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DIPLOMATIC DISTRIBUTION.

FROM FOREIGN OFFICE TO WASHINGTON.

No. 10701

12th November 1949 B. 7.10 p.m. 12th November 1949.

Repeated to: U.K. Del. New York No. 4227
 E.M.E.O. (Cairo) No. 1755
 Cairo No. 1948 Tel Aviv No. 654
 Beirut No. 784 Damascus No. 810
 Amman No. 847 Bagdad No. 1192
 Algiers No. 766 Jeddah No. 781
 Tehran No. 824
 And Saving to: Paris No. 2702

PRIORITY

SECRET

Addressed to Washington telegram No. 10701 of 12th November 1949 for information of U.K. Del. New York, E.M.E.O. (Cairo), Tel Aviv, Beirut, Damascus, Amman, Bagdad, Algiers, Jeddah, Tehran and Saving to Paris.

My immediately preceding telegram (not repeated to all posts).

I told Mr. Acheson that I was nervous about the general situation in the Middle East. I had had a discussion on the subject with M. Acheson and the French were still wedded to the policy of the maintenance of the status quo. I had told M. Acheson that I thought it was going to be difficult for us to continue to follow a policy aimed at preventing the Arab States from getting together and I had warned him that I thought there was a danger that if we tried to block any new developments, the Russians would take the lead in a movement aimed at promoting Arab unity which would have a special appeal to the younger Arabs. I recognized that the danger was not an immediate one, but the situation was not very secure. King Farouk was certainly nervous about his own situation and he might well lose his throne. In the meanwhile there were numbers of Soviet agents in Egypt and they had plenty of opportunities for spreading Communist activities among the poorer classes. Important economic developments were of course being planned, but it took a long time for the benefits of these schemes to materialize and to affect the lives of the people. I had no concrete proposals to make, and I certainly did not

wish to try

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SECRET

F.O. telegram No. 10701 to Washington

2.

wish to try to impose any new solution of the Middle Eastern States, but I thought it was important that the United States Government should examine this problem very carefully and perhaps help us to move the French from their present very rigid position. I was glad that Mr. Wright was going to have an opportunity to discuss this whole problem with the State Department.

3. Mr. Acheson said that the State Department were devoting a lot of thought to this area and were trying to evaluate constructive proposals for meeting the situation. As I had said there were a number of development plans on foot, but it would be some time before any of them yielded concrete results. He undertook to keep in close touch with me on this whole problem.

V V V

Eastern

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Parliamentary Question

~~Mr. Platts-Mills asked the Secretary of State for Foreign Affairs...~~

Fusbury
 NON-ORAL

ANSWERED 14 NOV 1949
 REPLY ATTACHED.

The News Department informed the press informally on November 8th that Mr. Wright and Mr. Trevor Evans (Head of the Middle East Secretariat), would be paying a routine visit to Washington for an informal exchange of views with their United States opposite numbers. It has been suggested in the "Times" that the discussions will include the Arab refugee problem, the position of the oil refineries at Haifa and the coming elections in Syria. A statement that the discussions would also include the question of the Persian elections has since been withdrawn.

A draft reply is submitted.

E. Watkins

11th November, 1949.

~~Eastern Department~~
~~African Department~~

J.A.B. [Signature]

Sir R. Makin

11-11

It is possible that Mr. Platts-Mills, who asked on November 7th whether H.M.G. proposed to evacuate the Canal Zone, may ask whether Middle East defence is to be included in the scope of Mr. Wright's talks. The answer is "No". Neither the State Department (see Washington telegram No. 5011) nor the British Chiefs of Staff wish the subject to be discussed.

A. Sturges

11th November 1949

[Signature]
 6/6

(174/5)
 NOV 10 1949
 [Circular stamp with numbers]

**MIDDLE EAST
(ANGLO-AMERICAN
DISCUSSIONS)**
Mr. Platts-Mills asked the Secretary of State for Foreign Affairs what is the nature of the discussions on Middle East affairs which are being held in Washington between representatives of the Foreign Office and the State Department.
Mr. Mayhew: Representatives of the Foreign Office are visiting Washington for an informal exchange of views with the State Department on various matters of common interest in the Middle East.

14 NOV 1949

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PARLIAMENTARY QUESTION.

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14 NOV 1949

AC
Brief for
Mr. Wright's
visit to
Washington.

R/11/19

E 13898/1026

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General Brief - Objectives of the discussion etc.

There has been unceasing activity in almost all Middle East questions since November 1947. It is natural therefore that the views exchanged at that time should now be reviewed two years later in order to see to what extent they remain valid and to what extent they have to be brought up to date. Most of the Middle East activity since the earlier talks has been connected directly or indirectly with Palestine. Palestine was hardly brought in to the 1947 talks by mutual agreement, but it was thanks to the general understanding created by the 1947 talks that the sometimes acute differences between British and American policy over Palestine could be overcome without lasting danger to Anglo-American relations. The 1947 talks provided a framework within which the Palestine difficulties could be seen in perspective. At the same time it must be recognized that

the Palestine question has prevented or at least seriously delayed the realization of many of the objectives in Middle East policy discussed in 1947. Now that the acute phase of the Palestine question is, we hope, over and that in any case there are practically no remaining differences over it between British and American policy, it is time to see what is needed to resume the programme mapped out in 1947, how that programme needs to be modified and how the further development of Palestine questions can best be fitted into it. These are the three main objectives of the present discussions.

The/

The basic consideration remains the vital importance of the Middle East to both the

Government and the U.S. Government in both peace and war. The military implications of this principle as regards planning for war are being discussed separately.

It must be borne in mind that a military withdrawal from the Middle East in peace or an obvious decision not to defend it in war, would result in the loss of the whole area to British and American influence even in the present period of peace or cold war.

The other danger to our position in peace is, as was recognized in 1947, that of internal disintegration leading to effective communist penetration. This danger has received a startling illustration in recent events in China and is made still more pointed by a recent Pravda article on the weakness of Middle East internal regimes. The presence of hundreds of thousands of Arab refugees is another powerful factor making for increased danger from this source.

It must be admitted that not much progress has been made since 1947 in working towards an improvement of social and economic conditions in the Middle East, which is the best answer to the danger of internal disintegration. Our present assessment of aims and methods for this work are given in the paper on economic development and in the briefs on long-term development machinery and the Palestine refugees. Full advantage should be taken of the entire urgency, publicity and emotional appeal brought to this subject by the plight of the refugees. But we must carefully avoid allowing the work which we

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of the
not available

have/

have started being taken over by the United Nations or any other international agency which would allow the entry of undesirable influences. Economic Development has got stuck both because of Palestine and because in general it has proved difficult to induce the Arab Governments in the practical steps which they have to take in order to bring it about. Most thinking Arabs are conscious of the very unsatisfactory stages of affairs in their countries - social inequality, administrative chaos and the missing of economic opportunities - but they are constitutionally unable to see what we regard as the obvious remedies in social reform and planned economic development with outside assistance. Their minds run so much on politics and each government is so obsessed with the desire to maintain its own internal position that they can only visualize economic and social reform as part of a political or sometimes religious movement. Economic and social conditions have not a quarter of the creative force of the silent political or religious slogans. We have not yet found the way in which this force can be harnessed for productive purposes. We shall not get thorough-going Arab co-operation unless our approach to them shows a clear realization of the above facts. Co-operation with us on economic and social questions will depend on how forthcoming we are to the Arabs on political questions. If we adopt a purely negative attitude about Arab claims in Palestine or about schemes for Iraq-Syria union, we shall forfeit the confidence of Arab governments and peoples in matters in which we and the Americas are more interested.

The Middle East countries need and demand technical and financial help from outside. On the other hand in the west considerable though by no means infinite resources of technical skill, material products and financial resources. There is general agreement between us and America that the latter should be supplied to the former. What remains to be done is to find the best method of application.

We believe our position in the Middle East is valuable both to ourselves and to America. It is sometimes suggested that we must surrender this position to America because the American financial contribution will be so much greater than ours. It is true that in matters in which contributions are assessed in accordance with the national wealth, e.g. UNRRA and the International Bank, the contribution of America will be considerably larger than ours. Apart from the \$500 million dollar Import-Export Bank loan to Israel, our direct assistance has well stand comparison with that of the United States (e.g. \$1 billion investment in the Middle East scheme, \$5 million credit to Iraq, \$1 million advance to Jordan as compared with \$1 million Import-Export Bank loan to Israel). Moreover the rebate of sterling balances though much criticised for its effect on United Kingdom economy has provided most valuable financial assistance to Egypt, Iraq, Jordan and Israel. Apart from direct government help, the Turkish development is going to depend almost entirely on payments received from British and Iraq development on payments from the 46% British Iraq Petroleum Company and the technical assistance provided from the

H.M.L.O.

U.S. ... more extensive than anything provided by the United States at present. Even so, to obtain the balance of contributions ... more actively in ... American ... it is ... likely that the Americans will ... take over the position ... enjoyed ... that it would be ... if ... be ... with ... agreement ... should be exchanged ...

(a) ... the Americans ... will accept ... general view ... the targeted ... particularly ... development, that they will make the greatest possible contribution ... which ... the position of the local governments ... provide ... will ... have already done ... back in ... that they will recognize that even in our present financial position we can and must continue to play a vital part both in continuing to make available such technical and other assistance as may be possible and in using our traditional ties with the Middle East to interpret to those countries the western way of life.

(b) Political Any remaining differences over Syrian-Iraqi plans should be ironed out. It should be reaffirmed that both sides should work against the conception of an Egypt-Saudi bloc supported by the United States and an Iraqi-Jordan bloc supported by the U.K. A programme/

programme should be agreed for the future. A.B. handling of Palestine questions. American neutrality should be reaffirmed in our frontier discussions with Saudi Arabia. American intentions with regard to maintenance of their strategic position in Saudi Arabia should be ascertained. Persian Gulf relations should be reviewed and if possible agreement reached. Views about short and long term policies towards Israel should be exchanged. Our intentions as regards discussions with Egypt should be ascertained. Discussion on the Italian Colonies will depend on the state of affairs at New York. They will make the development of possible concrete proposals.

