

*Document 4: C.A.E. Shuckburgh, the Elements of a Settlement, 15 December 1954*

The following are some preliminary thoughts on the elements of which a possible settlement might consist. Careful Anglo-American discussion will be necessary before any final conclusions can be reached.

(a) *Territorial.* — Some significant territorial concession by Israel is essential. They certainly will not go back to the 1947 frontiers, which is the present Arab demand. No-one can make them do so. But something might be found from amongst the following suggestions:—

- (i) From the Egyptian point of view, it seems that the most valuable concession would be the grant of direct access between Egypt and Jordan on the Gulf of Aqaba. This means the cession to Jordan of a part of the Negev south of Beersheba. It has psychological importance since it would end 'the partition of the Arab world', and it would facilitate the settling of refugees from Gaza. It might conceivably be balanced by the cession of the Gaza strip to Israel. (Egypt is willing to give this territory up — but to Jordan, not to Israel.)
- (ii) The surrender to Jordan of an area in Galilee, into which refugees might be returned for resettlement. This might possibly be offset by the surrender to Israel of some 'desert' territory, perhaps south of Hebron.
- (iii) Frontier rectifications designed to restore agricultural land to the Jordanian border villages.
- (iv) Final adjudication to Syria and Jordan of the 'demilitarised zones'.
- (v) Alteration of the frontier on Lake Tiberias so as to give Syria access to the Lake. (This might be a contribution to a settlement of the Jordan Waters problem (see paragraph (d) below).)
- (vi) Jerusalem. A very complicated issue for which there are many conflicting solutions, all of them beset with difficulty. Internationalisation or neutralisation should still be our aim.

(b) *Refugees.* —

- (i) *Repatriation.* — Israel will not accept the principle of the right to return, upon which the Arabs are now insisting. She might, however, find ways and means of re-admitting a certain number through enlarging the existing categories (relatives of Arabs already in Israel) who are allowed to return. She would insist on their becoming Israeli citizens. Needless to say, a cession of territory would greatly alleviate this problem.
- (ii) *Compensation.* — Israel has already accepted the principle of compensation for Arab property in Israel. The Egyptians (unlike the other Arab States) say that they do not mind from whose pocket the money comes, and that they do not insist upon a degree of compensation which would 'cripple' Israel. Compensation will need clear definition and assessment and Israel would require loans if she were to pay. But she will not pay so long as the blockade continues. The Arab countries in return must relax restrictions on employment of refugees and movement across the frontiers. Every effort must be made to provide employment and attract refugee labour into Syria and Iraq.

(c) *Economic.* — The principal Israeli requirement is the lifting of the blockade (i.e. Suez Canal restrictions, blacklisting of neutral firms, ships, etc., trading with Israel,) and other aspects of economic warfare). This is essential to any settlement. Israel would be ready to make a free port at Haifa and access thereto for Jordan trade. It may *not* be necessary, at any rate to begin with, for the Arabs to remove restrictions on their own trade with Israel. Mr Sharett told me he considered this to be their own affair. They may well wish before doing so to make sure that they can protect themselves against economic exploitation by Israel. It may be necessary, in order to reassure the Arabs against this danger, for the Powers to secure additional investment for development in Arab countries.

(d) *Jordan Waters.* — I doubt if it will be possible to achieve a settlement without including some provision to guarantee the fair distribution of the Jordan Waters. This is a major source of suspicion on the Arab side in view of Israeli water projects and of the fact that Lake Tiberias, which is the main reservoir, lies entirely under Israeli control. It will be necessary to induce the Israelis to accept effective international control of any water distribution that is agreed upon. H.M. Government and the U.S. Government should call upon Mr Eric Johnston to make specific proposals to us, strictly in confidence, in the light of Arab and Israeli reactions to his earlier approach. If we find that an over-all plan for the Jordan Waters is not a practical possibility, we should at once turn our attention to individual projects and endeavour to bring about a bargain on a more limited scale.

(e) *Political.* — Any proposals will need to be reinforced by the strongest possible British and U.S. political support. I do not recommend re-issue or elaboration of the Tripartite Declaration. In the first place, French participation is a weakness; second, the unilateral and 'olympian' use of declarations is not best calculated to inspire confidence. A better system would be to arrange separate arrangements guaranteeing the frontiers on both sides. This means extending to Syria and the Lebanon (? and Egypt) guarantees of the kind now enjoyed by Jordan, but if possible on an Anglo-U.S. basis. It means also giving Israel parallel guarantees. Some machinery for enforcement will probably be required. (If the Arab States join a defence organisation with the Western Powers there will be a strong demand in Israel for the right to make some similar arrangements. This will have to be a second stage.)

*Source:* Annex to Shuckburgh, 'Notes on Arab-Israel Dispute', 15 December 1954, PRO FO371/111095 VR1079/10G, incorporating handwritten corrections.