

4. Shishikli asserted Syria urgently needs arms in addition to capital works. I replied that 408 E agrmt wld make Syria eligible buy certain arms from US. He countered that if Syria had funds he cld buy all arms he wants. All his remarks subj aid indicated he wished aid program Syria be patterned after that of Turkey rather than after those in Lebanon, Jordan. I explained Turkish programs carried out under different provisions of MS legislation than TCA program.

Shishikli then referred means raising funds for Syria and suggested first tax on TCA equipment and supplies and, second special contribution by petroleum companies whose pipelines cross Syria. When I expressed undesirability and unlikelihood of both proposals he commented wryly his suggestions seemed unacceptable but expressed confidence in the end way wld be found to execute bilateral assistance program to mutual benefit.

Since it is clear Shishikli desires grant aid, answers fol questions needed for further discussion.

1. How much of \$10 million originally programmed FY 1953 still available?
2. Shld Syrians be encouraged to hope for grant aid either by provision local currency financing or any other device?

MOOSE

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*Memorandum of Conversation, by Robert L. Burns of the Office of Near Eastern Affairs*

SECRET

[WASHINGTON,] November 7, 1952.

Subject: Visit of Ambassador Eban regarding (1) Israel-Arab relations; (2) NE security and military assistance; (3) PCC; and (4) territorial adjustments.

Participants: Ambassador Abba Eban, Israel Embassy  
 Mr. David Goitein, Minister of Israel Embassy  
 Mr. Byroade--NEA  
 Mr. Burns--NE

Ambassador Eban, at his request, called on Mr. Byroade at 3:00 p. m. today to discuss Arab-Israel peace prospects and the Near East security situation.

The Ambassador began by stating that the Israel Government had noted only a "change of atmosphere" in Israel-Arab relations, but nothing more substantial. There were increasing contacts abroad between Israel and Arab officials, but the Egyptians had