

*Document 5: Points of Agreement in [Anglo-American] London
Discussions of Arab-Israel Settlement, 10 March 1955*

I. GENERAL

- A. While initiating the project at present is complicated by the still unfinished Johnston negotiations, the ferment in the Arab world created by the Turk-Iraq [Baghdad] Pact which may be increased by UK adherence to the Pact and by the new Israel attack on Gaza, it is probable that the current year is as favorable a time as is likely to arise in the foreseeable future for an attempt to achieve a settlement in the dispute between the Arab states and Israel.
- B. An attempt at an overall settlement will allow us to present a balanced set of proposals which might permit us to dispose of some problems such as boundaries which are resistant to solution in isolation. Indeed, Egyptian Prime Minister Nasser recently stated to Sir Anthony Eden that no solution was to be found in partial settlements.
- C. The method which offers the best chance of success and involves the least risk is that the United States and United Kingdom Governments should work out the general terms of a reasonable settlement and then by separate discussion with the parties concerned, and if possible through direct talks between them, attempt to get them to agree to the settlement or to an agreed variation of it.
- D. Success of the Johnston Mission would be most helpful in creating a favorable atmosphere for Alpha, but the Alpha inducements, particularly the security guarantee, should not be extended to secure acceptance of the Unified Development Plan alone.
- E. The present proposals have been worked out on an ad referendum basis.

II. METHOD AND TIMING OF THE APPROACH TO THE PARTIES

- A. The first approach should be made to Egypt, difficult as this may appear at the moment. ... [Material omitted from the published version; access restricted at the USNA.]
- B. Two alternatives with respect to the precise timing of the approach to Egypt are foreseen. [Omitted here: material dealing with impact of Baghdad Pact negotiations and 'Gaza incident'.] The advice of the two ambassadors in Cairo should be sought regarding which course is preferable.
- C. Other possibilities [regarding timing, omitted here].
- D. In either event consideration should be given to parallel letters to Sharet from Mr Dulles and Sir Anthony Eden covering the following points:
 1. Because of the overriding need which must concern all of us, including Israel, we intend to continue our policy of strengthening the Middle East against outside aggression by working out agreements based on the northern tier approach. Because of the state of Arab feeling toward Israel, not improved since the Gaza raid, it is not possible to consider associating Israel with these area defense arrangements at this time. The first essential is to get these arrangements into shape. When this has been achieved and when the state of Israel's relations with the Arab states permits, we would be prepared to consider discussions with Israel about its role in area defense.

2. Israel's security problem is receiving our active consideration, but we are not disposed to assume obligations with respect to the security of a border which is continuously marked by border raids and military actions. Therefore, we are giving consideration to steps that could be taken to produce a genuine reduction of tension as a prelude to a security undertaking.
3. The Israel Government's Gaza raid has obviously set back for some time the possibility of success in this effort.
4. But we intend to press forward with it, and, in view of Israel's need for a security guarantee, we entertain the hope that we may receive more cooperation in the future than we have had in the past in our efforts to reduce tensions.
- E. [Omitted paragraph on suggestions for preparing Ambassador Byroade to broach the matter further in forthcoming meetings with Nasir.]
- F. In revealing the proposal to the parties we would not be too specific at first and would not present the plan as a whole. The purpose would be to develop the proposal gradually so that the solution should appear to emerge from the discussions with the parties rather than to have been worked out fully by the UK and US Governments in advance.
- G. We should inform the French and the Turks in very general terms of our intentions to make some approaches as soon as we are satisfied from contacts with Nasser that progress can be made and thenceforth we should keep both governments informed in a very general way of our discussions with the parties.
- H. The UK would outline our intentions to Jordan after headway had been made with Nasser and immediately before the approach to Israel. This is necessary because of the special treaty relationship between the UK and Jordan.
- I. We should inform Iraq of our intentions at about the time we inform Israel in order to ensure that she did not make it difficult for Egypt to cooperate by accusing her of following a pro-Israel policy. We should seek an assurance that Iraq would accept whatever Israel's Arab neighbors accept and if necessary we should relay that assurance to Egypt. The Iraqis themselves need not be involved in the negotiations or the settlement.
- J. After steps G, H and I above, which we contemplate should not take more than two or three days, the plan would be discussed with Israel. We would indicate that Nasser was prepared to consider a settlement and that from discussions with him we had reached the conclusion that we were justified in putting forward as a basis for discussion a set of ideas which we consider offers prospect of progress toward a settlement. We would state that if Israel is ready to pursue discussions on this basis, we were prepared to continue our efforts. If it should be necessary, we would make clear to Israel the effects of a refusal on her part to cooperate, mentioning particularly that under such circumstances we would be unable to extend the security guarantee she has requested, and that she would have to bear the onus for failure of our efforts toward peace.
- K. Mr Johnston should continue his efforts to secure Israel acceptance of a Unified Development Plan but Alpha need not be delayed until after a possible trip by Johnston to the area in April or May. If Mr Johnston is unsuccessful the Unified Development Plan should be incorporated as one of the elements in Alpha.

