rial adjustments to provide the basis for joint control should be considered."

It should be noted that Israel's ability to divert substantial volumes of water from the Jordan and its tributaries north of Lake Tiberias on an economical basis depends on the cooperation of Syria and Lebanon to permit Israel to carry out construction in the demilitarized zone on the upper Jordan, and to permit storage of certain waters in their own territories. It is significant that negotiations between Syria and Israel looking to boundary settlements on the Jordan have recently been broken off.

Funds which are available for special economic aid to the Near East could provide inducement to Israel to agree to the proposed division of waters, if a portion of these funds were directed to development of Israel's share of upper Jordan waters. Progress is now stalled because of Syrian and Lebanese opposition, and shortage of funds. Syrian and Lebanese opposition to Israel's development of the upper Jordan waters in the demilitarized zones might conceivably be overcome if resultant benefits to the Arabs in Jordan were demonstrated.

No. 649

INR-NIE files

National Intelligence Estimate 1

SECRET NIE-92 WASHINGTON, 18 August 1953.

ISRAEL

THE PROBLEM

To estimate the current situation and probable developments in Israel.

CONCLUSIONS

1. The prolonged and bitter conflict between Israel and the Arab states profoundly influences Israel's relations with the outside

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¹ A note on the cover sheet reads as follows:

[&]quot;The Intelligence Advisory Committee concurred in this estimate on 11 August 1953. The FBI abstained, the subject being outside of its jurisdiction.

[&]quot;The following member organizations of the Intelligence Advisory Committee participated with the Central Intelligence Agency in the preparation of this estimate: The intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and the Joint Staff."