

tached copy of Sir Anthony's speech on the Middle East in the House of Commons on Nov. 2.<sup>3</sup>

<sup>3</sup> Not attached to the source text. For text of Eden's remarks, see *Parliamentary Debates*, House of Commons, 5th series, vol. 532, cols. 324-335.

### No. 916

NEA files, lot 59 D 518. "Alpha—Memos, etc., beginning after 2nd London Talks—April 26-June 30, '55"

*Aide-Mémoire From the British Embassy to the Department of State*

SECRET

WASHINGTON, November 5, 1954.

#### ISRAEL AND THE ARAB STATES

Although there has recently been some improvement in the local situation on the borders of Israel and our Agreement with Egypt should have a further stabilising effect, the basic problem of Arab-Israeli relations remains unsolved and without prospect of solution. The Egyptians may not actually be thirsting for another round, and indeed they have assured us that they have no intention of resorting further to force. But they still consider themselves to be at war with Israel. Israeli traffic through the Canal is interfered with and the development of trade is impeded. The refugee situation, in spite of efforts by the United Nations Relief and Works Agency, is getting worse instead of better. There may be no immediate danger of a fresh outbreak of hostilities but if nothing is done to improve matters during the next few months, the danger may well recur. Meanwhile, a sense of insecurity prevails over the whole area and healthy economic development is held up.

It seems to Sir Anthony Eden that the situation offers a challenge to American and British statesmanship and diplomatic skill. The United Nations Truce Supervision Organisation helps to prevent incidents but is not equipped to tackle Arab-Israel differences at their source. He is convinced that unless we jointly develop and apply a positive policy designed to ease these tensions and bring about a lasting settlement, the situation can only be expected to drift from bad to worse. The analogy of Trieste has been much in his mind. In the case of Trieste we set ourselves the objective of reconciling a complicated dispute between two countries with each of whom we had some influence. We appointed a joint Anglo-American team to pursue this objective and after months of patient and discreet work they were successful in bringing the two countries together to the satisfaction of both. The question is whether the same