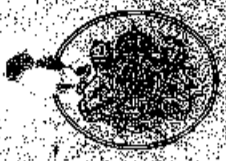
Method of working arrangements

Subject to discussion with the Americans, the best method may be that each side should prepare a minute of the results of the discussions as far as possible in independent terms and that these minutes should be submitted for approval to higher authority on each side. Then this approval has been given each side should inform the other.

Financial position we can and must continue to play a vital part in continuing to make available such technical and other assistance as may be possible and in using our traditional ties with the Middle East to interpret to these countries the western way of life.

(d) Political Any remaining differences over Syrian-Israeli plans should be ironed out. It should be kept in mind that both sides should work against the conception of a Saudi bloc supported by the United States and an Iraqi-Jordan bloc supported by the U.K.

programme



CONFIDENTIAL

BRITISH LEGATION,
AMMAN, JORDAN
11th November, 1949.

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Dear Department,

We refer to your telegram No. 1702 addressed to British Middle East Office on 5th November, 1949, about the publicity treatment to be accorded to Mr. H. Wright's visit to Washington.

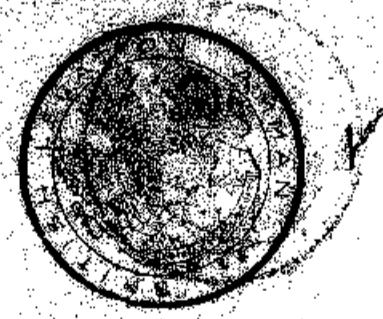
The first A.N.A. message on the subject published here contained some surprising statements such as:

- (a) Messrs Wright and Evans did not agree with or represent the new Middle East policy introduced by Sir William Strang, and
- (b) that one of the subjects discussed would be Greater Syria.

Another A.N.A. message, the following day played the visit down on the lines of your message under reference.

Yours ever,

AMMAN CHANCERY.



Eastern Department,
Foreign Office,
LONDON, S.W. 1.

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POLITICAL (SECRET) DISTRIBUTION

FROM WASHINGTON TO FOREIGN OFFICE

Sir G. Franks
No. 5421

D. 3.51 p.m. November 18th, 1949.

November 18th, 1949.

R. 11.15 p.m. November 18th, 1949.

Reported to New York (United Kingdom Delegation) Savoy.

TOP SECRET

Addressed to Foreign Office telegram No. 5421 of November 18th reported for information Savoy to New York (United Kingdom Delegation).

Following from Wright.

Following is general course of talks with State Department on Middle East and African questions so far.

2. General attitude of all concerned on the American side has been extremely friendly and helpful. Such difficulties as we have had recently with the Americans over the Italian Colonies or other matters we are discussing appear to have been due to confusion and lack of coordination on the American side, particularly between Washington and New York and also, of course, to the fact that the State Department are always hampered because congressional approval of policy is so largely dependent upon everything being done under the umbrella of the United Nations. There is no trace whatever of any desire to use us for purpose of implementing American policy, but rather an impression of lack of policy and of crossed wires.

3. Basic approach of the administration is an appreciation, openly expressed, of the extent to which world stability and the efforts of the free world to resist Communism depend upon a strong Britain and a desire to help us to retain and increase our strength.

4. On the Middle East the following particular points have emerged:-

(a) The State Department have reaffirmed their general identity of approach to the problems of the area

(b) They agree in principle with the economic approach suggested in our paper E.P.G. (19) 99.

(c) They agree in principle with the parallel

/importance of internal

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UE Dept 12/11

From Washington telegram No. 5121 to Foreign OfficeTop Secret

importance of internal reform.

(d) They wish to assist us in maintaining our present bilateral treaties in the Middle East. If we wish to conclude further bilateral agreements they would welcome this as a stabilizing factor. They are unwilling to enter into a Middle East pact, but reaffirm their attitude towards Greece, Turkey and Persia, whom they wish to continue to help.

(e) They agree with our attitude towards closer union between Arab States and cannot (repeat not) accept French thesis of maintenance of the status quo at all costs.

(f) Palestine. They agree that we should try and avoid a political debate in the Assembly, that we should aim at leaving the Palestine Conciliation Commission as it is, and that a political settlement can best be pursued during the coming year after the Assembly is over. They agree in principle to the incorporation of Arab Palestine in Jordan, and are considering sympathetically the suggestion that this might take place shortly after the Assembly. My telegram Nos. 5386, 5387, 5388 contain agreed suggestion for dealing with the report of the Economic Survey Mission.

(g) The State Department discount reports that United States Government is contemplating withdrawal from Bahrain, but are looking into the matter with service departments.

(h) They agree with our attitude over Haifa. See my telegram No. 5121.

5. State Department explained that if point four programme is adopted by Congress, they will have between 5 and 10 million dollars to spend in the Middle East directly (i.e. apart from assistance to United Nations agencies) mainly or entirely on salaries of experts. We are examining how this help can be coordinated with our own assistance to the Middle East so as to avoid duplication or overlap.

6. State Department intend to discuss most of these questions at the meeting of their representatives in the Middle East, which is to start next week at Istanbul. They will give us their views after the meeting. Meanwhile, I have given them a suitable summary of the results of our own meeting of Middle East representatives. They agree in principle with the general policy there outlined and may

/take it as a

From Washington telegram No. 5121 to Foreign Office

Top Secret

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take it as a guide for their own discussions.

7. They tell us that internal pressures over Israel are subsiding and that they have greater freedom to adopt an objective policy. They are now considering the possibility of a new positive approach to the Middle East. They repeat that they wish to act in concert with us and in accordance with a common set of principles and have no wish to supplant us. On the contrary, they are going again to brief their representatives at their Middle East conference on the importance of working in close cooperation with our own representatives in the Middle East at all levels and of eschewing all rivalry.

8. As regards Italian Colonies, the State Department have reaffirmed their support in principle of our desire to proceed with early independence and a treaty in Cyrenaica. We are still examining together the alternative methods by which this might be done. They agree with our intention of proceeding with early steps towards self-government in Tripolitania. They say that the United States Government will probably wish to retain strategic facilities in Tripolitania and that this will probably necessitate an agreement with the future Government of Libya in due course. They are checking their requirements with their service departments and will let us know further.

9. Talks will not be concluded before middle of next week.

[Copy sent to Middle East Secretariat]

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(SUMMARY)

SECRET

MIDDLE EAST POLICY

GENERAL PRINCIPLES AND PROBLEMS

IMPORTANCE OF THE MIDDLE EAST

1. In peace and war the Middle East is an area of cardinal importance to the United Kingdom, second only to the United Kingdom itself. Strategically the Middle East is a focal point of communications, a source of oil, a shield to Africa and the Indian Ocean, and an irreplaceable offensive base. Economically it is, owing to oil and cotton, essential to United Kingdom recovery.

BRITISH POSITION AND RESPONSIBILITIES

2. In addition to these vital strategic and economic interests, His Majesty's Government have weighty responsibilities towards the peoples of the Middle East by history, tradition and in some cases by treaty. Our influence is greater than that of any other foreign Power. It is essential that we should maintain our special position and carry out our special responsibilities.

DANGERS

3. The main threats to the Middle East and to our position there arise from:-

- (a) the danger of disintegration due to the backwardness of many Middle East countries and the instability of their relations with each other;
- (b) the tension between Israel and the Arab States;
- (c) the opportunities which (a) and (b) provide for Communist penetration;
- (d) the possibility of Russian armed aggression.

OBJECTIVES

4. Our general task must be to help Middle East Governments and peoples to develop in such a way as to avoid the above dangers, and to maintain and increase our influence. Our help must be directed to strengthening defence and to social and economic development. It should consist of guidance, example, technical expertise, co-operation for defence and, subject to the limits of our resources, material assistance. To obtain success we must retain the initiative and, once our policy is decided, carry it out confidently and vigorously in spite of possible criticism from individual States or interests.

28/Nov/1949

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to be of intrinsic merit, and which in certain cases offer good prospects of an early return.

(ii) projects which will provide for the resettlement of the Arab refugees; and

(iii) projects which are of doubtful economic value, but on which work has already progressed so far that it would be wasteful to stop at this stage. It is recommended that where practicable these projects shall be revised.

(b) His Majesty's Government should encourage the Governments concerned to undertake without delay the detailed examination, necessary before a decision regarding their execution can be taken, of the schemes listed in Annex A(II) which preliminary surveys have indicated are likely to be economically sound.

2. It should be accepted that this programme will involve the contribution by H.M.G. of certain limited technical, financial and material resources, but that the amount of this contribution cannot be accurately determined until it is known what contributions are available from the United States, the International Bank and other sources and until international policy with regard to the settlement of Arab refugees has been worked out in detail.

3. Early discussion on the basis of this programme should be held with the U.S. Government and the International Bank.

4. The programme should also be used as a brief for discussion with the Middle East governments concerned and in particular with Middle East Development Boards as soon as these are set up in the hope that they will also adopt this programme or something as like it as possible and will make the maximum contributions towards its implementation.

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OUTER FRINGE

5. While the central problems lie in the Semitic world, we must by no means leave out of account the great importance of the outer fringe of Greece, Persia and particularly Turkey.

CO-OPERATION WITH THE UNITED STATES

6. Co-operation with the United States at all levels and in all fields is of the highest importance.

FRANCE AND OTHER WESTERN POWERS

7. There is a tradition of rivalry between the United Kingdom and France in the Middle East. It must be our aim to allay this without sacrificing any essential British interest. There ought not to be any conflict of interest in the Middle East between us and any Western Power except to some extent with Italy and France over the disposal of the former Italian Colonies. We should do our best to convince the Western Union Powers of the necessity of holding the Middle East as well as Western Europe.

