

[Enclosure]

PROPOSED BASIS OF SETTLEMENT BETWEEN ISRAEL AND THE
ARAB STATES

(i) Acceptance of refugees by both sides in proportions to be determined.

(ii) Israel's proposal to incorporate the Gaza strip with the refugees at present in it could form part of a general settlement subject to the following conditions:

(a) It should be made clear that there is no question of a mere deal between territory and acceptance of responsibility for refugees. Territorial compensation for the Gaza strip should be found elsewhere by Israel for the Arabs—see (iii) below—provided the Arabs demand such compensation.

(b) Some safeguards should be devised in regard to the future treatment of the Gaza refugees in Israel; they should be permitted to return to any part of Israel where they had property or special interests and they should be able to earn a livelihood and presumably have full rights of citizenship.

(iii) Territorial compensation for the Gaza area (if ceded) and for other areas held by Israel but not allotted to her under the 1947 Plan should be provided if the Arabs demand it. The following areas appear politically and geographically suitable for this purpose i.e. contiguous to other Arab areas:—

(a) A land-bridge in the southern Negev between Egypt and Jordan.

(b) An area in the Negev north of Beersheba connecting with Arab central Palestine.

(c) An area along the Egyptian frontier south of El Auja.

(d) The restoration of part or all of Western Galilee.

(e) The Ramleh-Lyddah area.

The Foreign Office see no reason to insist that any one of these areas should form the exclusive field for compensation. They could, if necessary, be combined in various proportions. This would certainly provide greater flexibility for the discussions. But the shape of the eventual territorial compensation should in any case be governed by the requirements of either side in regard to communications and outlets to the sea (see (iv) below).

(iv) Communications and outlets. If the territorial compensation to the Arabs were to be in the form of the award to Jordan, or to Jordan and Egypt, of part or whole of the Southern Negev, thus providing a land bridge between Egypt and Jordan, Israel should have guaranteed freedom of access and communication to the Red Sea.

Equally the Arab States should have guaranteed freedom of communication and access to the Mediterranean. If another solution were adopted for the Southern Negev there should nonetheless be guaranteed freedom of communication and access across it between Egypt and Jordan and between Israel and the Red Sea. An alternative method of providing for freedom of communication and access might be by a neutral zone or zones.

(v) A free port (or at least a free zone for all Arab States) should be established at Haifa with an arrangement by which Iraqi crude oil could be freely exported in return for the provision by Iraq of normal supplies for the Haifa Refinery.

(vi) There should be a partition of Jerusalem for administrative purposes with international supervision, particularly of the Holy Places.

(vii) Central Arab Palestine should be incorporated in Jordan

(viii) Israel and the Arab States concerned should agree to share for their mutual benefit the waters of the Jordan and Yarmuk.

*Terms of Reference of the Economic Survey Mission*¹

TERMS OF REFERENCE OF THE ECONOMIC SURVEY MISSION

The Palestine Conciliation Commission,

Desiring further to implement paragraphs 10 and 11 of General Assembly resolution 194 (III) of 11 December 1948, and to obtain information which will serve as the basis for recommendations for further action by the General Assembly, Member States, appropriate specialized agencies, and interested organizations, and

Having noted the declarations of representatives of Israel and the Arab States with respect to repatriation, resettlement and compensation of refugees,

Pursuant to the authorization granted to it under paragraph 12 of the foregoing resolution,

1. *Hereby establishes* under its auspices an Economic Survey Mission to examine the economic situation in the countries affected by the recent hostilities, and to make recommendations to the Commission for an integrated programme:

(a) To enable the Governments concerned to further such measures and development programmes as are required to overcome economic dislocations created by the hostilities;

¹ Dated September 1, 1949; reprinted from GA (IV), *Ad Hoc Political Committee, Annex*, volume I, 1949, p. 29.

(b) To facilitate the repatriation, resettlement and economic and social rehabilitation of the refugees and the payment of compensation pursuant to the provisions of paragraph eleven of the General Assembly's resolution of 11 December 1948, in order to reintegrate the refugees into the economic life of the area on a self-sustaining basis within a minimum period of time;

(c) To promote economic conditions conducive to the maintenance of peace and stability in the area.

2. *Instructs* the Economic Survey Mission to include in its recommendations an operational plan for carrying out the recommended programmes together with the estimated costs and methods of **financing**.

3. *Authorizes* the Mission, pursuant to paragraph 14 of the General Assembly's resolution of 11 December 1948, to invite the assistance of those Governments, specialized agencies and international organizations which may be able to facilitate its work.

Recommends that the Survey Mission approach its task along the following lines:

In collaboration with the Governments concerned:

(a) Explore the measures which can be taken by the Governments concerned without outside financial assistance to achieve the objectives of paragraph 1 above;

(b) On the basis of existing plans and surveys, examine proposals submitted by the Governments concerned for economic development and settlement projects requiring outside assistance which would make possible absorption of the refugees into the economy of the area on a self-sustained basis in a minimum time with a minimum expenditure;

(c) Examine other economic projects which can, with outside assistance, provide temporary employment for the refugees not employed on the development and settlement projects of paragraph (b);

(d) Examine such other development, and settlement projects requiring outside assistance which, though not associated directly with the employment and settlement of refugees, would serve to achieve the objective of paragraph 1;

(e) Estimate the number of refugees who cannot be supported directly or indirectly through the employment envisaged under paragraphs (a)-(d), together with the estimated period during which direct relief will be required and the cost thereof;

(f) Study the problem of compensation to refugees for claims for property of those who do not return to their homes, and for the loss of or damage to property, with special reference to the relationship of such compensation to the proposed settlement projects;

(g) Study the problem of rehabilitation of refugees, including matters concerning their civil status, health, education and social services;

(h) Propose an organizational structure to achieve the objectives of paragraph 1 within a United Nations framework, to co-

ordinate, supervise and facilitate measures for relief, resettlement, economic development and related requirements such as community service facilities, bearing in mind the interests of all Governments concerned.

1 SEPTEMBER 1949.

766A.67N/8-1249 : Telegram

*The Secretary of State to the Acting Representative at Vatican City
(Gowen)*

SECRET

WASHINGTON, September 1, 1949—1 p. m.

16. Re conversation on Jerusalem reported urtel 33, Aug 12,¹ Dept desirous obtaining broadest possible support for proposals to be presented by PCC. With this in mind, suggest you seize opportune occasion to make fol points to Tardini: US Govt appreciates having Vatican's views as expressed by him and itself is strongly in favor internatl regime for Jerusalem. US Rep on PCC became convinced at early stage that essential problem confronting Comm was formulation practical proposals having good chance acceptance and which cld be placed in operation, resulting in settlement this problem. Plan under consideration by Comm wld provide full UN control and protection Holy Places with provision UN guards for this purpose. Jerusalem area wld be demilitarized. Although substantial powers govt for Jewish-Arab auths deemed necessary to acceptance plan, UN Authority in Jerusalem wld possess real powers preserve character internatl regime and assure protection of and free access to Holy Places.

PCC has devoted arduous work in attempt devise plan which will satisfy essential demands of all concerned. We believe acceptance of plan outlined above will not be possible unless it receives utmost support from Christian community. We earnestly hope Vatican will agree this formula presents best possible satis and practical outcome PCC conscientious endeavor fulfill extremely delicate task assigned it by GA. FYI Cardinal Spellman understood to have transmitted to Vatican copies recent correspondence with Pres re Jerusalem (Dept's despatch No. 5, July 5²), Vatican in turn transmitted to French Rep

¹ Not printed; it reported a conversation between Mr. Gowen and Msgr. Domenico Tardini, described as the "Vatican Acting Secretary of State," in which the latter advanced the firm view that "Jerusalem and environs should be placed under international control as indicated by UN in 1947 and again in 1948. Such international control with proper guarantees would assure lasting peace, tranquility [in] Holy Land. . . . Placing Jerusalem under international control would create buffer area which neither Jews nor Arabs would violate." (766A.67N/8-1249)

² Not printed.

PCC. Additional correspondence between Cardinal and Dept being pouched to you.³

ACHESON

³ Mr. Gowen, on October 4, reported that Monsignor Tardini had given him the major objections of the Vatican to the formula on Jerusalem proposed by the Palestine Conciliation Commission. He was said to have repeated "many times that only through true and effective international regime and not through international control would it be possible achieve what Vatican would consider fair and proper settlement of this vital problem." One of the more specific objections was the Commission's acceptance "with some limitations Arab and Israeli sovereignty over their respective zones. However, it facilitates conflicts between two neighboring groups and complicates commissioner's role who is placed without adequate powers between two sovereign groups." (telegram 41 from Vatican City, 867N.01/10-449)

501.BB Palestine/9-149 : Telegram

Mr. Stuart W. Rockwell to the Secretary of State

SECRET

LAUSANNE, September 1, 1949—5 p. m.

Palun 294. Israeli delegation September 1 delivered to PCC written reply¹ to questions put by PCC to all delegations August 15 (Palun 275).² Substance reply as follows:

1. Israeli delegation prepared sign declaration along lines chapter 1 of PCC memo (re refugees) subject to precision on following points:

a. Israel considers solution of refugee problem to be sought primarily in resettlement in area territories but is prepared contribute by agreeing to measure of resettlement in Israel.

b. Israeli Government cannot bind itself in advance to implement such solutions as survey group may propose but will undertake to facilitate task of group and give full consideration to any proposals group may put forward.

Israeli delegation desires stress its understanding that any repatriation in Israel would take place subject to financial assistance furnished by international community and that such assistance would be extended to resettlement of Jewish refugees from Arab controlled areas Palestine.

Israel's willingness facilitate task of survey group rests within framework of numerical contribution which it has declared itself ready to make to solution of refugee problem.

Israeli delegation reiterates that Israel can agree to repatriation of refugees to Israel only as part of overall settlement of refugee problem and of Palestine conflict.

2. Re territory, Israeli delegation considers that in addition to territory indicated on map attached to protocol of May 12 all other

¹ The reply was in the form of a letter dated August 31 from Mr. Shiloah to the Chairman of the Palestine Conciliation Commission (A/AC.25/IS/36, IO files).

² Dated August 15, from Lausanne, p. 1313.

areas falling within control and jurisdiction of Israel under terms of the four armistice agreements should be formally recognized as Israel territory. Adjustment of frontiers so created will be subject to negotiation and agreement between Israel and Arab Government in each case concerned.

By this adjustment no territory is added to Israel which forms part of the four Arab states or was ever awarded to them by any international instrument or held by them under any agreement. No territory in which the four states exercise authority or jurisdiction under the armistice agreements is added to Israel.

If this adjustment not made, territory awarded to Israel under international instrument or held by it under an agreement (armistices) would be awarded to one or more Arab states.

Israeli delegation holds that only this adjustment falls equally in its effects on rights and positions of each party, makes no encroachment on existing sovereignties, and preserves juridicial status and stability achieved by the existing agreements.

ROCKWELL

501.BB Palestine(E)/9-249

*Memorandum of Conversation, by Mr. Harlan B. Clark of the
Division of Near Eastern Affairs*

CONFIDENTIAL

[WASHINGTON,] September 2, 1949.

Participants: Mr. McGhee, NEA
Mr. Hare, NEA
Mr. Gardiner, NEA
Mr. Clapp, Economic Survey Mission
Mr. Clark, NE
Dr. [Charles] Malik, Lebanese Minister
Dr. M. B. Chiati, Egyptian Chargé d'Affaires
Dr. Yusuf Haikal, Jordanian Minister
Abdullah Ibrahim Bakr, Iraqi Chargé d'Affaires
Ahmed Abdul Jabbar, First Secretary, Saudi Arabian
Embassy

Problem:

The Arab diplomatic representatives made inquiry as to the objectives of the Economic Survey Mission and the scope of its activities.

Action Taken:

Mr. McGhee and Mr. Clapp outlined the projected work of the Mission, emphasizing its area-wide character and the necessity for cooperation by the Arab States with the Mission if its objectives are to be achieved.

Action Required:

It was agreed that copies of the text of the terms of reference of the ESM would be made available to the Arab diplomatic representatives.¹

Action Assigned to: NE

Discussion:

The officers in charge of the Arab diplomatic missions in Washington called at their request to meet Mr. Gordon Clapp, Chief of Mission of the United Nations Economic Survey Mission. Mr. McGhee introduced the Arab diplomatic representatives to Mr. Clapp, and Dr. Malik opened the discussion by stating that those present would be interested in having more information about the objectives of the Economic Survey Mission and its terms of reference. Mr. McGhee said that copies of the United Nations press release in this regard would be made available to the Arab missions but that in general the terms of reference encompassed all aspects of an economic approach to the problems which confronted the Palestine Conciliation Commission. He said that in frankness it had to be admitted that the work of the Palestine Conciliation Commission on a political basis had thus far not been productive of solutions to outstanding problems. Since these problems were closely bound up with the economic situation in the area it was thought that progress could best be achieved at the present stage by determining the needs and potentialities of the area, as well as how through economic measures these potentialities could be developed and thereby contribute to a solution of the problem of the refugees and other issues with which the Palestine Conciliation Commission is faced.

Mr. Clapp said that, being an engineer and not concerned with politics, he would confine his activities to technical matters. Moreover, he proposed to study the area as a unit and not on a country-by-country or any other basis which would not permit full realization of the potentialities of the economic resources available. He referred, for example, to water resources which cut across country boundaries or were shared by adjoining states, such as were found in the TVA system. He and his staff of TVA engineers had found that unless they could plan river control schemes on an area basis, regardless of state boundaries, they could not provide for full utilization of these resources. It had also been found that the engineers could not make development plans work unless the people of the area cooperated fully in carrying out recommendations as to soil management and conserva-

¹ Mr. McGhee, in letters to the Arab diplomatic representatives on September 7, enclosed copies of the press communiqué issued by the Palestine Conciliation Commission on August 24. The communiqué outlined the objectives and functions of the Economic Survey Mission (501.BB Palestine (E)/9-749).

tion, as well as all other phases of the TVA program. The same principle would no doubt apply in the Near East where similar cooperation by the respective governments and peoples was the keynote to successful realization of any programs which the Survey Mission might recommend, and artificial barriers which might be found to exist should not stand in the way of such cooperation.

Dr. Malik inquired as to when Mr. Clapp would leave and he replied that it would be within a matter of days. Mr. McGhee said that Mr. Clapp would be accompanied by Deputies nominated by the United Kingdom, France and Turkey and that Secretary General Lie would shortly be announcing their appointment. In selecting the Deputies and other members of the mission's staff, care had been taken to obtain as wide representation as possible of interested United Nations agencies such as the FAO and WHO. Dr. Malik inquired as to whether Mr. Clapp had selected a headquarters for his Mission and Mr. McGhee replied that, while this was a matter for the United Nations to decide, some consideration had been given to Beirut as a possible headquarters. He inquired whether Dr. Malik felt that his Government would welcome the selection of Beirut as this purpose, bearing in mind that Lebanon would offer certain advantages including the presence there of buildings which had been constructed for the UNESCO meeting. Dr. Malik said that he was sure that his government would welcome the visit of the Mission but that he would like to have as much advance notice as possible in order that the necessary arrangements could be made.

Shaikh Jabbar inquired whether the Survey Mission planned to visit all the Arab countries and Mr. Clapp replied he hoped he would be able to do so but that he would have to concentrate most of his time in those countries most directly concerned. Shaikh Jabbar said that he had that in mind since he understood that it was those countries actually bordering on Israel which had been most directly concerned. Mr. McGhee recalled that the King of Saudi Arabia had already undertaken to accept certain categories of refugees and had also made contributions of petroleum products for the refugee program. It might be most useful, therefore, for Mr. Clapp to investigate the possibilities as to whether Saudi Arabia might not also be able to receive other categories of refugees. Shaikh Jabbar said that all the Arab States were willing to help out in connection with the refugees in so far as such action did not adversely affect their other "problems" in connection with Palestine.

Mr. Bakr stated that Iraq had already compiled a number of surveys which might be useful in connection with Mr. Clapp's study of Iraq's

river development projects. Mr. Clapp said that he wished to make full use of all available studies since it was not possible in the short time available to the Mission to make detailed independent surveys of each individual project.

Dr. Malik said he wished Mr. McGhee would clarify what he and Mr. Clapp had said concerning the Economic Survey Mission's terms of reference. Specifically, by approaching the economic problems of the Near East from an area basis was it envisaged that the Arab States would be called upon to cooperate with Israel and would the elimination of what had been referred to as "artificial barriers" refer to trade barriers with Israel? Mr. McGhee replied that he realized the difficulty of this problem to the Arab States but it was naturally the hope and objective of the United Nations to remove artificial barriers in the area which constituted obstacles to the resumption to normal conditions, and which thereby constituted a threat to area and world peace. At some stage trade must be resumed throughout the area; oil would again flow through its pipelines; and airplane and shipping services which have existed in the past would be restored to full operation. Mr. Clapp stated that it was obvious no useful purpose would be served by his mission if it should recommend that development schemes be implemented and if it should develop that the resultant increased production of the area could not find its way to the logical market outlets in the area. Shaikh Jabbar said that the more he learned about the scope of the Mission's activities the more limited he believed were its possibilities for success.

Mr. McGhee said that implicit in the entire undertaking of the Survey Mission was the understanding that there would have to be outside assistance to implement the recommendations which would be made. This was clear, for example, in the President's statement in announcing Mr. Clapp's appointment, the contents of which were familiar to all those present. He was sure it was understood that this government could make no commitments in this connection in advance of Congressional authorization but the desire of the United States to support the work of the Economic Survey Mission was manifest. With that in mind, it was also clear that the President could not recommend to Congress that it provide financial support for the implementation of any plans recommended by the Mission should it appear in advance that such plans were doomed to failure by virtue of artificial barriers and restrictions maintained by states in the area. Such barriers as are clearly artificial must in time be eliminated if any solution to the problems is to be successful.

Dr. Malik said that it was apparent that conditions could only be stabilized in the Near East if at some stage the State of Israel and the Arab States settled down to live together in peace. However, he felt that this government had a definite responsibility to give guarantees to the Arab States which would enable them to do so. Mr. McGhee replied that this Government was lending the fullest possible support to the endeavors of the United Nations to facilitate the final settlement of the Palestine controversy and would continue to do so. Its function in this respect was not, however, to impose the terms of such a settlement upon the parties to the controversy. It was rather for the Arab States and Israel to work out, through the machinery which the United Nations had set up, the bases of a settlement that would provide the guarantees of peace which Dr. Malik had in mind.

501.BB Palestine/9-449: Telegram

Mr. Stuart W. Rockwell to the Secretary of State

SECRET

LAUSANNE, September 2, 1949—8 p. m.

Palun 295. Following comments USDel on Arab-Israeli replies PCC questionnaire (Palun's 290 and 294).¹

1. *Refugee*—replies refugee questions seem fairly satisfactory in circumstances. Although Arab position on return of refugees continues to be as set forth Palun 277,² Arabs can be considered to have accepted principle of resettlement, and Syria and Transjordan have formally stated they can receive those refugees who do not return. This seems substantial step forward, although by "those who do not return", Syria and Transjordan theoretically mean those refugees who are left over after large numbers have returned to areas Palestine allotted Arabs by partition and to areas which will remain in Israel. Israel has once more formally committed itself to measure of repatriation. Although Arab position is as stated above, and Israelis state the wish only repatriate as part overall settlement refugee problem and Palestine conflict, and both sides say they can do nothing without international assistance, Arab and Israeli replies may be considered as political agreement on sharing responsibility for solution refugee problem.

Israeli and Arab agreement on necessity for continuation relief funds pending establishment repatriation and resettlement project

¹ Dated August 30 and September 1, respectively, from Lausanne, pp. 1337 and 1349.

² Dated August 16, from Lausanne, p. 1319.

should be helpful when time comes seek further relief funds from UN.

2. *Survey group*—Israelis and Arabs at Lausanne have made commitments to facilitate task survey group and give full consideration its findings. Neither side has committed self to accept findings group, and Israeli has limited its willingness facilitate groups work to framework refugee proposition it has already made.

3. *Territory*—Arabs have weakened their territorial position by demanding more than partition gave, and by basing their demands upon confused mixture of May 12 protocol, need for Arab territorial continuity, alleged desire to secure territory for refugees in compensation for their lost homes, security needs, and plain desire for more territory. Arabs were clearly unable to agree among themselves on common territorial position and so threw everything into the pot, apparently leaving it to PCC or GA to decide what pieces should be pulled out given to them. Arab representatives have privately admitted this first territorial position is unreasonable but state they made it so because they knew Israeli position would be equally unreasonable.

Israeli territorial position, although mentioning May 12 protocol cannot be considered as based on it since it contemplates no adjustments in favor Arabs. Israeli emphasizing alleged legality their position view international instrument (November 29 Resolution) and international agreements (armistice) conveniently disregarding clause in armistice agreements safeguarding territorial claims parties.

Wide divergence territorial positions parties and rigidity Israeli position once more reveal unlikelihood arriving at voluntary agreement. USDeI believes that no matter how attractive proposals of survey group may be to Arabs, there is little likelihood of proceeding from present armed truce line to more stable conditions unless Israel can be persuaded to relinquish some of territory it has occupied beyond partition lines. Some measure of agreement has been achieved on refugees, but judging from attitude representatives here, Arabs will not accept any territorial solution which makes the armistice lines, perhaps with minor modifications, the final boundaries of Israel. Syria and Transjordan, however, will probably in the end agree to put into effect survey group recommendations for resettlement of refugees actually in their territories even if there has been no territorial agreement and substantial numbers of refugees have not returned to Israeli controlled areas.

ROCKWELL

501.BB Palestine/9-249: Telegram

Mr. Stuart W. Rockwell to the Secretary of State

RESTRICTED

LAUSANNE, September 2, 1949—10 p. m.

Palun 296. PCC September 1 sent Jerusalem statute to SYG.¹ September 2 submitted to parties draft declaration on holy places outside Jerusalem and sent copy to SYG. September 2 also adopted draft terms reference for survey group as submitted by USDel on basis Department's suggestions.

ROCKWELL

¹ The text of the transmitting letter of September 1 and the "Draft Instrument Establishing a Permanent International Regime for the Jerusalem Area" are printed in United Nations, *Official Records of the Fourth Session of the General Assembly, Ad Hoc Political Committee, Annex to the Summary Records of Meetings, Annex, vol. I, p. 10*. The Draft Instrument provided for four principle organs to govern the area of Jerusalem: a Commissioner to represent the United Nations in the area who would ensure the protection of and free access to the Holy Places, supervise the permanent demilitarization and neutralization of the area and ensure the protection of human rights and the rights of distinctive groups; a General Council; an International Tribunal; and a Mixed Tribunal. The area of Jerusalem was to be physically divided into a "Jewish zone" and an "Arab zone." All matters not reserved to the four principal organs were to remain within the competence of the responsible Jewish and Arab authorities in each of the zones.

The Palestine Conciliation Commission, on November 9, issued a statement in reply to critical comments on the Draft Instrument. The statement noted that the plan was "based on the present division of the City" and left "to the Governments of the adjoining States virtually all normal powers of government within the Arab and Jewish parts of Jerusalem respectively and makes it possible for them to retain or alter the present local administrations without hindrance from outside. Provision is made, however, for limited measures designed to protect the proper interests of the international community in Jerusalem and to facilitate peaceful relations and normal intercourse between the authorities and inhabitants of the Arab and Jewish parts of the divided City." The full text of the Commission's statement is printed in *ibid.*, p. 15.

Editorial Note

The Palestine Conciliation Commission, on September 2, sent a letter to the Heads of the Arab and Israeli Delegations, which transmitted the text of a draft declaration on the "Holy Places, Religious Buildings and Sites in Palestine Outside the Jerusalem Area."

The purpose of the letter was to secure acceptance of the Declaration by the Arab and Israeli Governments, thereby giving their formal guarantees to the Commission with respect to the subject matter of the declaration.

Neither the Israeli reply of November 8 nor the joint reply by the Arab Delegations on November 15 directly accepted the draft declaration. The former expressed Israeli "readiness solemnly to give formal guarantees for the free exercise in Israel of all forms of worship; for

the preservation of Holy Places, religious buildings and sites in Israel, and for the associated amenities; for the granting of rights of visit, access and non-disturbance; and for appropriate measures in regard to taxation." The reply stated, however, that it would be preferable to take up the actual formulation of a declaration in the light of the forthcoming discussions at the General Assembly.

The Arab reply was in the form of a separate declaration, which repeated the language of the first five articles of the declaration of the Palestine Conciliation Commission, with minor language change, but which made no reference to the last three articles.

The texts of the letter and declaration of the Palestine Conciliation Commission and the Israeli and Arab replies are printed in GA, 4th sess., *Ad Hoc Political Committee*, Annex, volume I, pages 29-32.

501.BB Palestine (E)/9-349

Memorandum by the Assistant Secretary of State for Near Eastern and African Affairs (McGhee) to the Assistant Secretary of State for Congressional Relations (Gross)

[WASHINGTON,] September 3, 1949.

In your memorandum of August 26 you express concern regarding difficulty which might be encountered if we should be placed in the position of going to Congress next session to request further funds for refugee relief or economic development in the Near East without evidence that the Arabs and Israelis were making serious efforts of their own to meet their problems.

I wish to assure you that those of us who have been working on this problem have had this aspect very much in mind. Our original tactics in the Palestine Conciliation Commission were to insist that the refugee problem was a responsibility which had to be shared by both the Arabs and the Israelis and that economic assistance would only be forthcoming after a sufficient degree of political agreement had been reached and the parties had requested economic assistance on a co-operative basis. Unfortunately, despite the strenuous efforts of both Mark Ethridge and Paul Porter, progress in the PCC by the conciliation process was negligible, and it was their joint recommendation that an effort be made to break the impasse by an examination of the economic aspects of the problem through a Survey Mission in advance of substantial political agreement.

In so doing, however, it has always been clearly understood that agreement on certain basic issues in the political field will be an essential precedent to any economic assistance as a result of the recommen-

dations of the Survey. We have made no advance commitment to furnish such assistance. In other words, we hope the recommendations of the Survey Mission may solve enough of the economic aspects of the problem to make possible enough political agreement to get on with the economic program.

