

steps to promote security against them; that in our view it was best to take advantage this latter fact while continuing to do everything possible to promote Israel-Arab peace along whole broad front; that we are convinced it might well prove suicidal for all of us to permit lack of success to date in this latter effort to stand in way of opportunities which are presented to deal with Communist threats in area which have in recent months been increasingly apparent to all and increasingly concrete. I said that no one can minimize unhappiness of present Israel-Arab border situation but at its worst it was preferable to area becoming another Korea or Indochina. I said that as against dangers which Israel feared from program of United States cooperation with Arabs were: (a) United Nations which has established special machinery to deal with problem and which can be strengthened and improved; (b) Tripartite Declaration; (c) United States economic aid to Israel which has accounted for one-third of Israel's imports during last three years, has amounted to approximately \$200 per capita as contrasted to approximately \$1 per capita to Arab countries, is largest per capita of economic aid to any country and has given Israel very substantial security against Arab economic warfare; and (d) integral provisions which Congress has placed in arms aid legislation and which State Department and other United States agencies have executed with great care to prevent arms being used in way that would negate [negate] purposes of program. I said I would query Department on specific nature of guarantees and would report to Eytan any information which I could. I said that, to paraphrase Holmes, if I were Israel, arms to Iraq would give me pause but, having paused, I would pass on to cooperative policy in dealing with area's problems.

RUSSELL

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The Ambassador in Egypt (Caffery) to the Department of State

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CAIRO, May 4, 1954.

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