ISRAEL

8. Our aim must be that the whole of the Middle East, including both the Arab countries and Israel, should have close and friendly relations with the West, but if we were to gain the friendship of Israel at the expense of losing our position and influence in the Arab countries, we should lose more than we should gain. We must therefore hold the two if we can.

SPECIFIC TASKS AND METHODS

9. The following points are applicable to all or most of the area, subject to stated exceptions. Notes on some of the more important tasks and problems in individual countries are given in the Annex.

SOCIAL AND ADMINISTRATIVE REFORM

10. The standards of administration are lamentably low by Western standards and in many cases declining. Except to some extent in Israel, Turkey, and to a lesser degree in the Lebanon and Jordan, social conditions are most inequitable and provide an obvious field for Communist propaganda. Although the present regimes are in most cases unsatisfactory, we are obliged to deal with them in current affairs and there is usually no possible alternative regime which would not be under Communist or quasi-Fascist influence. We are often

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accused of deliberately supporting reactionary and corrupt regimes. One of our principal tasks must be to use every possible means to encourage the emergence of progressive and honest governments and efficient administrations. Our means of carrying out this task are -

- (a) Constant advice to Governments.
- (b) The supply of social and labour experts.
- (c) The supply of information about social developments in the United Kingdom.
- (d) Whenever we are able to give material or other assistance, we should seek to make use of it to secure an improvement in the local administrative and social conditions.
- (e) While being scrupulously careful not to join in any intrigues against existing regimes, we should lose no opportunity of maintaining informal contact with progressive individuals or groups who seem to be genuinely working for administrative and social reform.

11. Where drastic constitutional changes occur, as recently in Syria, we should be ready to establish our influence with the new regime in order to make the most of its plans for reform. But there can be no certainty that such changes will always be for the better, and in special cases, e.g., Iraq, there may well be special dangers.

12. We should be particularly careful to ensure that social reform keeps pace with economic development, e.g., that the reform of land tenure does not lag behind the increase of irrigated land.

EDUCATION

13. In the long run progress towards more progressive and honest government will depend largely on education. Outside pressure on Governments towards reform can never achieve the same results as pressure from an educated nucleus within. One of our most important general tasks must therefore be the encouragement of education on the right lines. Such encouragement can best be given in practical form by British Council advice to local educational authorities, by the maintenance and expansion of British schools and by the offer of scholarships in the United Kingdom. We should be prepared to devote increasing attention and resources to the creation and development of this nucleus in each country, even perhaps at the expense of some other forms of expenditure.

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ECONOMIC DEVELOPMENT

14. The countries of the Middle East vary greatly in their resources. The populations are by no means commensurate with these resources (over-population in Egypt; under-population in Syria and Iraq; the greatest proved oil resources in the world in Kuwait with 150,000 inhabitants). The standard of living is, however, almost universally far too low except for a few people at the top, whose standard is far too high. In most cases a redistribution of existing wealth would not be enough to remedy the dangerously low standards of the masses. The development of potential resources proportionately to the financial possibilities of each country must go hand in hand with social reform. Various schemes have been surveyed, e.g., the control of the Nile waters, irrigation and flood control in Iraq, extensive agricultural development in North-Eastern Syria, and the comprehensive Seven-Year Plan in Persia. (A paper by the Middle East Official Committee containing a selective list of projects is being considered by the Official Committee on Economic Development in relation to other calls on available resources from the Colonies, the Commonwealth, etc.)

EXTERNAL FINANCE

15. Plans for economic development pose two extremely difficult financial problems - the provision of internal and external finance. It has been estimated very roughly that the projects whose early realisation the Middle East (Official) Committee believe to be desirable would call for an internal expenditure of about £70 millions over the next 10 or 15 years and external expenditure in foreign currencies of about £90 millions over the same period. To the extent that Middle East Governments cannot meet external finance requirements from their own earnings, the primary source for such finance is the International Bank for Reconstruction and Development in which the United States Government and His Majesty's Government are major participants. There may be calls on the United States Government and on His Majesty's Government in addition. The attitude to be adopted by His Majesty's Government in dealing with these requirements is discussed in paragraph 29 below.

INTERNAL FINANCE

16. Difficult as the provision of external finance may be, the provision by Middle East Governments of adequate internal finance is likely to be, if anything, a more intractable problem. It cannot be found/

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found without improved collection of revenue and higher taxes. These demand major administrative and political reforms, of which no Middle East regime has yet shown itself capable, but which are absolutely essential if the objectives of our policy are to be achieved. Even in advance of decisions about external finance, much can be done by His Majesty's Representatives to bring home to Middle East Governments the gravity of the decisions with which they are faced in this internal field. We must continually press them not only to bring development plans to more advanced stages by expediting technical study and preparation, but, more important still, to face immediately the administrative, political and social problems involved in the provision of the necessary internal finance and in the creation of social conditions in which the maximum benefit may be derived from the economic plans.

BRITISH MIDDLE EAST OFFICE (B.M.E.O.)

17. One of our most effective agencies for bringing about improved social and economic conditions and for co-ordinating British political, strategic and economic interests is the British Middle East Office, which was set up in 1945. Its tasks are to give expert guidance to the Middle East countries in economic and social matters, to make recommendations on political questions affecting the Middle East as a whole and to give political advice to the Middle East Defence Co-ordination Committee. The B.M.E.O. should receive every encouragement and possibly increases in staff.

COMMUNIST ACTIVITIES

18. The above paragraphs deal largely with the creation of conditions in which Communist penetration will fail. Middle East Governments are slow to take the necessary action in this field, but are usually readier to deal with the manifestations of Communist activities which come to their notice. We can and should give valuable assistance in this matter also both as regards publicity and security measures. We should at the same time be careful to watch for signs that reactionary Governments use anti-Communist measures to repress genuinely progressive opposition.

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EXTERNAL RELATIONS

19. Arab Unity. - We desire that Middle East countries should become increasingly strong and prosperous and should compose the quarrels and differences which have in the past so weakened them. We do not wish to express an opinion about the form which Arab unity should take as between, e.g., the existing Arab League, the proposals for the unity of the Fertile Crescent (Iraq, Syria, Lebanon and Jordan) or the Greater Syria plan (the unity of Syria and Jordan).

We are strongly opposed to the use of force by one Arab country against another to bring about changes of their relative status. But if closer relations between any or all of the Arab countries, leading even to some kind of union, grew up organically and constitutionally, by the free consent of the peoples concerned, and without hostile intentions against other Arab States, we should see no reason to oppose this and, indeed, such a development might have advantages, though we should have to consider carefully how it affected our treaty relationships. The Arab League has not been as beneficial as was hoped. Its main function has been as a forum for nationalist propaganda, though it may well have had some value as a safety-valve. His Majesty's Government cannot take any steps to bring it to an end but we should not regret its demise. If it continues in being we should hope it would concentrate more on social and economic problems

20. Israel. - The developments in Palestine since the end of the Mandate, resulting in the emergence of the State of Israel, have been one of the most disturbing elements in Middle East policy. It is largely owing to them that the present review of our Middle East policy is being held. We must never under-rate the political and psychological preoccupation of all Arab Governments and peoples with the Palestine question. They will, for instance, refuse to respond to our guidance on social and economic matters if they find us differing too widely from them over Palestine. His Majesty's Government accept Israel as an established fact and intend to grant her de jure recognition at the earliest suitable moment. They regard it as a matter of high importance that she should be orientated towards the West and play her part in the defence of the Middle East against

Communist/

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Communist penetration and Soviet aggression. For this purpose they will use their best endeavours to have friendly and mutually profitable relations with her. At the same time they are bound to have regard to their existing friendships and alliances with the Arab States, particularly as the latter are at present more willing than Israel to commit themselves to the anti-Communist camp. It would be too high a price to pay for the friendship of Israel to jeopardise, by estranging the Arabs, either the base in Egypt or Middle Eastern oil. Subject always to these interests being safeguarded, His Majesty's Government are anxious to promote not merely peace but friendly relations between Israel and the Arab States. They would see no objection to the development of normal trading relations between Israel and her Arab neighbours on a basis of complete independence. But His Majesty's Government would not regard it as in their interest that Israel should acquire more Arab territory without a quid pro quo or that she should carry her economic exchanges with the Arab States to the point of dominating them economically and so politically, and thus perhaps imposing her own ideas of neutrality on the Arab world. They would not lend their assistance to the furtherance of any such ambitions and would indeed support the Arab States in resisting them.

21. This being our general policy, we should judge on their merits all questions arising in our relations with Israel and we should be ready to take such opportunities as occur of improving these relations in such ways as do not endanger our position in the rest of the Middle East and the Moslem world. We do not at present dispose of such influence with the Arabs, however, that we can safely press them to make friendly overtures to Israel.

22. We should continue to co-operate as closely as possible with the United States Government and the Palestine Conciliation Commission of the United Nations to bring about a final settlement of all Palestine questions, including particularly the Arab refugees, the territorial settlement, Jerusalem and Haifa.

/DEFENCE

DEFENCE

23. If progress is made in the tasks described above we can have some assurance that Russia will not gain marked success in the cold war in the Middle East. It is necessary also to consider how we may best prevent Russian success in a shooting war in that area. There is no doubt whatever that the Middle East must be defended, on account of its value as an offensive base, as a source of oil and as a focal point of communications. The forces of Middle East Governments will never be adequate to make any appreciable contribution to this task, though the Turkish forces and the Arab Legion will be able to play a useful role in the early stages. In order to enable our forces to undertake successful offensive and defensive operations in the Middle East, it is necessary to have our main base in Egypt, the assurance that Turkey is both able and determined either to safeguard her neutrality or to impose effective delay on Russian forces, adequate subsidiary strategic facilities in Jordan, Iraq and Cyrenaica and preferably some additional facilities in Saudi Arabia, Syria and the Lebanon. It will also be essential in time of war for our forces to be able to operate in and through Israel. We do not at present desire strategic facilities in Israel in peace-time, largely because of the political pressure to which this might expose us. But the method of obtaining access to ports, airfields and communications in Israel must be constantly reviewed. It is possible that it may be easier for the United States than for the United Kingdom to obtain the necessary agreement from Israel.