As you doubtless know, Gordon Clapp, Chairman of the Board of Directors of the Tennessee Valley Authority, has been appointed head of the Economic Survey Mission and will be leaving for the Near East within about a week. He and his group should complete at least a preliminary report by November 1 for consideration by the forthcoming General Assembly.

501.BB Palestine/9-349: Telegram

Mr. John C. Ross to the Secretary of State

RESTRICTED

NEW YORK, September 3, 1949—12:03 a. m.

1045. Letter from Eban received today stated that Israeli representative on Egyptian-Israeli MAC August 29 raised question embargo at Suez. By two to one vote MAC decided it was entitled request Egyptians not interfere with cargoes passing through Suez. Eban reports Egyptian stated he could not discuss matter MAC since it was outside its province. Eban states, however, that Egyptian representative indicated informally that all restrictions would be lifted except for war material.

Ross

501.BB Palestine(E)/9-349: Circular telegram

*The Secretary of State to Certain Diplomatic Offices*¹

RESTRICTED

WASHINGTON, September 3, 1949—3 a. m.

Initial reaction Arab states to announcement of ESM for NE unenthusiastic in part and even suspicious of Mission's motivation. You are instructed bring this to early attention of appropriate FonOff officials, expressing Dept's strong hope that govt to which you are accredited, as one of sponsors of ESM, will instruct its Missions and info services in NE to make every effort elucidate objectives of and extend maximum dipl and publicity support to ESM.

Important to note emphasis on technical basis of Mission, composed of engineers, agriculturists, and other technicians, and to avoid

¹ At London, Ankara, and Paris.

at present juncture to greatest possible extent affront to Arab susceptibilities that will arise inevitably from emphasis on Israeli-Arab cooperative effort.²

ACHESON

² London, on September 7, conveyed the contents of this telegram to the Foreign Office, which stated that it would instruct its Near Eastern Missions to extend support to the work of the Economic Survey Mission (telegram 3596, September 7, 6 p. m., from London). Two days later London reported further reflection by the Foreign Office and its decision to "await Department's reactions to wider approach to Israel and Arabs on Palestine settlement, which British Embassy Washington was instructed on August 30 to discuss with Department, before instructing its missions in Near East to extend diplomatic support ESM" (telegram 3642). The two telegrams from London are filed under 501.BB Palestine(E)/9-749, /9-949.

501.BB Palestine(E)/9-349: Telegram

The Secretary of State to the Legation in Lebanon

SECRET

WASHINGTON, September 3, 1949—2 p. m.

476. Urtel 450, Aug 31.¹ You shld seek early appointment with FonMin and clarify Dept's position re his views along fol lines:

Establishment of ESM did not stem from action of USG, as FonMin implies. On contrary, ESM was activated by PCC as UN organ, under clear authority granted it by para 12 of Dec 11 res, and after close consultation with SYG of UN. PCC decision was made fol discussions with all dels to PCC and submission Aug 15 of written questionnaire to all dels at Lausanne, informing them re proposed functions and objectives of ESM. Written joint reply to questionnaire received by PCC Aug 29 from Arab dels (reffels being rpted separately for info) clearly indicated approval of ESM's objectives and readiness recommend that their respective govts extend full support and facilities to ESM. Dept assumes Arab dels kept their respective govts fully informed these official communications. FonMin will doubtless appreciate that, since ESM constitutes sub-body of PCC, Lausanne as seat of commission was logical and convenient place

¹ Not printed; it reported that the Lebanese Foreign Minister "made it clear that he has greatest reservation concerning survey's usefulness and considerable scepticism as to its true objectives. . . . He stated he believes the real purpose of the mission, although undisclosed, is to provide a means for relieving the increasingly grave economic conditions in Israel; that the timing of the mission could be no 'coincidence'. . . . Furthermore, he could not but regard the survey mission as an instrument designed to force the Arab states into economic cooperation with Israel. . . . Foreign Minister also was disturbed by the timing of this survey as he could not but conclude that it would mean an end to any further effective negotiation for political settlement at Lausanne." (501.BB Palestine/8-3149)

through which to channel official notification this question to del's to PCC.

You shld make special effort to dissipate FonMin's fears that establishment of ESM implies abandonment by UN or US of political or other functions of PCC. USG deeply hopeful that agreed settlement offering legitimate prospects for long range stability and peace in NE can be obtained, and believes approach through ESM as well as continued efforts on political level essential to achieve such settlement. From point of view of USG, therefore, establishment of ESM constitutes reinforcement of work of conciliation; practical effort to deal on an urgent basis with economic dislocations related to hostilities, of which refugee problem in Lebanon is particularly critical instance; and means of providing PCC with technical info for incorporation into its recommendations to GA for action at autumn session.

In view Leb Govt's frequently expressed desire for external assistance in economic development, Dept is somewhat surprised over FonMin's reaction to this concrete step to obtain info on basis of which internatl assistance might be forthcoming. While Dept appreciates FonMin's candor in discussing ESM with AmLeg, we greatly regret attribution of ulterior motives to US or UN sponsorship thereof. It is Dept's understanding that "increasingly grave econ conditions" which FonMin stresses are not confined solely to Israel. It is task of ESM to examine these conditions in all countries in area with view to recommending to UN measures for their early improvement.

From point of view of USG, survey mission is by no means instrument designed to force Arab-Israeli cooperation. USG is firmly convinced that solution to econ problems of NE can derive solely from free will and initiative of nations concerned, and certainly not from imposition of any solution or program by UN or its member states. FonMin shld be aware that imposition of any such program or of material assistance required to implement it, is completely contrary to principles and traditions of US.

US rep on PCC and Dept were deeply gratified with cooperative tenor of Arab del's reply of Aug 29 with respect to ESM, and feel confident that FonMin's preliminary reaction constitutes no invalidation of his del's statements. We appreciate FonMin's stated willingness receive ESM, but hope Leb Govt will in no way prejudice results of mission's work and will extend it same cooperation and support which have characterized all Leb's relations with UN and its organs. On part of USG, we are deeply interested in success of ESM, as means of promoting political settlement and as contribution to econ betterment of NE. As such, USG is prepared to consider carefully such aid as this Govt might properly extend under UN auspices to carry out mission's

recommendations, provided such aid is desired and effectively utilized by states directly concerned.²

ACHESON

² This telegram was repeated to Bern for the American Delegation at Lausanne and to Cairo, Damascus, Baghdad, Jidda, Amman, and Tel Aviv. The Department, in a circular telegram of September 3, 1 a. m., to diplomatic officers at each of these posts except Bern, authorized them at their discretion to express the views set forth in telegram 476 in discussions with governments to which they were accredited (501.BB Palestine (E)/9-349).

501.BB Palestine/9-349 : Telegram

Mr. Stuart W. Rockwell to the Secretary of State

CONFIDENTIAL

LAUSANNE, September 3, 1949—8 p. m.

Palun 299. PCC September 3 sent letter to Israeli Delegation referring to Israeli reply to PCC territorial question and stating that in opinion PCC any reference to armistice agreements in connection with final settlement territorial question should be considered in light clauses in agreements safeguarding rights and claims of parties and stating that armistice demarcation lines are not to be construed in any sense as political or territorial boundaries.

PCC felt it desirable make this formal representation for record and to avoid possible misunderstanding in future.¹

ROCKWELL

¹ Mr. Rockwell, on September 5, informed the Secretary of State that Article 16 of the Jerusalem instrument "does not delineate line between [Arab and Israeli] zones. In letter transmitted SYG September 1, PCC explained that since demarcation line intimately connected final settlement Palestine problem, PCC does not deem advisable for present make any proposal re actual demarcation and believes instrument can be put into effect with present line as provisional without prejudice to establishment definitive line at later stage. Possibility PCC proposing specific demarcation line to GA thus left open." (Palun 300 from Lausanne, 501.BB Palestine/9-549)

501.BB Palestine/9-549 : Telegram

Mr. Stuart W. Rockwell to the Secretary of State

RESTRICTED

LAUSANNE, September 5, 1949—5 p. m.

Palun 303. PCC September 5 sent letter to all delegates informing them of forthcoming arrival survey group Lausanne, stating the PCC would shortly send delegates letter containing observations and suggestions re replies to PCC questionnaire, and conveying to delegates PCC plans to adjourn Lausanne between 15 and 20 September to reconvene New York second half October. Letter explained that in

deciding upon adjournment PCC desired give interested governments time study above PCC observations and suggestions and anyway had proceed New York view presence on GA agenda of items concerning PCC. Delegates also informed commissioners at their entire disposition during recess and that Azcarate proceeding Jerusalem maintain contact with parties.

Letter also transmitted for signature parties draft declaration refugees suggested and prepared by USDel and based upon those principles on which replies to PCC questionnaire showed parties were in general agreement. USDel proposed such declaration in order obtain more precise evidence of political agreement re refugees than devious replies to PCC questionnaire and in order that PCC might be able make public concise indication of progress during second session PCC. Although in replies to questionnaire parties said they willing sign declaration along these lines, by no means certain they will do so.

PCC observations and suggestions mentioned above will be very general in character and by no means in form of final PCC position on refugees and territory.¹

ROCKWELL

¹ Mr. Rockwell, on September 6, advised that "neither side wished sign draft declaration subject Palun 303. View public opinion at home Arabs unwilling sign declaration which mentions concessions they have made re refugees without reference to their territorial position. Israelis object to signing declaration which would imply they agreed Egypt and Lebanon not in position accept large numbers refugees. PCC may consider press release as compromise." (Palun 305, 501.BB Palestine/9-649)

IO Files: SD/A/C.1/261

Memorandum Prepared in the Department of State

CONFIDENTIAL

[WASHINGTON,] September 6, 1949.

COMPENSATION FOR PROPERTY LOSSES OF PALESTINE REFUGEES

The attached memorandum indicates the present thinking of the Department on the question of compensation for property losses sustained by Palestine Refugees.

As suggested in the memorandum it would facilitate the carrying out of the contemplated United Nations program if the Survey Mission could

1. Consult with appropriate Israeli officials with a view to obtaining as soon as possible a survey of refugee property in Israel, with an estimate of its value.
2. Consult with such private or official persons in Arab countries as might be able to assist in connection with an estimate of the value of refugee property in Israel.

3. Consult with other appropriate persons, particularly including UNRPR and its component organizations, in order to obtain recommendations for possible procedures for receiving and evaluating refugee claims for loss or damage to property.

COMPENSATION

I. *Principle of Compensation*

The General Assembly, in its resolution of December 11, 1948, laid down the following principle of compensation for the Palestine refugees:

"11. *Resolves* that the refugees wishing to return to their homes and live at peace with their neighbors should be permitted to do so at the earliest practicable date, and that compensation should be paid for the property of those choosing not to return and for loss of or damage to property which, under principles of international law or in equity, should be made good by the Governments or authorities responsible;"

The general principle of compensation thus enunciated should continue to be adhered to. However, due to developments in 1948, the principle should be made to apply to those who do not choose *or are unable* to return to their homes, including those who, although repatriated, do not have their property restored. The resolution is regarded as being equally applicable to *bona fide* refugees, whether Arab or Jewish. There were relatively few Jews resident in Palestine who fled from their homes as a result of the hostilities, but some claims in this category are to be anticipated.

In the same resolution the Palestine Conciliation Commission was instructed to facilitate the payment of compensation. No progress was made due to the lack of a basis for political negotiations between the parties. It is now felt, however, that the United Nations, through the Survey Group and such appropriate authority as may be designated by the General Assembly should carry this work forward. The refugees for the most part were not nationals of any Arab state at the time they lost their property and did not enjoy diplomatic protection of such states, and consequently no state derived any rights, legal or equitable, from loss or damage to refugee property. Consequently it seems to be a task for the United Nations, by negotiation, to take steps to protect their interests, and not that of the Arab government.

The Israeli Government has consistently accepted the principle of compensation, but has always linked with this the assertion that it has war claims against the Arab States by virtue of the alleged fact that the war was caused by Arab aggression. We consider that any war claims by Israel are in an entirely different category from compensation for refugee property and should not be treated as counter-claims or as in any way related to this obligation.

Compensation should be made on the basis of the property losses actually incurred by the refugees. It is not contemplated that more than a fraction of these losses will be actually compensated, nor that a full and complete evaluation of these properties should be attempted. However, this should be the basis in theory and as far as possible in practice.

Most of the property losses can probably be compensated by means of a lump sum payment into the fund for development projects for resettlement. This would be on the theory that most of the refugees lost no more than they would receive when resettled, *i.e.*, living quarters, land, tools, etc.

On the other hand, there should be some kind of prorata compensation to individuals who lost property in excess of the bare essentials. A possible formula would be that if it were determined for example that two-thirds of the losses were in bare essentials, two-thirds of the compensation could be paid into the resettlement fund. The other third would then be available for proration among persons whose losses were more substantial.

II. *Determination of Compensation and Distribution of Amount Paid*

According to the foregoing principles, it will be necessary, in due course, to receive and evaluate individual claims of refugees. The survey group might undertake a preliminary exploration of this problem, giving consideration to its feasibility and the type of procedure under the proposed Agent-General which would be most effective.

However, the determination of claims would not necessarily be a prerequisite to the negotiating by the appropriate United Nations Authority of a preliminary lump sum award by Israel. Such an agreement might have a proviso that if the amount paid proved less than a stipulated proportion of the finally approved claims, the matter would be reopened for adjustment.

Steps should be taken to obtain an estimate of property losses to be used as a negotiating basis. This estimate might be obtained through a survey of property held by the Israeli Custodian of Absentee Property. If the cooperation of the Israeli Government could be obtained this should make the general task easier and might make it possible for the Survey Mission to make a beginning. The question should at least be discussed with the Israeli Government with a view to obtaining its cooperation, but if such cooperation were refused, the Economic Survey Mission could so report. Of course, such a survey could not indicate all property losses. For example, most losses of personal property, aside from bank accounts, would not be shown.

Attempts should also be made to obtain such information through private and official persons in the Arab states who might be in a posi-

tion to give an estimate of the property involved. The possible source of such information might be Mr. Sami Hadawi, a former official of the Palestine Government connected with land taxation and now employed in Palestine by the Jordan Government in a similar capacity. Mr. Hadawi is understood to have saved records which he compiled while a member of the Palestine Government. He can be reached through the American Legation in Amman.

While Israel's payment will undoubtedly be less than the actual property losses, no reason is seen for her claim to limit compensation to "lands abandoned and previously cultivated." Such property appears to be in no different case from residential and business property, and personal property.

Editorial Note

The Department, on September 7, 6 a. m., sent a circular telegram to Ankara, Arab capitals, Brussels, The Hague, London, Paris, Rome, Tel Aviv, and Jerusalem. The telegram gave the text of paragraph 1 and subparagraphs (a) and (b) of Secretary Acheson's memorandum of September 1, page 1341, with very slightly altered wording. It then continued as follows: "In light of foregoing, questions re US policy should be answered as follows: In pursuance of recent action of UNSC and US support thereof, US Govt now prepared receive applications for license export arms Arab States and Israel for consideration on individual merits." (711.00111 Armaments Control/9-749)

In a further circular telegram of October 24, 8:25 a. m., to Baghdad, Beirut, Cairo, Damascus, and Tel Aviv for action and to Paris, London, and Jidda for information, the Department informed that the Mutual Defense Assistance Act of 1949 failed to provide for United States military assistance to Near Eastern countries. Inasmuch as these countries would not even be entitled to United States Government procurement assistance under that Act, the Department suggested that they might wish to have recourse to the American commercial arms market. The export of arms purchased from such sources would be permitted "within the limitations of the policies stated by the US representative in the Security Council on August 4" (711.00111 Armament Control/10-2449). Regarding the Mutual Defense Assistance Act of 1949, see Mr. McGhee's memorandum of August 16 to Mr. Berkner and footnote 2 to that memorandum, page 45; regarding Ambassador Austin's statement, see the editorial note, page 1283.

501.BB Palestine(E)/9-749: Telegram

*The Secretary of State to the United States Delegation at Lausanne*CONFIDENTIAL PRIORITY WASHINGTON, September 7, 1949—5 p. m.
NIACT

Unpal 233. Although survey mission is instrumentality of PCC, in opinion of USG it is and shld be treated as autonomous in character by virtue of its technical purpose and high rank of participants. Clapp cognizant of this view. In order that ESM will have maximum flexibility and scope to fulfill its objectives, Dept believes PCC shld not endeavor constrict or redefine broad terms of reference under which ESM activated, or otherwise instruct ESM. You are instructed present US position this question if you perceive any effort this direction on part of other members PCC.

ACHESON

867N.01/9-849

Memorandum by the Deputy Assistant Secretary of State for Near Eastern and African Affairs (Hare) to the Deputy Under Secretary of State (Rusk)

SECRET

[WASHINGTON,] September 8, 1949.

Discussion

There is attached a telegram from the U.S. delegation in Lausanne,¹ reporting on the authority of the PCC representative in Jerusalem, that the Israeli Government proposes to move its capital to Jerusalem prior to the opening of the General Assembly. Reference to the possibility of such action was also made recently by Sasson, member of the Israeli delegation to Lausanne, in conversation with the French delegate to the Conciliation Commission.

In the event that the Israelis should take such action, it would prejudice effective action by the General Assembly on the statute for Jerusalem, and thereby impede progress towards a final settlement for Palestine. Moreover, such an Israeli move would probably create a strong Arab reaction, which could result in seriously impeding the work of the Economic Survey Mission.

It is felt that this Government should make every effort to discourage such action by Israel, if it is in fact contemplated, in the interests of promoting a final settlement and of supporting UN policy towards Jerusalem.

¹ Palun 301, September 5, not printed.

Recommendations

1. It is recommended that you sign the attached telegram.²
2. It is further recommended that you authorize me to call in Israeli Ambassador Elath and bring to his attention the report and this Government's position on the question.³

² Marginal notation by Mr. Rusk: "Done." Telegram 585 was sent to Tel Aviv on September 8 and stated in part: "If report appears have substance, you shld express to appropriate FonOff officials strong view of USG that such action wld be contrary to spirit and intent of GA res of Nov 29, 1947, and res of Dec 11, 1948, and consequently to desires of international community. By obstructing PCC and GA efforts obtain practical solution for internationalization Jerusalem, such action wld constitute serious setback to UN progress towards peace in Pal." (501.BB Palestine/9-549)

In reply, on September 11, Tel Aviv conveyed the assurances of Messrs. Eytan and Comay that the "rumored removal all government ministries to Jerusalem 'either prior to or following' fall session GA was 'utterly without foundation' " (telegram 682, 501.BB Palestine/9-1149).

³ Marginal notation by Mr. Rusk: "OK."

501.BB Palestine(E)/9-849

*Memorandum of Conversation, by Mr. Edward B. McEnerney of the
Division of Near Eastern Affairs*

CONFIDENTIAL

[WASHINGTON,] September 8, 1949.

Subject: Economic Survey Mission, Licensing of Munitions Exports for Near East.

Participants: Mr. El Kouny, First Secretary of the Egyptian Embassy
Mrs. Hope, NE
Mr. Clark, NE
Mr. McEnerney, NE

[Here follows discussion of various aspects of the Economic Survey Mission.]

Mr. El Kouny said he wondered whether the group would take cognizance of political considerations as well as economic considerations in the course of its work. He said it had all along been the understanding of the Egyptian government that the group would take political matters within its purview. Mrs. Hope said it was not expected that the group would consider political matters which fell under the authority of the conciliation commission itself. She explained that the Mission would confine itself solely to economic questions and that it was in no sense a policy-making organ. It was expected that Mr. Clapp's recommendations would be based solely upon his technical observations.

Mr. El Kouny said he was interested in learning whether or not there had been any change in the United States attitude toward the shipment of munitions to the Near East. Mr. Clark said that a revision of our policy had been expressed in Senator Austin's comments on August 4¹ before the Security Council. As a result of this change, the Egyptian government might now submit to the United States Government any requests which it might desire to make for export licenses on munitions. Such requests would be given consideration in accordance with their individual merits. Availability of military equipment would depend in part upon the needs of the Military Aid Program countries and the conditions of supply prevailing in the United States.

Mr. Clark inquired whether the Egyptian government has taken any further steps to relax the controls which it had imposed on shipping through the Suez Canal and Mr. El Kouny said that all of these controls had been relaxed. Mr. Clark said that he was very happy to know this inasmuch as the United States Government had made its views known to the Egyptian government that the restrictions which had been imposed on shipping were not warranted or in harmony with the Suez Canal convention. Mr. El Kouny said that he felt Egypt had been justified and that they had done what any government in the same position at that time would have done. He felt that the terms of the Canal Convention could not require Egypt to permit the passage through Egyptian waters of munitions destined for an enemy nation. He said that if Egypt were ever again confronted with the same situation she would take the same action. Mr. Clark said that it was encouraging to know that the controls had been removed.

Mrs. Hope showed Mr. El Kouny a copy of Senator Austin's speech of August 4. He said he was confused by that portion of the speech which suggested that the United States licensing policy would be governed by a desire to avoid the development of an arms race in the Near East. He said this seemed to place special limitations upon the granting of licenses to Near Eastern countries. Mrs. Hope said that the United States position, as set forth by Senator Austin, was based on the assumption that the Near Eastern armistice would hold, and on a desire to pursue a course which would be consistent with the maintenance of peace in the Near East. Mr. El Kouny said that Egypt would not be applying to the United States for the types of equipment required for internal security. Material of that sort could be procured from other markets, but Egypt would wish to buy from the United States matériel with which to maintain the security of the Egyptian nation in its international relations. Mr. Clark said that

¹ See editorial note, p. 1283.

questions of the sort which Mr. El Kouny had raised could only be settled through the actual operation of the United States licensing procedure when applications were received for export of arms to Near Eastern countries. Mrs. Hope added that she felt that the whole picture would be clarified in Mr. El Kouny's mind when he had had an opportunity to read Senator Austin's statement in full.

Mr. El Kouny thanked Mrs. Hope and Mr. Clark for the clarification which they had given him on both the embargo question and the question of the Economic Survey Mission's work, and he reiterated the strong desire of the Egyptian government to cooperate to the fullest extent with Mr. Clapp's group.²

² The Department sent a copy of this memorandum of conversation to Cairo on October 5. Ambassador Caffery informed the Department, on November 1, that "It is trusted that El Kouny Bey did not create the impression that controls had been removed as they have not. They have, to a degree, been relaxed and there are far fewer cases arising than at any time since their imposition. Manifests are still regularly scrutinized and the fact that cargo seizures have been practically nil for the past month merely indicates that no offensive cargo has been discovered on the manifests. Added precautions of shippers and steamship companies alike are probably responsible for this.

"It is hoped that no intimation be given American shippers or shipping companies that the war-time shipping regulations imposed by the Egyptians have been removed." (airgram 1162 from Cairo, 501.BB Palestine (E)/11-149)

501.BB Palestine/9-849 : Telegram

The Secretary of State to the United States Delegation at Lausanne

SECRET

WASHINGTON, September 8, 1949—5 p. m.

Unpal 240. Dept discussed with Porter Sept 7 developments at Lausanne re PCC. View Clapp's arrival Lausanne and forthcoming departure of Econ Survey Mission for NE, Dept strongly believes PCC shld complete its work soonest and bring present session to close. Recessing PCC now wld give added emphasis to importance Econ Survey Mission. Prolongation might result in further hardening of position of dels which might create difficulties for Econ Survey Mission.¹

ACHESON

¹ In a circular telegram of September 9, 6 a. m., to diplomatic and consular officers at Arab capitals, Tel Aviv, and Jerusalem for action and to Bern (for Mr. Porter), London, Paris, and Ankara for information, the Department observed that "Israeli and Arab reaction to date one of suspicion of ESM and American participation therein. Israelis see ESM as a plot to force greater measure refugee repatriation than Israel desires; Arabs interpret ESM as effort force Israeli-Arab econ cooperation and/or to achieve resettlement all refugees outside Israel." The circular telegram also noted that the Dept had "requested UK, French and Turkish FonOffs instruct their missions and info services in NE render full diplomatic and publicity support to ESM." (501.BB Palestine/9-949)

501.BB Palestine/9-249

*Memorandum by the Assistant Chief of the Division of International Organization Affairs (Halderman)*¹

CONFIDENTIAL

[WASHINGTON,] September 9, 1949.

COMMITTEE ALLOCATION OF THE PALESTINE QUESTION

PROBLEM

The problem is to determine the proper committee or committees to which the Palestine case should be allocated by the General Committee.

RECOMMENDATIONS

1. All aspects of the Palestine case should be allocated to Committee 1, except for possible interim action to provide direct relief funds (see recommendation 3) and the normal function of Committee 5 on financial aspects (see recommendation 4).

2. The General Committee should recommend that Committee 1 should refer the question of direct refugee relief to Committee 3 for report back to Committee 1. The report of the United Nations Relief for Palestine Refugees would also be referred to Committee 3 to be considered in connection with future relief programs.

3. In the event that it is necessary to make interim provision for direct relief funds, due to the exhaustion of present funds, such question should be referred to Committee 3 for action early in the session. This action should be limited to provision of stop-gap funds.

4. The foregoing allocations would be without prejudice to the normal function of Committee 5 with respect to financial provisions.

5. Except as indicated in Recommendation 3, all aspects of the Palestine case, including Jerusalem, should be deferred until the final report of the Commission, including the report of the Survey Mission, is submitted. These reports are expected about November 1.²

DISCUSSION

The provisional agenda includes two items on Palestine: (1) Jerusalem and the Holy Places, and (2) direct refugee relief. It is

¹ Mr. Halderman had prepared an earlier draft of this memorandum on September 2. The same day, he forwarded the draft to officers of the Division of Near Eastern Affairs, the Office of the Legal Adviser, and the Division of United Nations Economic and Social Affairs for comment (501.BB Palestine/9-249). The version of September 9 printed here was prepared presumably after comments by these officers.

² With minor changes, including the consolidation of Nos. 3 and 4, the recommendations were sent to the United States Mission at the United Nations on September 13, for use in further consultations with the Secretariat (telegram 473 to New York, 501.BB Palestine/9-1349).

expected, however, that a later item will be placed on the agenda based on the report of the Conciliation Commission including the report of the Survey Mission. These reports are expected to be submitted about November 1.

