

## No. 547

784A.90/1-2353: Telegram

*The Ambassador in Israel (Davis) to the Department of State*<sup>1</sup>

SECRET      PRIORITY

TEL AVIV, January 23, 1953—8 p. m.

1183. During past 3 months, Israel has suffered series of shocks that have affected profoundly public thinking and morale. Roughly in order of importance, adverse factors have been: 1, Prague trials and subsequent developments making Russian bloc's change of policy from one of no racial discrimination to one frankly exploiting anti-Semitism and unfriendliness toward Israel; 2, Intensification of Arab collective action against Israel; 3, Success of latter in increasing Israel's economic difficulties, notably by delaying and jeopardizing German reparations agreement; 4, Action of UK in supplying Arab countries jet planes in numbers Israel cannot hope to match; 5, Fear this presages change in Western arms policy from that enunciated in tripartite declaration 1950.

Embassy believes that above developments will have far reaching effects and that continued deterioration in Arab-Israel relations could bring about what would be precisely to Russia's advantage, namely renewal of Arab-Israel hostilities with serious consequences to Western powers in general and tripartite countries in particular. There is no question of Israel's desiring such development. On contrary last thing government and great majority of people here want is war with their neighbors. Danger lies in possibility that Israelis may become convinced they have no chance of peace, their financial position is hopeless, and their existence is in imminent peril; and that as a consequence some untoward event may precipitate active hostilities.

Their faith and determination are still strong but the discouraging developments alluded to above and lack of any favorable reaction to their efforts to improve relations as reported Embtel 665, October 23 have resulted in some feeling of disillusionment (Deptel 673<sup>2</sup> and Embtel 1174<sup>3</sup>). Israelis are especially disappointed that both Shishikli and Naguib, with whose efforts to improve conditions in their own countries they are in sympathy and from whom they hoped for some constructive move toward area peace, should apparently have given way to pressure for increased Arab action against Israel. They felt especially keenly Naguib's public action

<sup>1</sup> Repeated to London, Paris, Rome, Amman, Baghdad, Beirut, Cairo, Damascus, and Jerusalem; sent by pouch to Ankara and Jidda.

<sup>2</sup> See footnote 2, Document 545.

<sup>3</sup> Document 545.