary's message of November 12 to the Prime Minister³ to the effect that substance was more important than form. Mr. Ben Gurion had been impressed with that statement and felt that there was a need for concrete discussions with Middle East countries of various security contingencies, with the view to reassuring those countries that if they were attacked there would be help available. These would be secret conversations with each of the Middle East countries related to the security problems of each. Mr. Eban concluded by referring to the scientific aspect of strengthening the cooperation among free nations. He felt that Israel had more to offer the Free World than had yet been made available. The Israel Government was presently examining this question.

The Secretary said that as to the question of a NATO endorsement of the Declaration of Common Purpose, a primary problem appeared to be to find an appropriate way in which to do it. There was evidence that NATO countries were reacting against the prospect of their being called upon to merely rubber stamp what had been a United States-United Kingdom program.

A great deal of thought had been given as to the relationship of areas outside NATO. It was of course not possible for the Council even at the level of heads of government to increase the scope of the legal commitments under the North Atlantic Treaty. There were varying views within NATO. The Scandinavians, for example, generally were

² See Document 397.

³ Document 396.

unenthusiastic about expanding NATO's commitments to the South and East. However, consideration was being given to this matter including the possibility of an expression of concern over the Middle East, but we could not tell the outcome yet.

Mr. Eban said that a doubt which had been expressed as to the wisdom of a NATO expression of interest in the security of the Middle East was that the Arabs would react negatively because there were countries with a colonial tradition in the area in NATO. Mr. Eban believed that NATO was the only family which could express a communal Free World position. Israel believed that if NATO made available security and aid to Near Eastern states, few could resist. The Secretary stated that we were working very hard on these questions. We could not produce spectacular things when we operated as a democracy associated with a number of other countries. Anything acceptable to all the NATO countries could not be something which took them by surprise. He hoped that we would not be expected to produce miracles. Questions involving NATO's relationships with other areas would probably be considered prior to the meeting itself. Mr. Eban understood that some governments were changing their views. He believed that The Netherlands and even Norway were now more interested in the Near East and its relationship to NATO.

Mr. Eban said that he was about to furnish more ideas with respect to that part of his memorandum which dealt with economic development, particularly as to how a regional development agency might be useful as a means of tackling problems such as the refugees and the development of river basins. The Secretary asked if Mr. Eban felt that NATO would provide good auspices for an economic development agency. He felt there were certain parts of the world where NATO auspices would not be good. Mr. Eban felt that in the economic realm a primarily United States approach would best be understood. Israel's experience had been that aid from the United States involved no political conditions in derogation of sovereignty.

**415. Memorandum of a Conversation, Department of State,
Washington, November 29, 1957¹**

SUBJECT

Arab-Israel Problem; Mission of Secretary General

PARTICIPANTS

Mr. Abba Eban, Ambassador of Israel
 Mr. Ya'acov Herzog, Minister, Embassy of Israel
 The Secretary
 NE—Stuart W. Rockwell
 UNP—David L. Gamon
 NE—Donald C. Bergus

Mr. Eban stated that Israel continued to act on the assumption that the basis of the United States-Israel discussions which had gone forward since last August remained valid. That is, in the Near East, we should endeavor to keep the threat to the Free World foremost and not highlight local quarrels such as the Arab-Israel dispute. Israel felt that this was the worst possible moment to raise the question of the totality of an Arab-Israel settlement. The Israelis had talked with friends in Asia who agreed. They wished their friends in London would likewise agree. There seemed to be some feeling among the British that a restatement of their position as expressed in Eden's Guildhall speech of November, 1955,² would be helpful. The Israelis believed that such an act would only serve to produce a controversy and would not produce a solution. A situation would be created which the Soviets would enter and exploit.

The Secretary said that he hoped that in line with that reasoning Israel could be helpful to the Secretary General. A solution to the Mount Scopus problem must be found.³ The reaction in Jordan had been widespread. Mr. Eban was aware that there was always a tendency to revile an Arab nation which was pro-West for being "soft" on Israel. King Hussein had been subjected to a vicious propaganda campaign which had gone so far as to threaten his life, to proclaim him a

¹ Source: Department of State, Central Files, 684A.86/11-2957. Secret. Drafted by Bergus on November 30. See footnote 1, *supra*.

² Printed in *The Times* of London, November 10, 1955, p. 10. See also vol. XIV, p. 720.

³ On November 20, Jordanian officials refused passage to an Israeli convoy carrying petrol to the Israeli sector of the Mt. Scopus enclave on the grounds that it was not allowed under the Mt. Scopus Agreement of July 7, 1948. Petrol, however, had been admitted regularly under the heading of "fuel" used to operate a generator in the sector and the Israelis refused to send the convoy forward without it, thereby leaving the Israeli garrison without supplies. On November 26, the Consulate General at Jerusalem forwarded a report on the dispute to the Department of State in despatch 96. (Department of State, Central Files, 684A.86/11-2657) The text of the Mt. Scopus Agreement is printed in United Nations, *Official Records of the Security Council, Eighth Year, Supplement for April, May, June 1953*, p. 30.

United States stooge, and to state that he was conspiring with the Israelis. The net result of this was that he was sensitive on any of these issues. While we could not expect Israel to make permanent substantive concessions, we felt that it was in the common interest to do all that could be done to play down the situation and not exacerbate it.

Mr. Eban said that in general terms his Government accepted this line of action. The question was, could not Hussein act similarly? He had gone too far for Israel to follow him, particularly in the question of the repudiation of Colonel Leary on the alleged basis of his pro-Israel attitude. The Secretary said he appealed to Israel to do all it could to ease this matter along. On the whole, developments in the past few weeks had not been as unsatisfactory as they could have been. He hoped that such a trend could be continued. He asked Mr. Rockwell as to his views on the possibilities at this time of an Arab-Israel settlement. Mr. Rockwell said he agreed that there should be no attempt at a frontal attack on the entire Arab-Israel problem but felt that progress could be made on some aspects of it, such as the refugee problem. The Secretary noted that we had given a lot of thought to the refugee problem and were continuing to do so but had come to no decision. Mr. Eban felt that something might be done about the refugees but pointed out that the prospect of success varied inversely with the amount of publicity received. The Secretary said he was coming reluctantly to the belief that a formal overall plan for the solution of the entire Arab-Israel dispute would be difficult of achievement. We might have to whittle away at various aspects of the problem. At a later stage, we might have some ideas to discuss with the Ambassador. Perhaps the Secretary General would be developing some ideas.⁴

⁴ During the first week of December, Secretary-General Hammarskjöld visited the Middle East for the purpose of discussing the Mt. Scopus situation with Jordanian and Israeli officials. On December 4, it was announced that arrangements had been made for the resumption of convoys to Mt. Scopus. A U.N. spokesman reported on the following day that Hammarskjöld had decided to appoint a personal representative to negotiate with the Governments of Israel and Jordan with a view to implementing the Mt. Scopus Agreement of July 7, 1948. On December 16, Hammarskjöld appointed Ambassador Francisco Urrutia of Colombia as his personal representative. (United Nations, *Yearbook of the United Nations*, 1957, p. 38)

416. **Memorandum From the Under Secretary of State's Special Assistant (Villard) to the Under Secretary of State (Herter)**¹

Washington, December 3, 1957.

SUBJECT

Palestine Refugee Problem

Discussion

In accordance with your request, I have reviewed my memorandum of November 21 (Tab A)² on Palestine refugees in light of the visit of Ambassador Engen on November 25³ and the Secretary's suggestion that Israel's application for an Export-Import Bank loan be considered in connection with the refugee problem.⁴ To simplify the situation as much as possible, I am summarizing below the main issues as I see them. Unless otherwise indicated, these views are generally shared by NEA, IO, Mr. Mathews of S/P, and Mr. Harry Labouisse, Director of UNRWA.

1. *The Arab standpoint.* The Arab governments unanimously insist on the right of repatriation as set forth in the United Nations Resolution of December 11, 1948 (Tab B).⁵ There is no Arab country which at the present time would dare break this stand or in any other way move independently toward a solution of the refugee question. Any plans for a settlement which did not admit the principle of repatriation would be doomed to failure.

2. *The position of Israel.* Israel takes the public line that the refugee problem is one for the Arab states to solve among themselves. In the General Assembly on November 27 Ambassador Eban emphatically declared that the advocacy of repatriation is a "serious mistake stifling all attempts at a real solution." However, in private conversations with Department officials, Ambassador Eban and Minister Herzog have indicated that Israel might be more forthcoming. It is believed that advantage should be taken of their apparent flexibility.

3. *The question of compensation.* Linked as a choice with repatriation in the United Nations Resolution of 1948, compensation to the refugees presents various difficulties. A specialist employed by the

¹ Source: Department of State, Central Files, 320.51/7-257. Secret. The memorandum is item No. 23 of "Palestine Refugee Problem, Villard Study, 1957-58".