It is the position of the United States that these reports should be considered by Committee 1 and that this item should be the basis for the principal consideration of the United Nations program in respect of Palestine for 1950.

Overall Consideration in Committee 1

Due to the interrelation of the political and economic aspects of the problem as revealed by the experience of the past year, it is felt that the United Nations should establish an integrated program for 1950 to include all political and economic aspects. In order to achieve this integration it is considered that these matters should be placed in the hands of Committee 1 for overall consideration and recommendation.

Since the problem of achieving a political solution has proved to be integrally related to that of the solution of the refugee problem (repatriation and resettlement) it is appropriate to have the consideration of these two aspects take place together in Committee 1. The question of direct relief is somewhat separate and more appropriate for consideration in Committee 3. (Recommendation 2, discussed below.) However, in order to achieve the proper integration of this program with the others, it is recommended that it be placed in the hands of Committee 1 with the recommendation that it be referred from that Committee to Committee 3 for consideration and report back to Committee 1.

Direct Relief

It is considered that Committee 1 should refer the question of direct relief to Committee 3 for consideration and report back to Committee 1. The General Committee should make a recommendation to this effect in allocating the subject matter to Committee 1. The reasons for referring the question of direct relief for consideration in Committee 3 are:

(1) Separation of the direct relief question from the large scale economic development programs will be conducive to a successful appeal for voluntary contributions for continued direct relief. If direct relief is considered in conjunction with such large-scale development programs, many delegations may consider that their voluntary contributions are unnecessary.

(2) Committee 3 will include the more "relief minded" members of delegations who should be more sympathetic to the plight of the refugees.

(3) Committee 3 has had more experience in dealing with relief matters and their judgment on this question should be of value. The program established by Committee 3 last year was highly and unexpectedly successful in bringing in the necessary contributions of \$32,000,000.

(4) The subject of direct relief is normally within the terms of reference of the Third Committee which deals with social, humanitarian and cultural problems.

Timing

Since the consideration of most aspects of the Palestine case must necessarily be based on the Reports of the Conciliation Commission and the Economic Survey Mission, it is desirable that consideration be deferred until the receipt of these reports, probably about November 1. This is desirable in the interest of efficient management of the General Assembly and the conservation of time. As to Interim Relief Funds, and Jerusalem, see discussion below.

Interim Refugee Relief

Apart from the main consideration of the Palestine case there is possible need for action earlier in the session to provide interim funds to continue refugee relief until a more definitive provision can be made. This may be necessary because of the possibility that current funds will be exhausted by December 1, before General Assembly action on the overall question can be taken. The *Ad Hoc* Advisory Committee on Palestine Refugees is meeting September 29 to consider the need for such action on the basis of the financial situation of United Nations Relief for Palestine Refugees at that time. If necessary this provisional action should be taken in Committee 3, early in the session, and should consist of authorization to draw on the Working Capital Fund for an amount sufficient to carry on the relief operation for a short period.

Jerusalem

The Jerusalem question is substantively somewhat distinct from the other aspects of the Palestine case. However, it will normally be in Committee 1. It should preferably be taken up at the same time as the rest of the Palestine case, but further decisions may be necessary on this point in the light of the timing of the submission of the PCC proposals and the reaction of other delegations to them.

501.BB Palestine/9-1049 : Telegram

The Chargé in Egypt (Patterson) to the Secretary of State

SECRET

CAIRO, September 10, 1949—9 a. m.

846. Re London's telegram 3505¹ to Department September 1. In conversation with British Chargé my house September 6, Chapman-Andrews seemed surprised on my inquiry concerning the current Egyptian Government attitude toward transit through Suez Canal of military supplies destined for Israel, with especial reference to petroleum. I stated that according to information available to me, tankers were converging on Haifa from various directions and from various places of origin² so that a decision, if not yet taken by Egyptian Government would appear a matter for very near future. I added that quite recently, however, Hassouna Pasha had orally assured me restrictions on transportation of merchandise in the direction of Israel would henceforward be limited to munitions of war which he described as being arms and ammunition and not including raw materials susceptible of military use or even manufactured goods of like potentiality, such as rubber tires.

Although oil could perhaps not be considered a raw material in that it might be immediately utilized for military purposes, the possibility existed that Hassouna Pasha could be considered as having tacitly assented to the passage through the Suez Canal of petroleum products.

Chapman-Andrews negatived this supposition, stating that his Embassy had obtained information concerning articles regarded by Egyptian Government as absolute contraband and that "carburants" of all kinds (by which French term he understood all petroleum products) were included.

The Under Secretary had spoken to Sir Ronald Campbell (before the latter's departure) in much the same reassuring, but possibly illusory, sense as he had to me.

Accordingly, some special representations were evidently required if Persian Gulf or other oil were to be allowed through the Suez Canal to Haifa.

Continuing, Chapman-Andrews stated he proposed to request an audience of His Majesty in view of importance of the objectives and of extremely confidential nature of the negotiations. Chapman-Andrews did not hazard a surmise as to whether or not his approach to His Majesty would be successful since he believed the Egyptians fully to realize that the ultimate objective is not so much obtention of

¹ Not printed.

² For documentation on this subject, see pp. 91 ff.

freedom from molestation in Suez Canal as the reopening of the pipeline from Iraq to Haifa.

He explained that the recent incident involving removal of WHO meeting from Alexandria (which is regarded as result of personal intervention of His Majesty in complete disregard of apparent desires and action of his Prime Minister who is concurrently Foreign Minister and Minister of Interior) revealed lack of authority of head of Egyptian Government as contrasted with powerful position of the Chief of State. To make absolutely certain that a decision of prime political and economic importance should not run the risks of being overruled, it now seems necessary, in Chapman-Andrews view, for recourse to be had to His Majesty.

On Chapman-Andrews inquiring if the American Embassy had taken occasion to raise the subject in conversation with Egyptian officials, I replied negatively adding that such information as had reached me had seemingly been supplied solely for purposes of information.

Sent Department 846, repeated London 99.

PATTERSON

501.BB Palestine (E)/9-949 : Telegram

The Secretary of State to the Embassy in the United Kingdom

SECRET

WASHINGTON, September 10, 1949—2 p. m.

3281. Urtel 3642, Sep 9.¹ UK reaction to request for dipl and publicity support of ESM difficult to reconcile with consistent UK support of ESM's objectives in all previous interchanges with US, and with very fact of Brit participation on ESM. USG believes that failure ESM to achieve its objectives wld result in deferment political settlement foreseeable future, and that ESM therefore requires maximum support from outset. USG firmly convinced that success ESM is only present means creating atmosphere in which political-territorial settlement may be possible (Depcirtel 6:00 a. m. Aug 16), and that interjection political questions at present time might prejudice work ESM. This does not of course preclude raising of political questions as soon as acceptability and progress of ESM demonstrated, and atmosphere more auspicious for continuation political discussions.

Full US reply to UK *Aide-Mémoire*.² expected within few days.

ACHESON

¹ Not printed, it reported that the British Foreign Office had decided to await the reactions of the Department to a wider approach to the Israelis and the Arabs on settlement of the Palestine problem before instructing its Near Eastern Missions to extend diplomatic support to the Economic Survey Mission (501.BB Palestine/9-949).

² Dated September 1, p. 1342.

501.BB Palestine/9-1049: Telegram

Mr. Stuart W. Rockwell to the Secretary of State

SECRET PRIORITY LAUSANNE, September 10, 1949—2 p. m.

Palun 317. Would appreciate urgent background information re announcement Radio Bulletin 212¹ that ExImBank has approved \$2,350,000 loan to Israel for port development. This seems entirely contrary to basic decision re remainder \$100,000,000 Israeli credit which Porter told me had been taken in Washington and apparently indicates radical change in US attitude toward Israel (Unpal 218).² There has been no alteration in position of Israeli delegation here on basic issues which would justify such change in US policy.

Announcement will place me in very awkward position vis-à-vis Israeli delegation, with members of which, on basis information brought by Porter and Unpal 218, I have been taking strong line re unlikelihood for present of large scale US-Israeli economic cooperation view Israeli attitude on main issues Palestine problem.

Agree with Clapp announcement particularly unfortunate view possible effect on cooperation Arab states with US.

ROCKWELL

¹ Dated September 8, not printed; it stated that "The newly announced loan to Israel brings the total of credits established by the Export-Import Bank in favor of that country to \$53,350,000. It leaves unallocated \$46,650,000 of the \$100,000,000 earmarked for Israel last January." (News Division Files)

² Dated August 5, from Lausanne, not printed, but see footnote 1, p. 1312.

501.BB Palestine/9-1249: Telegram

The Chargé in the United Kingdom (Holmes) to the Secretary of State

SECRET LONDON, September 12, 1949—8 p. m.

3670. 1. Question UK diplomatic and publicity support for ESM discussed again today with Burrows in light Deptel 3281, September 10. Burrows emphasized FonOff anxious be all possible assistance and cooperate every way possible in work of ESM. As result Embassy's representations (Embtel 3596, September 7¹) FonOff has already instructed British information services make every effort elucidate objectives ESM.

2. Burrows stated FonOff also willing extend diplomatic support to ESM, but wishes do so in most effective manner in order assure success. Primary objections Arab States, as expressed thus far, appear emphasize their fear that political objectives being subordinated to economic objectives and that their case consequently being prejudiced. He

¹ Not printed, but see footnote 2, p. 1359.

mentioned fear Syria and Iraq that if resettlement refugees in those countries is recommended, their case for resettlement in Israel or Arab Palestine have disappeared.

3. FonOff feels most effective means obtaining support Arab States for work of ESM is to reassure them on political aspects as well. This, in part, is what FonOff hopes for from wider approach. In these circumstances FonOff feels it will have greater success in selling ESM to Arabs within context wider settlement. Burrows understands our reply to UK *aide-mémoire* may be received tomorrow and hopes that it may then be possible proceed with approach.

4. It was pointed out to Burrows that replies to our approaches to Arab States and Israel had indicated suspicion of ESM. In these circumstances, time is of essence and it appears be matter of some urgency to take every possible opportunity to explain objectives of ESM in order dispel such suspicions before they harden and negate possibility ESM fulfilling its task. Both US and France are doing everything possible to assure that Arab States and Israel have proper understanding of this matter and UK cooperation this task would be helpful and perhaps crucial.

5. Burrows reiterated that FonOff hopes very much that reply its *aide-mémoire* will be received tomorrow and UK could then proceed wider approach. Meanwhile, FonOff will work out an approach on ESM alone for use in event there is any protracted delay in proceeding with wider approach.

HOLMES

867N.01/9-1349

Memorandum of Conversation, by the Secretary of State

TOP SECRET

[WASHINGTON,] September 13, 1949.

Subject: Conversation with Mr. Bevin on the Middle East

Participants: Mr. Bevin ¹
 Mr. Dening ²
 Mr. Acheson
 Mr. McGhee
 Mr. Butterworth ³
 Ambassador Douglas
 Ambassador Jessup
 Mr. Satterthwaite ⁴

¹ Mr. Bevin was in the United States to attend the Fourth Regular Session of the General Assembly, scheduled to meet at New York on September 20.

² Maberly E. Dening, Assistant Under Secretary of State in the British Foreign Office.

³ W. Walton Butterworth, Director of the Office of Far Eastern Affairs; on September 29, he became the Assistant Secretary of State for Far Eastern Affairs.

⁴ Livingston L. Satterthwaite, Chief of the Division of British Commonwealth Affairs.

Bevin opened the discussion on the Middle East with a complaint about Palestine. He said the United Nations appoint commissions which get nowhere and which lead to more and more *faits accomplis* which cannot be changed. He said this has happened in the matters of Jerusalem, boundaries, and Arab territories. Bevin said he was in favor of Abdullah having that portion of Arab Palestine which he now occupied and if there were no boundaries there was no Palestine. He said the present situation was unsatisfactory and the British were getting nowhere with the carrying out of their Eight Point Program, although we had approved it. McGhee said it was true that we had put forward no U.S. territorial settlement but we had through our representative on the PCC attempted to get both sides to get together. The Arabs want considerable territory, the Israelis do not want to give up any and their position in both territories and refugees are too far apart for hope of settlement in the PCC in the near future. More flexible proposals are needed on both sides if there is to be hope of conciliation. Bevin asked when it would come to a head? Mr. McGhee replied that the present possibilities of the Commission through conciliation had been exhausted. The Economic Commission although somewhat suspect by the Arab States, we nevertheless hope can induce the Arabs to accept refugees for resettlement and the Israelis to accept others for repatriation with offers of economic assistance. If solution to the refugee problem can be found, perhaps normal relations can in time be resumed. We do not think that there is much hope of a territorial settlement at this time. Bevin again said that the Jews make *faits accomplis* and the Arabs get nothing.

Bevin then said that the British were making progress with Egypt toward an important treaty. The discussions were going along quite well on military, political, and economic levels. But failure to settle the Palestine problem was blocking the whole Egyptian deal. McGhee again said that he thought we had to cope with the problem for a while.

Bevin then discussed the problem of getting oil out of Iraq. He said that what was needed was "running rights" to Haifa. He had in mind a joint board to manage the port of Haifa along the lines of the Port of London Authority. It could be well and impartially run. He thought the Jews could easily grant "running rights" without in any way involving the sovereignty question. This could be done quickly and would start the port running again. Bevin said, as we knew, oil was very important to Iraq and the rights could be given outside of any territorial settlement. Mr. McGhee said the Israelis had talked only about a free zone for Haifa like that at Salonika. Mr. Bevin said a free port would be better than a free zone, which, unless the port were controlled impartially, might not result in the oil and supplies being

loaded. Bevin said he thought the Arabs would take such a deal. Mr. McGhee reminded him that the Arabs had up to now refused to cooperate or even talk with the Israelis. Bevin said that the Regent of Iraq did not reject this idea and he might be tempted to take the opportunity to share in the management of the port. This also might ease the outlet to the Red Sea Problem.

Ambassador Douglas inquired whether territorial settlement involving Abdullah might not complicate the whole Palestine situation. Bevin said that the Gaza strip was not so important. Mr. McGhee said that the other Arab States would probably oppose annexation of the occupied territory to Jordan and that the inhabitants might even oppose it or prefer the Israelis. We agree that Abdullah should eventually get it, but not until a general settlement had been reached. Before that time such action would probably create more problems than it would solve.

Bevin then reiterated his concern regarding the effectiveness of the various Commissions which had been set up. Getting to the refugee problem he said that the British had put up half a million in sterling. Mr. McGhee said we were optimistic for an ultimate solution and would be more so if it were not for the recent revolution in Syria. He said that it seemed possible to take care of nearly all of the refugees if the new Syrian Government would cooperate as Zaim had indicated he was willing to do. Some refugees might be left for a second bite.

Bevin then got another plug in for his Haifa scheme and said that if Haifa problems were settled Iraq might play ball on the refugees. I asked Bevin to explain what he meant by "running rights". He said that since the territory behind Haifa and Haifa itself are in the hands of the Jews, the Arabs have no truck, rail or pipe line rights to deep water. The Jews are always in the position of stopping the trade at any time. He thought no one would agree to a corridor. I asked him if the problem would be met if "running rights" were granted temporarily for two years. Bevin said he would prefer to do it subject to notice as he thought a fixed period would create a row before the period was ended. Bevin again said he had no faith in the economic development commission or any other commission and that Palestine was still a nightmare to him. I asked Mr. McGhee to try to do something to stir the pot and Bevin said he thought if we could only get one practical thing done, we would be better off than we are now when everything is being frustrated.⁵

⁵ For the joint statement by the United States and the United Kingdom on the Acheson-Bevin conversation, released by the Department of State on September 13, see Department of State *Bulletin*, September 26, 1949, p. 467.

501.BB Palestine (E)/9-1349

The Department of State to the British Embassy

CONFIDENTIAL

AIDE-MÉMOIRE

It is believed that the United States and the United Kingdom are in substantial agreement in principle with respect to the Palestine question, and in this connection reference is made to informal conversations which took place in July and August between representatives of the United States Government and representatives of the British Government both in Washington and in London. However, it is desired to make certain specific comments on some of the points raised in the *Aide-mémoire*:¹

1. (a) The Department of State assumes that when the *Aide-mémoire* refers to resettlement in general terms, as in paragraph 1, (a), (b), and (c), it means to include repatriation. While it is true that major emphasis will have to be placed on resettlement, it is essential that repatriation should also play an important role in the solution of this question.

(b) While it is clear that the final disposition of the refugee problem would be facilitated and hastened by a territorial settlement, the Department of State believes that the refugee problem can be disposed of in large measure on the basis of existing territorial delimitations. In other words, the absence of a territorial settlement should not prevent the development and implementation of plans for the repatriation and resettlement of the refugees.

(c) The Department of State does not believe that the question of the disposition of refugees should be approached from the point of view that after Israel has accepted a certain number of refugees for repatriation the remainder will have to be resettled by the Arab states. On the contrary, it is believed that the ability of Israel and the Arab states to absorb the refugees should be determined on the basis of an authoritative technical study. It is probable that such a study will indicate that all the refugees can only be accommodated if a certain degree of international assistance is provided. It is anticipated that the Economic Survey Mission will be able to provide this authoritative study, as well as the scale of international assistance which would be required. It is therefore considered preferable to urge Israel and the Arab states to assist the Economic Survey Mission in its work and on the basis of technical and economic considerations, to accept repatriation and resettlement on the scale required to accommodate all the refugees.

2. (a) The Department of State feels that it would be inadvisable to put to Israel and the Arab states any specific plan for territorial settlement. It believes that the question of territorial settlement is a matter for determination by the parties concerned either directly or

¹ Dated September 1, p. 1342.

through the Palestine Conciliation Commission. However, it considers that a discussion of the problem of territorial settlement with the Arab states and Israel in order to obtain their views might be useful at a somewhat later date.

(b) In view of the fact that relief requirements for the next year cannot be fully assessed until the Economic Survey Mission has made its report, the Department of State hopes that it will be possible for the Foreign Office to withhold its determination concerning the maximum amount which it might contribute to the relief program. While we are fully in accord with the view of the Foreign Office that every effort should be made to secure proportionate contributions from other member states, the Department of State believes that the efforts of our respective governments to secure a more equitable distribution of the relief burden might be jeopardized if the proposed United Kingdom contributions were determined at this stage.

3. As the Arab states have thus far shown no disposition to discuss resettlement quantitatively, and as Israel's offer to repatriate 100,000 refugees is not acceptable to the Arabs, it is clear that both will have to adopt a more flexible and compromising attitude in order that agreement can be reached. The Department of State believes that it should be stressed now and during the General Assembly, if the matter is raised, that Israel and the Arab states between them have the primary responsibility with respect to the refugee problem and should contribute to its solution in such a manner that all the refugees would be accommodated, through repatriation and resettlement. Under these circumstances, it would not be desirable to give even an approximation of the figures involved in connection with repatriation and resettlement.

4. While the Department of State does not have an analysis of the total contributions to UNRPR as of date, it understands that the anticipated contributions including a further United States contribution on the matching basis are not likely to be sufficient to finance UNRPR until the end of the current year. It is further understood that the *Ad Hoc* Advisory Committee of UNRPR which is scheduled to meet September 29, 1949, will be asked to review this situation and to make recommendations thereon. It is the view of the Department of State that if the funds received by UNRPR are not sufficient to insure continuation of operations until the end of 1949, the General Assembly should take interim action authorizing an advance from the UN Working Capital Fund to enable UNRPR to continue to that date, and pending General Assembly action on the 1950 program after receiving the report of the Economic Survey Mission.

In view of the lack of progress in the field of conciliation thus far and the subsequent decision to shift the emphasis from the political to the economic through the establishment of the Economic Survey Mission, the Department of State is of the opinion that it would be wise to defer an approach to the Arab states and Israel on political questions for the time being—at least until adequate time has been afforded for the Economic Survey Mission to demonstrate its effectiveness in creating a more favorable atmosphere.

WASHINGTON, September 13, 1949.

501.BB Palestine/9-1349 : Telegram

The Consul at Jerusalem (Burdett) to the Secretary of State

CONFIDENTIAL

JERUSALEM, September 13, 1949—4 p. m.

565. Deptel 360, September 7.¹ ConGen wishes reiterate view expressed Contel 495 July 27 re importance delineating final line between Jewish and Arab zones in Jerusalem instrument to be presented to G.A. Believes decision as to where line should run within international area of Jerusalem need not be affected by final boundary settlement and can be determined independently. It is supposed that in any final settlement Israel will retain corridor linking Jerusalem to Coast. Therefore same military and other factors must be considered in drawing line regardless of exact final boundaries. ConGen is obliged to differ strongly with PCC belief that present "provisional line" can be used without prejudice to establishment of definitive line later. Israel attitude towards "temporary" armistice lines indicated only too clearly its probable reaction to any future change. While under no illusion as to difficulties of imposing boundaries on Israel, ConGen firmly believes that only possibility of change lies in incorporating specific final line in Jerusalem instrument now. It is assumed PCC and US not prepared accept present line. Prospects of Arab support for international regime will be greatly increased by return of Arab quarters, while Israel opposition must be assumed in any event.

Following factors should be taken into account in drawing final line:

1. UN previously unwilling to recognize that conquest of territory by force confers legal right, particularly in Jerusalem which theoretically has been continuously under UN protection. Thus logical starting point is *status quo* November 29, 1947.

2. At same time, for practical administrative reasons, essential that Jewish and Arab zones be homogeneous entities avoiding to maximum extent possible corridors and enclaves. Therefore lines should be drawn creating compact Jewish and Arab zones which will involve retention by Jewish zone of some conquered Arab areas while surrendering large Arab quarters in southern Jerusalem and in addition certain Jewish sections which cut Arab quarters off from main Arab zone. In practice Israel would receive larger area than held on November 29.

¹ Not printed.

3. Mount Scopus should be attached to Jewish zone probably by road to San Hadriya skirting Sheikh Jerrah quarter.²

Sent Department, repeated Tel Aviv 108; Department pass Amman 66, Bern 61.

BURDETT

² The Department of State, in reply on September 19, stated that the "PCC has not yet made final decision re inclusion demarcation line in proposals prior their presentation for consideration by GA" but was studying the situation. The Department of State also indicated that it would bear the suggestions in mind and would "consult with USDel, PCC, re problem prior next PCC session." (telegram 378, 501.BB Palestine/9-1349)

501.BB Palestine(E)/9-1349: Telegram

The Secretary of State to the Embassy in the United Kingdom

CONFIDENTIAL PRIORITY WASHINGTON, September 13, 1949—9 p. m.

3332. Fol tel received from New York:

(Code room: Please repeat to AmEmbassy London tel from New York no. 1113, Sept 13,¹ control no. 4569.)

Despite earlier indications given to AmEmb Baghdad that Iraq wld receive ESM, Govt's attitude has obviously hardened during past few days. Possibility such action stimulating similar attitude other NE states or even adoption common Arab League policy cannot be excluded. Latter wld of course spell deathblow to ESM.

Since ESM has already received setback, and time is of essence (urtel 3670 Sept 12), pls bring foregoing to attention FonOff soonest, together with Baghdad tel 211 to London, Sept 12,² and emphasize desirability urgent Brit supporting action.³

ACHESON

¹ Not printed; it gave the text of the reply by the Iraqi Acting Minister for Foreign Affairs to Secretary-General Lie's request that facilities be made available to the Economic Survey Mission. The reply, in effect, refused permission for the Mission to visit Iraq (501.BB Palestine(E)/9-1349).

² This was a repeat of telegram 579 to the Department of State, not printed.

³ Mr. McGhee, on September 16, expressed his belief to Mr. Clapp that "chances obtaining cooperative attitude improved in view apparent revision attitude Arab dipl reps here as result our discussion this week re objectives ESM. Lebanese Min Malik expressed opinion Sept 14 road ahead for ESM shld be smoother henceforth and Iraqi Chargé stated he had telegraphed his govt recommending cooperation with ESM.

"UK, Fr and Turks will extend full support in NE to ESM. UK undertaking urge Iraq revise its position as well as urge cooperation other Arab caps. We suggest you take no official cognizance Iraq's rejection and, if questioned by press, express hope that, as ESM's purposes are clarified, it will be welcomed by all members NE community." (telegram 519, identified also as Esmis 2, to Beirut, 501.BB Palestine(E)/9-1649)

IO Files, Lot 71 D 440, SD/A/C.1/273¹

*Position Paper Prepared in the Department of State*²

CONFIDENTIAL

[WASHINGTON,] September 14, 1949.

JERUSALEM

THE PROBLEM

The problem is to determine the position which the Delegation should take on the question of a permanent international regime for the Jerusalem area pursuant to Resolution 194 (III) adopted by the General Assembly on December 11, 1948.

RECOMMENDATIONS

1. The United States should strongly support the proposals of the Commission. (Annex 1 contains the plan proposed by the Commission and comments for the guidance of the Delegation.³)
2. If the PCC proposals are rejected by either the Arabs or by Israel either before or during the debate, the United States should continue to support the proposals as being the best chance of achieving an international regime and in the hope that the parties will acquiesce in a United Nations decision. This position might be changed in the light of developments.
3. Any amendments to the Statute submitted during the course of the debate should be considered by the Delegation and the Department in the light of the existing situation.
4. If the PCC proposals are defeated by vote of the General Assembly, the United States should wait and see what alternatives are advanced. At this stage the Delegation should consult the Department as to the future course of action.

DISCUSSION

[Here follow sections marked "Background of Problem"; the "Israeli Position," which stated in part that "Representatives of Israel made it clear from the outset of the Commission's work that the New City of Jerusalem was regarded as part of Israel and would not be relinquished to an international regime. The inhabitants of Jewish Jerusalem were Israeli citizens and it was, they asserted, inconceivable

¹ Lot 71 D 440 is the master file of classified records and correspondence of United States Delegations to sessions of the United Nations General Assembly for the years 1945-1965, as maintained by the Bureau of International Organization Affairs.

² In connection with the Fourth Regular Session of the General Assembly; the paper is marked "Subject to Final Clearance."