24. Middle East Pact. - In order to be assured of the above facilities, our ultimate object must be to see the whole Middle East area covered by a system of defence agreements. Thought is being given to the desirability of a general Middle East Pact complementary to the Atlantic Pact. But the prospect of the Arab countries and Israel joining together in such a pact is remote. Finally, a Middle East pact on the lines of the Atlantic Pact would not assure us of the strategic facilities which we possess or require. We should, therefore, still wish to retain and reinforce our bilateral agreements. If the Arab States wished, however, we should not object to some kind of general Arab League endorsement of bilateral agreements.

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25. Supply of Arms.- In attempting to consolidate our strategic position and to build up a defence system throughout the Middle East, we shall constantly be faced with pressing requests from Middle East Governments for extensive supplies of war material. In some cases we have treaty obligations to make these supplies. Some of these requirements may be unrealistic and it may sometimes be better for the Governments concerned to spend more on economic development and less on arms. But the building up of independent armed forces is a matter to which Middle East States attach such prime importance that we must be careful to recognise it in all our dealings with them. If they cannot get what they want from us, they will certainly turn to other sources of supply, e.g., particularly Czechoslovakia. Our task must be to obtain the fullest and most definite statements of requirements of Middle East countries and at the same time to examine ways and means of meeting these requirements in the United Kingdom, including examination of the possibility of new production.

26. United States Strategic Facilities. - The United States has airfields at Dhahran in Saudi Arabia and at Mellaha in Tripolitania. She also wishes to obtain a fighter base. The strategic presence of the United States in the Middle East is to the common advantage. In time of war action should be on an Anglo-American basis.

TURKEY

27. Turkey sits astride the entrance to the road along which Soviet forces would have to advance in order to reach the Canal, and it is therefore very important that the Turks should be in a situation to delay such an advance as long as possible. The Americans have taken over from us the main burden of arming and training the Turks, though we still supply instructors, and given time the Turkish army might be made capable of major defensive operations. But it is never likely to be so strong as to make it worth our while that Turkey should come into a war on our side if she had not been attacked. Our treaty of alliance with the Turks, which requires us to come to their aid if they are attacked but does not require them to come to our aid if we are independently involved in war with Russia, is therefore not at all disadvantageous to us though prima facie one-sided. The Turks set great store by this treaty, whose validity we

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have recently reaffirmed, and it helps to keep up their morale in face of Russian threats. We should continue to contribute what help we can to the modernisation of the Turkish armed forces and we should continue to bolster Turkish resistance to Russian encroachments by moral and political support.

ANGLO-AMERICAN CO-OPERATION

28. Co-operation between London and Washington in regard to the Middle East is extremely close. Divergence of policy over Palestine has now been very largely narrowed. In other matters there is virtual agreement, which is perhaps closer than in regard to any other area. We should like to work with the Americans in a common constructive Middle East policy in the fields of defence, resistance to Communist penetration, economic development and social reform, and by constant co-operation in London, Washington and in the field to give practical effect to this programme by joint or concerted action.

CALLS ON HIS MAJESTY'S GOVERNMENT

29. The need of Middle East countries for the provision of external finance from outside sources in order to carry out their development projects has been referred to in paragraph 15 above. Their need for guidance and technical **advice** from outside is no less great. If these are not provided by the West, they may sooner or later be provided by Russia. In these circumstances His Majesty's Government's first task is to decide, in the light of the Middle East projects under examination and of various other competing claims, what are the general lines of economic development in the Middle East which they can support and encourage and, secondly, what is the nature and extent of possible United Kingdom assistance. Our contribution may be one or all of the followings: -

- (1) allocation of United Kingdom production;
- (2) support for loan applications by Middle East Governments to the International Bank;
- (3) larger sterling releases;
- (4) direct cash loans;
- (5) technical assistance.

/Current

-11-

CURRENT LIABILITIES OF HIS MAJESTY'S GOVERNMENT

30. Apart from the question of participation in general economic development in the Middle East, there are a number of current liabilities which His Majesty's Government have undertaken in the course of day to day dealings with the Middle East or which it is being recommended that they should undertake. The most important of these, so far as can at present be foreseen, are: -

- (a) Jordan. - Our present annual contribution to Jordan in the form of a subvention to the Arab Legion is £3½ millions. This is based on a force of 7,000 men. The Chiefs of Staff consider that the size of force required to defend Jordan is 25,000. This would probably involve an increase in our annual subvention to £5½ millions.
- (b) Cyrenaica. - Cyrenaica at present receives a grant in aid of some £3¼-£1¼ millions per annum. The future grant in aid required by the territory is hard to estimate because the territory's economy will receive considerable help from the sums to be expended on military installations, which, of course, are a charge on His Majesty's Government, and by means of which some employment might be found for Arab refugees.
- (c) Arab Refugees. - In 1948-49 His Majesty's Government contributed £1,100,000 to the relief of Arab refugees. The Foreign Office have recommended that in 1949-50 His Majesty's Government should be willing to make a further contribution for temporary relief which might be in the neighbourhood of £1,000,000. We are also making an interest-free loan of £1,000,000 to Jordan to assist in the permanent settlement of Arab refugees.
- (d) Military Mission and Civil Air Training Mission in Saudi Arabia - The present cost of these Missions is about £90,000 a year.
- (e) Levy force in the Persian Gulf - A recommendation will shortly be made for the establishment of a small local force under British command in the Trucial Coast area of the Persian Gulf with the primary object of stopping the trade in slaves, which has recently increased. A very rough estimate

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of the cost is £40,000 a year.

(f) Provision of Experts. - Foreign experts of the necessary calibre can only be obtained if salaries and conditions of service are such as to attract first-class men. Middle East Governments cannot always afford to pay adequate salaries, in which case it may be impossible to appoint the right men unless some means can be found to make up the difference. Arrangements are also required to ensure that British experts and others who take service in a Middle East country do not suffer for having done so on their return to the United Kingdom, and it is essential to have an efficient organisation in the United Kingdom for the recruitment of experts.

(g) Training. - His Majesty's Government could usefully extend facilities free or at reduced rates for technical training either in the Middle East or in the United Kingdom.

Foreign Office, London, S.W.1.

30th July, 1949.

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Saudi Arabia

Settlement of eastern and southern frontiers.

Continuance of efforts to improve relations with Jordan and Iraq.

Continued evidence of British interest through, e.g., Military Mission Civil Air Training Mission, Reconnaissance Mission and the supply of arms.

Financial guidance should be given where possible but there is not much hope of early social progress. Commercial opportunities should be developed.

Jordan

Maintain the viability of Jordan, with particular reference to refugees.

Extension of Arab Legion to fulfil the tasks laid down for it by the Chiefs of Staff.

Early absorption of Arab Palestine with extension of Anglo-Jordanian Treaty.

Maintenance of existing relatively satisfactory social conditions.

Lebanon

Intensification of anti-Communist measures with the help of British security expert.

Expedite establishment of social insurance scheme and other social measures.

Lebanese overtures with regard to a defence treaty should be kept in play without definite commitments for the time being.

Possible action by Lebanese Government to mediate between rival groups of Arab States.

Syria

The new regime should be given such guidance and technical assistance as is possible.

War material should be supplied.

Overtures with regard to a Treaty should be met in the first instance by the dispatch of the proposed British Reconnaissance Mission to study sites for airfields.

/Economic

- 3 -

Economic development of the Gezira, with particular reference to refugee resettlement. Improvement of relations with Jordan and Iraq, possibly assisted by assurances of His Majesty's Government's friendly intentions.

Persian Gulf

Financial guidance, particularly to Kuwait about the best use of oil revenues.

Similar guidance to other states as their oil revenues increase.

Local administration should be continually reminded, as may be appropriate, of the need for social progress and equitable distribution of wealth.

Emphasis to be laid on education.

The slave trade must be stopped.

A Levy Force should be created for this purpose in the Trucial Coast.

Israel

Establishment of normal friendly relations with the United Kingdom.

Efforts to consolidate Israel's western orientation.

Great care to be exercised about the role of Israel in the Middle East.

Early settlement of outstanding Palestine questions, including particularly maximum Israeli contribution to refugees.

Reopening of Haifa refinery.

ANNEX

Some of the Specific Tasks of British Policy in Individual Middle East CountriesEgypt

(1) The establishment of a stable Government which, while friendly to this country, is more representative of Egyptian opinion than any of the previous Palace Cabinets. Only such a Government will be in a position to tackle the vast social and economic problems facing Egypt and to reach a settlement on outstanding political issues with His Majesty's Government.

(2) Progressive social reform and economic development. The principal economic project is the development of the Nile Waters, without which Egypt will be unable to support her growing population. Without her co-operation moreover, economic and social development would be retarded in the Sudan and Uganda.

(3) The settlement of the Treaty issue and the question of the status of the Sudan. The first problem is much the most important and it is possible that the question of the Sudan can be left dormant for the time being.

Some progress towards the achievement of all these three aims has been made. A Government of national union, at any rate for the duration of the elections, has been created. The Egyptian Government have in principle agreed to co-operate in both the Equatorial and the Blue Nile schemes. Technical military talks have progressed extremely well so far and offer at any rate a chance of a more permanent modus vivendi giving us the facilities we need to meet the threat of war in the Middle East.

Iraq

Establishment of financial stability.

Reform of the Administration.

Broader political basis for the regime.

