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TO **1** Agaric an Division, Ministry for Foreign Affairs

FRC&t Mo»he Keren

The following no to a sro in reply to the jaerooramiua ©a tho \*sating which took . plfl.co under tho chairmanship of th• Foreign Minister in the Airyah on January **31.** Siailar Basting# to that in the Jfiryah took plane in Washington and Now York under the chalraanship of the Ambassador. Three meetings of this kind

wore held. In the two held in Washington, in the early part of March, Mr.

David Ginsberg, Mr. Oscar Gao#, Mr. Robert Nathan, Dr. **IS.** Witkon, and Dr. K. Keren participated) in the third meeting, held in Sew York on Friday, March **10,** besides the above mentioned, there were also Mr. Arthur Louria and Dr. Hachua Goldman, In the firet and third meetings, political questions were discussed) the second maoting was devoted mainly to economic problems, and especially to tho problem of investments. Th# following remarks do not purport to be **a** report on the discussions held. They represent the personal opinion of the writorj he believes that they express, to **a** wide degree **at** least, the opinion of the participant\* in these meetings.

2. The Foreign Minister, according to the minutes of tho discussions held in the Kiryah, put the question to the participants of the meeting in this way\* Bern, without changing for the time being our defined line of policy, to induce th• government of the United States to **a** more active cooperation with us and to **an** understanding that in conaequanos of our system of democracy we belong to the Western camp. In th® discussion which ensued, Nr. Shllo&h pointed to th• psychological mistakes mad• by us, to th• neglect of keeping up friendly

relations with the American diplomats and officials\* and to insufficient

propaganda and explanation. Others, like Mr. Abba fivan and Dr. Nachua

Goldman, laid more etress on the objective reasons for the present unaatis-

factory state of affairs, and especially on our policy of neutrality and on

the many divergences between the policies•adopted by 03 and those favored

by the United States government,

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3« It la obvious that the second school of thought deviates from the

question as put by the Minister at the beginning of the talks. If there

are objective reasons for the tension between the American and Israeli

policy, then it appears to be contradictory to ask how to Improve the mutual

relationship without changing •our defined line of policy,״ That does not

mean that the followers of this theory must necessarily advocate a change

of our policy in this or other respects, but they point out that our policy

has and must have certain consequences for our relations with the United

States and these consequences must be taken into account when our policy is

decided on. On the other hand, if the whole question is only one of

propaganda and personal treatment, then of course the situation is incomparably

more simple and can be materially improved by the measures advocated by Mr,

Shiloah or pointed out in the circular of Dr, Eytan dated February 26, I

believe that it le the consensus of all concerned here that the reasons for

ths somstimes strained relations are first and foremost of an objective nature,

that is, that they are rooted in the line of policy which we believe it neo-

essary to adopt. Stating this is not to deny the importance of propaganda

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and personal relations, We see only too clearly the destructive influence of certain mistakes whieh have been made in this respect in the past. We certainly do agree that methods have to be improved, but no propaganda can overcome the basic difference of attitude which exists in margr respects between the policy of the United States and the polioy of Israel,

¬ב¬U• Another assumption which apparently־ played an lnportant role in the t-fliVn in the Kiiyah needs a more exact definition. It is not quite correct to •peak of a constant deterioration in the relations between the United States and ourselves. As the Ambassador pointed out in his recent cablsf there is at present no crisis which would Justify any special alarm. Relations at this moment are not unfriendly and the personal connections bstween the Ambassador, the other members of toe diplomatic staff, and the Department of State are certainly most cordial. But it is true that very serious crises have taken place during the past year and we might expect a recurrence at any moment, The problems which led to s crisis during last summer and autumn—toe refugee question and ths question of boundaries—have not been settled, they have only been shelvedj and other problems, such as Jerusalem and toe rearaa- msnt program, hare arisen in the meantime•

\*>, The decisive question is, therefore, Why does the Department of State advocate different solutions from ours for the various problems mentioned, and how would it bs possible to change their attitude in a more favorable direction? It would be too facile to forward toe explanation that toe leading officials of the State Department who deal with our problems are "anti-Semitic," \*anti-Zionist," "pro-Arab," •to. Although this of course might be the case, it would still have to be explained by what turn of toe wheel only those people of this particular viewpoint are able to advance to

the higher positions in the Department of State,

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6• I do not believe that the secret of the attitude of toe Department of State can be solved in this way. Although there are certainly influential officials who might be classed as outright anti-Semitic or as basically unfriendly, there are others who have so far to sy knowledge given us no reason to believe that they are against us in principle. Mr, McGhee at least appears to be broadminded and fair} Mr, flare is generally friendlily

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disposed ia a very cautious way. But all these personal predilections or

antipathies have no decisive influence—although they are of course not

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unimportant-on the decisions of policy.