² Document 407. The tabs are not attached to the source text.

³ See Document 410.

⁴ See Document 411. Howe also sent to Villard on November 26 a memorandum informing him that Herter wished Villard to review and resubmit his memorandum of November 21 in light of the conversation with Engen and Dulles' suggestion. (Item No. 20 of the Villard Study)

⁵ Reference is to Resolution 194 (III), printed in *Official Records of the General Assembly, Third Session, Part I, Resolutions, 1948*, p. 21.

Palestine Conciliation Commission, which has been evaluating refugee property in Israel, has come up with an estimated valuation of \$460,000,000 for that property. Leaving aside reimbursement to wealthy property owners, any fixed sum paid to refugees who might opt for compensation instead of repatriation runs the risk of being interpreted as a fee for the sale of their birthright. The inflationary aspects of large sums paid for compensation must also be considered. Pressure for repatriation would tend to disappear if the principal agitators were paid off and if, in lieu of compensation, economic aid were provided at so much per head directly to those governments in the area willing to settle Palestine refugees.

4. *Economic development.* Projects such as the Johnston Plan, which would drain off labor from the refugee camps, cannot be expected to bear fruit unless they are dissociated in the Arab mind from a political settlement of the refugee problem. Mass transfers of refugees to neighboring countries must also be considered impractical. Only Iraq might accommodate a substantial influx, but it must be remembered that Iraq has many social and economic problems of its own that might limit its willingness to serve in this regard.

5. *Distribution of the refugees.* Jordan, which contains more than half of the 947,000 refugees, constitutes the heart of the problem. In Syria and Lebanon many of the refugees have already been successfully assimilated. Because of the serious political and economic implications in Jordan, it would be advisable to concentrate on providing an economic future for the approximately 100,000 refugee families in that country. It is probable that the next largest number of refugees, in the Gaza Strip, would have to depend primarily on relief operations sponsored by the international community for some time to come.

6. *Political solution.* Present circumstances do not favor an attempt at a formal settlement of the refugee problem as between Israel and the Arab states. An attempt to break the deadlock between the Arab and Israeli points of view inevitably brings the problem within the context of the over-all Palestine issue. Although the moment is not considered opportune for a solution on a formal basis as one necessitating agreement between Israel and the Arab states, it is believed that encouragement should be given to quiet exploration by the Norwegians or other third parties of the possibility of making progress toward a settlement.

[NEA believes that the IO-NEA recommendations of July 2, 1957 (Tab C), in so far as they relate to a political solution, do not now appear practical because political conditions in the area, stemming from Soviet penetration of Egypt and Syria, make it inadvisable to deal directly with the refugee question at this time. IO believes that while

the present time is not propitious, it may be a better time than any in the foreseeable future.]⁶

7. *Congressional Considerations.* During the past few years the United States contribution to UNRWA has been relatively painless since it involved only the yearly reappropriation of money previously authorized. This year's contribution to UNRWA effectively uses up the last of this money and any further United States contributions will have to be based on a request for new funds. In view of the growing Congressional feeling that future United States contributions should depend on success in moving toward a solution of the refugee problem, it is obvious that we shall have to offer the Congress something better than indefinite continuance of the status quo.

8. *Economic approach.* Considering the fact that a direct settlement is not practical at this time, the most suitable method of approach would seem to be along economic lines. A significant change has recently taken place in the attitude of the refugees themselves. Projects for self-support, permanent housing and vocational training have begun to appear more attractive. A large proportion of the refugees are growing up with few personal ties to Palestine and with increasing concern for their economic future. By providing opportunities for employment, and by integrating refugees into the economic life of the communities where they now reside, the mass of refugees can be whittled down over the course of time. Instead of relying on political negotiations or compromise, this indirect method would involve a program of bilateral assistance to friendly host governments, as suggested in the IO-NEA recommendations. At the same time, new and dramatic economic projects in the area, possibly utilizing the new United States Development Loan Fund or some new agency, might help provide a solution. Any such proposals should have as their actual (although obviously unstated) objective the resettlement of Palestine refugees. It may well be that earlier proposals such as the Johnston Plan, while sound, have become impossible because of the political implications which have attached to them over the years. Such programs would involve discussions with Congressional leaders for the purposes of obtaining funds.

[While IO agrees that the indirect approach should be fully explored, it does not believe that it is likely fully to answer the problem and it therefore also favors the adoption of both the broader plan of political action as well as new and dramatic economic development projects in the area. Ambassador Engen does not believe that a political approach is feasible and favors what he terms the "back door" method of solving the problem, by providing economic opportunities for the refugees and resettling them in gainful occupations over a

⁶ Brackets in the source text.

period of time. He believes this might be accomplished through an economic development plan sponsored by the United Nations, aimed at the whole area but applicable to the refugees as well.]⁷

Recommendations

1. In light of all the factors involved, my recommendation remains as stated in the memorandum of November 21, namely that every effort be made to reduce the refugee rolls as rapidly as possible, by bilateral assistance to friendly host governments, new economic development projects in the Middle East, the use of Public Law 480 surpluses as feasible, while continuing support of UNRWA as a maintenance operation. This view appears to be generally consistent with that of Ambassador Engen, as indicated in his letter to the Secretary of November 28, 1957 (Tab D).⁸

2. On the other hand, in view of the need to take some action in the immediate future, I recommend that consideration be given to having a letter sent from the President to Prime Minister Ben-Gurion calling for public acceptance by Israel of the right of repatriation. This communication could be friendly in tone but should firmly take the position that on moral and humanitarian grounds Israel has an obligation to recognize the United Nations Resolution of 1948. Recognition of the principle by Israel should be unconditional, although there would be room for negotiation of the practical details if accepted by the Arabs. Ambassador Engen, in his letter of November 28, agrees that it would be appropriate at this time to suggest to the Israeli Government that it publicly declare its willingness to accept the principle of repatriation.

[NEA does not believe that a letter from Ben-Gurion to the President would be desirable at this time. NEA believes that the Israeli response would be surrounded with conditions which make it unacceptable to the Arabs and would cause its rejection by them; furthermore, that it might not be satisfactory to us and we would therefore have used some of our heaviest ammunition to no avail. NEA recommends that we reserve all our ammunition and seek to formulate at an appropriate moment a general approach to the Palestine issue which would include agreement by Israel to take back some refugees, availing ourselves meanwhile of the views and explorations of Ambassador Engen, Mr. Hammarskjold, Nuri Pasha of Iraq (now in this country) and the British.]⁷

⁷ Brackets in the source text.

⁸ In his letter of November 28, Engen reiterated his support for plans to create within host countries "areas of employment" for the refugees. The letter is item No. 21 of the Villard Study.

3. I recommend that we hold in abeyance the Israel Export-Import Bank loan application at the present time. If it is decided that the President should make an appeal to Ben-Gurion we could intimate to the Israelis that a favorable determination on this and other economic measures would depend on the outcome of that appeal.⁹

⁹ The source text indicates concurrence by Wilcox and Rountree, both of whom elaborated on their views in separate memoranda. Rountree's memorandum, dated December 5, is item No. 24 of the Villard Study, and contains a more detailed exposition of the views attributed to NEA in this memorandum. Wilcox's memorandum, dated December 6, is item No. 25 of the Villard Study. In it, Wilcox reiterated the points made in his memorandum of November 22 (Document 409) with greater force. Wilcox's recommendations remained the same as those in his memorandum of November 22 except for the deletion of the first recommendation relating to the talk with Engen. (Department of State, Central Files, 320.51/7-257)

417. Memorandum From the Joint Chiefs of Staff to the Secretary of Defense (Wilson)¹

Washington, December 4, 1957.

SUBJECT

Resolution of the Middle East Question (U)²

1. The Joint Chiefs of Staff are greatly concerned by the unsatisfactory politico-military situation in the Middle East, which they consider stems basically from the unresolved Arab-Israeli problem, and which poses a serious threat to the security of the United States and the Free World.

2. In order to achieve stabilization in the Middle East under conditions favorable to the Free World, all three basic elements of the overall problem must be resolved:

a. The present boundaries of Israel must be fixed and agreed upon.

b. There must be a Western guarantee that Israel will not thereafter expand territorially.

¹ Source: Department of State, Central Files, 684A.86/12-757. Top Secret. Deputy Secretary of Defense Donald A. Quarles forwarded this memorandum to the Department of State under cover of a note to Secretary Dulles, dated December 7, which reads: "I am forwarding herewith the views of the Joint Chiefs of Staff on the subject: 'Resolution of the Middle East Question', in which I concur. I believe they are particularly pertinent at this time because of the review of our Near East policy (NSC 5428) now under way in the NSC." (*Ibid.*) Documentation concerning the review of NSC 5428 is scheduled for publication in volume XII.

² The "U" indicates that the subject was unclassified.

c. The refugee problem must be settled.

