

corridor through the Negev. (Mr. Byroade expressed astonishment at the suggestion.) General Dayan stated that he felt that Egypt should eventually relinquish the Gaza Strip and absorb the refugees since the Strip would always be a cause of friction.

Ambassador Eban mentioned the British statement warning Israel against an attack on Jordan, and stated that no similar firm guarantees which could command public confidence were available to Israel. The Ambassador indicated Israel would welcome a guarantee which could be relied upon. General Dayan expressed concurrence. Mr. Byroade stated that the United States is determined to prevent any Arab effort to eliminate Israel and that he was certain the United States would employ troops if necessary. He added that the question of a guarantee was still under study.

Ambassador Eban asserted that he felt Prime Minister Sharett agreed with the view that Egypt offered the best prospects for some arrangement with the Arab states. However, he thought that a Suez Base agreement, which did not take into account Israel's interests, would produce an even stronger reaction in Israel than the United States arms agreement with Iraq. The Ambassador said that Israel already had advanced suggestions to the United Kingdom regarding how the effect of the Suez Base agreement on Israel could be minimized. He expressed a desire to discuss this in the near future with the United States. Mr. Byroade voiced concern over a possible outcry in Israel and the hope that Israel would not react in a manner prejudicing the chances of doing business with Egypt. He stated that the United States would be glad to discuss the matter with Israel.

At the conclusion of the conversation, Mr. Byroade stated that he hoped to see General Dayan again after his tour.

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No. 843

683.81A222/7-1654: Telegram

*The Secretary of State to the Embassy in Israel*<sup>1</sup>

CONFIDENTIAL

WASHINGTON, July 23, 1954—8:10 p. m.

41. Banat Yaacov Embassy's 62.<sup>2</sup> We concur in suggestion your last paragraph you approach Sharett informally re recommence-

<sup>1</sup> Repeated to New York; sent by pouch to Damascus.

<sup>2</sup> Telegram 62 from Tel Aviv, July 16, described a visit to Banat Yaacov by a U.S. Operations Mission water expert, and described factors which might motivate Israel to resume construction in the demilitarized zone. The last paragraph of telegram 61 stated that "on balance, Embassy believes possibility of IG moving to raise issue or

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