Active progress with economic development through an Economic development Board, accompanied by the necessary social reform under the guidance of a British labour expert.

Resumption of full supply of war material.

When some progress has been made with the above, the question of a new Defence Agreement can be reviewed.

Discouragement of provocative measures against other Arab States.

Re-opening of Haifa pipeline.

Saudi/

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Record of discussion between Mr. Michael Wright and members of the State Department. (Communicated by the State Department).

November 14, 1949.

INTRODUCTORY DISCUSSIONS

In his introductory remarks, Mr. George McGhee said that such intimate discussions had now become a normal aspect of Anglo-American relations. It was clearly understood by both parties that the conclusions from the talks constituted no binding agreements on the parties concerned and that the purpose of the exchanges of view was to find areas of agreement. In the case of the United States Group the opinions expressed and conclusions reached were tentative until the conclusion of the conference of American representatives in the Near East which was opening in Istanbul on November 26th. (Following the conclusion of this meeting it would be necessary to spell out the discussions and obtain higher approval for more precise definition of policies.)

Mr. Wright confirmed Mr. McGhee's view of the status of the talks and pointed out that conclusions reached on the British side would also be for approval by higher authority. He hoped that the talks would lead to agreement on the same set of principles for tackling problems in the Middle East.

Mr. McGhee said he had considered carefully Anglo-American relations in the Near East and had come to the conclusion that the objectives of the two countries in the area were identical, although there might be a difference of method in seeking to attain them. Both countries attached high importance to the area from a security point of view. American interests were parallel and not competitive and both countries shared a common desire for the stability of the area and its orientation towards the West. The difference in methods might arise from the fact that the influence and material interests of the United Kingdom and the United States were not the same in each country. Points of asymmetry, therefore, were only superimposed on an area of broad agreement. He emphasized that the United States Government had no desire to compete with or to hinder the United Kingdom in carrying out its policy in the Middle East. The United States policy was, however, governed by the limitations imposed by the nature of the United States Government, its policy of non-interference, and the difficulty of securing ad hoc treatment.

Mr. Wright agreed in general with the above analysis. He said that in the United Kingdom view the Middle East was a key to the struggle with the Soviet Union. If Western influence was removed from the Middle East, either voluntarily or by force, Communism would certainly fill the vacuum left. The Middle East under Communist control would bring alarming results. It would affect the whole United Kingdom relationship with Asia. It would prejudice the future of Europe and would pave the way for Communist domination in Africa. The triumph of Soviet ideology in the Middle East and Africa would secure a tremendous strategic prize for the U.S.S.R., the possession of which would

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in other circumstances cost her a great expenditure of blood and treasure. With this prize, the U.S.S.R., might be emboldened to take further aggressive action. The loss of the Middle East to Communism would have a devastating economic effect on the United Kingdom. Post-war recovery would be prejudiced and, deprived of Middle East oil and to a lesser extent cotton, the United Kingdom economy would be irretrievably damaged. It was to our common advantage that the United States Government should increasingly concern itself with the Middle East. The United Kingdom government had no desire to persuade the United States Government in this matter. It was entirely a decision for the United States Government but he wished to make it clear that the presence of the United States in the Middle East was considered by the United Kingdom to be to the common advantage.

Mr. McGhee replied that the importance of the Middle East to the United States Government was determined to a considerable extent by its importance to the United Kingdom Government. The Americans had no comparable position in Africa and Asia to protect and, in the matter of oil, was not so dependent as the United Kingdom on Middle East supplies. Nevertheless, American oil interests were large and the area was important from the point of view of strategic position and air communications. For the United States to take an increased interest in the Middle East was the assumption of a new responsibility. In these discussions the pervading problem from the American side was how far to go in accepting new responsibilities and in taking a more positive role in the area. It was not sufficient just to ward off Communism in the Middle East, it was essential to assist the peoples of the Middle East to improve their living standards and social and political institutions and to acquire self respect and their proper place among the nations of the world. The United States Government had found it advantageous to back nationalism against communism. But nationalism was not necessarily friendly to British and American interests. We should aim at putting the Middle East countries on their own feet and persuading them voluntarily to turn toward the West. The United States was in the process of deciding how far it should and could go in a positive approach to the area to achieve the foregoing objectives.

Mr. Wright agreed that support of nationalism could be used effectively against the spread of communism. But nationalism and communism could not be fought together. It should be our objective to convert the nationalism of the Middle East countries into a friendly force. France, Belgium and Holland did not yet wholly share this view. The preoccupation of the youthful countries of the Middle East with political problems made it very difficult for economic progress to be made. It was, however, the view of the United Kingdom that the effect of the Palestine problem was fading and the moment for more constructive action by the United Kingdom and the United States was approaching.

The conclusions drawn from the above discussion are as follows:-

(a) The general objectives of the United States and United Kingdom Governments in the Middle East are basically the same.

(b)

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(b) The maintenance and extension of a friendly attitude on the part of the Middle Eastern countries to the United Kingdom and United States influence is a vital factor in the security of the Western Powers. The denial of the area to Communist influence, in peace no less than in war, is essential.

(c) The United States has no desire to compete with or hinder the United Kingdom Government in its activities in the Middle East area but on the contrary both have a desire to reinforce the general position of the other.

(d) Should the United States Government choose to assume a greater responsibility in the area, such a decision would be welcomed by the United Kingdom as being to the common advantage.

(e) It must be our common aim to sign the forces of nationalism in the Middle East against communism and to guide them into channels friendly to the Western Powers.

(f) With the bitterness of the Palestine problem receding the moment for United States and United Kingdom to take more constructive action to achieve common objectives is at hand. The United States Government is at present considering how far it can go in making a more positive approach to the area.

Approved by Mr. McGhee and Mr. Wright
November 20, 1949.

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Record of discussion between Mr. Michael Wright and members of the State Department. (Communicated by the State Department)

SECRET

November 15, 1949

DISCUSSION ON ARAB UNITY

Mr. Wright said that in the British view one of the reasons for Arab bitterness against Western countries was the territorial settlement after World War I. This settlement, in the Arab view, created artificial territorial divisions which have been continuously resented. There existed amongst the Arabs a deep-seated desire for some sort of union and this desire was a potent factor in their political thinking. It had so far found expression only in the Arab League, whose record was on the whole unsuccessful. The policy of the Arab League had been one of extreme nationalism orientated against the western powers. This policy had to a large extent now been discredited. He felt that if every move towards closer union between Arab countries was blocked by Western Countries the Arabs would fall back again on the extremism which had characterised the first stage of Arab League development. There was in the Middle East countries a strong desire for some change and in Arab minds social, economic, and political reform or change were linked. However illogical it might appear to the U.K. and the U.S., any attempt to block political change in the Middle East was automatically interpreted as an attempt to block economic and social change. The U.K. attitude towards any movement for closer union in the Middle East, was based on the foregoing analysis. The U.K. was opposed to change by force but had decided that it could not oppose change brought about in a peaceful and constitutional manner. The U.K. could not share the French desire for retaining the status quo at all costs.

Mr. McGhee replied that the U.S. Government was in general agreement with this analysis. There could be no doubt that the instability of the area was increased by the existence of several small states which were not viable either politically or economically. He believed a more stable situation would exist if the states could get together in some way. The U.S. Government did not seek to maintain the status quo but in the case of the proposed Iraq-Syrian Union had not considered that the moment was ripe nor the auspices correct. It had therefore counselled caution and careful consideration. He thought that the attitudes of the U.S. Government and the U.K. were close on this point.

Mr. Wright said that the proposed union in its extreme and immediate form would undoubtedly cause serious difficulties with neighbouring Arab states. The U.K. had felt, however, that it could not come out against it. It was possible that the idea would in fact now come to nothing. He noted with interest that the states had been considering steps short of complete union.

It was agreed that much of the instability in the area arose from a feeling of insecurity in the countries concerned. There was a general discussion on how far this insecurity could be removed from which the following points emerged:-

1. The Egyptian proposal for a general Arab collective security pact was in too elementary a stage for judgment to be passed upon it. The U.K.-U.S. attitude should for the time being be non-committal.

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2. A Middle East pact on the Atlantic model was excluded by the present policy of the U.S. Government and, in any case, such a pact did not by itself meet U.K. strategic requirements. Bilateral treaties between the U.K. and Arab countries were necessary and their stabilising effect was recognised.

3. As a result of the existing Palestine situation it was necessary for U.S. Government to seek to maintain a balance of its favours between Arab States and Israel.

4. U.S. Military Assistance Programme could not be extended to Near East countries other than to Greece, Iran and Turkey with the possible later exception of S.A.

5. The approval of the U.S. and its influence on the side of the maintenance of existing U.K. Arab treaties would be of great assistance to the U.K. Government and would increase the stability of the area.

6. The United States would examine its attitude toward the extension of U.K. treaty obligations to additional Arab countries, although such an extension did not at first glance seem attractive to Foreign Office representatives. The maintenance of the U.S. air base at Dhahran was a stabilising influence.

7. A revision of Arab League activities leading to more concern with economic development should be encouraged.

8. Both U.S. and U.K. Governments are opposed to political change by force but would not obstruct change brought about in a peaceful and constitutional manner.

Approved by Mr. McGhee and Mr. Wright.
November 20, 1949

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Record of discussion between Mr. Michael Wright and members of the State Department (Communicated by the State Department).

November 14, 1949

DISCUSSION ON A PALESTINE SETTLEMENT

Mr. Fraser Wilkins of the State Department drew attention to four points outstanding in the Palestine settlement arising directly from the Resolution of December 11, 1948. These points were:

- (1) What was to be the future of the Palestine Conciliation Commission?
- (2) Could the scope of present discussions be extended to lead towards a solution of the boundary question?
- (3) What was to be the future of the Jerusalem area?
- (4) What was to be the decision on the right of the refugee to return--repatriation and settlement?