3. In order to forestall further exploitation by the USSR of the existing situation in the Middle East, political action to achieve a settlement is essential and urgent. Any further spread of Communist domination and control in the Middle East will seriously jeopardize the security of the Free World. Such spread cannot be prevented by military action alone.

4. The Joint Chiefs of Staff are convinced that western orientation of the Arab nations in the Middle East can be achieved and retained only by decisive U.S. political and diplomatic action to solve the present Arab-Israeli dispute. The United States should take this action now. The threat to U.S. security inherent in failing to take the initiative in solving this problem is so great as to transcend the interests of any minority group within the United States.

5. If you concur, the Joint Chiefs of Staff recommend that you forward the above views to the Secretary of State with the recommendation that the matter be taken up with the National Security Council as a matter of urgency.

For the Joint Chiefs of Staff:

Maxwell D. Taylor
General, United States Army
Chief of Staff

418. Memorandum of a Conversation Between the President of the International Bank for Reconstruction and Development (Black) and the Deputy Under Secretary of State for Economic Affairs (Dillon), Department of State, Washington, December 4, 1957¹

Mr. Black, reporting on his recent visit to Cairo, stated Nasser evidenced a much keener appreciation of Egypt's economic and financial problems than on previous occasions. Nasser, he said, noted that Egypt was already at work on their development program, and some aspects of the Aswan Dam project. However, at no time in his conversations with Nasser or Kaissouni did either raise the question of the

¹ Source: Department of State, Central Files, 398.14/12-457. Official Use Only. Drafted by Shaw.

Bank lending funds to Egypt.² Mr. Black stated that the stories filed by Mr. Caruthers³ in the *New York Times* badly reported his conversations. He himself did not see Caruthers during his stay in Egypt. Ambassador Hussein, Mr. Black thought, has been working very hard during his stay in Cairo to improve relations with the US and in his opinion the Ambassador has had some success. Nasser, in Mr. Black's opinion, wants to settle the Suez Canal problem. This he did not believe reflected a change in Nasser's morality, but his desire to do business with the west: Nasser understands that if he is to achieve this end he must settle the Suez Canal problem. In bringing his interview with Mr. Nasser to a close Mr. Black reported he asked him what he should tell the press. Nasser stated that he should say he had been asked to act as a mediator in settlement of the Suez Canal dispute. When asked whether he should mention that the Bank would be undertaking a study of the Canal, Mr. Nasser said this should not be mentioned, since for some months now he had been critical of Mr. Black and the Bank. He did not think his sudden change in attitude would be understood.

With reference to the dispute between Egypt and the Suez Canal Company he explained he had in mind appointing a mediating team. He did not think that actual negotiations would occur until some time after the Suez Canal Company stockholders met in January and a negotiating group for the Company had been approved. In determining the make-up of the Bank's mediation group he had asked Mr. Shoaib,⁴ who represents Egypt on the Board of the World Bank to go to Cairo to check out the acceptability of the individuals who might be appointed and to assess the climate for negotiations. Mr. Shoaib, he stated, was expected back in Washington December 4. The group which he has in mind would probably be headed up by Mr. George Wood⁵ and Mr. Iliff,⁶ if the latter, who is a British national is acceptable to Egypt; he also mentioned the inclusion within the group of a Swiss, a Dutch and an Indian national; also an American lawyer. The names of these individuals were not mentioned. Mr. Black explained that this group would explore the problem; would visit Cairo and Paris and would identify the difficulties in effecting settlement.

² Ambassador Hare transmitted to the Department of State reports of Black's conversations with Nasser and Kaissouni in telegram 1174, November 9, and telegram 1176, November 11. (*Ibid.*, 398.14/11-957 and 398.14/11-1157, respectively)

³ Osgood Caruthers.

⁴ Mohamed Shoaib, Pakistani banker, served as an executive director of the International Bank for Reconstruction and Development, representing the interests of Pakistan, Iran, Iraq, Syria, Lebanon, Jordan, Egypt, and Ethiopia.

⁵ An American banker.

⁶ William A. Iliff, Vice President of the IBRD.

Mr. Black stated that on Friday of last week following Mr. Fawzi's return to New York he explained to him the action which he was taking and asked Mr. Fawzi for his views on the acceptability of a Britisher in the mediating group. Mr. Fawzi stated he found no objection to the inclusion of Mr. Iliff. Mr. Fawzi also reported very favorably on Mr. Black's visit to Cairo. He also asked Mr. Black for his views on what he should tell Mr. Pineau with whom he was meeting Friday afternoon. Mr. Black reported he suggested that he might comment on Mr. Black's recent visit to Cairo and efforts to mediate the dispute and express Egypt's desire to see an early settlement of the problem. Mr. Fawzi then asked Mr. Black if he thought he should see Mr. Dillon. He explained that he would not wish to ask for an appointment but he would be willing to come to Washington to talk with the Secretary. Mr. Black reported that he would be willing to scout around in Washington to find out what the attitude might be on a meeting between the Secretary and Mr. Fawzi. Mr. Fawzi's queries were reported to Mr. Allen Dulles who in turn raised the question with Mr. Rountree. Mr. Dillon confirmed that the subject had come up at the Secretary's staff meeting and it was agreed that a meeting between the Secretary and Mr. Fawzi would be a good thing. Whereupon Mr. Black said if Mr. Dillon wished he would be willing to call Mr. Fawzi and convey this information to him. Mr. Dillon said that he would discuss the matter with the Secretary and inform Mr. Black at a later date as to whether he should call Mr. Fawzi. In regard to the study of the Suez Canal traffic, Mr. Black indicated he was looking to Mr. Wheeler to head up the Bank's study group. He said that a considerable amount of work has already been done by the Ebasco⁷ people and that one of the Bank's members has been absorbing all possible information pertaining to the Canal. He said he planned to see Mr. Younes Thursday morning and he presumed that Mr. Younes would want to discuss the Bank's plans for this study.

Referring to recent releases from the Egyptian blocked accounts to the Export-Import Bank, Mr. Black asked whether the money due from Egypt to the International Finance Corporation could be handled by drawing on this account. Mr. Dillon stated he thought obligations due U.S. institutions were of a somewhat different nature, and our recent action in regard to funds due the Export-Import Bank did not establish a precedent which would justify authorizing a release to the IFC. However, if any further releases were to be considered he promised to give consideration to the request of the IFC.

⁷ Reference is to Ebasco Service, Inc., a U.S.-based firm of consulting engineers. Prior to nationalization, the Suez Canal Company had negotiated a contract with Ebasco for a technical study of the work necessary to handle ships growing constantly larger.

**419. Memorandum of a Conversation, Department of State,
Washington, December 5, 1957¹**

SUBJECT

Arab-Israel Dispute

PARTICIPANTS

His Excellency Nuri Pasha al-Said, Iraqi Senator and Former Prime Minister
Mr. Saleh Mahdi, Iraqi Chargé d'Affaires
The Secretary
NEA—William M. Rountree
NE—Stuart W. Rockwell
NE—David D. Newsom

Nuri Pasha recalled his meeting with the Secretary in Baghdad in 1953.² He said that, at that time, they had discussed the Arab-Israel problem and had agreed that time and patience were required in approaching the problem. People in the Arab world, Nuri said, had been losing their patience over this matter and it was becoming each year more difficult to find a solution. Now, however, there was some hope since he understood that the NATO powers would actively seek a Middle Eastern settlement in their forthcoming meeting in Paris.

The Secretary expressed some surprise at this, stating that, as far as the United States was concerned, there were no plans to raise this issue at NATO. On the contrary, the Secretary said, he had real doubt as to whether it would be wise to do so. He said he would appreciate Nuri's views on this.

Nuri replied that where one part of the world's defense was weak, the whole was weakened. The Arab world is weakened by the continuation of the Arab-Israel dispute. It would, therefore, be logical for the NATO powers, concerned with defense against the Soviet Union, to consider what might be done to settle this issue.

The Secretary remarked that he did not believe the possibility of a settlement would be improved by a discussion in NATO. The result, he said, might be merely to bring more nations into the matter and to tie the hands of the United States.

Nuri stressed that Iraq was in the front line of defense against Communism and that the NATO powers should assist Iraq by seeking a settlement of the area's principal problem. The Secretary replied that the United States wished to discuss such matters with Iraq and other states directly interested—not with nations in NATO not directly concerned. The United States is prepared to move forward on this matter

¹ Source: Department of State, Central Files, 684A.86/12-557. Secret. Drafted by Newsom.

² For documentation on Dulles' trip to the Middle East, May 9-29, 1953, see *Foreign Relations, 1952-1954*, vol. XII, Part 1, pp. 1 ff.

and on the whole question of the current tensions in the Arab world, but it needs help. The Secretary stressed that Iraqi support for Jordan, for example, was particularly important.