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7• The clue in my opinion is this! Outright policy in favor of Israel can be advocated by an American statesman only if he is apt to be swayed by the emotional content of the Zionist ideal or if he is influenced by calcu- lations of internal policy. \* The first certainly does not apply to the Department of State, and the second only to a limited degree. The officials of the Department of State are certainly not Zionists and will never be influenced by the emotional content of the Zionist legend. They are basically unimaginative and detached and they view the problems of Israel in the same disinterested manner that they view, let us say, the conflict about Kashmir or tha troubles in Eritrea, They never forget the implications of our policy on other American interests as for instance their relations with the Arab states or the United Nations, Were they different, they would not be offioials of the Department of State. But If it 18 thus, then, it is sub- mitted, thsy cannot view with favor the policy adopted by us in various questions. It sometimes needs a Zionist to understand Israel policy.

8. We are all agreed, I believe, that the American policy in the Middle East has two foremost aims—firstly, to achieve peace and stability! secondly, to make the region water-tight against communist infiltration. In respect of tha first aim, ״Israel is a nuisance,״ as Dr. Goldman put it so aptly in his speech in the Klryah. Through its very existence, it Is a disturbing factor. It has thrown the Middle East out of balance and given international diplomacy a number of headaches quite out of proportion to its material importance or power. With regard to the second aim, Israel is suspect, I wonder whether our professed policy of neutrality, as such, does bother the Department of State very much? It has never to ny knowledge been mentioned by officials of the Near Eastern Division with whom we mostly deal, but it

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certainly has ranch weight in the eyes of tha military, whosa influence is growing continually, and it is a disturbing factor in our relations with parsons of influence, such as soma Senators or Congressmen♦

9, Some acts of our policy—such as a part of our voting record in the United Nations, or the intentional parallelism in our relations with East and West (our application for a loan from Russia at the same time we applied for a loan from the United States)—have certainly never been well received and are sometimes cited against us♦

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10♦ But more disturbing than tha official policy of neutrality, the reaeons for which have often been clarified, 1• to an American official our internal political situation, especially the attitude of Mapam and its propaganda. It is very difficult to explain away the fact that the party which is second in power in the Knesset and which is of the same labor origin as Kapal advocates strongly a clear-cut pro-Eastern line\*

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Our assertions that oonsmmisa is without influence in our country are not readily believed when Map am is remembered. The conclusion drawn by many and not necessarily unfriendly observers is that in case of a crises the people of Israel—not the government—cannot be relied upon.

It might be added that the Arab governments with their openly professed anti-communist attitude are here at a distinct advantage, and the readiness / 'j with which Mr. Acheson declared that tha rearmament of the Arab nations is

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in the interest of the West shows dearly that they are "kosher" in this

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respect\*

11♦ But apart from these general elements of the situation, how does Israel look if we try to view her through the eyea of an American official?

It would be wrong to assume that his observations are entirely unfavorable•

Be will readily agree that Israel is a genuinely democratic nation and has,

as such, a natural affinity with the Western Powers. He ־will agree too that Israel is honestly asking for peace and that her desire for cooperation with her Arab neighbors is sincere. But against these credits he ־will enumerate debits of no small magnitude. He ־will etate that Israel8״ policy in general towards her Arab neighbors and towards the United States is unelastic and self-assertive. Peace with the Arab atatee could easily be achieved, in his opinion, if Israel would only be ready to give in on certain questions, if she would be ready to cede some territory, and to receive more refugees.

12, In addition to this, Israelis brought upon herself a very unpleasant conflict ־with tha United Nations which is distinctly embarrassing to the United States and which could, in the opinion of the hypothetic observer, hare been avoided had •he shown more elasticity in acceding to the various overtures made by the Department of Statej that she should try to find a solution on the basis of an improved PCC plan, Israel did outrightly reject these suggestions. And, to add insult to injury, she demonstratively transferred her capital to Jerusalem after the adoption of the international!- aatlon decision in spite of the friendly edvice to tha contrary given by the United States government,

13. Israel’s economic policy, in the eyes of an American official, is not solid. By her policy of unlimited immigration she endangers on purpose the very foundations of her economic balance. The Clapp report certainly did nothing to allay the official suspicion against the soundness of her econoqy,

111. In a frank discussion with one of us the American official will enlist other minor arguments to prove what he asserts to be our unelastic and ״arrogant\* attitude. He will point to our strange behavior in technical but Important questions. It was hinted to ua that the American government would ri«w favorably the oonclusion of a treaty of friend ship—•we did not answer.