III. INDUCEMENTS AND PSYCHOLOGICAL FACTORS

A. The terms of the settlement itself will contain inducements to the parties, but these will probably be insufficient to overcome the Arabs' resistance to any settlement and Israel's reluctance to make the concessions required of her. Outside inducements will therefore be necessary: e.g., military and economic aid, and security guarantees.

B. Since no Arab state is likely to participate in a settlement unless it knows that Egypt is sympathetic, Egyptian cooperation is of first importance in any attempt at a settlement. We shall therefore need to offer inducements to Egypt. However, we could not acquiesce in Nasser's attitude towards the Turk-Iraq Pact as an inducement to him to move towards a Palestine settlement. The following are the main possibilities:

1. The prestige implied in the fact that we have chosen to consult Nasser first.
2. The suggestion that if Egypt will take the lead in solving this problem it will generally strengthen her position as an influential power and enable her to obtain the advantages of cooperation with the West. The solution of the Palestine problem will eliminate a major impediment to such cooperation.
3. Military assistance, the extent and conditions of which will in any case depend on the state of the relations between Israel and the Arab states.
4. Prospects of support for Colonel Nasser's domestic plans for the future of Egypt.
5. Specific offers of economic aid, for example, on the High Aswan Dam project.
6. The offer of a security guarantee.
7. Elimination of the possibility of constant clashes with Israel.

C. Inducements to Israel include:

1. A security guarantee.
 2. Elimination of factors creating tension between Israel and her neighbors.
 3. Removal of Suez Canal restrictions. Termination of the secondary boycott.
 4. Continued US-UK interest in Israel's economic future.
- [5.] ... [Material omitted from the published version; access restricted at the USNA.]
6. Military assistance.
 7. Brighter prospects for Israel's association in area defense arrangements.

IV. ELEMENTS OF A SETTLEMENT

A. *Territorial Adjustments*

1. Israel must make concessions. The Arabs will not reconcile themselves to reaching a settlement with an Israel with the present boundaries. However, we cannot expect large transfers of territory. The changes proposed should be such that in presenting them to Israel they can be made to appear as 'frontier adjustments' which Sharett has stated Israel would be prepared to make. From

the Arab point of view they will reunite village lands. They will be designed to produce a frontier which could last with a minimum of friction.

2. No change is proposed in the border between Israel and Lebanon; it should continue to follow the old international boundary.

[3.] ... [Material omitted from the published version; access restricted at the USNA.]

4. The Jordan frontier should be adjusted so that Arab villages on the Jordan side recover a portion of their former lands from which they were separated by the demarcation line, certain Arab villages lying at the border are placed within Jordan and a more rational border is established. All modifications would be in favor of Jordan with the exception of the Latrun salient which would be relinquished to Israel to permit restoration of the old Tel Aviv-Jerusalem Road and eliminate an awkward salient. Israel would give up small areas, generally not containing Israeli settlements, along most of the present line. ... [Material omitted from the published version; access restricted at the USNA.] The changes suggested would not affect Israel adversely either militarily or economically and the total area would amount to about — square miles. ... [Material omitted from the published version; access restricted at the USNA.]

[5.] ... [Material omitted from the published version; access restricted at the USNA.]

[6.] ... [Material omitted from the published version; access restricted at the USNA.]

7. Israel would cede to Egypt and Jordan two small triangles of territory in the southern Negev based respectively on the Egyptian-Israeli[i] and Jordanian-Israeli[j] frontiers with their apexes meeting on the present or proposed road to Elath. The purpose would be to permit a land connection between Egypt and the rest of the Arab world. International supervision would be provided at the intersection.