Expressing agreement, Nuri commented that King Faisal and King Saud during their meeting in Riyadh³ were considering whether there could not be improved coordination between Saudi Arabia, Jordan, and Iraq and, in turn, greater coordination between this group and the Baghdad Pact nations. It was important, however, for the United States to strengthen the prestige of these nations with the public. The only way, he said, to do this, is to help in settling the Palestine issue. The leaders of these nations, he said, are weak against the officers in Egypt and Syria. Given a Palestine settlement under the UN resolutions, however, the pro-Western nations would be strong and could shift public opinion to their side. Without a Palestine settlement, it will be very difficult to do so.

Referring to his talk with Ambassador Richards in April,⁴ Nuri said he had stressed that the U.N. Special Committee on Palestine (UNSCOP) in 1946-47 had come up with a majority report by five of its members and a minority report by three.⁵ Neither report was adopted, he said, and the UN resolutions which followed have not been carried out. Ten years have passed since this and nothing has happened. Only the Russians benefit from this situation.

The attempt to maintain an arms balance, Nuri said, has been equally wrong. The West has attempted to balance 200,000,000 Arabs (*sic*)⁶ against 1,500,000 Jews and, meanwhile, Russia sends arms indiscriminately into the area. Is Ben Gurion to prevail at great harm to your friends?

Russia does not want a settlement of the Palestine issue, Nuri added, because, with a settlement, Russia loses one of her principal assets. Nasser doesn't want a settlement because the Russians will not permit it. Nuri said he had written some time ago to President Quwwatli of Syria suggesting a move toward a settlement, but the "Red" officers around Quwwatli would not permit such a step.

The Secretary asked how Nuri would go about negotiating a settlement of the Arab-Israel dispute. Nuri replied that he would ask

³ On December 3, King Faisal of Iraq had arrived in Riyadh for a 6-day visit with King Saud.

⁴ Richards' telegraphic reports of the conversations are not printed. (Telegrams 1660 and 1667, April 8 and 9, both from Baghdad; Department of State, Central Files, 120.1580/4-857 and 120.1580/4-957, respectively)

⁵ *United Nations Special Committee on Palestine—Report to the General Assembly* (U.N. doc. A/364).

⁶ As on the source text.

the UN to implement the resolutions of 1947.⁷ The Secretary commented that the UN could not merely attempt to implement these resolutions; there would have to be negotiations since there were new problems.

The only basis for negotiation, Nuri said, would be the resolutions of 1947. The Secretary pointed out that not all the Arab nations accepted the provisions of these resolutions; Egypt, for example, wanted a corridor across the Negev. Under the resolutions Israel would get control of the Jordan water. There were many things, he repeated, that required negotiation. He suggested that the end result might be something between the present armistice and the 1947 resolutions.

Nuri explained that there were two main aspects to the 1947 resolutions: the boundaries and the refugees. If the frontier is settled along the lines of the resolution, 70 per cent of the Arabs could return to their original homes in the territory allotted to the Arab state. When the Secretary commented that there was now no room for these people, Nuri replied that the armistice line was never intended to be a frontier. He said that President Truman had assured King Abdullah of Jordan on this point at the time of the armistice. Israel, he said, must make the gesture to return to the partition plan; otherwise Russia gains. A million refugees, he said, remain as a "mine" ready to go off and destroy the area.

The Secretary said that he and the President were prepared to go far to find a settlement to this issue, but one had to be realistic. It does not solve problems to create new ones. 500,000 Jewish people could not be driven into the sea. There must be some frontier adjustment and some refugee settlement, but there are now more refugees than left the area in 1947. The Secretary stressed that the clock could not be turned back.⁸

Nuri acknowledged that there were natural increases in the refugee population, but said that the refugees wanted only to return, with their families, to their old homes. The Arab states cannot absorb them, he said, because they will not go and will not accept citizenship of the other Arab countries.

⁷ Reference is to the U.N. General Assembly resolution concerning the future Government of Palestine which provided for a plan of partition with economic union, adopted by the General Assembly on November 29, 1947. For text, see *Official Records of the General Assembly, Second Session, Resolutions, 16 September-29 November 1947*.

⁸ In a November 28 letter to Eisenhower, King Saud commented that he had "no proposal other than return to the UN partition resolution of 1947-48, together with return to refugees of their homes and possessions and compensation for their losses in wealth and properties." In a memorandum to Dulles, Eisenhower interpreted Saud's letter as indicating that the King had one "simple" and "unrealistic solution to the Mid East problem" and that was the destruction of Israel. Ambassador Wadsworth, however, viewed Saud's statement positively. (Despatch 74 from Dhahran, December 15; Department of State, Central Files, 648A.86/12-1557)

Israel, Nuri emphasized, had to make the gesture of agreeing to negotiate on the basis of the resolutions in order to establish an atmosphere of peace. If all the sacrifice is to be on the Arab side, the problem cannot be solved. The Israelis are the newcomers; they should make the gesture toward peace.

Nuri stressed again that only Russia gained from the situation. If Russia should gain Syria and Egypt, he said, it would be a great price to pay for neglect of a small problem such as the refugees. If Israel were on Russia's side and were lost, the results would be much less serious than the loss of these two strategic Arab states. Most Arabs today believe Russia and Nasser are going to save their country from Israel. The only way to reverse this would be by agreeing to negotiate on the basis of the resolutions. Adjustments could come, he said, after this basis for peace was laid.

The Secretary commented that he felt Nuri was oversimplifying the question; he stressed again that people who were now in territory originally allotted to the Arabs could not be thrown out.

Nuri repeated that the resolutions provided the only base on which to establish an atmosphere of peace. The Arabs, he said, could be deprived of their rights by force, but they would never give their friendship under such circumstances.

Mr. Rockwell asked if Nuri envisioned another Arab state in Palestine as the 1947 resolution had proposed. Nuri said he was prepared to take all the provisions of the resolutions, but added that the state might become part of Jordan.

To Mr. Rockwell's suggestion that new resolutions might be needed, Nuri retorted that this was only because of Ben Gurion and the anti-Arab propaganda in the United States. He said that President Truman had assured King Abdullah that the armistice lines were only temporary and that the frontier would be finally established along the lines of the UN resolutions. The armistice, the President had said, was solely for the purpose of maintaining the peace and order.

The Secretary said he appreciated the opportunity to exchange views with Nuri and hoped to see him again before he left Washington.

420. **Memorandum From the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Rountree) to the Secretary of State¹**

Washington, December 6, 1957.

SUBJECT

Israel Application for Export-Import Bank Loan

Discussion:

Ambassador Eban has written you (Tab A)² enclosing a memorandum on factors of population and territory in Israel's economy in which he seeks to prove that Israel immigration does not create a territorial problem. He urges immediate and favorable action on Israel's loan application. A summary of his letter and the memorandum are attached (Tab B).³

We have also, in accordance with your request, reexamined the position taken in our previous recommendation (Tab C)⁴ in the light of the factors you mentioned, particularly proposals for a Middle East Development Agency and the possibility of linking an Export-Import Bank loan to Israel with the Israel attitude toward Arab refugee repatriation. An analysis of these possibilities is attached (Tab D).³ We conclude that it does not seem feasible at this time to seek to finance Israel projects out of a proposed new regional financial institution. We also do not feel that our own thinking has advanced to the point whereby a detailed plan for the use of this loan and other economic incentives as a means of persuading Israel to accept the principle of repatriation can now be put forward.

We continue to believe that the political repercussions ensuing at this time from the loan by the Export-Import Bank to Israel of a sizeable sum militate against granting of the loan. We recall that the grant now of an Export-Import Bank loan in the amount of \$40 million would bring total fiscal year 1958 United States Government aid to

¹ Source: Department of State, Central Files, 884A.10/12-657. Secret. Drafted by Bergus on December 5; concurred in by Villard, Hanes, and Herter; and sent through Dillon.

² Not printed. The tabs are not attached to the source text. Eban's letter of December 3 with attached memorandum entitled "Factors of Population and Territory in Israel's Economy" is *ibid.*, 884A.00/12-357.

³ Not found in Department of State files.

⁴ Reference is to a memorandum, not printed, which Rountree sent to Dulles on November 16. In it, Rountree recommended that Waugh be informed of the Department of State's belief that international political factors militated against the granting of the loan at that time, but that the economic and technical considerations involved be cited to Israel as the reasons why the Bank had been forced to decide against the loan. Dulles had neither approved nor disapproved the proposal. (Department of State, Central Files, 884A.10/11-1657)

Israel up to a level near the \$100 million mark. (Tab E)⁵ Accordingly, we think that we should defer decision on the Israel application.