³ Not found attached.

that Israel would take part in a plan which would oblige these citizens to live under another administration against their will"; and the "Arab Position," which stated in part that the Arab States "have recently indicated their acquiescence in an international regime for the City. This position is believed entirely due to their present unfavorably [*unfavorable*] military position and that it expresses a wish for an international bulwark against further Israeli expansion. . . . The Arabs have been unanimous in making their principal demand that there should be an absolute United Nations guarantee that the international character of the City shall be preserved. The Commission proposals undertake to meet this demand by means of the provisions for demilitarization. The Arabs have also insisted, as part of the demand for safeguards, that there should be no corridor linking the City with the State of Israel. The corridor nevertheless exists and there is no prospect that it will be relinquished by Israel."]

Position of the International Community.—The strongest element of interest in the Jerusalem settlement among the membership of the United Nations, apart from the Arab States and Israel, is found in the Catholic countries. While no great interest was manifested during the first half of the year, there have recently been evidences of increasing interest in the problem by the Vatican and various Catholic communities. This interest indicates a possibility of a strong demand for an international regime in the nature of a *corpus separatum*.

Basis for Recommendation 1.—The United States concurred in the opinion of its representative on the Commission that an international regime in the nature of a *corpus separatum* for Jerusalem would be rejected by Israel and that no useful purpose would be served by preparing one more plan which would share the fate of previous attempts of this kind by remaining a dead letter. The other two members of the Commission were at first inclined to favor proposals for a completely separate regime even though they agreed that such proposals could not be placed in operation. They were, however, persuaded by the United States Representative to attempt a practical approach which might be acceptable to the parties and at the same time fulfill the spirit and letter of the resolution calling for an international regime. Israel and the Arab states have both agreed to United Nations control of the Holy Places, which appears to be the focal point of international interest in the City. The proposals of the Commission call for a United Nations Authority with control over the Holy Places, including the provision of United Nations guards, and with supervisory powers over the other main subjects of international interest, namely, the observance of human rights and demilitarization. The United Nations Authority is also given power to participate with a Joint Board in the consideration

of questions which relate to the efficient functioning of the City. These include such things as common services and utilities.

Subject to the restrictions of the international regime, the powers of Government would be entrusted to the adjacent states of Israel and, presumably, the Hashemite Jordan Kingdom. The details of the international regime would be incorporated in an instrument having the force of a treaty. The United Nations Authority, as well as the states concerned, is given the power to intervene diplomatically in case of alleged violations and, in case of a dispute, to submit the question for adjudication by an international tribunal especially created for the purpose.

In supporting this plan the United States considers that it fulfills the resolution of the General Assembly and makes adequate provision for those elements of the Jerusalem situation which are of particular interest to the International Community. It is believed that the provisions for international control are strong and can, if put into operation, ensure that the world interest in Jerusalem is safeguarded.

We feel that the establishment of a Jerusalem regime in the nature of a *corpus separatum* under the United Nations is entirely impractical. This is largely because it would be unacceptable to Israel but also because, even if accepted, it would call for United Nations commitments which the United Nations might be unwilling or unable to fulfill. In addition to heavy financial requirements such commitments would also include an obligation to maintain peace and order in a City which, if legally separated from the adjacent states, might very soon be faced with serious threats either internally or from outside.

It is believed that the United Nations should be willing to accept a genuine and substantial plan which has a good possibility of being accepted by the parties concerned and of being successfully placed in operation.

Demilitarization.—If the plan is attacked on the basis of details, rather than as a whole, a likely point of attack might be that of demilitarization. Israeli representatives have often said that after their experience of a year ago they could never again leave the Jewish population of the City unprotected. This is also a likely point of attack from the Arab side, particularly since they claim that the existence of the corridor gives Israel a strong military advantage which largely nullifies the effects of demilitarization. It is believed that we should not recede from the requirement that the City be completely demilitarized. This is an essential, and one of the strongest, elements of the proposed international regime without which it is doubtful that the plan would be accepted by the Members of the United Nations. The argument on the point of military advantage

would be that both sides have direct access to the respective contiguous states and that the result is approximate equality.

The Corridor.—If the Arabs wish to reject the proposal they will undoubtedly make the existence of the corridor a basic argument. This will be linked with the question of demilitarization and the claim will be made that demilitarization is in effect non-existent on the Israeli side if there is a direct connection between Jerusalem and Israel. It is probable that the Arabs will only use this argument if they have decided to reject the plan, for there is no prospect that Israel will give up the corridor. It may, therefore, be useless to argue the matter except for the slight possibility that combined pressure may persuade the Arabs to change their position. The argument on this point would be that Jordan also has a direct link with Jerusalem and that the parties are, therefore, in a position of equality.

Basis for Recommendations 2 and 3.—In approaching the General Assembly debate on the Jerusalem question the United States has the general view that the PCC proposals represent virtually a last chance to achieve any substantial degree of internationalization going beyond international control of the Holy Places. This view may alter as a result of discussions during the Assembly period but appears well-founded in consideration of the widely divergent approaches to this question on the part of Israel, the Arabs, and the international community. The United Nations has adopted a procedure for bringing about a solution of the problem by appointing a Commission to consider all aspects and bring in proposals. The Commission has endeavored to take into account the conflicting views of the parties concerned and to present a plan calculated to reconcile their major claims. Meanwhile the conditions for achieving internationalization have been gradually deteriorating by reason of the progressive consolidation of the New City into the State of Israel, the filling up of former Arab quarters with new Israeli immigrants, the extension of Israeli civil administration and the movement of government bureaus to Jerusalem. Consequently, we feel that the United Nations should follow through strongly on the procedure it has adopted by making every effort to bring about acquiescence in the proposals of the Commission. If this fails the effort to achieve an international regime must start again from the beginning in circumstances that are even less favorable than when previous efforts were undertaken. Consequently, even if Israel or the Arab States reject the plan prior to a vote in the Assembly, we should nevertheless attempt to get a favorable Assembly vote on the chance that these parties may acquiesce in a United Nations decision.

If the proposals of the Commission fail in an Assembly vote there may reasonably be expected to be an effort on the part of the delegations of some Catholic countries to put up a plan of more far-reaching internationalization. Israel would be almost certain to oppose such proposals. The United States should cooperate in the search for a practical solution. Decisions will have to be made in the light of the proposals made, the attitude of the parties directly concerned, and possible strong developments in American Catholic and Jewish public opinion.

501.BB Palestine/9-1449 : Telegram

Mr. Stuart W. Rockwell to the Secretary of State

CONFIDENTIAL

LAUSANNE, September 14, 1949—noon.

Palun 320. 1. In final meetings with chiefs all delegations September 12 PCC delivered notes containing observations and suggestions re Arab and Israeli replies to PCC questionnaire (Palun 303).¹

Notes to both parties, after making number minor observations on specific points raised in replies, stated PCC did not believe would be useful at present offer detailed suggestions re refugees, since desired await ESM (Economic Survey Mission) report.

Notes then referred fact both parties had accepted May 12 protocol as basis for discussion territorial question, on understanding such discussion would bear upon adjustments which would be necessary make in order achieve agreement. PCC had come to conclusion Arab and Israeli territorial proposals exceeded limits of what might be considered in broadest sense as adjustments to May 12 map. PCC consequently requested delegations and their governments to reexamine question and hoped that when work resumed in New York PCC would find new proposals a practical working basis.

Notes then stated PCC held firm view that if governments did not make substantial modifications in proposals or advance new suggestions would be very difficult or even impossible carry on constructive negotiations re territory. PCC felt would be premature for it to present to parties any proposals involving more specific indications re such modifications. PCC felt, however, modifications should bear not only on territories claimed by Israelis and Arabs which lie outside boundaries allotted to them on May 12 map, but also upon territories allotted to them on same map.

Notes informed all delegations of PCC conviction that no excessive territorial demands should be allowed impede establishment normal conditions of political and economic life in NE.

¹ Dated September 5, from Lausanne, p. 1361.

2. Delegates orally informed PCC requesting government's members PCC make representations in Israel and interested Arab States to emphasize importance member governments and PCC attached to submission by governments concerned of new and more flexible proposals on territory in order provide practical basis for discussions New York. Therefore, hope that Department after consultation with French and Turkish Foreign Offices re coordination will be able make such representations in near future.

ROCKWELL

Editorial Note

The Fourth Progress Report of the Palestine Conciliation Commission covered its activities for the period June 9 to September 15. After reviewing its efforts involving conciliation, the refugee question and the territorial question, it concluded as follows: "The Conciliation Commission hopes that, upon the resumption of its work in New York on 19 October 1949, it will receive from the Arab and Israel delegations replies to its note of 12 September 1949, which will be of a nature to permit the successful pursuit of its efforts to conciliate the points of view of the parties. The Commission also places great hope in the assistance of the Economic Mission, whose first report is expected at the end of October, in connexion with the solution of the outstanding questions, in particular the poignant problem of the refugees."

The full text of the Fourth Progress Report is printed in GA, 4th sess., *Ad Hoc Political Committee, Annex*, 1949, volume II, page 9.

Regarding the note of September 12, see telegram Palun 320, September 14, from Lausanne, *supra*.

501.BB Palestine/8-849: Telegram

The Secretary of State to the United States Delegation at Lausanne

TOP SECRET

WASHINGTON, September 15, 1949—8 p. m.

Unpal 239. In view Palun 267, Aug 8,¹ and subsequent info from Porter² in Washington, Dept did not understand that ref was being made at this time to ExImBank loan in discussions with Israeli del (Unpal 218, Aug 5¹).

¹ Not printed, but see footnote 1, p. 1312.

² Mr. Porter, in a telephone conversation on September 23, informed Mr. Stabler that he had received a letter from President Truman accepting his resignation as U.S. Representative on the Palestine Conciliation Commission as of September 15 (501.BB Palestine/9-2349).

Depts position re loan has consistently been premised on achievement of peace in Palestine. In absence of peaceful conditions Dept obliged to review each application for allocation under loan to determine whether in light existing circumstances at time it shld be approved or deferred. Cancellation or long-term suspension of loan itself has never been under consideration at any time.

Re Haifa allocation Dept desired review application in accord above policy. ExImBank had, however, already taken position with Israeli reps that while allocation justified, Bank unable authorize in absence Depts agreement. Israeli Amb was seriously concerned and at loss to understand apparent difference of view between Bank and Dept. In these circumstances Dept considered it advisable to concur in position which had already been taken by Bank.

Israeli Amb understands Dept position that it will be necessary for Depts reps on ExImBank to continue their obligation to review all future applications under loan in light of situation in Israel and its internatl relations and that Israel shld not construe such action as either direct or indirect political pressure.

ACHESON

501.BB Palestine (E)/9-749 : Telegram

The Secretary of State to the Legation in Lebanon

SECRET

WASHINGTON, September 15, 1949—8 p. m.

512. Pls seek immediate appointment FonMin and in ur discretion PriMin, and convey fol orally :

Leb reluctance support and cooperate with ESM (urtel 460 Sept 7¹) and reported desire interject question into Arab League politics difficult reconcile with long record Leb cooperation with UN and US. We regret FonMin's tendency accept Amer press interpretations of ESM as authoritative statements US policy, particularly in light Dept's assurances (Deptel 476 Sept 3 and Depcirtel Sept 9, 6 a. m.²) that ESM not designed force Israeli-Arab econ cooperation. PCC on repeated occasions and prior activation ESM outlined to Leb and other dels Lausanne objectives ESM, and received their assurances Arab cooperation therewith.

In view repeated discussion Leb officials emphasizing econ burden of refugees, Leb reaction to ESM difficult to understand, since one of ESM's major purposes is to recommend means lifting such burden from Leb. Leb therefore stands to gain from cooperation with ESM

¹ Not printed.

² Latter not printed, but see footnote 1, p. 1369.

on two counts, namely, in alleviation of strain produced by excessively large refugee population and in obtaining support for Leb's econ development aspirations.

You shld point out that cooperation with ESM implies no prior commitment accept its recommendations, although we hope that sound techn basis on which they will be formulated will make them acceptable not only to NE states but to all govts in position extend financial support in their implementation.

From point of view USG, if ESM fails obtain necessary cooperation, we see no means obtaining settlement NE problems in foreseeable future. Conversely, if ESM meets with cooperation and good will from NE Govts, report will serve as basis constructive and beneficial action during coming months by GA and interested member states towards solution econ ills of NE.³

Inform Clapp foregoing.

You may make such additions or deletions in foregoing as you feel wld assure effective presentation.⁴

ACHESON

³ Minister Pinkerton, on September 19, sought authorization to delay the suggested representations to the Lebanese Government, inasmuch as Mr. Clapp had received complete cooperation from the Lebanese Government and because a reshuffling of the Lebanese Government seemed imminent (telegram 480 from Beirut). The Department gave the authorization the following day (telegram 535 to Beirut). This exchange of messages is filed under 501.BB Palestine (E)/9-1949, 9-2049.

⁴ The Department simultaneously instructed Damascus to arrange an immediate meeting with the Syrian Foreign Minister and make oral, informal representations along the broad lines of telegram 512 to Beirut (telegram 413, September 15, 8 p. m., 501.BB Palestine (E)/9-1549). Minister Keeley did so on September 16. He expressed the opinion that "ESM will be received by Syria following recognition [of the Syrian regime] but am not sanguine about Syrian cooperation in implementing any ESM recommendations that relieves Israel of obligation to carry out UN resolutions." (telegram 552, September 17, noon, 501.BB Palestine (E)/9-1749)

The Department, on September 15, also instructed Cairo to "continue to emphasize importance which US attaches to its [ESM's] success, and shld recall to FonMin that PCC on number occasions prior activation ESM discussed ESM fully with Arab dels Lausanne and recd their assurances Arab cooperation therewith." (telegram 921, 501.BB Palestine (E)/9-1549)

501.BB Palestine/9-1649 : Telegram

The Consul at Jerusalem (Burdett) to the Secretary of State

JERUSALEM, September 16, 1949.

573. Sharett today issued following press statement:

"Instrument stands as its own condemnation. It is patently ineffectual in relation to purpose which it proposes to achieve. It bears no signs of real conviction on part of its authors as regards its real ability. It represents vain attempt to adapt theoretically conception

of international regime for Jerusalem based on principle of separate sovereignty in administration to realities of situation. In process its authors were driven to fly in face of those realities. By every test of justice and realism instrument is anachronistic and incongruous.

It is idle to disregard fact that Jewish Jerusalem is today for all practical purposes and in every political military administrative economic social and cultural sense an integral part of Israel. But for that organic connection and complete identification it would not have survived, nor would it have been able to maintain itself. While problem of Jerusalem formed subject of theoretical discussion on international scene before number of successive bodies Jerusalem itself went through death agonies, defended itself successfully against its attackers and rebuilt its life. It could achieve this only as part of state of Israel, and with its help find it is impossible to break this connection without again jeopardising its existence.

Tacit assumption of instrument that crucial problems of state sovereignty and rights of inhabitants to national allegiance and full-fledged citizenship can simply be bypassed renders the whole scheme illusory.

Equally unreal is express assertion that affairs of Jerusalem can today be effectively administered by mixed Jewish Arab council of equal composition. All such theoretical experiments in constitution making at expense of Jerusalem's vital interests are matter of past.

Idea that population of Jerusalem can be deliberately and artificially frozen either in total size or in racial composition is utterly fantastic. Provision contained in instrument with regard to immigration is not merely a denial of right of every Jew to go up and live in ancient mother city of his people; nor does it merely constitute a grave menace to Jerusalem's economic future; it is simply unenforceable in practice if Jerusalem is to be treated as living body and not as metaphysical abstraction. In providing for complete demilitarization of Jerusalem, to be applied in future to Jewish and Arab parts of the city, authors of instrument have completely disregarded another cardinal fact—that Jewish Jerusalem is today surrounded on three sides by [Arab?] territory. Formal equality of demilitarization becomes sham when gross inequality is inherent in realities of security situation. Such inequality can only be remembered by ever present capacity for effective defence. Tragic experience is there to be learned from, not to be brushed aside with sublime light-mindedness as irrelevancy.

Instrument itself is further convincing proof that application of principle of international responsibility to regime of Jerusalem cannot and need not go beyond supervision of holy places unless, indeed, principles of international administration were confined to the Old City with its shrines and religious foundations. Growing number of Christian countries and even some churches appear to be ready to accept this conclusion. In any case, insistence of international regime affecting sovereignty and administration by no means represents united will of Christian world. In forthcoming assembly delegation of Israel will do its utmost to show injustice and impracticability of proposed plan, and to prove to satisfaction of unfeasibility of solution which would fully safeguard rights and interests of all faiths and religious

institutions without encroaching upon freedom of Jewish Jerusalem and its indissoluble connection with its area Israel."¹

BURDETT

¹ Tel Aviv reported, on September 20, that "Strong opposition to PCC Jerusalem plan continues come from all sides, with menacing tones now being heard from such extreme elements as Herut (successors to IZL) and Communists." A Herut rally at Tel Aviv on September 16 "pledged that Jewish youth would resume fighting underground in Jerusalem if government did not take lead in resisting plot against Jerusalem." Chargé Ford concluded that "public opinion being whipped up to burning and possibly fighting point on question Jerusalem's future." (telegram 699, 501.BB Palestine/9-2049)

501.BB Palestine/9-1749 : Telegram

The Secretary of State to the Embassy in France

CONFIDENTIAL

WASHINGTON, September 17, 1949—6 p. m.

3489. USDel, PCC, reports that on Sept 12 PCC delivered notes containing observations and suggestions re Arab and Israeli replies to PCC questionnaire handed to Arab and Israeli dels on Aug 15. PCC informed dels territorial proposals exceeded limits what might be considered adjustments to May 12 protocol and annexed map. PCC requested dels and their govts to reexamine question and hoped that when PCC reconvened it wld find new proposals which cld be practical working basis.

USDel, PCC, reports that members PCC informed dels they requesting their govts make representations to Israel and Arab states concerned in order emphasize importance attached to submission by these states of more flexible and reasonable proposals on territory when PCC reconvenes about mid-Oct. Dept believes such approaches wld be desirable and that French, Turks and US shld coordinate efforts. However, as emphasis has been shifted for time being to ESM and as ESM shld be permitted proceed unencumbered by injection political questions, Dept feels that it wld be preferable to postpone suggested approaches for moment. Pls discuss foregoing with FonOff, and indicate Dept will consult further with Turk and French govts re approaches at later date.¹

ACHESON

¹ This telegram was repeated to Ankara for similar action. Ambassador Bruce, on September 19, advised that the French Foreign Office agreed with the content of telegram 3489 and that it would "refrain from approaches and meanwhile concentrate on efforts to promote better understanding and better acceptance of ESM." (telegram 3867 from Paris, 501.BB Palestine (E)/9-1949)

The Turkish Foreign Office, on September 16, instructed its Missions to make the representations on territorial proposals requested by the Palestine Conciliation Commission (telegram 394, September 21, 5 p. m., from Ankara). Ankara, on September 22, advised that the Foreign Office had countermanded these instructions (telegram 396). The two telegrams from Ankara are filed under 501.BB Palestine/9-2149 and /9-2249, respectively.

501.BB Palestine/9-1949 : Telegram

The Secretary of State to the Embassy in Israel

SECRET

WASHINGTON, September 19, 1949—1 p. m.

605. Dept concerned re reaction Israeli Govt to PCC proposals for permanent internatl regime in Jerusalem. Israelis have apparently rejected plan without even giving it thorough consideration which we believe it deserves. Discuss matter with FonOff and point out PCC has made diligent efforts reconcile position both parties and its conclusions have not been reached as result arbitrary decision. On contrary, they have been prepared only after careful thought and study of situation and represent PCC's considered views as to practical approach to internationalization of Jerusalem. We hope Israeli Govt will give proposals most serious consideration and whatever objections they may have to plan will be presented to GA in conciliatory spirit which will assist GA in putting into effect desires of world community re Jerusalem.¹

ACHESON

¹ This telegram was repeated to Paris, London, Ankara, Amman, Jerusalem, and New York. Chargé Ford discussed the subject matter of the message with Mr. Shiloah on September 23. The following day, he advised the Department that the Israeli spokesman left "no doubt either about his own disagreement with PCC plan or about his government's determination to oppose it." (telegram 710 from Tel Aviv, 501.BB Palestine/9-2449)

501.BB Palestine(E)/9-1949 : Telegram

The Minister in Lebanon (Pinkerton) to the Secretary of State

SECRET

BEIRUT, September 19, 1949—5 p. m.

481. Simes 1. For McGhee from Clapp.

1. Although fully cognizant of problems we face, I am not discouraged by initial reception we have encountered (Legtel 480 19th).¹

2. I conferred at length Saturday, 17th, with Keeley. On basis his recommendation, I will not make immediate approach to Syria, but plan instead to go to Egypt first, perhaps end this week. Visit will be largely *pro forma*. Syria visit tentatively scheduled for next week.

3. I am convinced that early discussions Arab states should be along lines work projects instead relief, with less talk of resettlement during first stages. In early talks at Tel Aviv, I intend to begin exploratory talks on compensation as well as repatriation.

4. [Here follows one sentence on the arrival of three members of Mr. Clapp's staff.]

[Clapp]

PINKERTON

¹ Not printed, but see footnote 3, p. 1390.

Editorial Note

Secretary of State Acheson addressed the General Assembly on various subjects on September 21. Concerning the Palestine problem, he said that "it was a source of considerable satisfaction that the period of active hostilities in that country had been brought to a close by the conclusion of armistice agreements between Israel and the several Arab States. The efforts of the Acting Mediator and his staff in that connexion were worthy of high praise.

"Since the beginning of 1949 the United Nations Conciliation Commission for Palestine had been carrying on its work. While no agreed settlement between the parties had so far been reached, there was nevertheless hope that progress would be made in moving beyond the armistice stage to a real and permanent peace.

"Eventual agreement between the parties was essential for the political and economic stability of the area. Later during the session the Conciliation Commission would present a report, including the recommendations of the Economic Survey Mission which was in the Near East. On the basis of that report, the General Assembly should be able to provide such machinery as might be necessary further to facilitate and encourage agreement among the parties. The United States stood ready to give its full support and assistance to that effort.

"The plight of the Palestinian refugees presented to the world a pressing humanitarian problem. It was of the highest importance that the States immediately concerned should recognize and accept their governmental responsibilities with respect to the problem. As an interim measure, the General Assembly should make the necessary provision for the maintenance of those refugees until the time when they could again become self-sustaining members of the Near Eastern communities.

"It was the hope of the peoples of all faiths that the General Assembly would be able to act successfully upon the report of the Conciliation Commission in respect to Jerusalem. In the view of the United States Government, it should adopt a practical plan for a permanent international regime in the Jerusalem area and for the protection of, and free access to, the Holy Places." (United Nations, *Official Records of the General Assembly, Fourth Session, Plenary Meetings, Summary Records of Meetings, 20 September-10 December 1949*, page 6)

501.BB Palestine (E)/9-2149 : Telegram

The Secretary of State to the Embassy in the United Kingdom

SECRET

WASHINGTON, September 21, 1949—3 p. m.

3428. For your background info, Dept has for some time been disturbed by inadequate support given by Brit to ESM since its activation. For example (1) Brit failed to inform their missions to support ESM and explain its objectives to NE govts until US representations made to UK; (2) Morton, discussing ESM with USDel Lausanne, stated HMG seriously disturbed by turn of events re ESM and said he understood agreement previously reached that ESM wld consist govt reps empowered to suggest and conclude with NE states polit agreements for solution Pal problems based on repatriation resettlement projects; (3) Brit Chargé Amman informed US Chargé his scepticism re success ESM and regret over Brit involvement in ESM; (4) Bevin in Sep 13 conversation with Sec displayed negative attitude in general re Pal and said he had no faith in ESM or "any other commission"; (5) tel from Tel Aviv no. 124 to London Sep 20.¹

UK attitude this question difficult to understand since Dept had understood all previous differences with UK re composition structure ESM fully reconciled (refer particularly to Deptel 2617, July 26,² urtel 2978,³ July 28; Deptel 2770, Aug 4; ⁴ urtel 3093, Aug 5⁵). Dept hopes question inadequate support of ESM has now been satisfactorily resolved (urtel 3711 Sep 15⁶).

Although Brit now appear to be acting more energetically, you shld seek whenever appropriate and on continuing basis to emphasize importance which USG attaches to UK participation on ESM, UK support in field, and eventual UK contribution to implementation its recommendations. You shld inquire of FonOff re specific reaction

¹ This was a repeat of No. 700 to the Department; it stated that "In talk with British Chargé September 19 re ESM, he stated only specific instructions yet received from his government indicated some unwillingness 'be too precipitate' in lending support ESM in Israel because of opposition which had developed certain Arab states notably Iraq. Thus he said while he was authorized 'in principle' to coordinate his approach to Israel Government with those of US and French, he must necessarily 'go slow' until results of current negotiations with recalcitrant Arab Governments became known and position ESM vis-à-vis such governments had been clarified." (501.BB Palestine (E)/9-2049)

² Not printed, but see footnote 1, p. 1258.

³ Not printed.

⁴ Not printed, but see footnote 2, p. 1258.

⁵ No. 3093 not printed; it gave the observation of a Foreign Office spokesman that except for the personnel question, there seemed to be general agreement with the United States on the establishment of the survey mission (501.BB Palestine/8-549).

⁶ Not printed, it reported that the Foreign Office had sent telegrams late in the evening of September 14 to British missions at Arab capitals and Tel Aviv, requesting them to give diplomatic support to the Economic Survey Mission (501.BB Palestine (E)/9-1549).

each NE state to recent representations on ESM, explaining Dept's desire for full info in order assure continuing coordination of action this regard, and to insure concerted effort by US, UK, Fr, Turk missions in NE to support and elucidate ESM's purposes.

Pls report fully any evidence UK still reluctant extend support.

ACHESON

501.BB Palestine/9-2249

Memorandum by the Assistant Secretary of State for Near Eastern and African Affairs (McGhee) to the Deputy Under Secretary of State (Rusk)

SECRET

[WASHINGTON,] September 22, 1949.

Subject: Israeli reaction to PCC Jerusalem proposals

Since the proposals of the PCC were released to the press last week, an intensive and violent press and publicity campaign has been started in Israel condemning the proposals (Tab A).¹ Moreover, the Foreign Minister and other government officials have made public statements against the proposals² (Tab B). One particularly disquieting feature has been the threats of the Heruth (Freedom Party) to resume their terrorist activities if Jerusalem is internationalized. According to a recent press report, a former leader of the Irgun said in Tel Aviv on September 20 that "if the UN introduces conditions of foreign rule in the Israeli capital, then establishment of the underground would be inevitable" (Tab C).

