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sent - 2.3.53

FROM : MEMISHAEL WASHINGTON

recd - 3.3.53

IMMEDIATE

TO

For Roham and Sar.

One - Wld like to analyse relations between Isr USA UK Egypt and suggest urgent conclusion

- aa) USA UK will work closely together on Suez phase Egyptian negs. They may agree evacuation Canal to be unconditional in theory but offset by private assurances Egypt will later join Western Defence of Canal Zone.
- bb) There is chance to get USA UK committed to insist acceptance international conventions and resols on free passage but we have not yet secured such committment.
- cc) Suez negs may encounter crisis if Egypt declines and avowed Western committment in return for evacuation. More likely some compromise will be found and agreement reached.
- dd) As to what happens when Suez phase finished or advanced opinions divided. UK view supported previously by Byroade is that MEDO shid be established with Arab States without Isr while role of latter decided later. Dulles now committed reject this and insist that Regional Defence Org if any must be open all willing join. Fentagon Sees no logistic value in MEDO with gaping hole in center i.e. in Isr. Congress fuss wild arise if such proposal put. I dont believe Byroade scheme could get through without our acquiescence.
- ee) While increasingly aware question Isr Egypt relations must arise some early stage Western policy at present is to go as far along road of Egyptian settlement as possible without facing Isr issue.

ff)Fthis continues we bound be politically weakened and destine face Egypt for peace only when latter is strong intimateally of Western powers able dictate terms. Meanwhile need for Egyptian settlement will exclusively deminate Western policy and we at best can play impeding negative role on proposals gravely prejudicing our security.

Two - Am convinced our present diplomacy falls far behind pace of these events. We are

Aa) Arguing negatively against certain marginal aspects
Egyptian settlement e.g. arms without being centrally positively
concerned on issue as such.

- bb) Awaiting till we look like getting hurt then reacting.
- of Western preoccupation Egyptian settlement as first step and their resolve utilise Isr only when such settlement is either reached or proved unattainable.
- dd) Collecting list of assurances that USA still loves us as per Republican Platform and intends no betrayal. I do not underestimate value of this but we can increase collection indefinitel with no direct marked effect on separate development Western political strategy in ME.

Three- Am convinced after talk Dulles that we can change this position dramatically and become active central factor.

Four - My proposal is as follows:

We shold inform USA UK we regard Egypt Israel peace as urgent for ME and world and Isrs interests do not allow us defer serious effort to that end. Similarly, we regard beginning of work for defence preparation as urgent. Egypt Isr peace and ME defence in that order are central objectives Isr policy for 1953 and we invite USA UK determine these to be their common objective too and to work with us practically and programatically from today onwards. Here we shid refuse any idea they can get much further in Egyptian and MEDO settlement without solving Isr Egypt question. Suez solution unlikely without prospect new defence arrangement and latter unworkable without Isr since in war versus north fate canal area will be settled in Isr not in Libya as in 1942.

Five - Having defined objectives we go on to state programme for said peace settlement. Agenda is fairly obvious after Bunche and our own soundings

- aa) Communications viz continuity Arab world
- bb) Refugees viz finanical arrangements for Sinai project and rest of Gaza refugees to Syria or Iraq under UN scheme.
 - cc) Gaza strip vi& possible exchange or letting alone.
 - dd) Abandonment blockades boycotts.
 - ee) Economic aid regional cooperation ff.) Arms agreement.
 - gg) Nonagression clause.
 - hh) Part of Egypt and Isr in regional defence.

Procedures available this neg are

Alef - Informal preliminary conversations in Europe.

Beth-Conference called by Isr under article eleven armistice to replace all articles by peace articles. All that is lacking immunities is incentive to Egypt to come to table and this is Role of USA which shid make it primary objective its policy explain American Egypt relations depend thereon as no defence of area likely otherwise and American defence system in Europe threatened by outflanking owing to vacuum south of Turkey and east.

- Six As for defence community we shid work out scheme at least as programatic as above scheme for peace. Let us stop picking holes in SACME and MEDO and say how we repeat we think defence area shid be organized
 - ma) If all states cooperate
 - bb) If Isr has to be prepared alone for defence.

Add that until defence community established individual projects of Milaid in Isr shld be authorized under MSA 202.

Seven- I then propose we tell Powers we determined raise these matters actively now but willing coordinate with them provided they accept objective. Suggest Dulles appoint representative e.g. Lodge to work with us on timing and procedure of approach. Negs between Westerners and Isr on above ME scheme shid proceed parallel with any Anglo Egyptian negs on Suez.

Eight - Will now summarise dvanteges this proposal

- aa) Objectives Egypt Isr peace and defence community in themselves quite unassailable. Powers will have to agree wous and at most be defensive or cautionary on procedures. We shave firm basis relations U.S.A. on common objective not mare sentiment and pleages.
- bb) In advancing these objectives we are certain publices sympathy while those who oppose or are sceptical will be defensive.
- place our own world position. If not we at least enjoy in USA relations same tactical advantage as we had in UN when we wer sponsors of peace idea and program. I feel we have lost groun G.A in exact proportion to reduction of our pro-peace initiat
- dd) If we are actually working with U.S.A at high le on details these two plans we have greater political stature if we merely kick around our minor headaches as now.
- ee) U.S.A wld gain from success encurmously in polit economic and domestic respects. Manouverability American politic greatly enlarged. Am not discussing British advantage but similar case could be made to their official and public opini
- ff) Have already cabled you on present acute embarra

 (No publican party seeing no prospect any success in internati

 field in Far East or Europe. If we can interest them in feasi
 this solution then their own interest will ruthlessly overrid

 Exaggerated sensitivity about pressing Neguib for peace.
 - groups and influential general and journalists to sponsor this which does not have only Isr. but Western Willity.

Nine While as you see I accept foundations Elaths Memo am convinced that defence theme shid be subordinated wider context Egy Isr place program. Moreover high level approaches to Churchill and only useful if content of approaches is arresting and serious. Our trouble is not diplomatic but political not lack of access but lack program. Mere slogan direct negs no longer potent without concrete specification issues and genuine willingness to plunge into ice wat peace talks.

Ten I see no alternative to plan such as this except contidiplomacy of marginal reaction and abstract friendship assurances we decisive events fixing destiny ME will go on between Cairo London and DC with ourselves outside.

Eleven Above is not far different from general trend of my current talks Dept and Pentagon but we need to give program formal effect by official submission and request for American study with u concurrent with Anglo Egyptian Negs Suez.

EBAN