Recommendations:

1. That you authorize Mr. Dillon to inform Mr. Waugh of the Export-Import Bank orally we are not in a position at this time to advise him that we look with favor, from the political standpoint, upon the granting of a further Export-Import Bank loan to Israel. We do not, however, rule out the possibility that we may wish to reactivate this matter if at some future date favorable action by the Bank could advance our political objectives in the area. We would suggest that Mr. Waugh inform the Israel Ambassador that the Bank would prefer to defer a final decision at this time.⁶

2. This action by Mr. Waugh will undoubtedly cause the Israel Ambassador to approach us, urging that the Department strongly support the immediate granting of a loan. We would recommend our replying that it has been impossible to consider this application apart from complex factors in the Middle East which directly affect United States objectives and Free World interests. These factors include Israel's immigration policies and the problem of the Palestine Arab refugees. Accordingly, we would like to defer a final decision on the Israel application at this time. We would wish to make it clear that we were not closing the door entirely and might well wish to discuss the matter further in the light of the developing situation in the area. Meanwhile, we maintain our readiness to examine other projects which Israel might submit for financing from the Development Loan Fund.⁷

⁵ The list of attachments on the source text does not include Tab E.

⁶ At this point, Dulles initialed his approval on the source text.

⁷ At this point, Dulles initialed his approval on the source text with the comment "subject to Herter approval".

No immediate action was taken on the directives because Dillon left shortly for Paris as part of the U.S. Delegation to the NATO meeting (December 16-19). (Memorandum from Rountree to Herter, December 18; Department of State, NEA/NE Files: Lot 59 D 582, Memos to the Secretary thru S/S 1957) Upon his return, Dillon spoke with Waugh who in turn informed Eban on January 6, 1958, that there was no consensus within the Bank regarding justification for a further loan to Israel. Waugh told Eban that the Bank wanted to defer a decision on the Israeli application at that time. (Memorandum from Rountree to Herter, January 7, 1958; *ibid.*, Central Files, 884.10/12-657)

421. Editorial Note

According to the record of President Eisenhower's daily appointments, former Iraqi Prime Minister Nuri al-Said met with President Eisenhower between 9:48 and 10:04 a.m. on December 10, but no record of the conversation has been found. (Eisenhower Library, Whitman File)

Following the meeting, Eisenhower telephoned Secretary Dulles. According to the memorandum of conversation, prepared in the President's office:

"They discussed the visit of His Excellency Nuri Al-Said to the President's office. He was formerly Prime Minister of Iraq. The President said he liked everything about him. Dulles said that he had two planks in his platform: first, we should divide up Israel; second, we should use our Air Power to knock out Syria. But Dulles said this man had a modern sort of approach, was willing to be definite rather than vague. The President said the former Prime Minister had advocated adherence to Report of Commission of 1949 [*sic*]*—only way we can live with Israel is to have commerce and trade and friendly communion with people of the area. We have got to recognize their right to existence. The President said he did not know how drastic were the changes advocated—Dulles said not very much.*" (*Ibid.*, Eisenhower Diaries)

422. Memorandum of a Conversation, Department of State, Washington, December 10, 1957¹**SUBJECT**

Palestine

PARTICIPANTS

The Secretary
His Excellency Nuri al-Said, former Iraqi Prime Minister
Mr. Saleh Mahdi, Iraqi Charge d'Affaires
William M. Rountree, NEA
David D. Newsom, NE

¹ Source: Department of State, Central Files, 684A.86/12-1057. Secret. Drafted by Newsom on December 11.

The Secretary expressed his pleasure at having had the opportunity to exchange views with Nuri Pasha.² He said that he personally attached the greatest value to having a person of the stature of Nuri studying the problems in the Middle East.

On Palestine, the Secretary said he was willing to go part way. He pointed out that he had previously said that there should be boundary adjustments. He read to Nuri Pasha the following passage from his speech of August 26, 1955:

"If there is to be a guarantee of borders, it would be normal that there should be prior agreement upon what the borders are. That is the third major problem. The existing lines separating Israel and the Arab states were fixed by the Armistice Agreements of 1949. They were not designed to be permanent frontiers in every respect; in part, at least, they reflected the status of the fighting at the moment.

"The task of drawing permanent boundaries is admittedly one of difficulty. There is no single and sure guide, for each of two conflicting claims may seem to have merit. The difficulty is increased by the fact that even territory which is barren has acquired a sentimental significance. Surely the overall advantages of the measures here outlined would outweigh vastly any net disadvantages of the adjustments needed to convert armistice lines of danger into boundary lines of safety."

Nuri replied that what the Secretary had proposed was in his view the second stage. The first stage required the establishment of a basis for negotiations. This, Nuri said, could be done only on the basis of the 1947 Resolutions.

The Secretary commented that the Arab states were entitled to take that position. In his view, however, Israel would never agree to start from that point.

Nuri pointed out that the United States and the United Nations had created Israel and, in the Partition Plan, had given Israel the boundary it had asked for. Now, he said, the Arabs were asking the United States to make the gesture of returning to this position in order to bring the two sides together and to create an atmosphere for peaceful negotiations. If Israel will not accept this adjustment, he said, there will be grave difficulties for the pro-Western Arabs.

The Secretary replied that the United States would make every effort to get Israel to recognize that the Armistice lines were not permanent boundaries. He doubted very much, however, that the United States could exert the pressure that would be required to get Israel to accept the 1947 boundaries.

²Nuri al-Said spoke with Dulles on December 5 (see Document 419) and with Rountree on December 9 (memorandum of conversation by Newsom, December 9; Department of State, Central Files, 396.1-PA/12-957). For an account of Nuri's conversation with President Eisenhower earlier on December 10, see the editorial note, *supra*.

Nuri Pasha then referred to the Lausanne Protocol of 1949³ which had been negotiated under the aegis of the Palestine Conciliation Commission. Nuri pointed out that, although the Israeli representative had signed this Protocol, Ben Gurion had rejected it. "Let's start from that," said Nuri, "and then let the Palestine Conciliation Commission go on and work out the details."

The Secretary, recalling that the United States, France and Turkey were members of the PCC, doubted that the Commission would still have any real influence mainly because of the presence of France. He said he did not think that the United States or anyone else could get Israel to start either on a 1947 basis or a 1949 basis. This, he said, was his personal estimate. He believed, however, that it might be possible to get Israel to negotiate on a basis that the Armistice lines were not the permanent boundaries.

Nuri repeated that he believed the Arabs would only negotiate on the basis of the 1947 Resolutions.

The Secretary said that the United States would do all it could to get Israel to make concessions but that this could not be done by requiring that Israel accept the most extreme position before the bargaining started.

Nuri said he believed the United States could get Israel to cooperate if it really wished to do so. He pointed out to the Secretary that when the United States had cut off aid to Israel at the time of the Banat Yacub incident,⁴ Israel had quickly complied with the United Nations order. To listen only to Ben Gurion, said Nuri, will help only Russia. No Arab state will negotiate with Ben Gurion unless Israel accepts the United Nations Resolutions as a basis. He pointed out that Jordan in particular would be in a most difficult situation trying to negotiate on any other basis.

The Secretary repeated the United States desire to get the Palestine problem settled and to do anything which seemed just and had a reasonable chance of being accepted by both parties. He pointed out that the amount of pressure which the United States could exert on

³ Reference is to the protocol signed at Lausanne on May 12, 1949, by the Governments of Israel, Egypt, Jordan, Lebanon, and Syria. The protocol provided that talks with the Palestine Conciliation Commission commence based upon a map showing the 1947 partition lines. For text of the protocol, see *Foreign Relations*, 1947, vol. vi, p. 998.

⁴ In September 1953, the Chief of Staff of UNTSO (General Vagn Bennike) had directed Israel to cease work on a water diversion project at Jisr Banat Ya'qub in the Israeli-Syrian demilitarized zone. When Israel refused to comply, the matter was brought before the Security Council in October 1953 and the United States subsequently introduced a draft resolution supporting General Bennike's position. For documentation concerning U.S. interest in the question, see *Foreign Relations*, 1952-1954, vol. ix, Part 1, pp. 1320 ff.

Israel was limited by legal and legislative factors. He repeated his belief, however, that the United States could get Israel to make reasonable concessions.

Nuri then suggested that, leaving Israel aside for a moment, the United States might make a statement that it accepted the 1947 Resolutions as a basis for negotiation. Nuri stressed that any statement by the United States which was not clear and unequivocal would help only the Russians.

Mr. Rountree recalled that the Secretary had introduced a resolution in the General Assembly in 1956 for a committee to examine problems for a possible settlement of the Palestine problem.⁵ The Arabs at that time had felt that the time had not yet come for the introduction of such a resolution. Mr. Rountree suggested that the concepts of the PCC and of this resolution might be merged.

The Secretary repeated his view that France would not be a helpful member of such a commission at this time. He promised, however, to give full consideration to the Lausanne Protocol and to see whether this might not provide some basis for study. He said that the Embassy in Baghdad would be in touch with Nuri on this matter further after the Department had had an opportunity to study the matter.⁶ Nuri suggested as he departed that a statement by the United States might pave the way for further action by the PCC.

