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10. Memorandum of Conversation/1/

Washington, February 13, 1961.

/1/Source: Department of State, Central Files, 684A.86/2-1361. Confidential. Drafted by Dozier (EUR/BNA) on February 15 and cleared by Meyer (NEA).

SUBJECT

US-UK Bilateral Talks: The Middle East and the Arab-Israeli Problem

PARTICIPANTS

U.K.

Lord Hood, Minister, British Embassy Mr. D.A. Greenhill, Counselor, British Embassy Mr. W.C.C. Rose, Petroleum Attaché, British Embassy Mr. D.J. Speares, First Secretary, British Embassy Mr. C.D. Wiggin, First Secretary, British Embassy Mr. M.S. Weir, First Secretary, British Embassy

U.S.

EUR--Mr. F.D. Kohler BNA--Mr. W.C. Burdett E--Mr. C.W. Nichols NE--Mr. A.H. Meyer OR--Mr. S.B. Jacques WE--Mr. W.K. Cromwell, III BNA--Mr. W.B. Dozier

Lord Hood said that our policies on the Middle East have been close in recent years and the U.K. wanted to insure that they are aligned in the future. The U.K. hoped that we would continue to talk over the various problems and would act together. Lord Hood said that the U.K. was hopeful that the present calm in the area, although admittedly uneasy, would continue. Nasser now seemed to be looking in the direction of Africa and this was perhaps a hopeful sign. The basic cause of unrest, however, continued to be the Arab-Israeli problem. Very little progress has been made there. The U.K. wondered if we had anything new, i.e., where we might go and how to get there, with respect to this problem and also the problem of Arab refugees.

Lord Hood said a new problem had recently arisen--the Israeli reactor--and he wondered if there was anything more that could or should be done to impress upon the Israelis how serious this matter was, and how necessary it was to obtain suitable safeguards. He said that he shuddered to think what the Arab reaction would be if they became convinced that the reactor was being used for weapons production. He asked for our views with respect to the general situation, the Arab-Israeli question, and the particular problem of the atomic reactor.

Mr. Kohler said that we shared U.K. apprehension about the reactor. The Norwegians were also concerned and were asking for more information before providing additional heavy water to the Israelis. Mr. Meyer said that we were in general agreement here with the British. We intend to keep an eye on the situation and to hold the Israelis to their stated intentions not to produce weapons. However, there are still a few loose ends. We feel that it would be useful to have observers from friendly powers visit the new Israeli reactor. Israel should feel that such inspection is also in its interests. Ben-Gurion's present disposition seems to be to let the publicity die down

somewhat before taking further action; he, of course, has been preoccupied with his domestic situation in recent weeks. The French have also expressed concern over the possibility of weapons being produced by Israel.

Lord Hood asked if inspection is provided for in the atomic agreements with Israel. Mr. Meyer replied that it was in our agreement with the Israelis with respect to the small reactor we are providing. IAEA safeguards applied only to assistance provided by the IAEA. Mr. Burdett stated that the Norwegian agreement provided for inspection, although again not the IAEA system of safeguards. Mr. Meyer noted that Ben-Gurion asks why Israel should accept safeguards when India and others refuse. Ben-Gurion, moreover, fears that IAEA inspection would mean Russian involvement.

Mr. Wiggin observed that the problem was not only one of not producing weapons but also of convincing the Arabs that weapons were not being produced. The latter was probably the most difficult. Mr. Meyer concurred. Mr. Kohler said that certainly the main problem was to convince others. To do this we ourselves must know what is going on. Neither the U.K. nor the U.S. could permit atomic weapons to be produced in this area.

Turning to the general situation, Mr. Meyer said that the Arab-Israeli dispute, of course, goes back more than a decade and so far has defied solution. A major effort was made in 1955 to resolve the problem, but it failed mainly because neither side was prepared to make the necessary concessions. Then there was Suez. In recent years the U.S. and the U.K. have worked toward a normalization of relations with the area. The new Administration has been preoccupied with matters of more urgent concern, such as the Congo and Laos, and has, therefore, not had opportunity as yet to complete its study of the Arab-Israeli problem. However, it certainly was appreciative of the present tranquility. At the moment we have no specific proposals or initiatives in mind and in any event would be in touch with the U.K. should any major move be planned.

Mr. Meyer said that thinking at the bureau level tends to favor a "piecemeal" approach, rather than the "package" approach which failed in 1955. The annual presentation to Congress on refugee aid and the annual General Assembly hassle with respect to UNRWA argue for early action with respect to the refugee problem. Lord Hood observed that the refugee problem is not merely technical but is also a political problem. The U.K. felt that the only possible solution on refugees would be in the framework of a wider political agreement. Mr. Meyer observed that the problem would become more manageable if the Israelis could agree to the principle of repatriation. While there was no indication of a change in Israeli opposition, it might be possible if they could be assured that accepting the principle would not constitute a danger to either Israel's security or economy.

Mr. Meyer asked if the British have anything new on SYG Hammarskjold's thinking with respect to the Arab-Israel issue. Mr. Weir said that he understood Hammarskjold stated recently that he had no plans with respect to this problem.

Mr. Greenhill asked if we favored widening the PCC. Mr. Meyer replied that although we opposed such a move last fall, we were not categoric about it. It would all depend on whether such enlargement would serve a useful purpose. There are some recent indications that the Arabs themselves may no longer be so anxious to enlarge the PCC. In recent calls Arab Ambassadors have stressed that they think the whole question should be "put in the refrigerator."

