

than Foreign Ministry. Said he (Sharett) might or might not be present. I commented if such meeting were in Jerusalem it was a question—view importance of subject and my present instructions re Jerusalem—that [*whether*] his presence or his absence would present the greater difficulty and therefore meeting in Tel Aviv might be preferable.

I said that problem of whether financial negotiations to take place in Tel Aviv or Jerusalem had been precipitated by Israel's moving Foreign Ministry, that Department had stated while it always prepared to hear Israel Embassy on any subject, prompt consideration by United States of Israel's financial problems required discussions be initiated and concentrated in Tel Aviv; that Embassy-TCA would request Department's guidance with regard his proposal for conference Jerusalem with Finance Ministry to clarify Eshkol's remarks.

*Comment:* Embassy recommends [garble] authorized state of Foreign Minister that present practice of TCA discussions with Ministry of Finance in Jerusalem on ordinary questions of administration and implementation ISA program will be continued (Department telegram 32) but that discussions involving major problems of financial-economic policy, since they should be attended by representatives of both Finance and Foreign Ministries, must be held in Tel Aviv; and therefore meeting with Eshkol referred above should take place in Tel Aviv.

RUSSELL

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*Department of State Press Release*

No. 401

WASHINGTON, July 28, 1953.

JERUSALEM

Asked about the international repercussions to the transfer of the Israeli Foreign Office from Tel Aviv to Jerusalem and the position of the United States in this regard, Secretary of State John Foster Dulles at his news conference today made the following remarks:

The United States regrets that the Israeli Government has seen fit to move its Foreign Office from Tel Aviv to Jerusalem.

We have made known our feelings on that subject to the Government of Israel on two prior occasions. It was done in July 1952 and again in March 1953, when our Ambassador, hearing rumors that