⁵ See vol. xvi, p. 936, footnote 2.

⁶ Subsequently, officials in the Bureau of Near Eastern, South Asian, and African Affairs reviewed the Lausanne Protocol and determined that it would not serve a useful purpose to attempt to revive the document. (Memorandum from Rountree to Herter, December 26; Department of State, NEA/IAI Files: Lot 70 D 229, Political Affairs & Relations 1952-1963. POL 22 Incidents, Disputes, Arab-Israel Dispute)

423. Memorandum From the Regional Director for Near East and South Asia, International Cooperation Administration (Bell), to the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Rountree)¹

Washington, December 11, 1957.

SUBJECT

Housing in Israel

Our Mission to Israel has recently raised the perennial problem regarding the appropriateness of having Israel use MSP or PL 480 local currencies to finance housing projects. While there can be no quarrel with the Department's policy prohibiting the use of American aid funds in any manner that can be deemed an encouragement to immigration—and in general the construction of houses falls within this category—it is my definite feeling that like [as] in most things, there can and in certain cases should be exceptions to the rule.

For the past year or so, U.S. aid programs to Israel have been geared toward an accelerated industrial development program with a view to the earliest possible achievement of economic independence—assuming this can ever be achieved. In order to assist such an objective, it is clearly essential that not only must new industries be created, but these must be set up where best adapted; in a great many instances this is in virgin areas where no housing facilities exist. Thus investors, who often have sufficient capital for initial plant and equipment outlays, are precluded from their intended operations, not being in a position to provide housing for their workmen, staffs and families.

It can be, of course, argued that the housing problem is one for the GOI to resolve, but it is also a well-known fact that their resources are limited, and that they often elect to use their investment funds for what they consider to be higher priority objectives. The result, of course, is to retard essentially needed industrial development, which as pointed out above defeats—at least momentarily—U.S. objectives.

In light of the above, I believe it is entirely possible to reconcile the Department's policy with economic expediency by lifting the present restrictions on U.S. owned local currencies to finance the construction of housing, when it is definitely established that:

1. Such construction will only be undertaken in clearly defined areas where industrial development is to be undertaken and where housing facilities are non-existent.

¹ Source: Department of State, Central Files, 784A.5-MSP/12-1157. Confidential.

2. Such houses as may be built with U.S. owned funds will be reserved exclusively for the use of labor and administrative staffs of industries falling within the Israeli "priority" industrial development program and which have been recognized by the Embassy and USOM as being essential.

3. Any housing built with U.S. owned local currencies shall be made available exclusively to Israelis having resided at least one year in Israel.

I believe firmly that acceptance of the above suggestions will provide a very definite impetus to the industrial development program presently favored by the Department and ICA, without in any way encouraging increased immigration. I hope you will concur.²

JOB

² In a memorandum to Bell dated January 10, 1958, Rountree responded: "I appreciate the care with which you have formulated the criteria you have suggested and the imaginative approach to the problem exhibited. The position still is, however, that we are not in agreement with Israel's policy of unrestricted immigration and that aid for housing, whether for immediate use by immigrants or not, is considered as relevant to our continuing to make clear to the Israelis our views on this matter. It is because of this over-riding consideration that I do not find it possible to agree at this time to the release of local currencies for industrial housing as you suggest." (*Ibid.*, 784A.5-MSP/12-1157)

424. Memorandum on the Substance of Discussion at a Department of State-Joint Chiefs of Staff Meeting, Washington, December 13, 1957, 11:30 a.m.¹

[Here follows a list of 26 persons present, including Admiral Burke, General White, Lieutenant General Verne J. McCaul (USMC), Vice Admiral Bernard L. Austin (USN), Lieutenant General Clyde D. Eddleman (USA) for the Joint Chiefs of Staff; and Murphy, Rountree, and Robertson, among others, for the Department of State. Representatives from JSSC, ISA, CIA, and NSC were also present.]

1. The Middle East Problem

Mr. Murphy made reference to a memorandum from Mr. Quarles to the Secretary submitting the views of the Joint Chiefs of Staff on the Middle East question.² Mr. Murphy said that he realized that the Chiefs were aware this was not entirely a new problem in the State

¹ Source: Department of State, State-JCS Meetings; Lot 61 D 417. Top Secret. A note on the title page reads: "State Draft. Not cleared with Department of Defense."

² Document 417.

Department, that he was intrigued by paragraph 2 of the Chiefs' memorandum (which set forth three basic aspects of the problem which must be resolved), and noted also the statement in paragraph 4 which referred to the fact that the Middle East "problem is so great as to transcend the interests of any minority group". Mr. Murphy said that the Department was interested to learn of the reasons why the Chiefs had chosen to raise this question at this time and indicated that some background of their thinking would be helpful to the Department.

Admiral Burke explained that the Military Services were frequently being called upon to take some steps in connection with the Middle East and that their hope had been that something might be done to move the problem forward. In response to a series of questions from Mr. Murphy, Admiral Burke explained that the Chiefs had the impression that Saudi Arabia was beginning to weaken, that it might be possible for the United States and its associates to fix boundaries for Israel which, having been agreed upon, the United States and its Allies would be prepared to maintain. This would represent a multilateral effort, outside the UN at first, perhaps being submitted to the United Nations after initial agreement among the parties. In the view of the Joint Chiefs there was evidence that the Arabs, if they were assured that they would be protected against further Israeli expansion, would accept the present armistice lines as final boundaries. Admiral Burke acknowledged that this would be an imposed solution and that there is a direct relationship between the Israeli policy of unlimited immigration and the Arab fear of further Israeli expansion. Mr. Murphy inquired whether by an "imposed solution" Admiral Burke envisaged one imposed by military measures. Admiral Burke replied in the affirmative. He conceded that any effort forcibly to impose limitations on Israeli immigration would involve an unjustifiable degree of intervention in internal Israeli affairs. In the view of the Joint Chiefs a solution along these lines would involve assurances both to the Arabs and to Israel regarding the maintenance of present boundaries.

In response to Mr. Murphy's question as to what nations might be expected to provide a guarantee of the boundaries along the lines suggested, Admiral Burke replied that he expected principally various NATO nations to provide such guarantee. He suggested that Britain would be willing to participate in providing such a guarantee but recognized that France might well not. Speaking of the refugee problem, he agreed that many of the refugees don't want to return. He suggested that basically the solution lay in the willingness of Israel to permit some to return and in buying off the remainder through compensation and economic development programs. In his view the United States should act largely in the role of mediator in the negotiation and enforcement of a multilateral arrangement.

Mr. Murphy repeated that these questions are not new ones and that they represent problems with which we have been laboring over a period of years, although with less success than we would have wished. Admiral Burke expressed fear that unless we evolve a plan for solution, the USSR might well preempt us in this field. He invited Mr. Rountree to comment.

Mr. Rountree referred to the memorandum of the Joint Chiefs and expressed his agreement that the three points mentioned in the memorandum were among the principal points which must be resolved in any solution, although there were also others in addition. He pointed out that the United States has tried a variety of approaches including an open economic approach, diplomatic approach, and an approach through the United Nations. The United States is presently reviewing the feasibility of taking new initiatives. However, broadly speaking, this problem has defied solution because the Arab states do not wish a solution, Israel does not wish a solution, and the Soviets do not wish a solution.

Mr. Rountree explained that there is, however, some slight glimmer of hope inasmuch as there is evidence that certain of the Arab states are beginning to recognize that failure to achieve a solution is working against their interest in that under the circumstances it is increasingly difficult to maintain a pro-Western conservative regime. He alluded to efforts which the Secretary made last fall to raise this issue again in the United Nations in the aftermath of the Suez affair. Consultations disclosed nevertheless that the climate in the Arab world was not conducive to a settlement at that time and the effort was abandoned when it became apparent that it would be impossible to get a majority vote in the General Assembly without Arab support.

Mr. Rountree mentioned that we are again reviewing the possibility of taking some measures with regard to the refugees. The principal obstacle in this regard derives from the fact that the Arab Governments realize that the refugee problem is their principal political weapon against Israel, and for this reason are unwilling to make concessions in this field. Israel, on the other hand, would demand a quid pro quo in return for concessions made to the Arabs with regard to the refugees. We have decided it is time to probe the situation further through the good offices of the Secretary General of the United Nations and Mr. Engen. In light of the basic division among the Arab states themselves there is little reason for hope of success at this time short of a solution by military force regarding which he would have the strongest reservations. He considered it extremely doubtful that Egypt and Syria would accept a solution which in effect conceded the fact that Israel is here to stay.