With regard to the UAR, Mr. Meyer said that we were pleased with recent U.K. steps to improve its relations. Lord Hood said that the U.K. was well aware that the resumption of diplomatic relations has not changed Nasser, but it has opened up a listening post. Mr. Meyer said that we too have no illusions with respect to Nasser. U.K. and U.S. policies are parallel here; we favor neither embracement nor hostility. In his view, forces in the area have more effect on Nasser than Western pressure.

Mr. Kohler asked if there were any special implications to the British query on the Arab-Israeli dispute. Lord Hood replied in the negative, saying that they were simply curious. Mr. Meyer asked if the British would advise that no initiatives be taken. Lord Hood said that he did not think so. They liked the present calm but the fact was that the causes of friction were still there. If some useful "medicine" could be applied which would "retard" the "disease" that, of course, should be done.

Mr. Weir wondered how much of Nasser's cooperation with the Soviets was explicit arrangement and how much simply coincidental. Mr. Meyer said that Nasser appears to be driven primarily by a dominating ambition with respect to the three circles mentioned in his book, i.e., the Arab World, the Moslem World, and Africa. Mr. Kohler observed that you might call it opportunistic neo-colonialism.

In Mr. Meyer's view there seemed to be a slight pulling back in the Congo by Nasser after Casablanca. The latter may have provided a means of getting out of what he considered an unhappy situation in the Congo. He may also

have come to realize how much he was being used by the Soviets. Another factor is his present difficult financial situation. Mr. Meyer emphasized, however, that this recent slight shift in Nasser's policy could be only tactical. It could be that with the latest developments in the Congo (Lumumba's death) the Russians will use him more than ever.

Mr. Meyer asked if the British had any views on the Jordan waters problem. Mr. Greenhill replied that they were of the opinion that the Johnston Plan was more or less a dead letter, i.e., it was not much of a starter. London, however, has not made any concrete proposals. He wondered if there was any problem here with respect to timing. Mr. Meyer replied that the issue may come to a head in 1963 when Israel starts diverting the Jordan. He noted that a hill in front of the pumping station provides some protection. Mr. Weir observed that the Syrians could probably lob shells over the hill.

Mr. Meyer said that he could not agree, that the Johnston Plan was a dead letter. The progress made on the technical level should be preserved and used. It was true that the Israeli structures have a maximum capacity higher than that envisaged in the Johnston Plan, but the Israelis say they are willing to abide by the terms of the plan.

Mr. Greenhill asked if there seemed to be continued pressure for Jewish immigration. Mr. Meyer replied that most of the sources seem to be drying up. In fact, manpower was becoming a problem in Israel.

Lord Hood said that he would like to touch briefly on certain other spots in the area.

Jordan--Lord Hood said that the U.K. hoped American aid would continue for Jordan./2/ As for the U.K. share, Mr. Dillon had been promised last fall that the U.K. would try to do a little more. He was now happy to say that the U.K. would increase its budget aid by one million dollars during the next fiscal year. The increase would be made available at the beginning of the year, that is, on April 1. A letter has gone to Mr. Dillon on this.

/2/Documentation on U.S. interest in budgetary support for Jordan is ibid., 785.5-MSP, 841.0085, and 885.10. See Supplement, the compilation on Jordan.

Mr. Kohler said that we were happy the U.K. was increasing its aid. We had pressed the Germans on this but so far without success. Mr. Meyer said that the U.K. increase reduces our share of the Jordan budget load from 85% to 83%. This is, of course, welcomed but we had hoped that our percentage could be reduced from the present 85% to 70%. The Germans have indicated that they might provide some project aid but budgetary aid is the main problem.

Iran--Lord Hood said that the U.K. attaches great importance to Iran. He was afraid that there will continue to be trouble there. The U.K. was now thinking seriously about the long-term problem, i.e., the prospects of the Shah surviving, whether or not to give advice, etc. The views of the U.K. Ambassador to Iran have been requested, and it was anticipated that the U.K. will want to discuss the problem with us in more detail in March or April. Mr. Kohler said that we were always ready to discuss Iran. He added that Ambassador Thompson in recent talks put his finger on Iran as a very special problem.

CENTO--Lord Hood said that the U.K. hopes that the U.S. will continue to support this organization. Mr. Meyer referred to the Secretary's expected attendance at the next CENTO meeting as an indication that the new Administration plans to give full support to these organizations. Mr. Kohler said that we agreed fully with the British on Iran and CENTO.

Persian Gulf--Lord Hood said that he was sure that the U.S. knew how important it was for the U.K. to remain in the Persian Gulf. The U.K. recognized that maintaining its position there opened it and others up to charges of imperialism. Nevertheless, they feel it is worthwhile not only because of the oil but also because the rulers and people of the Sheikdoms prefer the U.K. presence to a vacuum. The latter would be rapidly filled by Communist-inclined elements. At the same time the U.K. recognizes its responsibilities and is trying to move these areas toward a more democratic way of life, although this is admittedly a slow process. The U.K. hopes that the U.S. will be understanding and will give the U.K. its support.

Mr. Meyer asked if the U.K. might give us a timetable on expected developments in Kuwait. Mr. Weir replied that it was difficult to predict since the Ruler seemed to want to make haste slowly. Lord Hood promised to give us something at a later date on the Kuwait situation.

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Saudi Arabia--Lord Hood said that the U.K. wanted to get back on good relations with Saudi Arabia and was working toward this end. To date, however, little progress has been made.