

(c) The United States Government should consider some form of guarantee against Israeli expansion. Colonel Eddy insisted it be a U.S. not a UN measure.

(d) Something should be done to create a military balance between the Arabs and Israelis. Israel now is much the stronger, which in itself is an inducement to aggression. He realized also that by building up Arab military potential, we run the risk of stoking the fires for a second round against the Israelis.

(e) Formal peace is not possible in the near future. It will have to come bit by bit, gradually.

(f) Full internationalization of Jerusalem would require troops which we are not willing to commit. Therefore, some sort of international control other than outright internationalization appears most practical.

(g) Joint border controls should be promoted. The Secretary mentioned progress in this direction during his visit to Israel and Jordan.

Colonel Eddy thought that the Arab boycott of Israel was the last phase of past developments in that issue and that the elimination of the boycott should not be pushed until Israeli expansion has been frozen. The Secretary replied that perhaps the control of Israel's subsidy could be used to stop Israeli expansion and he noted that this tool has already had a salutary effect on Israeli immigration. Decrease in subsidy, furthermore, has caused unemployment to rise in Israel, which while not a happy thing, was in this case a stabilizing factor.

All the above things, the Secretary said, might ease the tensions, eventually permitting us to proceed with building strength in the area. The time factor, however, is important, and better results would be likely if the Egyptian stumbling block can be removed.

In closing, the Secretary thanked the four American "Near East hands", and said he appreciated the opportunity to put up the problems to them in the general quest for solutions.

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### No. 30

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*Memorandum of Conversation, by the Country Director of Technical Cooperation Service, Lebanon (Peter) <sup>1</sup>*

RESTRICTED

ST D-5/6

Subject: Lebanon

BEIRUT, May 17, 1953.

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<sup>1</sup> This conversation took place at the American Embassy in Lebanon.