In reply to a question from Admiral Burke as to whether Jordan and Saudi Arabia would accept a solution which recognized the permanency of Israel, Mr. Rountree said that he felt Nuri Pasha (the Iraqi leader) might well be willing to reach a settlement along such lines although the position of Saud was more doubtful. In his view, Israel would probably accept the present boundary lines, although politically it was impossible for any Arab state at this time to accept these boundaries. He emphasized that he considered enforcing a solution by military force totally inadvisable.

Admiral Burke commented that in his view it would be a question of imposing the status quo rather than imposing a military solution. Mr. Rountree pointed out that this in effect represented the imposition of a solution against the Arab states who politically could not accept it, and that under these circumstances it would be impossible to obtain a 2/3 vote in the General Assembly. Admiral Burke noted that failure to have Israel's boundaries fixed and guaranteed constituted a long-term disadvantage for the Arabs themselves. Mr. Rountree agreed with this analysis, but emphasized that the Arabs themselves would not accept this analysis, that many Arabs consider Israel a short-term problem which they will liquidate over a period of time with the military and political support of the Soviet Union.

Admiral Burke expressed the hope that it would be possible to devise a settlement in which Arab acceptance of the present boundaries would be exchanged for a guarantee of no Israeli expansion. Mr. Rountree stated that in his considered judgment there was no prospect of such an agreement at this time. He explained that the Department is willing to consider even the remotest prospects for settlement and that we are continuing to examine all aspects of the problem. He repeated that we have asked Mr. Engen to investigate particularly prospects for some progress regarding the refugee problem, and explained again that Israel must have a quid pro quo for any concessions which she makes regarding refugees. The crux of the refugee problem, viewed in this light, is what can be given to the Israelis in exchange for concessions on this point.

Admiral Burke warned that the problem will increase in degree because of the Soviet intervention and that Israel is the one thing that holds the Arabs together.

Mr. Rountree pointed out that it was unrealistic to think in terms of imposing a solution at this time, that any solution must be such that the Arab Governments could support it. Otherwise, even the regimes friendly to us would be overthrown. He referred particularly to Saudi Arabia and the fact that our relations with Saudi Arabia are considerably strained by controversy over the U.S. position on the Gulf of

Aqaba. There is no reason to think that Saudi Arabia would give support to such a plan unless the other Arab governments are also prepared to support it.

In response to further questions from Mr. Murphy regarding the degree to which Admiral Burke considered a solution could be imposed, the Admiral conceded that of course some Arab support would be required and that it would be important to have Saudi Arabia and Jordan among the Arab states in support of such a solution. Mr. Rountree observed that any attempt to impose a military solution on the Arab world would cause the collapse of . . . regimes . . . and that the Arab states were not only united on the issue of Israel but also on anti-colonialism.

Admiral Burke remonstrated that if we had to wait for a solution until Israel and Egypt were prepared to accept a formula, the U.S. will find itself in a steadily deteriorating position which will work only to the advantage of the Soviet Union. It is necessary to take the initiative in finding the solution or having the initiative seized by the USSR.

Mr. Rountree agreed that a solution must be found and emphasized that he was not suggesting for a moment that the State Department was not aware of implications of failure to find a solution. Nevertheless the situation is extremely delicate. He said he found the situation serious indeed and that he was willing to be alarmed if alarm would help to make the right decision. He was not alarmed to the point of adopting a solution imposed by military force.

Mr. Murphy inquired whether the Joint Chiefs desired additional discussion of this matter in the Security Council. Admiral Burke said this might be helpful. Mr. Murphy agreed that any discussion of this matter was helpful to the extent that it provided a broader understanding of the issues involved. No specific decision was taken as to further action regarding the Security Council.

[Here follows discussion of the possible creation of a Middle East Military Representative (scheduled for publication in volume XII), Indonesia, and Berlin.]

425. Memorandum From the Under Secretary of State (Herter) to the Secretary of State of a Meeting Held in New York, December 16, 1957¹

SUBJECT

Conversation with Dag Hammarskjöld on Monday evening, December 16, 1957

I met with Cabot Lodge and Dag Hammarskjöld for dinner at the former's residence primarily to get Mr. Hammarskjöld's reactions to his recent quick visit to Jordan and Israel,² and likewise to ascertain if possible just what matters he planned to take up in Cairo on his forthcoming trip.³

During dinner Mr. Hammarskjöld gave a very detailed account of his discussions with Rifai and King Hussein in Jordan and Ben Gurion and Mrs. Meir in Israel. He said that when he had first gone over on a hurried trip to try to adjust the Mt. Scopus difficulty he had had very little hope of success, but a determination that this somewhat minor issue had to be settled unless serious troubles were to break out in the Middle East. After hearing the Jordanian case, he had gone to Ben Gurion and Mrs. Meir and found them completely unaware of the explosive danger involved in the issue. However, he was able to persuade Ben Gurion that a compromise had to be reached and was successful in doing so only after pointing out in no uncertain terms that, without a compromise, action by Jordan was inevitable. The question of a convoy going to Mt. Scopus was finally adjusted by allowing it to include enough gasoline for one generator, and this specific amount would be permitted to be included in future convoys. The amount was just about half of what Israel had been insisting upon Hammarskjöld expressed a hope that the sending of Mr. Urrutia to the area to endeavor to set up an agreed arrangement for the corridor and passage through the corridor might lead to resolution of this long unresolved problem in the near future.

Two comments made by Mr. Hammarskjöld during his description of his negotiations are of particular interest: (1) that Rifai had indicated to him that Nasser should now be strengthened in his obvi-

¹ Source: Department of State, Central Files, 684A.86/12-2257. Secret. Drafted in Washington on December 22. Herter's handwritten notes of his conversation with Hammarskjöld are attached to a copy of the memorandum in the Eisenhower Library, Herter Papers, Chron. File.

² During the first week of December, Secretary-General Hammarskjöld visited the Middle East in conjunction with the Israeli-Jordanian dispute over Mt. Scopus. While in the area, he visited Israel, Jordan, Lebanon, and Syria.

³ Hammarskjöld left New York on December 19 and, after a stop in his native Stockholm, visited with U.N. troops in the Gaza Strip December 23-25, and then stopped in Cairo and Paris before returning to New York on December 29.

ous desire to effect some reconciliation with the West; and (2) that Ben Gurion was an individual who could be talked to with respect to the whole Middle East picture since he knew what the score was

After dinner I asked Mr. Hammarskjold whether or not he planned to discuss Israeli-Arab relationships with Nasser on his forthcoming visit to Cairo. His answer was a categorical "no". He stated that his visit was prompted largely by Fawzi and that he hoped to discuss Suez Canal settlements as well as the possibility of setting up some type of Arab Bank or Arab Middle East Development Corporation. While Hammarskjold appeared somewhat vague with regard to the latter possibility, it was nevertheless obvious that he was pinning great hopes on the organization of some kind of development fund under Arab or Arab League auspices. While his views were vague, I nevertheless gathered that what he had in mind was that the Arab Nations, particularly those with oil or mineral resources, would agree to pledge a portion of the proceeds of these resources to such a development fund which, in turn, might be able to capitalize this pledge in terms of some large loan from the World Bank or some international consortium. He likewise felt that the newly enlarged technical development fund of the U.N. could be drawn on for the necessary technical help in working out such a project.

With respect to the refugee problem, Hammarskjold stated that he was in complete agreement with Labouisse as well as Engen of Norway that the problem could not be resolved by referring to it as a refugee problem since the mere use of that phrase brought up insuperable political difficulties. He felt that only through a large economic development fund could the gradual absorption of these refugees be effected without bringing in the political implications that a settlement of the refugee problem was the principal reason for the establishment of such a fund.

I asked him specifically if he felt an Israeli offer of a return of some of the refugees to Israel as well as the payment for resettlement purposes would be helpful at this time. He stated that he did not think it would be helpful since he was certain that no Arab response was possible as of now to such an offer. However, he thought that it should continue to be explored so that when the proper time came Israel would be willing to do something effective. As he put it, this was a problem where both sides would have to take the first step at the same time, but that the moment had not yet arrived for this first step.

I got the strong impression from Hammarskjold that the U.N. machinery was the best adapted to work out an eventual settlement but that efforts for the present should be concentrated on two things: (1) sufficient funds to carry through UNRWA until 1960, not alone to keep the refugees alive but also to allow Labouisse to continue his steady and slow progress in resettling or placing in gainful occupations

some of the refugees, particularly in Jordan; and (2) the development fund mentioned above. With respect to that fund, Hammarskjold felt that Gene Black's and Jack McCloy's advice would be very helpful.

It was my impression from this conversation that Hammarskjold is strongly influenced by Fawzi and that the coming discussions with Nasser would indicate whether the latter is thinking in the same terms as Fawzi or not.

Hammarskjold said that he was most anxious to talk to you on his return and hoped that it could be arranged very quietly during the time that you are in New York around New Years.⁴

Christian A. Herter⁵

⁴ The source text also contains a postscript concerning Hammarskjöld's actions in regard to Hungary, not printed.