There is also evidence that the Israelis are carrying on their campaign in this country.

According to a recent telegram from the Consulate General in Jerusalem, a New York *Herald* correspondent and a London *Times* correspondent stated that the Israeli Government is conducting the most intensive press and publicity campaign these correspondents have yet witnessed in their experience in Israel, in an effort to defeat the proposals (Tab D).

Although we have sent telegraphic instructions to the Embassy in Tel Aviv³ to discuss the matter with the Foreign Office and express the hope that the Israeli Government would give the proposals the most serious consideration, presenting their objections to the GA in a conciliatory spirit (Tab E), I feel that it would be desirable if you would call in Ambassador Elath and inform him of the Department's views on the PCC proposals and of its deep concern regarding the

¹ No tabbed materials in this memorandum found attached.

² For the Foreign Minister's statement, see telegram 573, September 16, from Jerusalem, p. 1390.

³ See telegram 605, September 19, p. 1393.

attitude and line of action which the Israeli Government has apparently adopted. It may well be that if the Israeli Government persists in this attitude, the resultant situation will have a most unfortunate effect in connection with efforts to arrive at some peaceful solution of the Palestine problem.

Recommendations:

1. It is recommended that you call in Ambassador Elath and make the following points:

(a) The Department is deeply concerned regarding the reaction of the Israeli Government to the PCC proposals and notes that Israel has apparently rejected the plan without giving it the thorough consideration which we believe it deserves.

(b) The PCC has made diligent efforts to reconcile the position of both parties and its conclusions have not been reached as the result of any arbitrary determination. On the contrary, they have been prepared only after careful thought and study of the situation and represent the PCC's considered views.

(c) We believe that these proposals represent a fair and practical approach to the establishment of a permanent international regime in the Jerusalem area, and hope that whatever amendments Israel may have to the plan will be presented to the GA in a conciliatory spirit. We believe that Israel should approach this question on the basis of a desire to assist the GA in putting into effect the desires of the world community regarding Jerusalem—not on the basis of a desire to frustrate the plan.

(d) We believe that the continuation of what appears to be a press campaign in Palestine to defeat the proposals may have the most unfortunate effects in connection with efforts to find a peaceful solution to the Palestine problem. The threats regarding the resumption of terrorist activities are also most disquieting.

(e) It is possible that if present developments regarding the proposals continue, hostilities in the Jerusalem area might break out and might even spread to the rest of Palestine.

(f) It is recalled that Count Bernadotte's assassination last September followed closely on a press campaign against his activities. At the present time there are numerous American, French, Belgian, and Turkish officials connected with the UN in Jewish Jerusalem whose lives may well be placed in jeopardy. The Ambassador is no doubt aware of the reaction which would be caused throughout the world if any of these people should become victims of the passions which are presently being aroused.

2. It is recommended that you approve the attached telegram⁴ to Tel Aviv informing our Embassy that we are calling in the Israeli Ambassador on this matter (Tab F).

[Here follow concurrences and a list of attachments.]

⁴ Ambassador Elath was called in on September 28; for the memorandum covering his discussion with Department officers on that date, see p. 1409.

⁵ For a summary of the draft telegram as actually sent, see footnote 2, p. 1412.

501.BB Palestine/9-2249: Telegram

The Consul at Jerusalem (Burdett) to the Secretary of State

CONFIDENTIAL

JERUSALEM, September 22, 1949—noon.

587. Message contained Deptel 379¹ delivered to Riley last night.

He is considerably "perturbed" over Israel attitude and endeavoring to fathom motives. Feels Israel may be attempting to eliminate gradually UN participation in MAC's in belief can obtain greater advantages without restraining influence of UN. Israel particularly annoyed at chairman's developing into arbiter and at large adverse majority votes.

Developments follow: Egyptian MAC—Riley in receipt of another letter from Eytan stating Israel distressed to learn of Egypt's refusal to accept "compromise" relocation of line (Contel 575, seventeenth)² and expressing belief this due to Egypt's effort to obtain military and political advantage from armistice. Eytan reasserted own position on line and stated Israel would use every legal means at its disposal to obtain acceptance. Claimed any effort to force different interpretation by action of MAC would be tantamount to alteration of armistice agreement and thus beyond competence of MAC (this statement opens way to declaring any decision by MAC interpreting armistice as alteration of terms and thus outside its jurisdiction). Riley called on Sharett to discuss question and latter reiterated Israel arguments stressing that armistice stood by itself and any other agreement at Rhodes could not be used in interpreting it. Riley differed strongly and suggested Israel accept MAC views on location of line; if Egypt later raised question of military post could argue troops were based on settlement (troops based on settlements permitted in defensive zone but armistice does not specify whether new settlements may be founded in defensive zone). Sharett agreed reconsider matter and answer today.

Jordan MAC—Special committee investigating also alteration of line to permit inclusion of Wadi Fukin within Arab zone. In exchange Israel now requesting area including other Arab villages. Question of Govt House again arisen. Previous efforts agree on line dividing area between Israel and Jordan not successful.

Jordan has presented complaint to MAC that Israel constructing blockhouses within former neutral zone which not yet divided. Israel

¹ Dated September 19, not printed; it expressed the Department's serious concern about the situation developing in the Jordan, Syrian and Egyptian Mixed Armistice Commissions and its disquiet about various incidents and the "Israeli attitude in general." It also instructed Jerusalem to inform General Riley of the Department's concern and to keep the Department fully informed of developments (867N.01/9-1349). No. 379 was repeated to Amman, Damascus, Beirut, Cairo, and New York.

² Not printed.

claims are houses. Riley and UN officers consider edifices are constructed for use as military installations and give command of Jericho road. This is violation of article 2, paragraph 1 of armistice. Chairman raised matter informally with Biran, Israel deputy member MAC, who stated that if MAC by majority vote ordered investigation people and army would "become very excited" and shooting might occur. Riley feels best approach is to seek again agreement between Jordan and Israel on division of area and concurrently obtain Israel consent to demolish blockhouses. Hopes Israel will agree if area divided. He also considers demarcation line proposed during last negotiations as equitable.

Department may wish consider desirability pointing out to Jordan Government advantages of reaching agreement on Government House division thus perhaps eliminating this troublesome question.

Syrian MAC—during visit to Damascus, Riley persuaded Colonel Hinnawi to agree that chairman should determine what constitutes return to normal civilian life in demilitarized zones. Chairman thus can permit construction of houses Ein Gev area. Israel has taken no action on letter from MAC chairman calling for destruction of fortifications at Ein Gev.

Sent Department 587; repeated Tel Aviv 60, Beirut 114, Damascus 73; Department pass Amman 113, Cairo 30.

BURDETT

501.BB Palestine/9-2349

*Memorandum by the Assistant Chief of the Division of International Organization Affairs (Halderman)*¹

CONFIDENTIAL

[WASHINGTON,] September 23, 1949.

PALESTINE POLITICAL AND REFUGEE PROBLEMS

PROBLEM

The problem is to determine the position of the United States as to action to be taken by the General Assembly with respect to the problems of achieving a political settlement of the Palestine case and the problems of direct relief, repatriation and resettlement of the Palestine refugees. The problem includes the main aspects of the Palestine case except Jerusalem and the Holy Places (see separate papers).

¹ Transmitted to Mr. Rusk by Messrs. McGhee and Sandifer in a memorandum of September 23, which stated that if Mr. Rusk approved the plan, "we propose that it be discussed with the British and French as soon as possible, both within the Clapp Mission and in Washington.

"We also propose to furnish the paper to the General Assembly Delegation with the notation that it should not be discussed with other delegations pending consultation with the French and British." (501.BB Palestine/9-2349)

RECOMMENDATIONS

1. Due to the interrelationship of the problems under consideration (discussion below), it is desirable that the General Assembly should establish an integrated organization for the future conduct of the Palestine case.

2. A United Nations Palestine Commission should handle the general supervisory and policy making functions. The present terms of reference of the Conciliation Commission might be used with suitable amendments to include the additional authority and responsibilities to be conferred upon it and to define the relationship between it and the other component parts of the integrated organization. The Commission's operational director in the conduct of operations should be the Agent General referred to in the following recommendation. As regards the composition of the Commission the present states represented on the Conciliation Commission (United States, France and Turkey) might be continued. The Commission's responsibilities in respect to Jerusalem, if any, will depend upon the action of the General Assembly on that problem.

3. The executive director for the operations of the Organization should be a single individual, designated as Agent General (or some other appropriate title) who would be given broad responsibilities for the direction of (1) the negotiation of a political settlement including boundaries and refugees, (2) the administration of direct relief, (3) programs for development projects bearing relation to the economic dislocations created by the hostilities, including the resettlement and repatriation of refugees, and (4) possible duties in connection with Jerusalem. The Agent General would report to and be subject to instruction by the Commission on general policy questions.

4. In respect to the political settlement, the General Assembly would grant authority to the Commission to continue to assist in the negotiations between the parties on all phases. This program would be conducted primarily through the instrumentality of the Agent General.

5. In respect to direct relief the General Assembly should make provision for the machinery necessary for its administration and provide a plan for contributions from United Nations Members (similar to UNRPR). The Agent General should have a general supervisory function in respect of direct relief.

6. In respect to the development projects the General Assembly should take note of the intention of certain governments to provide funds for settlement and development, the projects to be coordinated by an "Authority", probably consisting of the grantor states. The United States Government contemplates approaching the United Kingdom and France in this context.

7. In the fields of direct relief and development the details of what should be provided by the General Assembly concerning the structure of the component parts of the Organization and the relationship between them, cannot be precisely determined until receipt of the recommendation of the Economic Survey Mission.

8. Under the plan, therefore, there would be four components of the organization for which the Agent General would provide unified direction and coordination. United Nations funds as such would not be used except for the administrative expenses of the Commission, the Agent General and his staff. Funds for direct relief would probably come from the special contributions of United Nations Members. Funds for the development projects would probably come from those states participating in the program, from bank loans, and perhaps other sources including compensation paid for refugee property losses.

DISCUSSION

Inter-Dependence of Political and Refugee Aspects of Palestine Problem

The solution of the three problems outstanding in the Palestine case are in effect one problem with progress toward the solution of each to a large degree interdependent. A political settlement is unlikely unless arrangements are in train with respect to the resettlement and repatriation of refugees. Commitments for the resettlement of refugees are in turn dependent upon outside capital assistance for national development projects as well as upon progress toward a political settlement. Contributions toward emergency relief depend upon progress on a program for the resettlement and repatriation program so that an end to relief expenditures would be in sight.

Furthermore, the interdependence of the problems is such that in order to avoid a stalemate, a final solution of any of them must not be contingent upon action on another. On the other hand a program looking toward the solution of each is prerequisite to a program looking toward the solution of the others.

Necessity of Integrated Organization

On the basis of the foregoing assumptions, it is necessary to establish an integrated authority to provide unified direction and control of the programs looking toward the solution of each aspect of the problem. The Conciliation Commission has had broad functions relating to each phase, except relief, but it was not conceived, nor has it functioned as an operating agency. The General Assembly should therefore establish the machinery for the direction required to develop and operate an interrelated program.

COMPONENT PARTS OF THE ORGANIZATION

A. The United Nations Palestine Commission

The United Nations Palestine Commission would probably consist of three states, i.e., the present members of the Conciliation Commission. It would conduct the general supervisory and policy function of the United Nations. It should not be in continuous session but could arrange to meet as necessary either in New York or elsewhere. The Agent General would stand in the position of its Executive in the field for the conduct of negotiations and the conduct of its supervisory functions over the other component parts of the organization.

The principal advantage of a Commission is that it would lend substantial support to the Agent General who will be subject to strong pressures from opposing parties. Government members of the Commission are in a good position to apply pressure directly on the states involved in the dispute. Such pressures might be decisively effective in support of the Agent General.

B. Conciliation

For the exercise of the functions under this heading, a relatively small staff would be required primarily responsible to the Agent General. The cost of this function would be carried in the regular United Nations budget.

C. Direct Relief

The United Nations, in establishing the UNRPR, undertook responsibility for providing direct relief for the refugees until August 31, 1949. Direct relief on a large scale will need to be continued until permanent resettlement and repatriation of the refugees or acceptance by the governments involved of full responsibility for them. A further appeal to governments for funds would not be productive unless projected against the background of a program looking toward the definitive solution of the refugee problem. In as much as the source of funds for relief should have as wide a base as possible, and since the appeal of all governments will need to be on a humanitarian basis, it is therefore proposed that the responsibility for the present functions of UNRPR be a part of the overall organization.

Contributions for this program would be on a voluntary basis.

D. Settlement and Development Authority

The Economic Survey Mission is charged with making recommendations in this context. The development of a suitable agency or authority for coordinating the participation of states (primarily the US, UK and France) in the projects for the resettlement of refugees within the framework of the proposed organization will require substantial preparatory work and negotiation because of the large funds required

and because of the complex problem involved in assuring that the projects achieve the desired objectives.

The scope of the work of the "Authority" will require careful definition, particularly in respect to such matters as whether work relief, costs of the movement of refugees to their new countries, and other expenses incident to repatriation and resettlement should be borne by the states participating in this program or treated as expenses of direct relief. A second problem is the relationship between the Agent General and the Authority for purposes of coordination.

Consultations with the British and French are necessary to consider in some detail the problems involved in setting up such an authority and to reach agreement thereon including preliminary agreement on contributions. Such consultations will take place during the course of the Economic Mission, and final decisions cannot be made until at least preliminary results of this work are known.

E. *Compensation*

The problem of compensation is a distinct field which is nevertheless closely inter-related with the political and refugee aspects of the Palestine problem. In as much as the problem is one to be worked out by negotiation, the Agent General might be given authority to take steps to bring about the determination and fulfillment of obligations in respect of the payment of compensation for loss or damage to property owned by refugees, and to take appropriate measures to effectuate the equitable disposition of the proceeds of any such payments.

501.BB Palestine/9-2649

*Memorandum by the Assistant Secretary of State for Near Eastern and African Affairs (McGhee) to the Deputy Under Secretary of State (Rusk)*¹

[WASHINGTON,] September 26, 1949.

Subject: Long Term Organization to Continue Work of Economic Survey Mission

Problem:

The terms of reference of ESM² include the preparation of a long term organizational plan to operate in the field of relief and resettlement of the refugees from hostilities in Palestine. At Mr. Clapp's suggestion the outline of such a plan is to be prepared by the Department for ESM consideration. A draft to be submitted to Clapp is attached (Tab A).³

¹ Sent also by Mr. Sandifer.

² Dated September 1, p. 1346.

³ Not printed.

Discussion:

The enclosure outlines an organization (Near East Settlement and Development Authority) to function with the Palestine Commission (see separate paper on that subject)⁴ on the assumption that the US, UK and France agree to establish it. Other members of the UN may be admitted to NESDA. NESDA's role would be advisory and coordinative; it would have a staff to continue the work of ESM, and it would be consulted by its member governments before assistance was furnished to states concerned. Funds to operate its programs would come from bank loans, compensation, grants from abroad, and other sources. It would have no veto over projects of its members, but its authority would stem from its knowledge of the area and undertakings to consult it before funds were made available for development.

NESDA's work would be coordinated with relief operations of UNRPR or its successor through the Agent General.

NESDA would call on the UN and specialized agencies for administrative and technical staff.

It is proposed to discuss the establishment of NESDA with the UK and France through the ESM deputies and simultaneously in Washington with the Embassies, in order that timely action may be taken as necessary by this session of the GA.

Recommendation:

Authorization to proceed with these discussions along the lines of the attached paper is recommended.

[Here follow concurrences.]

⁴ The editors are unable to identify this paper; possibly the draft to be submitted to Mr. Clapp is intended.

883.801/9-2149: Telegram

*The Acting Secretary of State to the Embassy in Egypt*¹

SECRET

WASHINGTON, September 26, 1949—12 noon.

954. [In] Connection with representations Brit making [to] Egypt's re passage Suez Canal by Haifa-bound tankers and at suggestion of Brit Chargé, Brit Emb approached Dept under instrus FonOff with request Emb Cairo be authorized lend support in form general approach Egypt Govt urging lifting restrictions on passage thru Canal in respect all shipping. (Ref London's Tel 3783, Sept 21² rptd Cairo as 955.) Neth Belg Nor Swed Turk and Ital being similarly

¹ This telegram was repeated to London.

² Not printed.

approached by Brit with request their reps consult Brit Chargé in order determine if such action in fact desirable and if so time and manner of approach.

You authorized take such action. If approach made you shld base your arguments on (1) previous US approaches re freedom of shipping thru Canal (Deptel 759 June 9 1948³) (2) fact armistice agreements have been concluded between Israel and Arab states (3) removal of UN and US arms embargo (Depcirtel Aug 16 4 a. m. and Depcirtel Sept. 7 6 a. m.⁴).

This approach is not of course connected with present activities Econ Survey Mis and shld there be evidence Egypt misinterpretation you shld informally clarify.

Since drafting foregoing Brit report Chapman-Andrews⁵ saw PriMin Sept 22 and outcome talk unsatisfactory. He will doubtless inform you re conversation as factor in determining desirability supporting action by US and other powers.

Dept also discussed with Brit Emb rep manner which supporting action might take and suggests you consider in detail with Chapman-Andrews. Brit Emb rep agreed with Dept solemn parade fon reps in Cairo to Egypt FonOff wld certainly become known privately and publicly in Egypt. Resulting publicity might subsequently prevent favorable Egypt action. Manner supporting action shld therefore be carefully arranged and might, in final analysis, determine whether supporting action wld be advisable at this stage.

WEBB

³ *Foreign Relations*, 1948, vol. v, Part 2, p. 1108.

⁴ Neither printed.

⁵ Edwin A. Chapman-Andrews, British Minister in Egypt.

867N.00/9-2649

Memorandum by the Assistant Chief of the Division of Near Eastern Affairs (Wilkins) to the Assistant Secretary of State for Near Eastern and African Affairs (McGhee)

RESTRICTED

[WASHINGTON,] September 26, 1949.

Subject: Mt. Scopus situation

We have considered Dr. Senator's request that the US Government make representations to Jordan regarding free access to Mt. Scopus¹ but we believe that we should not take any action on this matter.

¹ The request of David W. Senator, Vice President of the Hebrew University at Jerusalem, was made in a conversation with Messrs. McGhee, Wilkins, and Stabler earlier the same day (memorandum of conversation by Mr. McGhee, 867N.4212/9-2649).

During the negotiations at Rhodes between the Israelis and Jordan, the Israelis insisted that Jordan accept certain conditions before they agreed to sign even a "cease fire." Included in these conditions was free access to Mt. Scopus. Due to the fact that the Jordan Government wished to proceed to the armistice stage, it accepted free access to Mt. Scopus in principle.

Article VIII of the armistice agreement provided that a Special Committee would be organized to "direct its attention to the formulation of agreed plans and arrangements for such matters as either party may submit to it, which, in any case, shall include the following on which agreement in principle already exists: free movement of traffic on vital roads, including the Bethlehem and Latrun-Jerusalem roads; resumption of the normal functioning of the cultural and humanitarian institutions on Mt. Scopus and free access thereto; free access to the Holy Places and cultural institutions and use of the cemetery on the Mount of Olives; resumption of operation of the Latrun pumping station; provision of electricity for the Old City; and resumption of operation of the railroad to Jerusalem."

To date the only matter that has been successfully handled by the Special Committee has been the resumption of the operation of the railroad. On all other matters the Special Committee was unable to formulate any agreed plans. The Jordan delegates, while maintaining that they still agreed in principle to free access to Mt. Scopus, were unable to reach any satisfactory agreement with the Israelis on how free access could be worked out. Mt. Scopus is a very strategic location overlooking the Old City and most of the main arteries leading to Arab Jerusalem from Jordan-controlled territory. Consequently, the Jordanians did not wish to give the Israelis complete freedom of passage without any form of control. Moreover, Jordan has also raised the question of the return of certain Arab quarters in Jerusalem which, it is assumed, were presented to the Special Committee under the phrase "such matters as either party may submit to it."

The use of the Bethlehem road and the restoring of the electricity to the Old City are not very important to Jordan, as they have been getting along quite well without electricity and have built a secondary road to Bethlehem through Arab territory. What is important to them is the return of certain Arab quarters now held by the Israelis. Jordan is determined to make use of the Mt. Scopus situation as a bargaining point for their demands. There is nothing in Article VIII which requires Jordan to accept any "plans and arrangements" for free access to Mt. Scopus unless they agree to them. So far, Jordan has not agreed.

Because of this impasse the Department proposed to Jordan and Israel that both accept to refer matters on Article VIII, as well as the border questions involved in Jerusalem including demarcation lines, to the Mixed Armistice Commission under the chairmanship of General Riley. It was felt that Riley would be able to help the parties in "the formulation of agreed plans and arrangements" and might be able to produce compromise suggestions. Jordan accepted the proposal on the basis that it favored the return of normal life to Jerusalem. Israel accepted the proposal in principle but objected to the MAC dealing with the broader question of Jerusalem. In other words, Israel wished the MAC to consider only those points specifically mentioned in Article VIII of the armistice agreement.

Although we have pointed out to Israel on numerous occasions that acceptance of our proposal might enable the parties to settle their differences on the general subject of Jerusalem, without prejudicing the interest of the world community in the city, Israel has refused to go along with the proposal.

It is believed that it would be unwise for the Department to take any action on Dr. Senator's request and that the question should be left to the UN and General Riley to handle as they think best.²

² The Department summarized this memorandum in telegram 636, September 30, 6 p. m., to Tel Aviv and instructed Ambassador McDonald as follows: "In your talks with Israeli officials re PCC Jerusalem proposals, you might find it useful to point out above situation is one more reason why necessary for Israel to adopt constructive and reasonable approach to Jerusalem question. PCC plan wld seem to offer basis on which Israeli approach might now be based." (867N.01/9-3049)

501.BB Palestine(E)/9-2749

*Memorandum by the Assistant Chief of the Division of Near Eastern Affairs (Wilkins) to the Assistant Secretary of State for Near Eastern and African Affairs (McGhee)*¹

SECRET

[WASHINGTON,] September 27, 1949.

Subject: Emphasis on Work Relief by Economic Survey Mission.

Discussion:

There are attached two telegrams² concerning the Economic Survey Mission's intention of placing primary emphasis initially upon work relief projects "not necessarily implying permanent resettlement", in preparing its interim report. The telegrams clearly suggest that the question of permanent settlement projects would be deferred until

¹ Sent also to Mr. Gardiner.

² Not found attached.

the final report of the Mission, which will probably not be submitted until January 1, after the closing of the General Assembly.

Although the political considerations which motivated this tactical shift are understandable, the question of the time factor involved in the proposed schedule must be taken into account. If the preliminary report of the Mission is drafted solely or chiefly within the context of work relief projects, action in the General Assembly would presumably have to be confined to voting a large-scale relief and work relief program. Assuming that such a resolution could obtain the necessary votes in the Assembly, such a program would necessitate a greatly increased expenditure over a straight relief program, and would tend to further prolong the present political stalemate with respect to the refusal of both sides to get on with settlement of the refugee problem. Finally, the proposed emphasis would preclude action at the General Assembly to establish an Authority, which must be based principally on permanent settlement and development projects.

In view of the importance of the preliminary report of the Economic Survey Mission as a springboard for the establishment of the Authority, together with the advantage of obtaining concrete progress on permanent settlement projects where political conditions are favorable to their early initiation, notably in Jordan, it is believed that Mr. Clapp's preliminary report should be drafted as a total program of relief, work relief, settlement and development projects, and that his final report should constitute a more detailed elaboration of these several aspects.

Recommendations:

It is recommended that these considerations be brought to Mr. Clapp's attention in the very near future, perhaps in connection with transmittal of the working paper concerning the Authority, and that he be urged to draft his report in a manner calculated to give us a basis on which to obtain financing of long range projects as well as work relief.³

³ Attached is an undated note to Mr. Wilkins from Mrs. Hope, stating that "This is the memo with which we tried to shift Clapp's approach." The Department, on September 30, informed Beirut that the ESM intention to place its main emphasis on work relief in the early stages was causing concern, "lest ESM not include full consideration in interim report of operational plan . . . together with general approximation costs [and] methods financing.

"Action by UNGA to establish organization under which resettlement and development can move forward is essential, and to assure consideration this session UNGA to permit operations to begin in 1950, interim report shld contain adequate documentation supporting organizational plans." (telegram 574, 501.BB Palestine (E)/9-3049)

501.BB Palestine(E)/9-2749: Circular telegram

*The Acting Secretary of State to Certain Diplomatic and Consular Offices*¹

CONFIDENTIAL

WASHINGTON, September 27, 1949—6 a. m.

Since majority NE govts now appear willing receive ESM, in future conversations with govt officials, you shld proceed on assumption govt will cooperate with ESM. Dept hopes as govts and peoples NE become accustomed presence and operations ESM, and as validity its purposes demonstrated, local criticism will abate and increasing measure genuine cooperation extended.

Continue report fully re local reaction ESM, including any significant evidence non-cooperation.

WEBB

¹At Cairo, Tel Aviv, Baghdad, Damascus, Beirut, Amman, and Jerusalem. According to an undated memorandum by Mary E. Hope to Mr. Hare attached to this telegram, the message was not sent to Jidda because the Saudi Arabian Government had informed the United Nations of its refusal to receive the Economic Survey Mission.

501.BB Palestine/9-2849

*Memorandum of Conversation, by the Deputy Under Secretary of State (Rusk)*¹

CONFIDENTIAL

[WASHINGTON,] September 28, 1949.

Subject: Israeli reaction to PCC Jerusalem proposals.

Participants: Eliahu Elath, Israeli Ambassador

G—Mr. Rusk

NE—Mr. Wilkins

NE—Mr. Stabler

Problem: To inform Ambassador Elath of our concern over the Israeli reaction to the PCC proposals for the Jerusalem area.

Action Required: To inform Mr. Ross of USUN of Rusk-Elath conversation and probability Eban would approach him to discuss Jerusalem question.

Action Assigned To: NE.