Mr. McGhee said that it was the United States policy to keep the solution of the Palestine question in a United Nations framework and not to intervene on a national basis. The United States Government had decided that it was neither desirable nor possible for the United States itself to propose any overall solution. It was not considered that the United States had sufficient influence on the countries concerned to persuade them to accept such a solution, and the result would only be to create bad relations and impair the position of the United States in assisting the United Nations or the states concerned in arriving at an agreement.

It, therefore, supported the continuation of the work of the United Nations through the Palestine Conciliation Commission. In Mr. McGhee's view there was no quick solution and the Conciliation Commission had a long pull before it. Its affairs appeared at the moment to be in a critical state as a result of the Israelis' refusal to utilize it for indirect talks, and the Arabs' unwillingness to talk direct to the Jews. The United States delegate to the P.C.C. would, however, urge the Commission to seek a solution in every way possible, including encouragement of direct talks. If acceptable to both parties, the Commission would mediate between the disputants.

Mr. McGhee wished to keep the Commission entirely divorced from the relief and development program. In his view coordination between the two could be achieved outside the area by the governments represented in them. In the United States view, the Commission should continue with its existing terms of reference as it appeared desirable not to risk raising the question of modified terms of reference in the General Assembly and thus precipitate general discussion of the Palestine problem.

Mr. Wright of the Foreign Office generally shared these views and was anxious to avoid a debate in the Assembly, and he considered it inadvisable to tamper with the present terms of reference of the Commission.

/Mr. McGhee

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Mr. McGhee pointed out that the Jerusalem settlement and the report of the Economic Survey Mission must necessarily be fully debated. If the United States is to take a positive role in the economic development of the Near East, it is necessary that this development be associated with the solution of the Palestine problem. No other policy or legislative basis for United States participation in the development of the Middle East exists at present, except for the Point Four program, which is limited to technical assistance. The United States desired the United Nations to continue to assume responsibility and to provide the machinery through which the parties could solve the Palestine problem themselves. The United States wished to avoid further general statements which might serve to postpone the parties coming to grips with the problem, rather than assist them.

Mr. Wright drew a distinction between private and public advice on a settlement and cited cases in which the U.K. Government considered that informal action could facilitate settlement.

Mr. McGhee agreed, but emphasized that the parties must themselves come to grips with the problem.

On the question of Jerusalem Mr. McGhee said that the United States supported the P.C.C.'s proposal. The United States would not wish to take the initiative to amend the proposal in the General Assembly, but would be prepared to consider the amendments of others on their merits and if they appear to contribute to obtaining agreement. The plan was in their view a good compromise proposal. It was the general view of the meeting that it might be desirable to get a Sub-Committee appointed after the discussion of Jerusalem in the ad hoc Political Committee. This Sub-Committee could, under the supervision of the P.C.C. try to work out a plan based on the amendments presented. It was agreed to consider the Jerusalem problem further on the arrival of Mr. Sheringham from the Foreign Office.

Mr. Wright then raised the question of the incorporation of Arab Palestine in Jordan. The Foreign Office considered the present state of uncertainty was bound to introduce an unnecessary element of instability into the area. The incorporation of Arab Palestine into Jordan, besides removing a cause of instability, would be a material factor in solving the refugee problem. The Arab League appeared to be reconciled to the step and it seemed unlikely that the Israelis would object.

Mr. McGhee replied that when the Secretary of State, Mr. Bevin, had raised this question with Mr. Acheson, the U.S. considered that the moment was not ripe for incorporation. It was pointed out at that time that this might lead to similar declaration by Israel with respect to her occupied territory, and might be resisted by the other Arab states. New factors had now been introduced. Israel had asserted title to the territory already occupied by them and had stated there would be no cession of it.

The United States Government accepted the principle of incorporation of Arab Palestine in Jordan and was concerned only with the question of timing.

Mr. Wright suggested that some time after the General Assembly Jordan should, by proclamation, incorporate the area. The U.K. would raise no objection and he hoped that the United States would follow suit. The Anglo-Jordanian Treaty would automatically be

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-3-

extended to the enlarged area. He agreed with Mr. Hare that the move would in practice mean the liquidation of the greater part of the outstanding territorial settlement and would be a marked step forward.

Mr. McGhee agreed to discuss the point with the United States representatives at the coming meeting at Istanbul and reaffirmed the United States Government's agreement to the step in principle. He said that the U.S. would consider the matter further after the General Assembly.

(Approved by Mr. McGhee and Mr. Michael Wright, November 20, 1949).

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SECRET

COPY NO.....

Record of discussion between Mr. Michael Wright and members of the State Department.
(Communicated by the State Department.)

RECORD OF DISCUSSION ON ISRAEL AT THE STATE DEPARTMENT ON 22ND NOVEMBER.

Mr. Wright said that the Foreign Office were particularly interested in

- (a) the extent of Israel disarmament and
- (b) the State Department's opinion on the economic viability of the State of Israel.

2. On the first point, State Department representatives said that their information tallied with our own, that the force was down to about 10,000 men backed by a readily mobilized reserve. According to their information defence was being strongly organised in the frontier settlements and through the new frontier force. On the second point, State Department was concerned at the economic position of Israel. They had received disturbing accounts from Mr. Clapp who had a low opinion of the country's economic future. Great efforts were being made in the United States to raise money from the Jewish community but the total raised this year was nearly \$100 million short of the target figure of \$250 million. In the State Department's opinion, the Israel Government had very considerable difficulties ahead but they felt confident that, in an extreme crisis, American Jewry would not permit Israel to go down.

3. Mr. Wright referred to Israel's continued attitude of neutrality in the Cold War. He said that in the opinion of the Foreign Office this neutrality was more assumed than real and that in a crisis Israel would support the West. The State Department shared this view.

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(N 12076/1026/650)

FOREIGN OFFICE, S.W.1.

14th December, 1949.

~~SECRET~~

~~FERROVAL~~

As you know, it is part of our settled policy to co-operate closely with the Americans in the Middle East. This question was dealt with in Foreign Office despatch No. 55 of the 6th April 1948. You will remember that it was also discussed at the Middle East Conference in London this summer.

When Wright was in Washington two weeks ago, the State Department gave him an assurance that close co-operation with us in the field as well as in Washington continued to be an integral part of American policy in the Middle East. They added that they would again brief their representatives in this sense at the conference about to be held in Istanbul. The State Department went on to say that whereas in the past their representation at Amman had been, as we know, at a junior level, they were now appointing a senior representative who would probably arrive in January. He was being given special instructions to work closely and intimately with you.

We shall be glad if you will make it a point to welcome and help your new American colleague, and to lead him to feel that you offer him your confidence and friendship. If you find any reserve on his side you should not hesitate to let us know.

Sgt. L. W. Strong

Sir Alec Kirkbride, K.C.M.G., O.B.E.,

Amman.

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MIDDLE EAST TALKS

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Mr. Wright and Mr. Evans (of the Middle East Secretariat) had talks with the State Department (Mr. George McGhee and others) from November 14th - 19th, and with the International Bank (Mr. Garner and others) from November 21 - 23rd. The area covered was the Arab countries of the Middle East, the Ex-Italian Colonies and Ethiopia.

2. The purpose of the talks with the State Department was:-

- (a) To make a general review of the situation in the Middle East. This was particularly timely as a conference of U. S. representatives in the area was due to take place in Istanbul under McGhee's chairmanship on November 26th.
- (b) To deal with specific questions on the Italian Colonies resolution then before the General Assembly.
- (c) To discuss the Palestine question which was due to come up before the United Nations on November 25th.
- (d) To consider the Interim report of the Economic Survey Mission headed by Gordon Clapp.
- (e) To interest the State Department in the conclusions of the official committee on Economic Development (overseas) and the Interim Report on Middle East Development by the Middle East official committee and to discuss with them long term development plans including the priorities to be assigned to individual projects. (See attached papers.)

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- 2 -

3. (a) The tour d'horizon of the Middle East with McGhee revealed general agreement on methods and objectives. The State Department are at present examining how far the U.S. can take a more forward policy in the Middle East area and these talks should ensure that this policy, if undertaken, will be in collaboration, and not in competition, with the United Kingdom.
- (b) Discussions on the Italian Colonies centred on how to make the best of the bad resolution of the Assembly. As a result U.S. support was promised for our intended action after the Assembly (details have been given in current telegrams). This support should be highly important to us in obtaining our strategic requirements in Cyrenaica.
- (c) On Palestine there was satisfactory agreement. H.M.G. are supporting the Palestine Conciliation Commission proposals for Jerusalem with the U.S. until something better turns up. The State Department agree in principle to the incorporation of Arab-Palestine into Jordan and will consult together with H.M.G. on how best to bring this about after the United Nations Assembly disperses.
- (d) Clapp's Interim Report was examined with the State Department and general agreement was reached on the proposals for setting up a new organisation for relief and relief works in the refugee areas of the Middle East. It is clear that the main difficulty as far as the U.K. is concerned is not the organisation but the extent of the U.K. contribution.

/(e)

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- 3 -

(e) As far as long term development in the Middle East is concerned it was not difficult to get State Department's agreement on our objectives. They are examining the mass of detailed information which has been passed to them on the various projects now under consideration. At the present time State Department do not consider they can obtain money from Congress for development in the Middle East unless this development is directly linked to the liquidation of the Arab refugee problem. They will, however, use their influence with the International Bank. These matters will have to be examined again when Clapp's long term report is received at the end of December.

McGhee has taken the conclusions of the present talks to the conference at Istanbul and will let us know further comments after his discussions have been concluded.

4. The purpose of the talks with the International Bank was primarily to exchange information and to enlist the Bank's support for the various projects for development in the Middle East countries which have been examined and approved in London. The members of the Bank were extremely friendly disposed and they are now examining the data which has been passed to them and appear to be thinking on very much the same lines as H.M.G.