⁵ Printed from a copy that bears this typed signature.

426. Letter From the Ambassador in Lebanon (Heath) to the Secretary of State¹

Beirut, December 17, 1957.

DEAR MR. SECRETARY: I devoted a good portion of my eight days recent consultation in Washington to discussing the Palestinian refugee question, which I regard as the key to the Arab-Israeli problem.

I was heartened to find in the Department nearly complete agreement with my view that we should promptly take this problem up in friendly but firm fashion with the Israeli Government. As you and I rode over to the White House to see the President on December 5th,² you observed that you thought the Israelis might be told we would have to hold up consideration of their requests for loans and grants until we are certain these would contribute to solving the refugee problem.

I hope very earnestly that that will be our attitude and that no further time will be lost in presenting strongly to Ben Gurion the moral duty of and the great advantage to Israel of initiating prompt, sincere and just action toward the refugees. It is impossible at the present time to get the Arab Governments to negotiate a general settlement with

¹ Source: Department of State, Central Files, 320.51/7-257. Confidential; Official-Informal. The letter is item No. 30 of "Palestine Refugee Problem, Villard Study, 1957-58". A marginal notation by Bernau reads: "Sec saw".

² No other record of the conversation has been found.

Israel, but if Israel begins offering the refugees the choice between repatriation (it could only be gradual) or just indemnification, the poison and hatred will begin to disappear and the Arab Governments will lose any real justification for their intransigent stand toward peace with Israel.

With admiration of your great efforts, and with every good wish for Mrs. Dulles and yourself during the New Year, I am

Faithfully yours,

Donald R. Heath

427. Memorandum of a Conversation, Ambassador Engen's Office, New York, December 17, 1957¹

SUBJECT

Palestine Refugee Problem

PARTICIPANTS

Ambassador Hans Engen, Norwegian Permanent Representative to the United Nations

Mr. Per Thee Naevdal, First Secretary, Norwegian Delegation to U.N.

Mr. Henry S. Villard, Special Assistant to the Under Secretary

Mr. Charles D. Cook, USUN

Mr. David L. Gamon, UNP

Mr. Villard called on Ambassador Engen at the latter's office pursuant to the suggestion made in the Secretary's letter to Ambassador Engen dated December 9, 1957.² Mr. Villard asked if Ambassador Engen had had an opportunity to give more thought to the refugee problem. Ambassador Engen replied that he had had recent conversations with the Secretary General and with Foreign Minister Fawzi of Egypt which had given him an opportunity to think over the matter. Fawzi, with whom he had had a general conversation on Middle East matters, felt that there was a need to approach two important problems before a Palestine settlement could be considered. The first pertained to Algeria. He thought it was necessary for the French to get at the underlying political elements in the problem and to arrive at a Tunisian or Moroccan type of solution. The second matter to which

¹ Source: Department of State, Central Files, 884.411/12-757. Secret. Drafted by Gamon.

² In the letter, Dulles expressed his strong desire that Engen carry out discreet explorations with Near East governments concerning aspects of the Palestine question and advised that Villard would stay in touch with him. (*Ibid.*, 320.511/12-957)

attention should be given was in the economic field. Fawzi believed that the Arab League might take the initiative to request the United Nations to undertake an economic survey of the area. This presumably would stem from the conversations Mr. Black has had in Cairo. The International Bank, according to Fawzi, would help an Arab investment bank by furnishing the latter with technical assistance and advice on likely sources of financing. The International Bank would not itself furnish any funds and it could not do so until Egypt would have settled the matter of compensation to shareholders of the old Canal Company. With regard to the Pella plan³ there were many objections but Fawzi, nevertheless, had been planning to discuss this in Rome.

Engen believed that Fawzi's interest in the economic development of the Middle East was most significant. It had followed a similar interest expressed previously to the Secretary General by the Iraqis. The important thing, according to Engen, was to get the Arabs united on an issue in which they would not be watching each other with suspicion. The lack of a unified Arab attitude, Engen felt, has been the main reason why no progress has been possible on the Palestine issue. The interest in the economic approach, on the other hand, promised just such a unified attitude. Moreover, the Arabs are agreed that the only outside agency in which they have general confidence is the United Nations. The main problem is how to reconcile the political divergencies with a general desire on the part of the Arabs to get going in the economic field. Egypt could play a useful leading role in this. Engen thought that his conversation with the Secretary and his recent talks in New York had confirmed the view that it would be better to allow full play to Arab interest in economic development plans and to allow these to be worked out undisturbed by political considerations and without respect to any particular issue in the Middle East. Ambassador Engen was therefore inclined to suggest that no definite steps be taken in Middle East political matters until after the Secretary General had concluded his visit to Cairo and until after the Arabs will have had an opportunity to take an initiative in approaching the United Nations for assistance in economic development. He estimated that this might take some two or three months. Meanwhile, he said, we should maintain a discreet and effective contact with the Arabs in order to keep a finger on the Arab pulse.

³ Reference is to a plan advanced by Italian Foreign Minister Giuseppe Pella to assist the economic development of the Middle East. Documentation on U.S. reaction to the plan is scheduled for publication in volume XII.

Ambassador Engen admitted that what he had in mind was nothing like a short term settlement of the refugee problem. However, he warned against doing anything that could be interpreted by the Arabs as an attempt to resolve the Palestine question or the refugee problem at the present time.

Mr. Villard stressed the difficulties confronting the United States Government in its efforts to get Congressional support for UNRWA when there appeared to be no solution to the refugee problem in sight. He had hoped that Ambassador Engen would have felt it possible to take an initiative on the matter of the Palestine refugees. Ambassador Engen said he did not feel that an attempt at such an initiative would stand a chance, although he recognized the problem of obtaining Congressional support for UNRWA. His own Government had a similar problem.

Mr. Villard asked for the Ambassador's reactions to a hypothetical situation in which Israel were to announce its acceptance of the principle of repatriation. The Ambassador replied that, if Israel were seriously to announce its acceptance of the principle of repatriation in such a way that its sincerity could not be doubted, and if it were made evident that Israel would have the necessary funds to carry out the compensation plan, a major step in eliminating the refugee problem would have been taken. The main problem was that of funds. Mr. Villard pointed out that the Secretary's offer of 1955 in regard to an international loan to Israel for this purpose still stood and that it was reasonable to expect that Congress would give the plan its support. However, no one had yet put the matter up to the Israelis in strong terms. Ambassador Engen commented that the United States was in the best position to do that. It alone had the funds that could serve as an inducement to Israel and that would make it possible to pay compensation. He, on the other hand, did not have access to such resources. In considering any approach to Israel, Ambassador Engen stressed that timing was important in this, too. It should not be done at a time when it could be associated with the Secretary General's trip to the Middle East.

Mr. Villard mentioned that he had been considering a purely personal idea that had no official status in the Department, whereby Gaza would be put under United Nations administration or supervision for a period of, say, ten years. During that interim everything possible would be done to develop local resettlement opportunities there and to bring refugees slowly out of Gaza to other places as, for example, Iraq. Ambassador Engen responded that events in Gaza last winter were still too fresh in everyone's mind to propose such a step for the Gaza Strip at this time. However, he would not wish to exclude the possibility of such a development sometime in the future. In this connection, he recalled that Foreign Minister Fawzi had spoken to him

of the possible transfer of Gaza refugees to areas in Egypt opposite Ismailia. This seemed to be a reference to the old scheme to resettle Gaza refugees in areas to be irrigated with Nile waters.

In conclusion, Ambassador Engen felt that the time was not proper to attempt a political settlement or to focus on the Palestine issue. He agreed with Fawzi's thinking that the refugee problem could not be solved by means of a political settlement and that the only way to approach the refugee problem was an effort to eliminate it. Meanwhile, full scope should be given to the Arabs to work out their economic development plans without the distraction of political issues. While he was extremely cautious about the diplomatic approach, he did not wish to leave the impression that he thought it should not be tried, given the proper circumstances. He felt that events in the Middle East might soon develop in such a way as to make a diplomatic approach possible.

Mr. Villard suggested that Ambassador Engen sound out the Secretary General upon his return from the Middle East, at which time he would be glad to come back to see Ambassador Engen again. Ambassador Engen agreed to do this and to suggest a time for another meeting, presumably early in January.⁴

⁴ On December 23, Villard met with representatives of the Bureau of International Organization Affairs and the Bureau of Near Eastern, South African, and Asian Affairs to discuss the next step in the Palestine refugee problem. A memorandum by Villard in preparation for the meeting is item No. 33 of the Villard Study. (*Ibid.*, 320.51/7-257) The following day, Villard forwarded to Herter a memorandum requesting a meeting with him in order to discuss Villard's recommendations of December 3 (see Document 416) and the possibility of approaching Eban on the repatriation question. (Item No. 34 of the Villard Study)



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