Discussion:

I informed Ambassador Elath that I had asked him to come in connection with the Israeli reaction to the PCC proposals. I recalled that the GA resolution of November 29, 1947, included, *inter alia*, provisions for the full internationalization of Jerusalem. Since it was not

¹Drafted by Mr. Stabler, assigned to the Division of Near Eastern Affairs after his return from duty in Amman.

possible to implement this resolution, consideration was then given in the spring of 1948 to the possibility of trusteeship for all of Palestine in order to provide governmental machinery for Palestine following the termination of the British Mandate. When the fighting in Jerusalem became more severe, the UN focussed its attention on the Jerusalem question and considered ways and means of solving that question alone. A special trusteeship for the Jerusalem area was among the plans proposed and I had had the occasion at that time to discuss this matter with Mr. Sharett. I told him that a practical plan should be adopted for a permanent international regime for the Jerusalem area which would permit the integration of Jerusalem, in so far as consistent with its special international character, with the people and institutions in the rest of Palestine. I recalled that Mr. Sharett had not seemed averse to such a plan. I indicated that we believed that the present PCC proposals represent a practical approach of this character. We were therefore surprised and puzzled by the strength and immediacy of the Israeli reaction and I had wanted to discuss the question with the Ambassador in order to clear up any misunderstanding which might have developed on their part regarding the plan. For example, I wondered whether their objections were based on the difference between annexation and something less than annexation.

The Ambassador indicated that Israel had no intention of annexing Jerusalem and believed there was no foundation for such a charge. I said that perhaps I had not made my meaning clear, as I was not speaking of previous press reports that Israel planned immediately to annex Jerusalem but was now referring to a final settlement of the Jerusalem question.

The Ambassador repeated that Israel had no intention of annexing Jerusalem but felt that the present PCC plan did not take into account several important factors in connection with Israel's interest in Jerusalem. He said that several points had annoyed them. He said the paragraph on immigration would prevent Israel from developing the economic life of Jerusalem and from increasing its growth as a cultural and religious center for the Jews. On the question of security, the demilitarization and the limitation on the number of police placed in jeopardy the security of the 100,000 Jews who are resident in Jerusalem. Israel felt that in view of the fact that Jewish Jerusalem is surrounded on three sides by Arabs that it could not afford to neglect the important question of security. Moreover, he doubted whether the UN could provide the administration necessary to carry out the plan. He wondered how the General Council as proposed in the PCC plan would be able to operate and where the funds would come from to

provide the \$30,000,000 which the UN estimates is necessary for the administration of Jerusalem.

I indicated that on the matter of security it would seem unfortunate to start a competition on the size of the police forces and the quantity of armaments. I expressed the belief that these matters could be discussed in the GA and could be worked out satisfactorily in the General Council. With respect to the administration of Jerusalem, I thought his figures out of proportion, and in any event it was quite clear that the two areas would be administered and financed by the administering states. The General Council would only be called upon to consider matters which were common to both areas.

I then pointed out that the Catholic and Protestant communities in the US felt quite strongly about the problem of Jerusalem. We had tried to keep the question out of public debate, as we wished the matter considered along practical lines. We did not wish to have injected into the discussion the sentimental and emotional approach which would make it very difficult to arrive at a solution. We had considered Jerusalem as one problem in Palestine which could be settled without too much difficulty, and we had therefore been quite disappointed by the Israeli reaction. We wondered from the immediate strong press comments and statements by officials in Israel whether the Israeli Government had carefully considered the plan. We also wondered whether Israel and the US were talking about the same thing with respect to the meaning of the various provisions. I said I felt that more careful consideration of the plan by Israel and possibly talks between our people and the Israeli delegation in New York might result in dissipating some of the doubts which Israel had on various sections of the proposal. The Ambassador agreed and said he hoped it would be possible for Mr. Ross and Mr. Eban to get together.

The Ambassador said he felt it was unfortunate that the Israelis had not been consulted on the proposals prior to their submission to the UN. He felt that the Israeli objective in Jerusalem, i.e., the preservation and protection of the 100,000 Jews in Jerusalem, could have been better taken into account. Mr. Wilkins pointed out that the Jerusalem committee of the PCC, as well as others on the PCC, had discussed the proposals in detail with Israeli officials both in Tel Aviv and Lausanne during the past 8 months.

The Ambassador asked whether we had received any reaction from the Arabs with respect to the proposals. Mr. Wilkins said that Dr. Malik had made a speech in the GA which appeared to favor the proposals, and that informal talks with certain Arabs in Washington had indicated a generally favorable disposition.

The Ambassador then asked whether the US gave its support to the proposals. I replied that the US, as a member of the PCC, had participated in the drafting of the proposals, and that while final determination on the question was one for the GA, the US did give its support in general to the proposals. However, I indicated that it was quite possible that a number of amendments would be proposed during the GA discussions and that we were prepared to consider them.

I then informed the Ambassador of our concern over the reports from Jerusalem and Tel Aviv indicating that there might be a resumption of terrorist activities. I pointed out that there were a number of American as well as other foreign officials in Jerusalem, and referred to the fact that the situation in Jerusalem had been closely related to the assassination of Count Bernadotte. I expressed the hope that Israel would take the necessary measures to protect the officials in Jerusalem. The Ambassador said that the Israeli Government was aware of the situation and felt the atmosphere in Jerusalem was considerably better in this respect. However, Israel needed the help of the US in connection with the Jerusalem proposals in order to avoid the resumption of these activities.

In connection with possible discussion between our people in New York and the Israeli delegation, I suggested that Mr. Eban might also wish to talk with some of the other delegations, including Colombia, which had expressed much interest in the question of Jerusalem. Mr. Elath replied that Mr. Eban had already done this and found that the majority of the Latin American delegations were more interested in the free access to and preservation of the Holy Places than they were in the broader question of internationalization.

I requested the Ambassador to bring to the attention of the Israeli Government our concern with respect to present developments on the Jerusalem question.²

² In telegram 637, September 30, 8 p. m., to Tel Aviv (repeated to Jerusalem, Amman, and New York), the Department stated that "During past month Dept has noted with concern continuation public statements by Israeli officials and increasing press campaign in Israel and US with apparent purpose of creating public belief proposed PCC plan provided for rigid internationalization and thereby prejudiced mutual relations between Israel and Jews resident in Jerusalem." The telegram then summarized the Rusk-Elath conversation of September 28 and concluded with an instruction "to discuss Jerusalem question with Sharett and other Israeli officials along foregoing lines in continuation of instrns contained Deptel 605, Sept 19, and conversations reported Embtels 703, Sept 23, and 710, Sept 24. You shld emphasize that our approach to Jerusalem question is based on fact that Jerusalem and area surrounding it necessary to its existence are of deep concern to three great world religions and that it is our hope that solution for Jerusalem's many intricate problems will be achieved by calm and constructive means." (501.BB Palestine/9-3049) Of the reference telegrams, Nos. 703 and 710 are not printed; but regarding the latter, see footnote 1 to telegram 605, September 19, p. 1393.

501.MA Palestine/9-2949: Telegram

*The Acting Secretary of State to the Embassy in the United Kingdom*¹

RESTRICTED

WASHINGTON, September 29, 1949—2 p. m.

3548. Dept concerned problem financing UNRPR pending GA consideration ESM Report which will furnish basis GA action future relief program. UNRPR cash expected run out about Dec. 15, after exhausting anticipated US contribution of \$16 million matched by like sum from other countries, and supplies in pipeline about Jan. 15. UNRPR operating agencies seeking assurances continuation program as cannot take risks inherent in abandoning relief during winter.

Anticipated SYG will propose at UNRPR *Ad Hoc* Advisory Comite mtg Oct 4 GA be asked give early consideration this problem, prior receipt ESM Report, and seek auth advance of \$3 million from Working Capital Fund to meet UNRPR requirements until Feb or possibly more to finance operations thru March. Dept most anxious avoid any GA action this question until ESM interim Report recd early Nov and until inter-related parts Palestine problem as whole can be considered by GA because any proposal to extend UNRPR operations even temporarily wld inevitably invite premature discussion future program, which can only be properly considered when ESM report recd. To meet gap in funds that will inevitably arise pending action by govs on GA res, and give assurances to agencies of continuation operations without prejudice nature and extent future program, Dept proposes recommend SYG appeal to IRO for assistance in form of supplies and funds for which no immed allocation by it to its own program expected. We believe IRO presently in position grant such assistance and wld hope favorable action cld be taken by it at Gen Council mtg Geneva beginning Oct. 11. IRO report on fin position as of March 31, 1949, showed unallocated funds equivalent to about \$15 million of which substantial amount in sterling. Dept understands IRO presently unable apply large part these holdings to IRO operations and also IRO commodity inventories are high. View this situation and previous IRO assistance to UNRPR, Dept believes appeal IRO for assistance at this time shld result in favorable response.²

For your info Dept discussed foregoing with Brit Emb and asked for comments in hope estab identical position this subj at *Ad Hoc* Advisory Comite mtg Oct 4 and at IRO Gen Council.

WEBB

¹ This telegram was repeated to New York.

² London, on October 1, advised of the preliminary views of the Foreign Office, namely, that the IRO should not be depended on for financial assistance and might help in a very limited way with supplies and that the IRO would be the best agency to take over the work of UNRPR (telegram 3946, 501.MA Palestine/10-149).

501.BB Palestine (E)/9-349: Telegram

The Acting Secretary of State to the Embassy in Saudi Arabia

CONFIDENTIAL

WASHINGTON, September 29, 1949—7 p. m.

383. Dept informed¹ [that] SYG of UN received tel Sep 26 from SAG notifying UN of its refusal receive ESM because dissatisfied with "trend of treating Pal problem".

You shld call on FonOff immed or soonest pilgrimage terminated, and make fol points, using background contained Deptel 336 Sep 3² and Depcirtel Sep 9, 6 a. m.³ where relevant.

Dept disappointed SAG reaction and convinced latter based on misconstruction purposes ESM. You shld point out certain other Arab states were initially reluctant receive ESM, but when its objectives and non-polit character were clarified, this reluctance dissipated. With exception SAG, all Arab Govts to which SYG addressed communication (Egypt, Syria, Leb, Jordan, Iraq) have now expressed willingness receive ESM. SAG action difficult understand view King's humanitarian interest in contributing alleviation refugee problem, as indicated by his request Aramco provide employment opportunities for Pal refugees. Moreover, SAG action appears to be reversal previously expressed interest in development and irrigation projects frequently discussed with Emb and Dept. You shld make clear cooperation with ESM implies no prior commitment accept its recommendations, although we hope sound techn basis on which they will be formulated will make them acceptable not only to NE states but to all govts in position extend fin or techn support in their implementation.

You shld express Dept's hope Emb's clarification purposes ESM will induce SAG reconsider at least to extent of receiving ESM informally and informing ESM of SAG's techn and development needs. Foregoing has Amb Childs' concurrence.

Rpt reply Beirut for Clapp.⁴

WEBB

¹ In telegram 1192, September 26, 11:57 p. m., from New York, not printed.

² This was a repeat of No. 476, to Beirut, p. 1359.

³ Not printed.

⁴ This telegram was repeated to Beirut. Jidda replied, on October 4, stating that "SAG is profoundly disillusioned with results achieved to date by UN insofar as benefit to themselves is concerned. . . . Now the King has expressed his disapproval of PCC or any branch of it, as well as his personal regret that none of the advice he gave in past to visiting American officials was heeded; and he will likely continue to believe that ESM is essentially a US project, however much we may explain its UN character. Embassy therefore questions whether it would be either good taste or good tactics at this time to press SAG with a new request for entry of ESM and for cooperation with it." (telegram 587, 501.BB Palestine (E)/10-449)

501.BB Palestine (E)/10-149 : Telegram

The Minister in Lebanon (Pinkerton) to the Secretary of State

SECRET PRIORITY

BEIRUT, October 1, 1949— 11 a. m.

506. Simes 9. For McGhee [From Clapp].

1. Have completed first visits to Lebanon, Egypt, Transjordan and Syria, accompanied by deputies. I explained purpose of Mission emphasizing immediate task to report and recommend to UN by November 1 (now changed) a program of works for temporary employment of able-bodied refugees where they are as a basis for discontinuing or decreasing direct relief program. Asked cooperation of governments in such program without prejudice to their positions on repatriation, compensation or resettlement. Asked for their proposals re such able and useful works projects near refugee concentrations. Offered our experts for joint consultations with understanding that exploration of long-range economic development possibilities would begin after November 1 for later report. Visits arranged in atmosphere of abating suspicion that reception of Mission would indicate weakening attitude Arab States re repatriation and compensation endorsed by UN resolution and that agreement to temporary works program would lead to resettlement without agreement by NE Governments.

Egypt—three days. Brief conference with Prime Minister who was cordial and candid re Egypt's inability to accept refugees in overcrowded present population.¹ I emphasized immediate task Mission and asked cooperation on works program in Gaza area. Conference with Liaison Committee of government developed some ideas and permission was granted our experts to inspect Gaza area to see what can be done.

Dinner with Prime Minister. Trip to desert agricultural experiment station. Fairly good press. Invited to return for visit to Aswan and other developments.

Prime Minister endorsed temporary works program for refugees and is less adamant on repatriation issue than Arab League officials in his own government.

I had most profitable conversation with Ambassador Caffery.²

¹ Harry C. Brown, Finance Officer and Acting Head of the United Nations Relief for Palestine Refugees office at Cairo, informed an Embassy officer that UNRPR had taken responsibility for the 5,000 to 6,000 refugees in Egypt at Kantara at the request of the Egyptian Government and had moved them to Gaza. He also stated that subsequently the Egyptian Government had made overtures requesting UNRPR to assume responsibility for the remaining Palestinian refugees in Egypt. These too were to be sent to Gaza. (despatch 881, October 1, from Cairo, 501.MA Palestine/10-149)

² Jefferson Caffery, who had been designated Ambassador to Egypt on July 9.

Transjordan—two days. Temporary works program and possible resettlement schemes freely discussed. Our experts joined us and began field trip both sides of Jordan. Government is ready to go just as far on resettlement as outside funds will permit. Desmond Morton trying to arrange immediate allocation of funds available from British loan to begin works program in Transjordan by Transjordan Government without awaiting Mission report. I have encouraged him to do so.

We had thirty minutes with King Abdullah who stated Arab case forcefully. He endorsed resettlement in Transjordan and insisted upon access to Mediterranean by means of Negev not corridor and no internationalization of Jerusalem. He had strong condemnation of UN handling whole Palestine problem including Bernadotte assassination. He hoped Mission would get action on its economic recommendations.

Syria—two days. You are familiar with difficulties in getting open door for Mission. We were well-received but with extreme caution publicly by government. We had two-hour conference with Foreign Minister Qudsi first day. He stipulated and explained conditions we must accept if government was to "permit" Mission to study possibilities in Syria. Orally conceptions seemed same as reported Keeley but because of delicate political situation of government and need for finding strong program of development helpful to resettlement in Syria, I asked to have conditions in writing for later discussion. Conditions in brief precluded any economic development studies having any relation to refugees. Keeley's thorough briefing had prevented any unpleasant surprise in this respect.

I explained immediate need for temporary works program for refugees now in Syria and asked if his conditions precluded discussions or cooperation. I left him with clear understanding that we could not assign experts to long-range economic developments studies unless cooperation on temporary works program assured now.

Next day we had three hours negotiation with Qudsi on text of conditions. Some progress, and we adjourned until next week. Expect to get into Syria on workable basis. Government afraid to decide anything, but decree extending working rights to refugees is good sign. They want our help on long-range development but will not take position publicly that such developments will, or are intended to, facilitate resettlement, for fear this will weaken their position re repatriation and compensation. Qudsi knows land development will attract refugees but insists resettlement must be unstated corollary and not a subject for international discussion.³

³ Damascus, on October 10, reported that Mr. Clapp and his deputies met with Foreign Minister Qudsi the previous day and agreed on a satisfactory basis "for technical discussions and field inspection in cooperation with Syrian technicians re possibility temporary work projects to employ refugees. Longer range projects will be explored later probably after elections. ESM departed for Tel Aviv yesterday" (telegram 597, 501.BB Palestine (E)/10-1049).

2. We had planned to go to Tel Aviv after Damascus and had tentative date for September 30. In meantime we received official word via British that Israel Government refused to guarantee safety of Morton, British member of ESM. I immediately called off date by cable insisting upon responsible assurance from government for Mission as whole before any date would be set. Tentative date set for October 9 at their suggestion and subject to satisfactory answer mytel re security. Prior to this interchange, Tel Aviv expressed impatience over decision to visit Arab States first. Israeli Delegation raised question with me at Lausanne and later through UN ME channels. Obvious reason for visiting Arab States first is that is where refugees are and refugees are Mission's main problem.

3. In official talks I have evaded formula for financing temporary works except to say it would require cooperation from local governments in supply materials, tools and equipment at least. At most international assistance for wages but probably less. Believe tentatively wages must come primarily from outside. Believe tentatively operating administration of works program should be in national government with supervising auditing and full inspectional functions in international agency with power to stop funds at any time (international organization to be transitional and changeable for longer program).

4. I have held full-dress conferences at each capital. Makes American press ideal by comparison.

5. American Missions at every capital indispensable our work and helped inconspicuously in many ways. Sands⁴ accompanied ESM and proved indispensable.

6. Trying to arrange Baghdad visit soon.

7. Preliminary report being drafted on relief extension, temporary works and will include ideas on compensation yet to be discussed at Tel Aviv. Long-range schemes and resettlement for later report. Important to get refugees to work first.

8. Do not expect interim report before November 10.

9. PCC parentage of ESM definite handicap to Mission. Suggest you keep this in mind in considering parentage of organization to carry on economic development programs.

Sent Department, repeated Damascus 76; Department pass Cairo 52, Amman unnumbered. [Clapp.]

PINKERTON

⁴ William L. Sands, Jr., Second Secretary of Embassy in Lebanon.

Editorial Note

The Bureau of Near Eastern, South Asian, and African Affairs, under the direction of Assistant Secretary of State McGhee, was created effective October 3, 1949. The Division of Near Eastern Affairs ceased to exist and was replaced by the Office of African and Near Eastern Affairs (ANE). Fraser Wilkins, at the same time, became Officer in Charge of Palestine-Israel-Jordan Affairs in the new Office. The Department of State, the following day, released a statement concerning these and other details of its reorganization; for text, see Department of State *Bulletin*, October 31, 1949, page 677.

800.8890/10-449 : Telegram

*The Acting Secretary of State to the Embassy in Egypt*¹

CONFIDENTIAL

WASHINGTON, October 4, 1949—7 p. m.

977. Since fall 1948 Amer Export Lines has been operating separate scheds Arab and Israeli ports. Company voluntarily adopted this policy because it feared NE Govts might seize cargoes or apply other restrictions vessels and passengers thereon calling both Arab and Israeli ports on same continuous voyage. As result efficiency of service has been impaired.

Because of improved NE situation company now proposes resume including Arab and Israeli ports on same scheds.

As stated previous tels, Dept is of opinion signature armistices, removal UN and US arms embargoes and peaceful conditions prevailing NE shld eliminate any possible obstacles resumption normal navigation and trade, movements passengers and cargoes etc. in eastern Med. Indicative of changed situation US has, for example, approved export license for four Beechcraft bombardier-trainers consigned Egyptian Govt and giving active consideration other applications for licenses mil equip destined NE Govts.

Discuss foregoing with FonOff stating USG trusts there will be no interference with normal operations Amer Export Lines or similar US services. Report reaction soonest together with estimate whether or not vessels likely encounter difficulties. Beirut take parallel action.

Urinfo: If response this approach not unfavorable Export lines tentatively plan inaugurate new policy by routing freighter on continuous voyage Arab and Israeli ports within the month.

¹This telegram was sent also to Beirut as No. 583 and was repeated to Tel Aviv, Haifa, Port Said, Alexandria, and London.

Ur further info: Rep Brit Emb Washington informs Dept Sirry Pasha in July granted permission Brit luxury cruisers *Coronia* and *Brittanic* call Alex en route Tel Aviv this winter with no restrictions except on shore movements "Zionists" or bearers passports Israel or other govts not recognized by Egypt. Leb understood to have permitted at least two Bulgarian and one Danish freighters calling Beirut en route to/from Israel unload and load cargoes unmolested. (Beirut see ltr from Heald & Co Sept 14.²)

WEBB

² Ambassador Caffery spoke on varied subjects with King Farouk on October 10, including the subject of lifting Egyptian wartime shipping regulations. The Ambassador reported the conversation in telegram 943, October 12; for text, see p. 223.

Beirut reported, on December 22, that the Lebanese Foreign Office had "prepared ruling to effect ships which have entered Arab port either before or after visit to Israeli port will be allowed enter Beirut. Note must receive Cabinet approval before signature." (telegram 649, 800.8890/12-2249) This message also advised that the Lebanese Foreign Minister had informed Minister Pinkerton that "he would like to see Lebanon sign treaty with Israel and it would closely follow any Arab country other than Jordan in negotiations."

501.BB Palestine/10-549 : Telegram

The Chargé in Israel (Ford) to the Secretary of State

CONFIDENTIAL

TEL AVIV, October 5, 1949—1 p. m.

726. During hour's general discussion October 4 of various pending matters with Comay Israel Foreign Office, I took occasion mention pertinent substance Deptel 637, September 30,¹ stressing my government's belief that present PCC proposals re Jerusalem represent practical realistic approach permanent international regime that area, pointing out our desire avoid injection arguments based on sentiment and emotion inherent in feelings of our vast Christian communities re Jerusalem issue, and expressing earnest hope my government that Israel will cooperate calmly and constructively in early solution Jerusalem problem.

Comay (who had report before him of Rusk-Elath talk²) underlining that he was speaking personally and not behalf his government said feeling general in Israel Foreign Office circles that PCC proposal "does not represent common ground" on which any discussion Jerusalem issue can be undertaken. He repeated Shiloah's earlier assertion that Israel working on counterproposal of its own (Embtel 710 September 24³) and said that until such plan finalized and ready for

¹ Not printed, but see footnote 2, p. 1412.

² See Mr. Rusk's memorandum of conversation, September 28, p. 1409.

³ Not printed, but see footnote 1 to telegram 605, September 19, p. 1393.

presentation GA he doubted that "any Israel official" would be prepared to discuss any phase of PCC proposal as drawn up and presented. He added in effect "at present our governments seem to be poles apart since while US obviously ready accept PCC proposal as starting point for discussions, Israel unable accept plan even in principle." Comay also said "we hope USG fully appreciates deep-seated nature Israel public resentment against any effort deprive Israel of Jerusalem".

Comment: Despite Comay's assertion he not conveying his government's thinking, I have generally found him fairly faithful echo his superiors. *End Comment.*

Sharett presently on vacation but expected back Tel Aviv October 6 at which time shall discuss with him substance Deptels 636⁴ and 637.

Sent Department 726; repeated Jerusalem 87; Department pass Amman 52, New York unnumbered for USUN.

FORD

⁴ Dated September 30, not printed, but see footnote 2 to memorandum by Wilkins, September 26, p. 1407.

501.BB Palestine/10-549: Telegram

The Consul at Jerusalem (Burdett) to the Secretary of State

CONFIDENTIAL

JERUSALEM, October 5, 1949—4 p. m.

604. Riley declared today crisis has now arrived in both Syrian and Egyptian MAC's. He does not anticipate any resumption of hostilities. Following occurred:

Syrian MAC—at Damascus Col. Hinnawi flatly informed Riley Syria would not proceed with demolition of fortifications at Mishmar Ha Yarden and evacuation until Israel ceased violations of armistice in Ein Gev sector and carried out decisions of MAC. Added Syria entitled take six weeks from date Israel complied with MAC decisions to complete withdrawal from Mishmar Ha Yarden. Under terms of armistice required to evacuate by October 12. Riley hinted that instead of violating armistice herself Syria should refer Israel violations to SC. Hinnawi scoffed at this, stating Syria could never obtain just decision and if obtained UN would not enforce it. Riley showed Consulate General letter mentioned Contel 603 third¹ from Syrian Foreign Office which lists Israel violations and strongly criticizes Chief of Staff for not forcing Israel comply. Major violations are failure Israel to remove settlement in Ein Gev demilitarized zone despite MAC decision given September 5 and failure destroy fortifications at Ein

¹ Not printed.

Gev despite directive from MAC chairman dated September 9. Letter concludes with statement that Israel violations have placed armistice agreement in jeopardy. Hinnawi requested Riley return to Damascus by eighth with written answer and discuss matter with Foreign Minister.

Riley states no question exists but that Israel has violated armistice and furthermore failed to carry out decisions of MAC and directive from MAC chairman. This has prevented successful carrying out of armistice terms. He feels Syria is erring in failing to report these violations to SC and instead retaliating by refusing to carry out terms of armistice which Syria previously observed faithfully. Riley hazarded guess that for international political reasons Syria may wish postpone evacuation of Mishmar Ha Yarden until after elections, especially when faced with Israel actions. Riley will attempt to persuade Dayan to remove settlement and destroy fortifications before eighth but is not hopeful.

Egyptian MAC—Shiloah still endeavoring prevail on Riley to write interpretive letter mentioned Contel 603² as prior condition to Israel acceptance this decision (not yet rendered) on location of line.

Government House—UN administrative personnel now ordered to move to Beirut. This will leave only UN armed guard at Government House. Riley does not need this building and does not wish to assume responsibility for its preservation. In talks with both sides Government House treated as headquarters for PCC, Consul General believes UN should definitely retain Government House for use in future activities here.³

Sent Department 604, repeated Bagdad 64, Beirut 117, Cairo 33, Damascus 77, Tel Aviv 118. Department pass Amman 74.

BURDETT

² This message reported that Mr. Shiloah had requested General Riley to write a letter giving his opinion that nothing in the Israeli-Egyptian armistice agreement precluded Israel from founding new settlements in the Negev. General Riley had declined on the ground that such a letter would prejudice his neutral position. (501.BB Palestine/10-349)

³ Jerusalem, on October 12, reported information from General Riley that (1) "Israel destroyed fortifications at Ein Gev and removed settlement as agreed. Riley flew Damascus and informed Syrians who apparently satisfied. Are evacuating troops from Mishmar Hayarden sector today, and by agreement with Israel will complete destruction of fortifications and removal of mines within three weeks"; (2) "Israel and Egypt signed map on tenth showing line extending from center of Aqaba coastal strip in accordance with Riley's and Egyptians' interpretation." (telegram 617, 501.BB Palestine/10-1249)

The last paragraph of telegram 617 reported information from Mr. Shiloah that "Israel stood ready at any time to appoint representative to discuss directly with Arab states any mutual question in effort to reach either formal or informal final settlement. Added this standing offer made with full authority of Sharett and government."