8. Appendix 1 [not reproduced] describes the changes in detail.

B. *Refugees*

1. To prove acceptable to the Arabs the proposals must contain provision for repatriation of Arab refugees and the payment of compensation. In practice only a small number of refugees probably wish to return to Israel and in general it would not be desirable to increase too greatly Israel's Arab population.

2. Israel would be asked to repatriate as Israeli citizens up to 75,000 refugees over a five-year period. This could be done through a non-renewable quota system providing for the admittance of 15,000 yearly with priority given to refugees from the Gaza strip. Persons readmitted would be settled by the Government of Israel in the same manner as new Jewish immigrants and UNRWA would provide financial assistance to this end.

3. The eventual resettlement of all refugees depends upon the general economic development of the area as well as upon specific UNRWA projects and freedom of the refugees to move in order to take employment. In the long run the best prospects are provided by the economic development program under way in Iraq. A very rough forecast of resettlement possibilities is as follows: Syria, 80,000; Lebanon, 40,000; Iraq, 60,000 (initial increment); Jordan Valley including the Unified Development Plan 200,000; Sinai Project,

70,000; Israel, 50,000 (it is very doubtful that the full 75,000 would want to return); total, 500,000.

4. Compensation.

a. Both the Arabs and Israel will advance large claims and counter-claims which will prove almost impossible to evaluate. These will include: on the part of Israel claims for abandoned Jewish property in Jordan, war damage and Jewish property sequestered in the Arab states; on the part of the Arabs, movable property, tenants' rights and loss of use and rents on property. The most practical approach is first to negotiate with Israel a fixed figure which will represent the net amount to be paid by Israel for compensation after all claims and counter-claims have been taken into account. The suggested figure is £100,000,000. This is the PCC estimate, which is understood to be conservative, of Arab immovable property abandoned in areas of Palestine now held by Israel.

b. It is important for psychological reasons with respect to the Arabs as well as to minimize the financial burden on the US and UK that Israel[i] contributions to compensation be as large as possible but it [is] recognized that unassisted she is unable to finance such a large sum. In view of the time which will be consumed in determining individual claims, the difficulty of providing funds and the low economic [absorptive] capacity of the area[,] payments should be made over a ten-year period. Of the total Israel and world Jewry combined should pay 30 per cent and 70 per cent would have to be provided by the world community, primarily the US and UK, in the form of loans to Israel. Israel should accept responsibility for repayment and servicing of the loans.

c. The funds available for compensation should be distributed through a quasi-judicial process to persons who are able to establish title to real property. [details omitted]

d. A special UN agency should be established to administer the program:

UNRWA would make the actual payments.

e. [details omitted]

f. [details and reference to Appendix 2 omitted]

C. *Jerusalem*

1. The US and UK would inform the parties that they were prepared to sponsor a UN resolution on the lines of the Swedish proposal of 1950 on the supervision of an access to the Holy Places. ... [Material omitted from the published version; access restricted at the USNA.]¹

1. In a subsequent memorandum ('Next Steps to Advance Alpha Settlement', 2 June 1955, USNA NEA Lot 59, D518, Box 32), Francis Russell discussed the Jerusalem question as follows: 'In the context of a settlement we would be willing to support Jordan in obtaining sovereignty over Old Jerusalem and Mt Scopus', but the latter words are underlined and bear a handwritten question mark. Following talks at the FO in London in July, the paragraph on Jerusalem read (telegraphically) as follows: 'Only practicable solution is Israeli and Jordan sovereignty de jure in their respective parts of the city, but first we would try get through UN resolution providing for functional internationalization of Holy Places along line of Swedish 1950 draft. In view close UN interest in Jerusalem we cannot reveal our ideas at this stage.' Russell (London) to USSD, 12 July 1955, USNA 684A.86/7-1255. Cf. censored versions of these two documents in *FRUS 1955-1957*, XIV, 212 and 289.

2. Israel would be informed that following agreement upon a settlement and pending the adoption of such a resolution, the US and UK Ambassadors would start to call at the Israeli Foreign Office in Jerusalem. ... [Material omitted from the published version, access restricted at the USNA.]

3. Government House would become the seat of the international authority charged with the supervision of the Holy Places and possibly other UN agencies.

