

which will make it impossible for Israel to cover her essential import needs.

11. The Government of Israel fully recognizes that the reforms necessary to achieve a balanced foreign exchange budget will require increased sacrifices on the part of its people and it is prepared to make such sacrifices. The Government is confident that the new measures which it has decided to adopt, and especially those enumerated above, will help the country to advance, through arduous efforts and heavy sacrifices, toward a balanced economy in a manner worthy of the democratic principles and social ideals which Israel strives to exemplify, and conducive to the continuation of internal stability which it has so far been able to maintain, in a troubled and unstable area. While the difficulties which these measures are designed to overcome are admittedly acute, they do not constitute the sole or main element of Israel's economic situation. These difficulties, in part, arise from a process of dynamic growth, at a rate scarcely precedented in the history of nations. In sharing a frank discussion of these difficulties with the Government of the United States, Israel is moved by a sense of profound appreciation of the assistance which the Government and people of the United States are rendering to it in the critical and formative period of its early development. *

* Acknowledged by the Department of State in a note of Aug. 28, not printed. (884A.10/8-1252)

No. 470

783A.00/6-1952 Telegram

The Minister in Lebanon (Minor) to the Department of State

SECRET

BEIRUT, August 19, 1952—5 p. m.

320. In long conversation today with Pres El Khoury, I gave him verbally rather close translation in French of ideas expressed Deptel 229, August 6. I began by saying this conversation was continuation of previous friendly and personal exchanges, and stressed we have no intention interfere in Leb affairs. Pres accepted this wholeheartedly and listened intently. When I finished, he thanked me and said he has not been idle in matter of reform. He then took out dossier and said he wld reveal to me broad outlines his program. He prefaced his statement by saying he refused to be pushed into unconstitutional measures and that his program is therefore strictly within legal limits. He proposes ask Chamber delegate to