The methods adopted by El Al, with the eanotion of our government, in order to concentrate upon itself the major share in air transportation from and to

Israel, are profoundly adverse to economic maxims adhered to hefe. The perseverence with which the Israel Treasury insists on regarding film royalties as taxable income creates automatically an influential anti-Israel lobby in the Department of State and elsewhere•

15. On the other hand, the American official might remind us to what degree Israel has become dependent on the goodwill of the United States, a degree which perhaps is not always realised sufficiently by ourselves. Israel

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could not exist for a fortnight without the steady influx of American donations, a major percentage of which is indirectly paid by the American treasury (i.e., income tax deductions). In addition to this, Israel businessman, Histadrut representatives, et al,, are here in great numbers looking for capital for various purposes. Israel received a loan of $100,000,000 from the Export-Import Bank, e sum which is extraordinarily large when compared with loans given to other states. Nevertheless, she stands ready to ask for an additional loan as soon as the last dollar of the first loan has been allotted. Israel is trying to purchase armaments in the United States. Israel is interested in the purchase of food at cheap

prices. Israel is sending workers over to learn American "know-how״ (a / >) V

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number of these workers bslong to the Uapsa), Israel is asking for eourses ׳

In military training. Israel is asking for an advisory mission on educational problems. Israel 18 trying to purchase ships and airplanes. £1 Al is asking for landing rights\* etc, \* etc.\* etc. Hardly a day y«jm& irLthaut t%\* quest for a favor which Israel is in no position to reciprocate in any »»nner whatsoever.

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16. If the above estimate of the outlook of an average American official

is accurate\* the following four possibilities prosent themselves 1

(a) more intelligent propaganda on our part might remove some of his misconceptions;

(b) pressure might be brought to bear upon him by other elements influencing American policy, as for instance the President and/or public opinion;

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(0) our policy might be altered 80 as to adapt itself more to tha American outlook!

I (4) as our policy will hardly be brought entirely into conformity | with American views, we will have to reconcile ourselves to the

1 fact that a realm of differences will remain and which we must

| simply take into account as a kind of mortgage which can be paid

off only in the course of many years•

These various possibilities have to be discussed•

17, To consider the last two named possibilities first, we should, in my opinion, make a kind of inventory of our policy and group its various decisions in accordance with their necessity and unchangeability, If we do so, we shall find, I think, that there are certain aspects which we cannot and will not

revise and for which we will have to pay the price, if need be, of the wrath

of the American government. Here I would mention our nonpartisanship between the two conflicting groups, which is the basic principle of our policy at the present moment! or our attitude on the question of the Arab refugees, where I cannot see how we can possibly make concessions without endangering the security of our state•

18• On the other side of the scale are those problems which I mentioned under the heading of technical questions, like the treaty of peace and non- aggression, our treatment of TWA, film companies, etc. We have to understand that our attitude in matters of this kind cannot be decided arbitrarily by subordinate departments. Our decisions on thess issues must bs brought in line with our general policy towards the United States. I certainly would not advocate that we should easily forego our justified demands, but petulant insistence on minor rights or what is believed to be minor rights may cost us much more ultimately than we might gain by a momentary advantage•

19• Between these two groups of political deoisions are those major issues concerning which, to ny mind, a certain amount of elasticity should seriously be considered by the government! as for Instance, the question of boundaries, the search for a compromise in the Jerusalem matter, accommodation with the Vatican• Although 1 see very clearly that every sacrifice in matters like

these involves very serious internal and external problems, I firmly believe that it is in this realm that our real difficulties with the United States government are found. We might be able to explain the reasons for our basic attitude, and, on the other hand, the differences on the technical questions, suoh as A, are not more than irritants ־which are not strong enough to influence decisively the relations between both countries. But here, in this in-between province of problems which are too serious to be merely technical but where elasticity might be considered without changing basic attitudes, lies the chance for a general improvement of the relationship with the United States as well as the danger of renewed crises•

20• As this memorandum has become rather lengthy, I shall discuss only briefly the first two conclusions mentioned above• As far as the direct presentation of our case to the Department of State goes, 1 hope I have proved in the preceding pages that we are handicapped by objective difficulties which cannot easily be overcome by eloquence alone. Conversely, it is obvious of course that no atone must be left unturned in order to present our case to best advantage. It should bs kept in mind, however, that propaganda can

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backfire if it is overdone of if it is not handled with the necessary tact and understanding. X am frankly slightly uneasy about Dr. Eytan’s battle order for an all-out attack on American officials around the globe. Zeal alone is not always sufficient to make a good propagandist•