501.MA Palestine/10-149: Telegram

*The Acting Secretary of State to the Embassy in the United Kingdom*¹

RESTRICTED

WASHINGTON, October 5, 1949—6 p. m.

3625. Agreed at UNRPR *Ad Hoc* Advisory Comite yesterday that SYG shld appeal IRO, WHO, UNICEF to continue assistance Palestine refugees in view recognized need for continuation relief during winter months even tho funds for program beyond Dec. must await GA action after report ESM. Understand appeal will be made in gen terms within next day or two.

SYG did not submit to Comite proposal for early interim action by GA for advance from Working Capt Fund as intimated in Deptel 3548² since financial position UNRPR adequate for needs thru Dec. He assured operating agencies that if GA action on continuation relief has not been taken early in Dec after having benefit of ESM recommendations he would request emergency action at that time.

ASYG Price indicated uncertainty re extent use Working Capital Fund for future program because of anticipated heavy demands for other purposes. IRO assistance therefore believed needed as supplement to Working Capt Fund advance to continue operations thru March before which time receipt gov. contributions unlikely.

Dept suggests IRO adopt gen res along lines 1948 Gen Council res which cld be based on appeal of SYG leaving to DG and SYG to work out specific arrangements. Under 1948 res IRO contributed 100,000 blankets to UNRPR, detailed personnel and loaned \$1 million flour on reimbursable basis. Assistance of this kind does not imply any take-over action UNRPR by IRO as indicated paras 1 and 2 of Embtel 3946.³

Suggest Warren⁴ and Edmonds⁵ explore unapplied funds and supplies available in inventories to ascertain extent to which IRO might assist without impairing its present program. Mathews UKDel indicated he wld recommend to FonOff support appeal to IRO.

WEBB

¹ This telegram was repeated to Geneva for Mr. Warren.

² Dated September 29, p. 1413.

³ Dated October 1, not printed, but see footnote 2, *ibid.*

⁴ George L. Warren, Adviser on Refugees and Displaced Persons in the Department of State.

⁵ Cecil J. Edmonds, Permanent Delegate of the United Kingdom to the General Council of the International Refugee Organization.

501.BB Palestine (E)/10-749 : Telegram

*The Acting Secretary of State to the Embassy in Saudi Arabia*¹

CONFIDENTIAL PRIORITY WASHINGTON, October 7, 1949—7 p. m.

400. View your observations (urtel 590 Oct 5²) believe you shld defer submitting note to FonOff for present. Dept will urge Clapp call on Fuad Bey.

You shld call on Yassin to renew conversation reported urtel 585, Sep 30³ and endeavor informally to exploit his suggestion SA observer be appointed. You shld point out that ESM maintaining HQ in Beirut, which wld be good vantage point for SAG rep to study ESM and receive info re its objectives.

FYI we hope view Fuad's presence Beirut he might be named SAG rep.

Pls inform your Brit colleague of foregoing.

WEBB

¹ This telegram was repeated to London.

² Not printed; it noted that officers of the American Embassy and British diplomatic officials at Jidda were in agreement that the odds were heavily against reversal of the Saudi Arabian refusal to receive the Economic Survey Mission. It also suggested that the Mission abandon the idea of visiting Saudi Arabia and proposed in its stead that Mr. Clapp call on Fuad Hamza, an influential royal councillor, then in Beirut to solicit his good offices with the King (501.BB Palestine (E)/10-549).

³ Not printed.

501.BB Palestine/10-1249 : Circular telegram

*The Secretary of State to Certain Diplomatic Offices*¹ and the United States Mission at the United Nations

CONFIDENTIAL WASHINGTON, October 12, 1949—10 a. m.

Dept understands PCC plans reconvene formally Lake Success Oct 18. According recent info from Clapp, preliminary report will not be ready before Nov. 10. In view this sched Dept believes first formal session shld be deferred until receipt Clapp report.

Foregoing need not interfere with present travel plans PCC reps, since latter wld doubtless find it profitable proceed Lake Success consult together and with Israeli and Arab dels informally in advance of formal session.

Consult Boisanger, Yalcin and SYG re foregoing, stating that unless they perceive objection, we plan inform Israeli and Arab dels to PCC of our views.

ACHESON

¹ At Ankara and Paris.

501.BB Palestine (E)/10-1249 : Telegram

The Chargé in Saudi Arabia (Hill) to the Secretary of State

CONFIDENTIAL

JIDDA, October 12, 1949—3 p. m.

606. I was received at Foreign Office this morning by YY¹ after brief wait because he delayed in conference with British Chargé.

We renewed conversations on points in Embtel 585 September 30² with following results:

1. Economic Survey Mission. YY said British Chargé had recently come to see him second time strongly urging that SAG reverse its stand and receive mission. However, he had been in Mecca previous night with King and discussed whole matter with him at length and wished to state that SAG position remained unchanged (Embtel 585 September 30, paragraph 6).

YY remarked that SAG is convinced real objective of ESM is to seek means disposing refugee problem by resettling them in various Arab states thus doing away with one of principal reasons for Arabs continuing their fight against Israel (this apparently a new thought but somewhat in line with YY's views as reported Embassy A-354 August 29).²

I said that important future benefits might be forthcoming from ESM and that USG hoped SAG would send observers ESM which has Headquarters in Beirut and remarked that I understood Fuad Bey Hamza now in Beirut. YY replied this correct and added that Fuad would make excellent representative for SAG. He inquired if ESM now holding any meetings in Beirut. I replied did not know but presumed that if not already soon would be. Then I asked if I could inform Department that Fuad will be SAG representative to ESM. YY replied I could say he is recommending him immediately and anticipates favorable decision. (This paragraph being repeated London as Embtel 88 October 12 and Beirut as 13.)³

[Here follows discussion of other subjects.]

HILL

¹ Yusuf Yassin.

² Not printed.

³ Fuad Hamza, on November 22, informed Ambassador Childs that he had not been appointed observer with the Economic Survey Mission and that Mr. Clapp had not called on him. In view of his return to Beirut in a few days, the Ambassador "urged him endeavor consult with Clapp informally and frankly. I said I believed it mistake for SAG in its own best interests not to have some contact with ESM. He promised see Clapp on his return and cooperate with him in every possible way informally." (telegram 690, November 23, 10 a. m., from Jidda, 501.BB Palestine (E)/11-2349)

501.BB Palestine (E)/10-1349 : Telegram

The Minister in Lebanon (Pinkerton) to the Secretary of State

SECRET

BEIRUT, October 13, 1949—1 p. m.

539. Simes 17. [From Clapp.]

1. Discussions ESM with Sharett, Horowitz, Kaplan *et al* held at Tel Aviv in three long conferences. Sunday night (ninth) with Sharett and Israeli liaison committee headed by Horowitz. I explained purpose of first visit:

(a) To get facts about 30,000 Arab and 18,000 Jewish refugees now receiving UN relief and to learn what government doing with and for them. I explained idea of temporary works program and asked their interest leading to economic assimilation Arabs now in Israel.

(b) To urge them more substantial acceptance of repatriation agreement established in UNGA resolution than Israel had proposed to PCC.

(c) To obtain current views re compensation and to urge agreement to reconsider position making compensation part of general peace settlement and linking it with claims for indemnity.

(d) Appealed to Israelis to demonstrate validity of high moral professions by implementing UN resolution on repatriation and compensation.

(e) To lay basis for exploration long-range development after interim report completed on refugee relief and works.

Response was long lecture on Arab responsibility for Arab-Jewish war and Israeli history from Moses to date. They defended unwillingness to repatriate in accord UNGA resolution by citing Arab refusal to accept UN partition. Sharett hinted doubt that offer between PCC to repatriate 100,000 Arabs could be carried out because of strong reaction of public and military chiefs against government's offer to PCC. Position on compensation unchanged as stated to PCC.¹

Monday morning (tenth). Again with Sharett, Horowitz *et al*. Horowitz presented at great length desirability and feasibility of resettling Arabs in Syria and Transjordan. I advised him that resettlement as solution had been made next to impossible even to discuss with Arab States, in fact because Israelis had identified it as their proposal.

¹ Mr. Clapp's reaction to his talks with the Israeli leaders was reported by the *Manchester Guardian* on October 12. In an article datelined Lydda the previous day, he was said to be "disappointed" with Israel's attitude to Arab refugee repatriation and compensation problems. . . . In Israel my hopes have not been realised." (airgram 1871, October 14, from London, 501.BB Palestine (E)/10-1449)

Monday night. We got down to business about Arab refugees now in Israel. Arrangements made for staff to examine condition, number, work opportunities, etc. ESM will consider facts obtained as measure of practical problem of repatriation.

2. Please advise Marguerite Owen, TVA, Washington of my return Beirut.

Sent Department 539, repeated Tel Aviv 28. [Clapp.]

PINKERTON

867N.00/10-1449

*Memorandum of Conversation, by the Officer in Charge of
Palestine-Israel-Jordan Affairs (Wilkins)*

CONFIDENTIAL

[WASHINGTON,] October 14, 1949.

Participants: Mr. Greenhill, First Secretary British Embassy
Mr. Wilkins

(a) *Problem:* The internationalization of Jerusalem and the incorporation of Arab Palestine in Jordan.¹

(b) *Action Required:* Orally to inform the British Embassy in Washington and the American Embassy in London of our views.

(c) *Action Assigned to:* ANE

Mr. Greenhill² called this morning to discuss current developments regarding Palestine with particular reference to the internationalization of Jerusalem.

Mr. Greenhill reported that the Foreign Office was pleased that the United States Government had not adopted a rigid attitude regarding the present PCC proposals for the internationalization of Jerusalem and wished to make the following points with regard to present Arab and Israeli authority in Jerusalem:

1. Insofar as Israeli authority was concerned, the Israeli Government or a group owing allegiance to the Israeli Government already have authority in the Israeli area of Jerusalem. The Foreign Office did not believe equitable consideration could be given to the future of the Jerusalem area unless we knew what Arab authority there was—at least in principle;

¹ British Minister Kirkbride, on October 4, had expressed to Mr. Fritzlan his view that Jordanian annexation of Arab Palestine was the only way to prevent Israeli seizure of the area in a series of *faits accomplis*. Mr. Fritzlan replied that "while this might be true, timing such act of union important consideration and that ill considered hasty action on part Abdullah might cause much harm." The British Minister "indicated apprehension lest failure US and UK agree soon to formal annexation might cause King take such precipitous action." (telegram 364, October 5, 10 a. m., from Amman, 867N.014/10-549)

² Mr. Denis A. Greenhill, First Secretary of the British Embassy.

2. Early action regarding the incorporation of Arab Palestine within Jordan would solve the question of Arab authority in Jerusalem.

The British Foreign Office had, therefore, requested the British Embassy to ascertain the Department's urgent views regarding the following possibilities:

1. The General Assembly should be asked to approve in principle the absorption of Arab Palestine into Jordan as being in principle inseparable from a disposition of Jerusalem and of the refugee question (perhaps leaving boundaries and the status of the Gaza strip for later discussion);

2. The General Assembly should be asked to direct the Palestine Conciliation Commission under paragraph 2 B of the December 11 resolution (which makes it possible for the General Assembly and the Security Council to issue new directives to the PCC) to bring about the incorporation of Arab Palestine into Jordan at the earliest possible moment and to report on action taken to the next session of the General Assembly.

I recalled Mr. Bevin had previously raised this matter with the Secretary of State and that it was our opinion the incorporation of Arab Palestine into Jordan at this particular moment was premature.

I expressed the preliminary personal view that present Arab authority in Jerusalem was as valid as present Israeli authority in Jerusalem and that if either Jordan or the General Assembly took formal action regarding the incorporation of Arab Palestine into Jordan, Israel would probably take formal action regarding the incorporation within Israel of those areas in Palestine which it now occupies beyond the 1947 partition line (Western Galilee, the region between Ramle, Lydda and Beersheba and the northern section of the Gaza strip). I added that formal action by Jordan or the General Assembly might be expected to inject political factors into UN consideration of the Palestine question which was now being handled on technical economic grounds. I also recalled that the General Assembly had refused in the fall of 1948 to take action of the character now being suggested by the Foreign Office.

I said that we would give immediate consideration to the present British views and would inform him of our reactions.³

³ Messrs. Wilkins and Greenhill met again on October 21 to discuss the Palestine situation; for the nature of their discussion, see footnote 3 to telegram 3828, October 25, p. 1452.

501.BB Palestine/10-1449: Circular airgram

*The Secretary of State to Certain Diplomatic and Consular Offices*¹

SECRET

WASHINGTON, October 14, 1949—2:15 p. m.

For your background info, Dept's analysis Pal situation follows:

PCC.—Despite PCC efforts promote final settlement Pal, positions of parties concerned remain too far apart to offer hope definitive settlement foreseeable future, or even hope of producing area of agreement on which final settlement might be based. Next meeting PCC Oct 19 not expected produce any material improvement in conciliation efforts. Impasse aggravated by apparent conviction each side that time works to its advantage. In our view, reverse is true. Missions must endeavor through constant painstaking discussion with govts concerned to make them aware long range effects upon their own self interests of this impasse. Israel, while endeavoring extract full measure polit and territorial advantage during stalemate, is forced maintain high psychological and financial burden military preparedness at expense economic stabilization, and by prolonging its precarious isolation, is postponing establishment *modus operandi* with Arabs which is of highest importance to Israel's future existence. Arab states, while counting unrealistically upon econ boycott to obtain polit objectives, are sacrificing opportunity for econ development and for social reform, further weakening resistance to revolutionary and opportunist exploitation, and bearing burden costly military preparedness to detriment of economy. Continued unreasonable and intransigent attitude both parties is in opinion USG serving to crystalize world opinion against their positions and will undoubtedly make more difficult of implementation such measures leading toward final settlement which depend upon cooperation and collaboration of international community.

ESM.—We continue support work of ESM as means of providing new base on which polit agreement between Israel and Arab states might eventually be achieved, and of reducing refugee problem to level at which it no longer constitutes major security threat to NE area and to internatl peace. Therefore we believe substantial resettlement repatriation must be carried forward on basis present territorial delimitations and without prejudice to final territorial settlement.

Missions can help to dissipate prevailing charges that ESM is device force Israeli-Arab econ cooperation or plot to benefit Israeli economy, by means critical analysis ESM terms of ref and by means elucidating self-interest states concerned in projects recommended by ESM. Implementation ESM program is dependent in final analysis on full cooperation and initiative of states concerned.

¹ At London, Paris, Ankara, Arab capitals, Tel Aviv, Jerusalem, and New York.

US Policy.—While USG continues regard permanent solution of Pal question as a major objective its policy towards NE, Dept considers it essential that both sides be made increasingly cognizant their responsibilities for taking initiative in advancing towards settlement. Unilateral US dipl efforts urge more tractable attitude both sides, and to obtain compromises therefrom have thus far had no appreciable effect on position either party. Since states directly concerned must live with and adjust to any settlement which may be achieved, USG has emphasized repeatedly both in PCC and through dipl means hope that both parties wld utilize PCC as medium through which to conduct negots on practical basis rather than an arena for unproductive controversies, or that both sides wld undertake direct negots, particularly when it appears such negots will lead to constructive action towards final settlement. We will continue urge adoption these procedures by parties concerned. You shld endeavor counteract current propoganda that USG or PCC has ever endeavored prevent direct talks along foregoing lines.

Re nature final settlement, USG wld support agreement between parties concerned reached on basis free negot and mutual consent. If parties are unable agree we believe PCC cld with prior consent parties draft for their consideration compromise settlement of basic issues including territory and refugees. We do not consider it advisable at this time for US unilaterally to advance specific proposals for territorial settlement or for refugee distribution.

While USG will not advance settlement proposals on natl basis, it will urge consideration by parties of all reasonable proposals which may be advanced by UN or states directly concerned and will itself give consideration to support for such proposals on basis their individual merits. We will for example extend genl support in UNGA to PCC Jlem statute as basis for discussion, including support of such amendments as are designed to enhance its acceptability to both sides and to achieve best practical plan for internatl regime Jlem area. We will also be prepared consider in UNGA recommendations of ESM, as UN organ, for long range settlement and development program and for continuation relief.

Foregoing involves increasing emphasis upon UN as instrument through which to achieve final settlement and upon necessity for initiative by parties directly concerned in reaching solution Pal problem.

In UNGA consideration Pal problem, we hope debate will emphasize procedural rather than substantive matters and will be focused on establishment future machinery for treating polit econ refugee and relief questions in order facilitate coordinated UN action re Pal in future.

Although foregoing has been policy USG for some time, its formal communication to NE Govts at this time might be subject misinterpretation. However, in any genl discussions re Pal question, foregoing shld prove useful as basis for your remarks.

ACHESON

501.MA Palestine/10-1249: Telegram

The Secretary of State to the Embassy in the United Kingdom

RESTRICTED

WASHINGTON, October 14, 1949—6 p. m.

3726. Re Embtel 4104.¹ Dept deeply concerned UK intention contribute only half million pounds Palestine relief. While requirements for continued relief program won't be known until interim report ESM, Dept does not foresee any possibility cutting relief costs in half for coming year. Hopes UK will not make unilateral announcement amount its contribution prior ESM Report and opportunity US-UK consultation concerning financial implications Palestine refugee program.²

ACHESON

¹ Dated October 12, not printed.

² This telegram was repeated to Geneva for Mr. Warren. An Embassy officer discussed the message with Mr. Burrows on October 17. The latter made no offer to increase the British contribution but indicated that the British had no plans to announce a contribution prior to the report of the Economic Survey Mission (telegram 4160, October 17, 7 p. m., from London, 501.MA Palestine/10-1749).

S/S-NSC Files, Lot 63 D 351¹

*Report by the National Security Council on United States Policy
Toward Israel and the Arab States²*

TOP SECRET

WASHINGTON, October 17, 1949.

NSC 47/2

The Problem

1. To define and assess the policy which the United States should follow toward Israel and the Arab States, with particular reference to problems arising out of the recent hostilities in Palestine.

Analysis

2. The United Nations General Assembly on November 29, 1947, recommended the partition of Palestine into a Jewish state and an

¹ This lot is a serial master file of the National Security Council documents and correspondence and related Department of State memoranda for the years 1947-1961, as maintained by the Executive Secretariat of the Department of State.

² This paper represents a revision of NSC 47/1, dated September 1; regarding the latter, see editorial note, p. 1339.

Arab state, with provision for economic union between them. It also recommended that Jerusalem be established as a *corpus separatum* administered by the United Nations. With the termination by the British Government of its mandate over Palestine on May 15, 1948, a provisional government of a state of Israel assumed power. The proclamation creating Israel did not define its boundaries, although the concurrent Israeli request for United States recognition referred to the boundaries set forth in the General Assembly resolution of November 29.

3. The Arabs of Palestine as well as the governments of the Arab states of the Near East rejected the General Assembly partition resolution, and no government was established for the Arab portion of Palestine as recommended by the resolution. Fighting broke out between Arab and Jewish irregular forces prior to termination of the British mandate, and, concurrently with the promulgation of the State of Israel, military forces of the neighboring Arab states entered Palestine and sporadic fighting broke out, particularly in the area between Tel Aviv and Jerusalem.

4. *a.* The area of the Jewish State as contemplated under the General Assembly resolution was approximately 5,600 square miles, the area of the Arab state 4,400 square miles. The proposed population of the Jewish state was approximately 550,000 Jews and 500,000 Arabs; that of the Arab state, 745,000 Arabs and 10,000 Jews; and that of Jerusalem, 100,000 Arabs and 100,000 Jews.

b. At the present time, the total area of Palestine under Israeli control or military occupation is estimated at 7,750 square miles. The present population of Israel consists of approximately 800,000 Jews and 70,000 to 100,000 Arabs. Jewish immigrants have been entering Israel at the rate of 25,000 monthly since May 15, 1948.

c. As a result of the hostilities, some 700,000 Palestinian Arabs fled or were expelled from Israeli-controlled territory. They took refuge in areas of Palestine under Arab military occupation and in the neighboring Arab states. The Palestinian Arabs, together with the Arab populations of the independent Arab states of the Near East, number about 35,000,000.

5. Prior to the outbreak of hostilities, the United States took a leading part in seeking a solution of the Palestine problem which would be acceptable to the interested parties. Since the failure of these attempts, the United States has actively supported the United Nations in its efforts to end the military conflict. The United States supported the General Assembly resolution of May 14, 1948, authorizing the appointment of a United Nations Mediator charged, among other functions, with promoting peaceful adjustment of the future situation

in Palestine. It supported the Security Council resolution of May 29, 1948, calling for a cessation of hostilities for a period of four weeks and establishing an embargo on the import of arms to the Near East. After expiration of this truce period, this Government introduced a resolution, adopted by the Security Council July 15, 1948, ordering the governments concerned to desist from further military action and deciding that the truce shall remain in force until a peaceful adjustment of the future situation in Palestine is reached. The United States assisted through diplomatic means the efforts of the Acting United Nations Mediator to negotiate armistice agreements between Israel and the Arab states; armistice agreements have now been concluded by Israel with Egypt, Transjordan, Lebanon, and Syria. This Government jointly sponsored a resolution, passed by the General Assembly on November 18, 1948, establishing a United Nations relief program for Palestine refugees supported by voluntary contributions, as a means of assisting United Nations efforts towards restoration of peace in Palestine. On December 11, 1948, the General Assembly passed a resolution establishing a Palestine Conciliation Commission, charged with facilitating settlement of all issues outstanding between Israel and the Arab states. The Commission, composed of representatives of France, Turkey, and the United States, is currently engaged in efforts to carry out its tasks of promoting a territorial settlement for Palestine, formulating an international regime for Jerusalem, and seeking a solution to the Arab refugee problem.

6. In support of the efforts of the Conciliation Commission, the United States has made a series of strong representations to both the Arabs and the Israelis. This Government's approach to the Arabs has been designed chiefly to induce them to accept the principle of substantial resettlement of refugees in the Arab states. The representations to Israel have been intended to convince it of the necessity of accepting the principle of substantial repatriation of refugees, and the principle of compensation to those states desiring such compensation for any territorial acquisition which Israel expects to effect outside the boundaries proposed in the partition resolution of November 29, 1947. The United States has warned Israel that if it continues to reject the friendly advice offered by this Government for the purpose of facilitating a general peace in Palestine, the United States Government will be forced to the conclusion that a revision of its attitude toward Israel has become unavoidable.

7. *a.* Up to the present, United States relations with Israel have been based upon our traditional support of the aspirations of the Jewish people to obtain a national home in Palestine. In support of this policy of sympathy and friendship towards the Jewish people, the United States extended immediate *de facto* recognition to the new

state; supported Israel's application for a \$100,000,000 Export-Import Bank loan, of which it has up to the present time drawn \$51,000,000; and supported its application for membership in the United Nations.

b. The present Government of Israel is intensely nationalistic in character, and maintains an internal policy of compromise dictated by the necessity of reconciling the demands of its extremist elements with the more moderate tendencies of the government party. The necessity of maintaining this internal balance makes it difficult for Israel's leaders to meet external demands for compromise with respect to relinquishment of territory and readmission of refugees which are essential to final settlement in Palestine. It also results in further increasing Israel's isolation among the neighboring Arab states and in reinforcing the charges of intransigence and expansionism which have been levelled against Israel. In addition Israel endeavors to pursue a neutral course in its relations with East and West. This position of neutrality is motivated by the desire to obtain further assistance from the United States, and to retain the diplomatic support of the Soviet bloc, to obtain military material therefrom, and to facilitate immigration to Israel of Jews from Eastern Europe. In view of the delicate nature of Israel's internal political equilibrium, the government will be subjected to increasing pressures from political radical and extremist groups to the extent that it makes concessions to the Arab states or otherwise follows policies contrary to the views of these groups.

c. The technical abilities of the Israelis, coupled with their access to Western technical and financial assistance principally from United States sources, have already resulted in much greater economic opportunities and higher standards of living in Israel than those among the neighboring peoples. In the absence of assistance to the Arab states this disparity will tend to increase in the future and to result in further tensions between Israelis and Arabs. However, Israel's program for large-scale economic development, required to implement successfully its ambitious immigration policy, will make it dependent for the foreseeable future upon large-scale external financing through foreign capital investment, loans, and voluntary contributions. There are forces at work which may tend to reduce the rate of immigration. These forces include improved conditions in Europe, restrictions in USSR and satellite countries on emigration, relative decrease of contributions from abroad for financing immigration, and reports of increasingly difficult conditions in Israel itself. At the same time, if immigration continues at the present rate Israel may be unable, even with large-scale external financing, to improve its economic condition sufficiently to prevent political and economic instability. This would result in Israel being faced with a pressing need intensively

to develop sub-marginal areas and to expand industrialization within Israel. If unsuccessful, the Israeli Government might be tempted to seek additional territory.

d. Israel's military establishment, although small, is a relatively modern and effective fighting machine which has proved itself adequate to resist the poorly equipped, ill-trained and badly led armies of the Arab League states in the course of recent hostilities and to occupy considerable territory beyond that awarded under the partition plan. It can be expected that the future effectiveness of the Israeli Army will increase with the implementation of current plans for training and reorganization. Arab military forces reflect the weaknesses of the Arab governments in that they have demonstrated their inability to act in concert against the Israeli Army. So long as there is the present wide discrepancy between the effective military power of the Israelis and of the Arabs, there remains, in the event of failure of non-military factors to control the situation, the danger of Israeli extremist pressure to resort to military action. Moreover, in the absence of a satisfactory *modus vivendi* between Israel and its neighbors, Israel will be burdened by the high cost and accompanying psychological effect of maintaining a state of military preparedness which in turn will detract from the effectiveness of any economic assistance given to that country.

