

hoped the Department would recommend the instrumentality to be used and if it should be decided that the operation should be put through the Export-Import Bank he hoped the Department would make an appropriate recommendation to the Bank. Mr. Byroade said that the matter must be arranged in such a way that it does not appear to the world that the US is always bailing Israel out.

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*Memorandum of Conversation, by the Officer in Charge of
Palestine-Israel-Jordan Affairs (Waller)*

CONFIDENTIAL

[WASHINGTON,] June 20, 1952.

Subject: Visit of Israel Foreign Minister Moshe Sharett.

Participants: Mr. Moshe Sharett, Israel Foreign Minister
Ambassador of Israel, Abba Eban
NEA—Mr. Byroade
NE—Mr. Hart
NE—Mr. Dorsey
NE—Mr. Waller

During a conversation with Foreign Minister Sharett regarding Israel's financial difficulties, Mr. Byroade asked Mr. Sharett whether a meeting could not be arranged between Colonel Shishikli of Syria and General Yadin of Israel to discuss problems of interest to the two countries. Mr. Sharett asked whether any purpose would be served and whether Col. Shishikli wants a meeting. Mr. Byroade said he could not answer for Col. Shishikli but that he felt it would be worth while trying to arrange such a meeting. He continued by saying that there is a feeling in the Arab states that Israel does not want peace. Mr. Sharett replied that the Arabs have never put it to a test. Instead, they spread rumors which tend to create suspicion about Israel's desires. Mr. Byroade said that it must be remembered that some of the Arab states are not strong enough to make peace by themselves. Mr. Sharett answered that if the Arab states cannot make peace all at once, then Israel would be glad to take it a little at a time. The fact is, he continued, the Arabs will not take one step outside the Arab League. Egypt, for example, said Mr. Sharett, knows Israel wants peace. Israel had had means to get the information to the Egyptian Government. The Egyptian reply has always been that the time is not right. Mr. Sharett said that Israel has offered full discussion, partial discussion, or any kind of discussion desired, with no results.