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*Memorandum of Conversation, by Robert L. Burns of the Office of
Near Eastern Affairs*

SECRET

[WASHINGTON,] August 16, 1954.

Subject: Suggested United States Initiative Regarding Suez Blockade and Status of United States-Israel Relations.

Participants: General Smith
Rabbi Abba Hillel Silver
NE—Mr. Burns

Rabbi Silver referred to a previous conversation he had had with Mr. Sherman Adams of the White House wherein he said it was agreed there has been no change in the unsatisfactory state of affairs between Israel and the Arab states and some means should be found to break the log jam presently blocking progress toward a settlement of the problem. There recently have been significant developments in the Near East area, but none of them has altered the Israel-Arab situation. However, it appears that United States-Egyptian military aid negotiations provide an opportunity for the United States to contribute toward a solution of the Israel-Arab problem. The United States should call upon Egypt to lift the Suez blockade of Israel shipping. A break in the Arab economic warfare front against Israel could be the first step in the slow and tedious process of settling Israel-Arab issues.

The Under Secretary said peace in the Near East is a fundamental objective of United States policy. Egypt is believed to afford the best prospects of moving toward a settlement with Israel and Premier Nassir recently has made encouraging statements in this regard. Several Arab states would be quick to follow Egypt's lead. The United States has increasingly made known to Egypt its opposition to the Suez blockade. The United States considers a lifting of the blockade a primary objective in its dealings with Egypt.

Rabbi Silver said United States' agreement to furnish arms to Iraq and the prospect of a similar agreement with Egypt have caused the deepest concern in Israel. He knew these were matters which Ambassador Eban had discussed with the Secretary and the Under Secretary. He said he does not agree with those who claim the present Administration has turned its back on Israel, but there has been a conspicuous lack of friendly statements toward Israel by Department officials coupled with unfortunate speeches which served no constructive purpose either in the United States or in Israel. The present feeling of isolation and fear in Israel, if unre-