■; 21, An entirely different matter is the one of bringing pressure to bear

] on the Department of State via the President or public opinion. We have ample

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evidence that the President is personally concerned with the fate of Israel, not only because he has to look to the Jewish vote, but because he is a warm- hearted and sincere personality to whoa a human cause like ours has a natural appeal. He has overruled the Department of State before and might do 80 again. But his interference is subject to limitationsן firstly, it is evident that the help of the President of the United States can be enlisted only in matters of

top Important!\*, W# cannot make ourselves a nuisance to him and bother him daily with our problems. It is not entirely impossible that we and Zionist leaders have somatimes overstepped the limits of tact and reticence in this respeot, and we must in any case be extremely careful not to waste that

precious capital in minor and diversified actions,

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22, Secondly! as the Ambassador has pointed out repeatedly! the President will at Ihie moment hardly act against the advice ef the Department of State, Whereas in the past we could capitalise to a certain degree on the tension prevailing between the White House and the Department, we must now consider the contrary—the good relationship and the mutual trust obtaining between them, Mr. Acheson 11 at the present time tinder concentrated fire from the opposition, and this faat will induce the President with his highly developed sense of loyalty to stand more firmly behind him. Another consideration which should not be overlooked is that the Department of course resents—as we have been told at various times—any attempt on our part to by-pass it and to apply directly to the higher authority. Although this might ba unavoidable at times, if this line is persistently adhered to it will certainly not foster our good relationship with the Department and might arouse a spirit of revenge which will find its outlet at soma unexpected opportunity,

23• The question of public opinion is 80 complex that it deserves a special exposition which I shall try to submit to you at my first opportunity. Here are only a few remarks. This is a country of 150,000,000 people, only a tiny minority of whom are Intensively interested in our problems. We are not alone in the race for public opinionj on the contrary, we have many and strong conpetitors, as for Instance the Catholic Church, The Jewish ooraunity is disunited and poorly led. There is no overall organisation or directive.

The Zionist movement la struggling with internal difficulties! the Zionist Council is only now reviving from its long torpor to some semblance of activity, 214, Nevertheless there exists in both the Jewish and dentils communities an

enormous reservoir of goodwill toward us which should be activated more than has been done till now. But this is a question of money and of manpower. We are catastrophically short of both\* Until the successor of Harry Zinder ar- rives, and until a sizeable budget for propaganda has been found, no inprove- ment can be expected in this quarter. We know that it is not the fault of the Foreign Ministry that both of these matters have not been tended to till now, but then we should not be blamed for a situation which has been created by

circumstances sntirely beyond our control.

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25• 1 aa new in the position to mention in a concluding remark the work of

the Embassy here. I aa very far from content with our work here. But I believe that with the present financial means and size of staff no appreciably batter results can be achieved. The whole staff is working at full capacity.

Our foremost defect is not, I believe, that our relations with our counterparts in the Department of State are not sufficiently intimate or cordial—the opposite is true. If we are unsufficient here, it is in the observation of the American scene and tha rendering of systematic reports. I aa trying ny best to change this unsatisfactory state of affairs but the present load of work makes an immediate improvement very difficult.

26, 1 should especially like to mention that Hr. Shiloah's observation of

H.7. is hardly fair. There is no more devoted member of the diplomatic staff than he, and if the present distribution of tasks makes it necessary that M.I. be concerned more with administrative and other matters than with political work (which, by the way, is only partly correct), it should not be forgotten that the smooth running of the administration 18 also a very iaportant factor which must be constantly looked after. M.T, has good and friendly contaots with non-political divisions of the Department of State, excellent relations with the Jewish community, and a very wide knowledge of personalities, Israeli

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and American institutions, procedure and protocol.

27• As to the other members of the staff, I have from time to time reported

on their respective talents and weaknesses. Many changes have already taken place since ray arrival here and 1 shall certainly continue to strive for as competent a staff as can possibly be found under the circumstances. However, I have explained often why I prefer to proceed in these matters slowly and systematically, the staff is composed of human beings and every change has to take into account that the personal fate of a human being will be affected\* 28• As an addendum, 1 should like to remark on Mr. Kollek’s suggestion (p. 16 of your protocol) that we should threaten to apply to Soviet Russia if arms are withheld from us here. I cannot warn strongly enough against such a procedure, and I 8a convinced that everyone here will agree\* We are not in a position to threaten the United States in any way, tad the United States government knows this of coxtree very well. If we try to bluff the United States our bluff might be called and w» might be told to ask for arms in Moscow and not in Washington. But should ire really succeed in buying arms from behind the Iron Curtain, this step would certainly be interpreted as a definite proof of our vacillation and unreliability. The final result would be, in all probability, that we would not get arms from either the East or the West, but that our relations with the United Statee would be finally and irrevocably jeopardised\*