8. a. United States relations with the Arab states have been traditionally based upon extensive cultural, educational, and religious interests in the Near East, which have been reinforced in recent years by growing commercial and economic ties with the area, including extensive petroleum interests. The political relations of this Government with the Arab states have suffered during the past several years because of basic differences in views on the subject of the future of Palestine. Despite this serious setback to Arab-American relations, and the deep-seated suspicion of our motives which has arisen, the Arab states for the most part still desire closer relations with this Government, and have requested from the United States economic, technical, and military assistance.

b. The intense and competing nationalisms and personal and dynastic rivalries which characterize the governments of the Arab states render them incapable of working together effectively or constructively in their own best interests. For the most part their internal policies pursue a course of inaction or of endeavoring to maintain the *status quo*. Their relations with one another are characterized by unproductive controversies and rivalries, and their principal unity lies in their implacable animosity toward and common fear of Israel. Because of the generally inferior quality of their statesmanship, and the inertia of their internal policies, the Arab states will continue to be susceptible to exploitation by extremist elements and to the imposition

of authoritarian and unrepresentative forms of government. The Arab governments will, under present conditions, endeavor to resist Soviet penetration or exploitation despite their weakness, and will continue to seek a more positive Western orientation.

c. The weakness of the Arab governments is reflected throughout the area in their retarded economic and social development, which has been further aggravated by the economic dislocations arising from the recent hostilities and by the presence of the Palestinian refugees in their territory. However, in the absence of progressive or capable leadership, the ability of the Arab governments to raise the living standards of their peoples above the level at which social revolution is a recurring threat will depend upon the provision of external technical and financial assistance.

d. The respective military forces of the Arab states also reflect the weaknesses of the Arab governments. In addition to their demonstrated failure to act in concert against the Israeli Army, their ability to maintain internal security will be seriously prejudiced as long as the arms embargo is continued. Moreover, until a firm settlement is obtained in Palestine, the disproportionate emphasis upon their respective military establishments at the expense of economic and social reforms will continue to burden the Arab states as well as Israel.

9. While the Near Eastern area has become a point of major interest to the United States only comparatively recently, the United Kingdom has had important strategic, political, and economic interests in the Near Eastern area for over a century. However, the objectives of both governments are now substantially the same although there are at times differences of opinion on methods and procedures. In addition we have had divergent views from time to time on the question of the future of Palestine. Nevertheless, the desirability for a common approach to problems and collaboration wherever possible has been clearly demonstrated by the useful results of our cooperation to date, particularly since the outbreak of World War II.

10. On August 11, 1949 the UN Security Council adopted a resolution expressing the view that the armistice agreements concluded between Israel and Egypt, Transjordan, Lebanon and Syria during the past six months supersede the Truce provided for in the Council's resolutions of May 29 and July 15, 1948. In the United States view and in the view of other members of the Council this action brought to an end the stringent measures provided for in the resolutions of May 29 and July 15, 1948. Among these measures was the embargo placed on the parties to the dispute, and all other governments and authorities concerned, to refrain from importing or exporting war material and introducing military personnel into the affected area.

The United States view with regard to the export of arms to the

area was expressed by Senator Austin in the Council on Thursday afternoon, August 4, as follows:

"So far as the United States is concerned, it does not intend to allow the export of arms which would permit a competitive arms race in the area. Export of arms to this area of the world should be strictly limited to such arms as are within the scope of the legitimate security requirements, again as recommended by Dr. Bunche. We hope that prudence will prevail not only among the parties but among all nations of the world which are in a position to supply arms and that they will pursue a policy similar to that which we intend to pursue."

11. Analysis of the estimated funds which are likely to be available during the next few years from all sources, including both grant and loan funds, reveals that the development projects required for solution of the refugee problem will probably absorb most of the external financing available from all sources for the Near East. Therefore the questions of economic development and of solution of the refugee problem are indivisible and must be considered simultaneously and carefully coordinated.

12. Our policy toward Israel and the Arab states will be an important factor in determining whether they can be stimulated to constructive action in their own behalf to provide the basis for a stable and progressive political structure and a balanced and viable economy. If either Israel or the Arab states fail to take such action, the security of the Eastern Mediterranean and Near Eastern area and United States national interests therein will be jeopardized.

13. In addition our policy toward Israel will be an important factor in determining whether Israeli policy with respect to Jerusalem, Arab Palestine, and the Arab states develops along aggressive or peaceable lines. If Israeli policy develops along expansionist and aggressive lines, the security of the area and United States national interests therein will be jeopardized.

14. In view of the strong passions which have been aroused, it will be many years before relations between Israel and neighboring countries can become sufficiently stable as to be proof against sudden and violent disruption. The situation, accordingly, requires careful implementation on our part, over a long period, of an objective, impartial but firm policy which will instill moderation in both parties to the controversy and help to ensure that the competing nationalisms do not get out of hand.

Conclusions

15. Our policy toward Israel and the Arab states should be based on the fundamental propositions that:

a. The political and economic stability of the Israel and Arab states is of critical importance to the security of the United States. In the

NSC memorandum "Eastern Mediterranean and Middle East—Basic U.S. Position", approved November 24, 1947, it is stated that: "The security of the Eastern Mediterranean and of the Middle East is vital to the security of the United States."*

b. It is in the national interest of the United States to have the respect and, in so far as possible, good will of all the peoples of the Near and Middle East, Jews and Arabs alike, and their orientation toward the West and away from the Soviet Union.

c. The differences between the new Israeli state and the neighboring Arab states should be reconciled at least to the extent that Israel and the Arab states would act in concert to oppose Soviet aggression.

d. We should provide advice and guidance in the solution of the economic, social, and political problems of the area on an impartial basis, as between Israel and the Arab states, contingent upon the willingness of these countries to apply the maximum of self help.

e. There should also be close United States—United Kingdom collaboration wherever possible to achieve the basic objectives. In addition the United States should bear in mind the desirability of collaborating with France and with Turkey and other Moslem non-Arab states in the area for the same purpose whenever it is feasible and practicable.

16. We should continue our efforts to achieve a settlement of the Palestine problem along the following lines, working principally through the United Nations, but supporting those efforts through unilateral action and through joint United States—United Kingdom influence where appropriate:

Immigration:

a. Israel should in its own interests, accept the principle of coordinating the flow of Jewish immigration with the developing capabilities of its economy.³

Refugees:

b. Primary responsibility should rest with Israel and the Arab states for solution of the refugee problem, aided by such outside assistance as is available.

c. In accordance with the spirit of the General Assembly resolution of December 11, 1948, Israel should accept the principle of maximum possible repatriation of refugees who so desire, should begin immediately actual repatriation on a reasonable scale within the number to be agreed in a final settlement, and should carry out such repatriation to conclusion as quickly as possible.

*Memo for NSC from Executive Secretary, subject, "Documents Resulting from Conversations with the British in Regard to the Eastern Mediterranean and the Middle East", dated November 19, 1947. [Footnote in the source text; for documentation on "The Pentagon Talks of 1947", see *Foreign Relations*, 1947, vol. v, pp. 485 ff.]

³ Subparagraph 16*a* did not appear in NSC 47/1. Subparagraphs *b* through *h* are identical with those appearing in NSC 47/1, except for the relettering of the subparagraphs.

d. The Arab states should accept the principle of substantial resettlement in their states of the large number of refugees who do not wish or who cannot be repatriated, and should take immediate steps to initiate such resettlement.

e. We should endeavor to obtain for the refugees adequate compensation from Israel for abandoned refugee lands and property in accordance with the General Assembly Resolution of December 11, 1948, and should resist efforts by Israel or the Arab states directly or indirectly to relate the question of payment of such compensation to the question of war indemnities.

f. We should be prepared within the framework of the United Nations, in accordance with policy already established, to support with financial and technical assistance a program for repatriation and resettlement of Palestine refugees. Our contribution is contingent upon formulation of a plan which is satisfactory to us and has a reasonable chance of success at reasonable cost, upon full acceptance by the Arabs and Israelis of such a program and the responsibilities involved, upon their active cooperation in carrying out the program, and upon satisfactory contributions by other interested governments.

Economic:

g. We should seek to promote economic arrangements between Israel and the Arab states such as the resumption of commercial intercourse within and through the area, uninterrupted flow of petroleum products, and uninhibited operation of and access to internal and international surface and air transport facilities.

Territories:

h. We should assist the Israelis and the Arabs to achieve a final settlement of the territorial question in Palestine by agreement or, failing that, by supporting a Palestine Conciliation Commission proposal for presentation to the parties and, if necessary, to the UN or by some acceptable *modus vivendi*. Although the United States would be prepared to accept a solution freely agreed to by the parties, if it is necessary for the United States to state its views, it should advance the following policy which is consistent with that approved by the President:

If Israel wishes to retain any areas in Palestine allocated to the proposed Arab state under the UN resolution of November 29, 1947 and now occupied by Israeli forces, Israel should, if the Arab states so demand, make territorial compensation elsewhere and/or make other concessions of a non-territorial character as are required to reach an equitable agreement which could provide the basis for a lasting peace.

Jerusalem Area:

i. We should support the principle of the internationalization of the Jerusalem area as defined in the General Assembly Resolution of December 11, 1948. This might be accomplished along the following lines:

- (1) United Nations control of the Holy Places;
- (2) Division of the Jerusalem area into sub-areas to be administered by the respective adjacent states under the supervision of the United Nations; and
- (3) The establishment of obligations on the part of the adjacent states to observe basic requirements with respect to demilitarization, free access and observance of human rights, and the establishment of a system of compulsory arbitration to determine whether these obligations are being fulfilled.

17. In the light of the Security Council Resolution of August 11, 1949 and in order to promote internal security as a basis for general security in the Near Eastern area, we should permit the export of reasonable amounts of military material to Israel and the Arab states limited to such arms as are within the scope of legitimate security requirements.

18. We should by a policy of sympathy and firm leadership encourage Israel and the Arab states to develop friendly cooperation with the Western nations, to exclude or control subversive influences, and to achieve relations of good will and trust with one another.

19. We should endeavor to prevent discrimination against Jews in the Arab states and against Arabs in Israel.

20. Any kind of regional economic or political arrangement to include Israel and the Arab states seems now unlikely because of the dissensions and suspicions which prevail in the area, and may be quite unlikely for some time to come. However, it is a possibility which should be kept under continuing review in the light of developments in the area.

21. It is desirable that the economic opportunities of the peoples of the area should be raised above the level at which social revolution is a recurring threat. The United States should encourage the economic development and expansion of economic opportunities of the people of the area. We should, therefore, in addition to supporting a program for solution of the refugee and other economic problems, which is designed solely to restore the *status quo ante*, prepare or assist in the preparation of a coordinated long-range program of economic and social development for Israel and the Arab states to be implemented by both multilateral and unilateral action through (a) technical assistance; (b) loans from the United States Export-Import Bank and the International Bank for Reconstruction and Development; (c) grants or loans from interested UN states; (d) technical and financial assistance from appropriate United Nations agencies; or (e) a combination of the foregoing. Any U.S. or U.N. assistance under such a program should depend upon a real effort on the part of the Israel and Arab states to help themselves and each other in consonance with the principles enunciated in the above conclusions, should be coordinated with

such efforts, should be designed to promote mutually advantageous economic relations between Israel and the Arab states and to integrate their economies into a broader international economy, and should allow ample and increasing scope for private enterprise.⁴

⁴The National Security Council and the Secretary of the Treasury adopted NSC 47/2 on October 17 and submitted the paper to President Truman "with the recommendation that he approve the Conclusions contained therein and direct their implementation by all appropriate executive departments and agencies of the U.S. Government under the coordination of the Secretary of State." (note of October 17 by Admiral Souers). The President approved the paper on October 20 and directed its implementation along the lines of the note (memorandum of October 20 by Admiral Souers to the National Security Council. S/S-NSC Files, Lot 63 D 351).

501.BB Palestine/10-1849

*Memorandum of Conversation, by the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (McGhee)*¹

CONFIDENTIAL

[WASHINGTON,] October 18, 1949.

Subject: Jews in Iraq; Proposed Syria-Iraq Union; Jerusalem; and Israeli attack in the Gaza Area.

Participants: Eliahu Elath—Ambassador of Israel

NEA—Mr. McGhee

ANE—Mr. Wilkins

ANE—Mr. Clark

ANE—Mr. Stabler

[Here follow introductory sections and the discussion on "Jews in Iraq."]

2. *Proposed Syria-Iraq Union:*² Mr. Elath said that reports his Government has received regarding the proposed Syria-Iraq union had caused considerable concern in Tel Aviv. Israel did not, of course, wish to intervene in the internal affairs of any country and did not wish to do so in this situation, particularly if union was popularly desired. However, his Government wished to inform the United States Government of its concern over the proposed union with respect to the security of Israel and the general stability in the Near East. His Government felt that such a union might bring with it disorders which would threaten the security of Israel. It might also give rise to the belief among the peoples of Syria and Iraq that the strength of the new state was such that it could take revenge on Israel for the defeat of the Arab states. Israel believed that the union of two weak states did not mean a strong state and in any event Israel could

¹ Drafted by Mr. Stabler.

² For documentation on this subject, see pp. 180 ff.

defend itself. However, it was possible that all the present armistice arrangements and any prospects for peaceful settlement of the Palestine problem might be upset by the union.

Mr. Elath also said that this union could have grave internal repercussions in Israel. The extremist elements might well regard the union as justification for action by Israel to annex Eastern Palestine. The Government, which would be extremely hard pressed by the extremists, would be placed in a most difficult position.

I told the Ambassador that we had received a certain amount of information concerning the proposed union and that there were certain aspects which have caused us concern. I indicated that it was, of course, the policy of the United States not to intervene in the affairs of other states and that while we would follow developments closely, the attitude which we adopted would necessarily be within the limitation of our basic policy regarding non-intervention. We neither supported nor opposed the proposals for a union of Syria and Iraq and believed the peoples of these two countries should have an opportunity of expressing their views concerning them through their own constitutional processes. I expressed appreciation for the expression of views of his government which I said we had, in fact, anticipated.³

With reference to the Ambassador's remarks regarding the annexation of Eastern Palestine, I expressed the hope that Mr. Elath did not mean by this that the proposed union and the question of Eastern Palestine were in any way related. The Ambassador assured me that his remarks only meant to indicate the possible attitude of the extremists toward union.

3. *Jerusalem*: Referring to his talk with Mr. Rusk on September 28, Mr. Elath said that he had discussed the matter of the PCC Jerusalem proposals with Mr. Eban, Permanent Israeli Representative to the United Nations. Mr. Eban had informed him of his belief that most of the South American delegations to the United Nations agreed with the Israeli point of view with respect to Jerusalem. Mr. Eban, following the suggestion made by Mr. Rusk to Mr. Elath at their meeting on September 28, had also discussed the Jerusalem question with members of the United States delegation in order to clarify any misunderstanding which might exist between the two positions. From

³ Ambassador McDonald conversed with Foreign Minister Sharett on October 17. The proposed union of Syria and Iraq was the chief subject of discussion. Mr. Sharett exhibited "considerable perturbation" and indicated it "would be idle pursue peace objectives when surrounded by an earthquake." The Ambassador gave as his "overall conviction" that "Sharett wishes distinctly to convey to me that 'all bets are off' re any previous commitment Israel may have made on territorial, refugee or any other settlement looking forward peace in NE if a fusion of Iraq and Syria is consummated." (telegram 752, October 18, noon, from Tel Aviv, 790D.90G/10-1849)

these discussions it was quite clear that basic differences existed between the United States and Israeli positions. Mr. Elath, believing that we would wish to avoid any headlong clash of views during the General Assembly consideration of the Jerusalem proposals, suggested the possibility that the United States and Israeli delegations might now work out some agreement of views. He implied that the United States should adopt a position more in line with that of Israel.

I told the Ambassador that the United States as a member of the PCC had participated in the drafting of the proposals for a permanent international regime of the Jerusalem Area and that we generally supported the plan. We recognized that amendments would probably be presented during General Assembly discussion and this Government was prepared to give careful consideration to any amendments which were advanced. Meanwhile, it was suggested that as the PCC was convening shortly in New York, the Israeli delegation might find it useful to consult with the Jerusalem Committee of the PCC in order to clarify any misunderstandings.

[Here follows an account of the discussion on Jerusalem and on the Israeli attack in the Gaza area; regarding the latter subject, see telegram 673, October 20, to Tel Aviv, page 1448.]

501.BB Palestine (E)/10-1849 : Telegram

The Minister in Lebanon (Pinkerton) to the Secretary of State

RESTRICTED PRIORITY

BEIRUT, October 18, 1949—noon.

549. Simes 19. [From Clapp.] Future organizational plans:

1. To clarify background suggestions which follow, appears advisable stress points on which ESM thinking at variance with Department.

(a) Funds required by long-term development body for first year's operations not likely exceed \$5,000,000; mostly required to bridge present gaps between preliminary general surveys and saleable engineering plans. Presently countries possess volumes of engineering reconnaissance and generalized analysis, but no specific engineering work of the nature required to make a project saleable or bankable. Governments here inexperienced in such matters, and guidance for considerable time required to bring schemes to point where positive action on complex project can be recommended. Therefore, for fiscal 1951, unnecessary and undesirable seek long-term development funds except on modest scale. When November field work completed, ESM may be prepared to recommend more funds sooner.

(b) ESM can report continued progress in relationships with Syrian, Lebanese, Jordan Governments, but only because has studiously avoided pressure on resettlement. Opinion in Arab states remains so violently opposed to abandonment of rights of refugees to

repatriation in Palestine that contemplation by Governments of settling them elsewhere would likely make governments more shaky. Practical advantages of local public works to prevent further deterioration morale, to cause added mobility in refugee populations, and to secure direct benefits from projects constructed, suffice to make such limited programs acceptable, and their effect will undoubtedly be to achieve in part the objective of resettlement but through choice of individual refugees. However, whatever ESM or its successors in the near future can accomplish will depend on the divorce of its activities, in Arab eyes, from any connection with political settlement of the Palestine war. ESM firmly of opinion that necessary connection between economic development activity and political conciliation should only take place at seats of government of interceding powers, and that consolidation in field, under agent general or other aegis, is unnecessary and doomed to frustrate economic approach.

2. Referring Department document suggesting NESDA¹ and September 23 paper headed Palestine Political and Refugee Problems, following are ESM views:

- (a) Agreed consolidation of PCC political operations under agent general sound. However, for reasons above-stated and in line with planning later set forth in this cable, would delete references in September 23 draft to relief, and to development. Agent general, representative of SYG, would be co-ordinate with chairman director of EFINDI (Economic and Financial Development Institute of Near East—have other suggestions on title) whose functions outlined below.
- (b) While ESM finds much of NESDA draft acceptable, its present thinking would involve recommending the following steps:

(1) Continuation of UNRPR only until April 1.

(2) Establishment early in 1950 at latest of new agency EFINDI by interested governments undertaking to contribute toward development plans of area. EFINDI's functions in development substantially same as NESDA's with reservations expressed Paragraph 1a this cable; further functions in regard to take over, under contract with SYG, of UNRPR operations as from April 1; planning and negotiation of arrangements for works projects with Governments; co-ordination of work of charitable agencies (the volume of whose direct assistance in meeting refugee needs has assumed very considerable proportions nearly equalling UNRPR assistance). Device of contract relationship with SYG avoids establishment of a third agency (or introduction of IRO, to which ESM opposed account IRO historical connection with Palestine immigration), permits close coordination of relief and work projects, and of work projects and developments. Hoped that SYG would agree support appeal for funds as for UNRPR for disbursement by EFINDI, but EFINDI would require authorization use such funds either for direct relief or wage payments.

¹ Possibly the draft to be submitted to Mr. Clapp; see Mr. McGhee's memorandum of September 26 to Mr. Rusk, p. 1403.

3. EFINDI would endeavor work out satisfactory arrangements, at as early a date as practical, with Middle East Governments to take over relief operations from agencies, and to establish work relief projects with a view to eventual full financial as well as administrative responsibility for refugees. EFINDI would call on specialized UN agencies for assistance as appropriate in technical fields. Would start specific engineering studies forthwith.

4. Calculation under study to estimate funds required by EFINDI during calendar 1950, for relief and work relief. Very preliminary calculations indicate that costs may not exceed present UNRPR budget by amounts that appear unmanageable.

5. Have given only preliminary consideration methods staffing EFINDI. Most workable proposal yet suggested is to employ director and staff through member governments, and arrange detail of technicians when required from UN or UN specialized agencies. In many of its functions, EFINDI would fit US Point 4 plans and UN plans for technical assistance.

Have discussed foregoing with Morton and Labonne, and suggest Department take up with British and French. Would appreciate Department's views on including Turkey in these considerations. While financial stake Turkey would obviously be small, there are advantages to increased interest. Consul general has been helpful colleague, and Turk's presence EFINDI could help Arab states and improve Turk's relationships Near East neighbors.

We are revising NESDA September 29 draft and Palestine September 23 draft to reflect above changes. Will telegraph or mail revision end of week. [Clapp.]

PINKERTON

501.BB Palestine/10-1849 : Telegram

The Ambassador in Israel (McDonald) to the Secretary of State

CONFIDENTIAL

TEL AVIV, October 18, 1949—1 p. m.

756. In conference lasting 90 minutes with Foreign Minister October 17, Ford and I discussed substance Deptel 636,¹ 637² and 647.³

¹ Dated September 30, not printed, but see footnote 2 to memorandum by Wilkins, September 26, p. 1407.

² Dated September 30, not printed, but see footnote 2, p. 1412.

³ Not printed; it directed Tel Aviv to bring to the attention of the Israeli Foreign Office the substance of telegram 609, October 6, from Jerusalem (501.BB Palestine/10-649). No. 609 advised that the Consulate General had received a "visiting card" from the New Underground for the Freedom of Jerusalem. The reverse of the card was said to bear a handwritten inscription to "tell Truman and Acheson through your facilities we will deliver all information to them." The message also informed that General Riley had received a similar card, with the statement "withdraw your proposals and inform all your agents. Stop it. Otherwise you will go the same way as Bernadotte." (867N.00/10-649)

Foreign Minister first apologized his inability see Ford sooner explaining "press of business" had kept him otherwise occupied.

Re general question Jerusalem and particularly PCC proposals Foreign Minister did not depart materially from position heretofore laid down by lesser officials of Foreign Office (Embtels 726, October 5, and 740, October 10).⁴ He called PCC proposals "provocative, anachronistic" document, saying both immigration limitation and demilitarization features particularly "unrealistic". He said Israel "fully aware" deep interest Christian world in safeguarding holy places but pointed out "fully 90 percent" these places in Arab hands and thus he was unable understand why Israel being "repeatedly importuned" in matter actually outside its control. He added Israel just as much concerned safeguarding its own holy place (specifying Wailing Wall and Rachael's Tomb) which likewise remained Arab hands. He concluded by saying Israel "fully prepared approach Jerusalem question coldly and dispassionately" and "to give all consideration outside world opinion provided such outside opinion gives similar consideration to Israel's interests".

Re violence press campaign against PCC proposals and threats physical violence implied in Jerusalem Congentel 609 and from other "mysterious" sources, Foreign Minister inclined dismiss latter as "work of irresponsible but harmless trouble makers". Press reaction showed depth of Jewish feeling re Jerusalem "which had lasted some thousands of years" and which PCC plan has merely "fanned into new flame". This connection Foreign Minister cited "violent anti-Israel campaign" recently conducted by world Catholic press, all of which he said was based on "slandorous lies and misrepresentation".

Comment: Ford concurs with me in belief that, pending discussion Jerusalem question by GA, no useful purpose would be served in further presentation subject here. I gather these people have formulated plans of their own for GA debate, and until then they appear to be stalling by plowing old ground. Moreover, rather graver subject discussed at same long conference (Embtel 752, October 18⁵) has tended distract Foreign Minister's attention from Jerusalem issue which for moment appears have more of an academic than active interest for him.

I am inclined to agree with Foreign Minister's estimate of anonymous threats of violence although in view last year's tragic happenings I propose bring each instance this nature, however far fetched, promptly to Foreign Minister's attention. *End comment.*

Sent Department 756; repeated Jerusalem 93; Department pass Amman 57.

MCDONALD

⁴ Latter not printed.

⁵ Not printed, but see footnote 3, p. 1441.

501.BB Palestine/10-1849: Telegram

The Consul at Jerusalem (Burdett) to the Secretary of State

SECRET

JERUSALEM, October 18, 1949—4 p. m.

627. Reference last paragraph Contel 617, October 12¹ reporting that Shiloah informed Riley Israel prepared designate representative for direct negotiations with Arabs at any time.

During recent talk with Riley, Glubb inquired whether Israel now ready for reasonable compromise settlement. Glubb expressed view present situation could not last and perhaps two countries could work out agreement. Riley states Glubb did not appear expect any major concessions from Israel and specifically admitted that not practical repatriate appreciable number refugees.

In entirely separate discussion Colonel Seif el Din, chief Egyptian delegate at Rhodes talks, commented to Riley on unsatisfactory nature present situation and desirability reaching some definitive agreement. Colonel Seif el Din stated its retention² by Egypt not essential but some provision for refugees now there necessary.

Riley has at various times voiced concern over present impermanent armistice terms and desirability considering situation which will exist when present armistice agreements lapse after one year. He is reflecting on feasibility using MACs as medium for direct discussions between parties aimed at *de facto* agreements on wide range of subjects of mutual interest. Although not so labelled, agreements might become basis for permanent settlement. Riley realizes Israel anxious to initiate direct talks separately with each Arab state and believes Transjordan and Egyptian thinking may be veering this direction.

Comments—Consulate General would appreciate guidance from Department on this subject for discussions with Riley. Does Department believe encouragement should be given to direct talks between parties at present and are MACs considered suitable medium. Consulate General cannot conceive that Israel intends to relinquish any part of territory now held (except for minor border rectifications) or to accept any appreciable number of refugees. Talks and any resulting agreements therefore would be based on existing *status quo*.³

BURDETT

¹ Not printed, but see footnote 3, p. 1421.

² Presumably, retention of the Gaza strip was intended.

³ Ambassador McDonald, on November 8, expressed his complete agreement with Mr. Burdett's conclusions as set forth in the final two sentences of telegram 627 (telegram 810 from Tel Aviv, 501.BB Palestine/11-849).