Sir Derick Hoyer Millar

D.A. Greenhill,
28th November, 1949.

DAG:ng

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 EASTERN DEPARTMENT
 GENERAL
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 E 15139

Registry Number E 15139/1026/65
 FROM Foreign Office Minute.
 No. Mr. Furlonge.
 Dated 19th December, 1949
 Received in Registry 21st December, 1949.

Discussion with ~~Mr.~~ Cornelius Van H. ENGERT about misunderstanding in the State Department of British views and motives on the Middle East and Middle East Governments' attitude to the International Bank.

Last Paper
 E 15031

References

(Print)

(How disposed of)

(Action completed)
 11/1

(Index)
 17/1/50

Next Paper
 E 15252

(Minutes)
 Please see minutes within.
 E.D. Dept to see.
 ONE Dept
 ew 23/12
 There is, of course, little of anything to be done on the last para. of the minutes within. The Bank lends at rate of interest at which it can persuade well placed to invest - a very large amount of its loan being financed through commercial channels - and as it is lending other people's money some safeguards as to end use are essential. We are however hoping to discuss with the O.S. - the Bank ways & means of increasing the usefulness of lending through the Bank.
 Thracys li.
 28/12
 We shall no doubt hear more of the Arab states point of view during the discussion of the Finances of Economic Development at the next session of the U.W. Economic & Social Council next February.
 11/1 D.S. Cape 29/1/49

Lute 106
15139 E

Mr. Gerasimus Van H. Engert, a former member of the U.S. Foreign Service and now serving on the International Bank Commission in the Middle East, called on me today on his way through London from the Middle East to Washington. I understand you are seeing him tomorrow. Mr. Engert, as you know, is an almost fanatical adherent of Anglo-American co-operation and was extraordinarily helpful to us throughout the Vichy regime in Beirut and subsequently in the difficult days of the occupation. In conversation he made the following points.

E 1114/65

He is concerned at the extent to which misunderstanding of British views and motives on the Middle East persists in the State Department, particularly as so many of the men there are new and have no Middle Eastern background. This means that while our two governments agree essentially to co-operate with each other in the Middle East, this co-operation runs into all kinds of practical difficulties on application. He instanced the remark by Mr. McGehee, whilst recently visiting Bagdad, to the effect that "the British do not seem to have done much during their 30 years in Iraq". (I attach a paper, Flag A, showing that the U.S. Ambassador in Bagdad recently took a similar line.) Mr. Engert pointed out to Mr. McGehee that the British not only had to create an Iraqi state out of nothing but in the process had had to undo the harm done by the Turks during the previous 400 years. This was apparently an eye-opener to Mr. McGehee.

Mr. Engert also expressed concern lest the recent interest of the Americans in Middle East development might lead them to go too far and too fast in pushing Middle East governments on these matters. He himself, through his long experience in the Middle East, was convinced that one method of approach, as illustrated in the British Middle East Office was right, namely to make advice and technical help available if Middle East governments asked for it, but not to press it down their throats; but he was afraid that the Americans might now be getting to regard Middle East development as "a job to be done", to which they would bring much energy and dollars, and would thereby run the risk of raising the spectre of Western imperialism which is never far below the surface.

As regards the International Bank, Mr. Engert said that while Middle Eastern governments had never openly raised objections to the conditions which the Bank attaches to its loans, he felt that they were in fact unhappy about -

- (a) its terms of interest (1 1/2%), as they could not understand that it was a banking and not a charitable organisation;
- (b) the extent to which it is obliged to watch the uses to which its loans are put and to control that these loans are used in an effective manner and for the purposes for which they were intended.

G. W. Furlong
19th December, 1949.

Mr. Wright

Noted. I will discuss further in due course
John Evans 12/20/49
10/20/49

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 E
 EASTERN DEPARTMENT
 GENERAL
 1949
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 E 15252

Registry Number E 15252/1026/65
 FROM Foreign Office Minute.
 No. Mr. Wright. Secret
 Dated 19th December,
 Received in Registry 23rd December, 1949.

Ideas on American Policy in the Middle East gained during Mr. WRIGHT's conversations with the State Department in Washington.

Last Paper
 E 15139

(Minutes)

References
 AN 3997/3997G (47)

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 28: xii
 H.A. Hanbury
 29. 12

(Print)

(How disposed of)
 Dfts) Pri. Secs. to
 1) Prime Minister Jan. 12
 2) Chancellor of the Exchequer
 3) Minister of Defence Roy Pri. Sec. Jan. 13
 Sir W. Elliott (R/Def.)
 from Mr. Wright. Jan. 12

on another paper Mr. Curran suggested that the record of the introductory discussion (possibly with a covering Memorandum) should be circulated to the Cabinet or the Defence Committee.
 It occurs to me (as Mr. Furlong agrees) that Mr. Wright's report (written) might be circulated ~~to~~ by the Secretary of State for the information of his colleagues.

(Action completed)	(Index)
18/1	2/2/50

M. Wright
 31/12
 I do not think that the Secretary of State would wish to circulate this paper to all his colleagues. But if Sir W. Strang thinks it worth while, a copy

Next Paper
 E 15255

/might
 37380

might be sent to the Prime Minister, the Chancellor,
the Minister of Defence and the Chiefs of Staff.

M. H. Wright
2nd January, 1950.

Sir W. Stening.

*Yes. Through their private Secretaries
and Sir W. Elliott.*

*[Do you intend to include the two
annexes?]*

W.S.
3/1

There is no need to attach the two annexes.
In copying the minute, paragraphs 27 and 29
should, therefore, be omitted. Paragraph 28
should become paragraph 27.

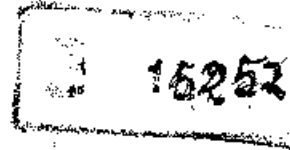
I submit drafts.

M.H.W.
4th January, 1950.

Private Secretary
6/1

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1026/65

SECRET

CONVERSATIONS WITH THE AMERICANS
ABOUT THE MIDDLE EAST.

The State Department invited me in November to visit Washington for an exchange of views on the Middle East before the meeting of American Middle East representatives which took place in Istanbul in the first week of December.

2. Rivalry and Suspicion before the War.

Before the war the United States Government took no positive line in the Middle East, but the American attitude towards Britain in that area was not unmixed with rivalry and suspicion. It has been our constant endeavour to turn this attitude into one of friendly cooperation. This was the more desirable since issues such as Palestine and Middle East oil were capable of leading to such a degree of friction and tension with the United States as to endanger the general policy embodied in the Atlantic Pact and the European Recovery Programme. Moreover our own interests in the Middle East would gravely suffer if we and the United States were working at cross purposes.

3. 1947 Talks.

A step forward was taken in the Washington talks of 1947, in which both the State Department and the American Chiefs of Staff participated. The major conclusions then reached were approved by the National Security Council and the President.

4. At that time the Americans reached the conclusion that the Middle East was an area of importance to the security of the United States; that the United States Government wished to cooperate closely with His Majesty's Government in the area; that they wished the United Kingdom to maintain and strengthen her position in the area; that the United States Government would do their best to assist the United Kingdom to this end without any sense of rivalry or any desire to supplant her; and that

they/

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they wished to work with the United Kingdom in trying to secure social and economic reform and progress in the area.

5. At the same time it was recognised that in spite of this general similarity of approach there were divergences of view between us over Palestine, and that it might not be possible to make much progress until the Palestine question was nearer settlement.

6. 1949 Talks.

The Americans began by saying that now that Israel had become an independent state the extreme Zionist pressure in the United States was diminishing, and harrang a renewal of hostilities was unlikely to revive even in an election year.

7. The State Department, therefore, now felt more free to adopt an "objective" attitude in the Middle East. They wished, if possible, to formulate a more positive policy.

8. In the formulation of this policy, the State Department assured us that they would continue to be guided by the attitude towards H.M. Government formulated in 1947. A copy of the statement formulated at that time is attached.

Annex A

9. I was particularly concerned to probe American intentions in the course of the talks, and particularly to discover whether there were any signs, either

(a) that the United States Government were tending to dis-interest themselves from the Middle East, or

(b) whether they had any thought or design of using Britain in the Middle East for their own purposes.

10. I could not discover any indication of either tendency. Those on our side who took part in the talks with me agreed on this.

11. Limitations.

It must, of course, be recognised that in the Middle East, as in other fields of policy, the State Department is neither all-powerful nor always consistent.

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12. Moreover, American policy in the Middle East is subject at present, and is likely to remain so in the near future at any rate, to certain limitations.

13. Middle East Pact.

For example, there is no prospect that Congress would be willing to approve United States participation in a Middle East pact, or in bilateral treaties, or multilateral treaties (such as the Anglo-French-Turkish Treaty). The Atlantic Pact is a big step forward in American policy, and a breach with the traditions of one hundred and fifty years. There must be time for digestion and consolidation before membership of further pacts is likely (if ever).

Positive American Action in the Middle East.

14. But within these limitations the intentions of the State Department appeared to be clear and sincere.

15. It must be remembered that when Americans speak of the Near East they include Greece, Turkey and Persia.

16. The United States Government regard their Military Aid Programme to Greece, Turkey and Persia, which amounted to about three hundred million dollars in 1949, as a material contribution to the stability and security of the area and a deliberate demonstration of the importance which they attach to it. They regard President Truman's statement about Greece, Turkey and Persia at the time of the signature of the Atlantic Pact, their invitation to the Shah of Persia to visit Washington, and the presence of an American fleet in the Mediterranean as further deliberate demonstrations of this policy. They also regard the maintenance of their military air fields at Dhahran in the Persian Gulf and at Mellaha in Tripolitania, both of which they wish to retain, as part of the same process. Still further examples are their assistance to the Seven Year Development Plan in Persia, their contribution of 50 per cent of the aid to Arab refugees/

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refugees, their assistance to Saudi Arabia, and their intention to devote special sums to the Middle East under President Truman's Fourth Point Programme.

