

versed in several successive steps over period of years, if both Syria and Israel wd concentrate on reaching agreement where agreement is possible, leaving ultimate and final solutions to day when more favorable. Dif points of friction and irritation are eliminated progressively and mutual confidence established, peaceful relations, including trade, will inevitably follow.

The Syrian auths appear to be ready to embark on such course, though references to "peace" and "final settlement" should at this stage be employed with caution. In the hope of reaching eventual peace by successive steps, the Emb urges Department and Emb Tel Aviv to encourage Israel to give practical demonstration of its desire to become integrated in NE by discussing and, if possible reaching an agreement with Syria to divide the demil zone. Shishikli has indicated his willingness to begin discussion through MAC mtgs. Shld the Dept or Israel have reason for suggesting another channel of communication Shishikli wd probably agree.

MOOSE

No. 510

782.5 MSP/11-652: Telegram

*The Ambassador in Syria (Moose) to the Department of State*¹

SECRET PRIORITY

DAMASCUS, November 6, 1952—8 p. 11.

346. Dept pass Amman and Defense. In conversation reported Embtel 345, Nov 6, Col Shishikli mentioned US aid remarking that I had not raised this subj. He repeated four points made his previous conversation with Min Cannon.

1. The standard agrmt shld be modified fit special conditions in Syria. I replied that if wording of standard agrmt sole obstacle, feel sure changes cld be made standard text as long as it conformed applicable provisions of law.

2. Col. Shishikli stated Syria, as poor country, cld not make substantial contributions to project surveys. I replied wd inquire whether arrangements cld be made so that surveys not unduly burden Syrian treasury.

3. Col. Shishikli said Syria has no funds for construction capital works after surveys completed. IBRD loans had disadvantage high rate of interest. I replied TCA was basically program technical assistance, but some contributions supplied by US was feature most TCA programs. I warned that TCA cld not be Syria's principal source of investment capital and that Syria shld look to such sources as IBRD and UNRWA.

¹ Repeated to Amman, Beirut (for Locke), London, and Paris.