

884A.13/1-2253: Telegram

*The Ambassador in Israel (Davis) to the Department of State*¹

CONFIDENTIAL

TEL AVIV, January 22, 1953—6 p. m.

1174. Deptel 673.² During absence Foreign Minister Sharett in Rangoon, I took up subject Deptel 673 with Eytan, director general Foreign Ministry, who said Israeli Government feels actions taken by Arab League members recently to injure Israel's economy not only throw doubt on desirability of continuing unilateral gestures, but affect directly Israel's ability to provide necessary funds for such purpose. Now that Foreign Minister has returned, I propose seek early opportunity discuss with him importance of continuing efforts to improve relations with Arabs despite "disillusionment," mentioning particularly proposed publicity support when release of blocked balances is about to take place.

Embassy comment: While there may be some disappointment that announcement plans release Arab blocked balances had so little effect, it is believed that this has been relatively minor factor in "disillusionment" and that reasons are much broader. As Department knows, Israel has always doubted effectiveness of unilateral gestures as means of overcoming Arab unwillingness make peace or negotiate settlements with Israeli Government, and unquestionably certain recent events have intensified this feeling greatly of late. Some of more important and direct causes have been concerted Arab effort to upset German reparations agreement, and general stepping up of political and economic measures against Israel (e.g. Embtel 1167).³ Further contributing factors

¹ Repeated to Amman, Baghdad, Beirut, Cairo, Damascus, Jerusalem, and sent by pouch to Jidda.

² The substantive portion of telegram 673 to Tel Aviv, Jan. 13, reads as follows: "Department has received intimation from Israel Embassy officer that Israel Government 'disillusioned' with unilateral gestures good will toward Arabs and disinclined make any further gestures. Attitude may stem from reported disappointment Israel officials that announcement release IL 1,000,000 blocked Arab bank balances did not produce immediate favorable reaction Arab states. You may wish take convenient opportunity inform Israel officials Department's view that any disappointment unwarranted as effect gesture can only be judged when actual releases begin. Department gave routine media support to Israel Government press release December 4, believing that extensive publicity three months in advance acceptance application forms and still further in advance distribution funds might result psychological let-down to disadvantage Israel. Intensive campaign publicize release in preparation to begin about February 1." (884A.13/12-652)

³ Telegram 1167 from Tel Aviv, Jan. 21, reported that officials of the Israeli Foreign Ministry had expressed the view to Embassy officers that the recent deterioration in Israel-Jordan border relations might be the expression of a new Jordanian

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