17. Particular Points of Agreement reached in the 1949 Talks.

Economic.

The State Department gave careful consideration to our paper E.P.C. about Social and Economic Development in the Middle East. They stated that they were in full general agreement with it.

18. The substance of the paper was also discussed with the International Bank. They also expressed their general agreement and their willingness in principle to consider assistance for all the projects listed therein.

19. The State Department stated they were willing to ask Congress for 50 per cent on a matching basis of the total sum required to implement the recommendations of the Report of the Economic Survey Commission about Arab refugees (this would amount to \$ 26 million over eighteen months).

20. The State Department stated they intended to ask Congress for about \$ 5 million under President Truman's Fourth Point Programme in 1950, for direct assistance in the provision of experts for the Middle East over and above their contribution through United Nations agencies.

21. Political.

The State Department stated after consideration that they agreed with our view of the importance of our both pressing Middle East Governments to adopt social reform.

22. The State Department stated that they agreed with our view that we should not support the maintenance of the political status quo in the Middle East at all costs. They did not agree with the contrary thesis of the French. They were willing to take part in tripartite talks about this in the New Year.

23./

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23. The State Department repeated that they would be glad to see H.M. Government retain their present treaties in the Middle East or to conclude further and similar treaties if we wished to do so. They regarded this as a stabilizing factor in the area.

24. The State Department informed us that they agree in principle to the incorporation of Arab Palestine into Jordan in the reasonably near future.

25. The State Department informed us they would send instructions to their representatives throughout the Middle East to cooperate closely with us.

26. We worked out together the resolution establishing the Near East Relief Works Agency for the Palestine refugees, which was adopted almost unanimously by the Assembly.

27. Detailed Records of the Talks.

Detailed records of the talks are being considered by Departments concerned and by the Middle East Official Committee.

28. The above is intended as a general summary for the information of the Secretary of State.

29. Talks with the International Bank.

An agreed summary of the talks with the International Bank is attached.

Answer B

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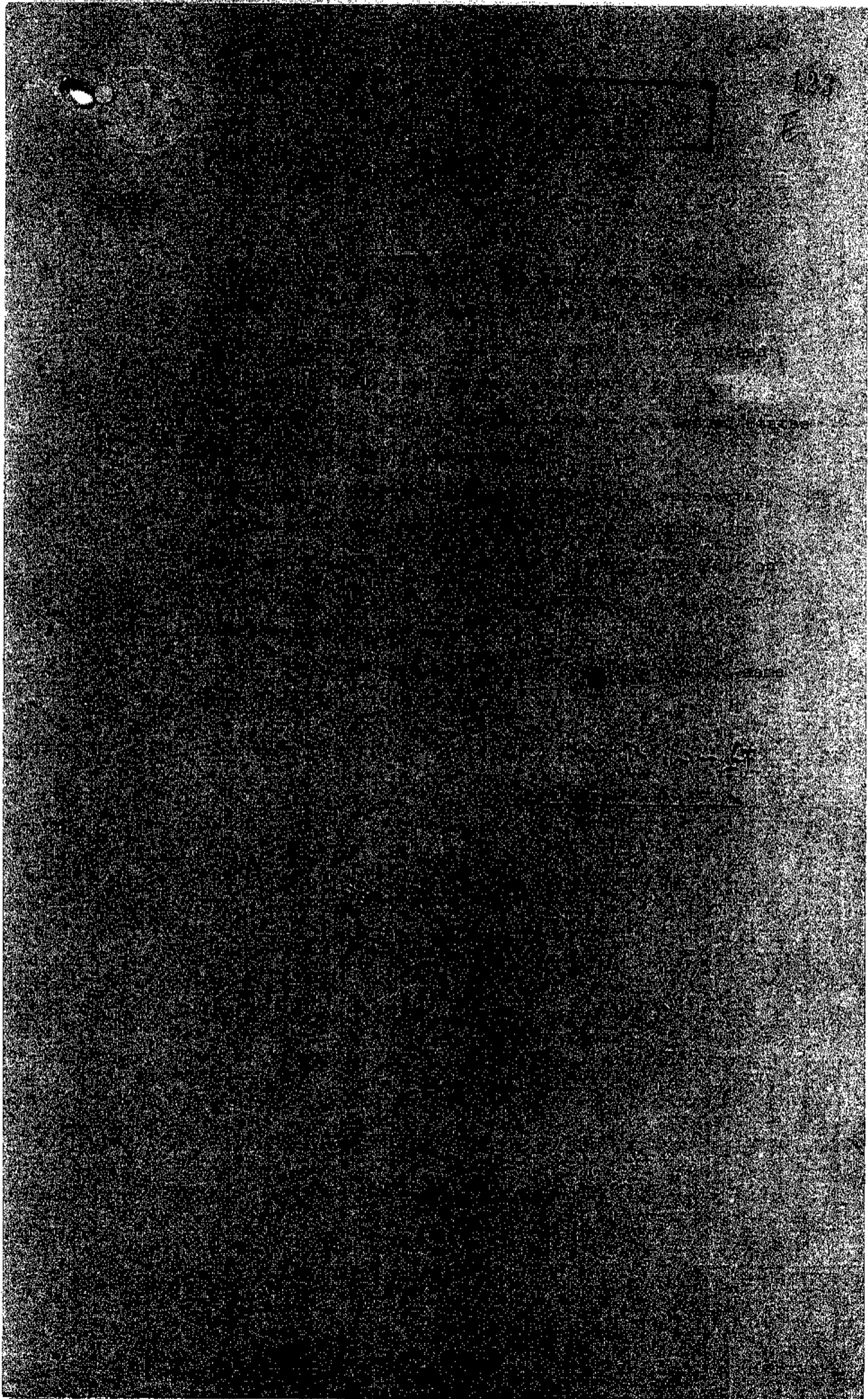
19th December 1949.

Sir W. Strang

During his visit Mr. Wright elicited some useful indications of U.S. policy, which is generally in line with our own.

*W. Strang
19/12*

Mr. Furlong



Please return to Mr. M.R. Wright 124

COPY NO 11

TOP SECRET

GENERAL STATEMENT

On the instructions of their respective Governments, United States and United Kingdom representatives, including Service advisers, have reviewed the strategic, political, and economic problems in the Middle East, as well as certain strategic and political problems in the Eastern Mediterranean.

The conversations opened on October 16th and closed on November 7th, 1947. The following persons took part at various times:

British Group

Mr. John Balfour H.M. Minister, British Embassy, Washington
Mr. M.R. Wright Assistant Under-Secretary of State,
Foreign Office

Admiral Sir Henry Moore }
Air Chief Marshal Sir Guy Garrod } Members of the British
General Sir William Morgan } Joint Staff Mission

Mieut. General Sir Leslie Hollis
Chief of Staff to the Minister of Defence
Air Vice Marshal R.M. Foster
Assistant Chief of Air Staff (Policy)
Mr. W.D. Allen Counsellor, British Embassy, Washington
Mr. T.E. Bromley First Secretary, British Embassy, Washington.

American Group

Mr. Loy W. Henderson, Director, Office of Near Eastern
and African Affairs
Mr. John D. Hickerson, Director, Office of European Affairs
Mr. George F. Kennan, Director, Policy Planning Staff
Vice Admiral Forrest Sherman,
Deputy Chief of Naval Operations
Lieut. General Lauris Norstad,
Director of Plans and Operations,
General Staff, U.S. Army
Major General A.M. Gruenther, U.S. Army
Mr. Raymond A. Hare, Chief, Division of South Asian Affairs
Mr. Edward T. Wailes, Chief, Division of British
Commonwealth Affairs

The two groups were headed by Lord Inverchapel, H.M.
Ambassador in Washington, and by the Hon. Robert A. Lovett,
Under Secretary of State, who were present at the opening
and closing meetings.

As a result of these conversations, the United States
representatives have decided to recommend the adoption of a
policy towards the area based on the general principles set
forth/

forth below. The United Kingdom representatives have likewise indicated their intention to recommend to their Government a policy based on the same principles.

1. The security of the Eastern Mediterranean and of the Middle East is vital to the security of the United States and of the United Kingdom and to world peace.

2. This policy can be implemented only if the British maintain their strong strategic, political and economic position in the Eastern Mediterranean and the Middle East, including the sea approaches to the area through the Straits of Gibraltar and the Red Sea, and if the British and American Governments pursue parallel policies in that area.

3. It follows from the above that both Governments should endeavour to prevent either foreign countries, commercial interests, British or American or other, or any other influences from making capital for themselves by playing off one of the two countries against the other in the Eastern Mediterranean and the Middle East. It should be the parallel and respective policies of the two Governments to adopt the general principle that they will endeavour to strengthen each other's position in the area on the basis of mutual respect and cooperation. It should be contrary to the policy of either Government to make efforts to increase its country's influence at the expense of the other. Likewise, the policy of the two countries should be to strengthen and improve each other's position by lending each other all possible and proper support. This support should also apply to the retention or development of strategic facilities, including civil air development.

There shall be full and constant exchanges of information and views and consultation between the two Governments about the problems of the area.

In/

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END

In cooperation with one another, they should of course take care not to embark on policies which would tend to deprive ~~themselves~~ the countries of the Middle East of the opportunity to engage in normal friendly economic or other intercourse with each other or with other nations. At the same time, every effort should be made by both Governments in close consultation with one another to assist in the economic and social development of the countries of the area. Such a policy would not only be in accord with general Anglo-American encouragement of the progress of the peoples of backward areas, but it would also have the specific advantage of reducing the field for subversive activity and of contributing to the stability of the area.

In the spirit of the foregoing, there are attached hereto a number of statements covering individual countries and topics which, taken as a whole and to the extent that approval is indicated in each statement, will provide guidance for action on the subjects in question.