4. Jerusalem would be demilitarized along the lines of plans which are being discussed by the Consuls-General of Britain, France and the USA.

5. If France is willing to support the present plan she should be invited to participate in the negotiations on Jerusalem and to use her influence with the Vatican. If she does not favor the plan she should not be included and other means of influencing the Vatican and the Catholic States should be sought.

6. No approach should be made to the Vatican at this time.

D. *Communications arrangements*

1. Israel to offer Jordan free port facilities at Haifa and free access to the port.

2. Mutual overflight rights for civil aircraft of the parties.

3. Israel to permit the restoration or construction of telecommunications facilities between the Arab states across her territory.

4. Some mixed or UN authority to be established to hear complaints on the infringements of communications rights.

E. *The Boycott*

1. The Arab states would:

a. remove restrictions on transiting the Suez Canal, including those on Israel[i] vessels,

b. cease the 'secondary boycott', defined as attempts to prevent trade between Israel and non-Arab countries, including termination of all pressure on non-Arab firms trading with Israel,

c. abolish the Arab League Boycott offices; repeal all legislation based on the existence of a state of belligerency.

2. The Arab states would not be pressed to engage in direct trade with Israel.

V. THE FORM OF A SETTLEMENT AND GUARANTEES TO THE PARTIES

A. While treaties of peace between Israel and the Arab states remain our ultimate objective, the state of Arab public opinion does not make it feasible to insist upon such treaties as an immediate objective. We should endeavor to bring about to the maximum extent possible permanent arrangements which would provide the substance, if not the form, of peace. It should be our objective to obtain the termination of the state of belligerency between the countries both to remove the basis for the Suez Canal blockade and the secondary boycott and to justify to the US and UK public and law makers the security guarantees and substantial financial contributions required. The termination of belligerency could be provided for by inserting in the preamble of the revised Armistice Agreements the phrase 'recognizing that the state of war (or belligerency) between them has come to an end, the parties, etc.'

B. Instruments of Settlement

1. Permanent frontiers should be established by re-negotiation of the Armistice Agreements. These contain provisions for modification by consent of both parties. The UNTSO should continue to supervise the boundaries as long as necessary. The new frontiers should be noted in any guarantee decided upon.
2. The whole settlement need not be covered in a single document. Different means should be used for the different components, possibly as follows:
 - a. *Territorial*. The Territorial settlement to be embodied in a revision of the Armistice Agreements (see above).
 - b. *Jordan Waters*. A separate agreement would be made between the parties on the development of the Jordan Valley and the operation of the unified scheme.
 - c. *Refugees*. A UN resolution should be passed incorporating the provisions of repatriation, resettlement and compensation previously agreed to and calling upon Israel and the Arab states to comply. The resolution could also provide for the creation of a new agency to handle the mechanics of compensation. Israel and the several Arab states could indicate their intentions to comply by separate letters to the Secretary General.
 - d. *Jerusalem*. Arrangements for Jerusalem and the Holy Places would be the subject of a UN resolution.
 - e. *Communications*. Free ports and transit arrangements would be the subject of direct agreements between the parties.
 - f. *The Blockade*. The Arab states would dissolve the Arab League Boycott office and repeal domestic legislation based on or presupposing a state of war. This would remove the legal basis for restriction on Suez Canal traffic and the boycott. We would if necessary make it clear to the Arabs that we were not insisting on removal of prohibitions on direct trade with Israel provided these were not based on legislation claiming the existence of a state of belligerency.

C. Security Guarantees

1. It will be necessary for the US and UK and possibly Turkey and France to guarantee the frontiers to be established between Israel and the Arab states against alteration by force. This could be accomplished by separate treaties between the guaranteeing powers and Israel and the Arab states. The operative clause might read: 'The parties to the present treaty will jointly or separately take appropriate measures for the maintenance or restoration of the agreed boundaries.'
2. The Guarantee would not cover other aspects of the settlement; nor would it come into operation in the case of frontier incidents not involving the occupation of territory. Such incidents, however, if they constituted 'any threat of an attack by armed force' would bring into operation the commitment of the parties to consult together. The guarantors might inform the Arab states and Israel that they are prepared to discuss the means of implementing the guarantee.
3. The participating powers might offer one treaty to Israel embodying the guarantee and a separate similar treaty to each Arab state. Should the Arab states be unwilling to sign treaties with the Western Powers, a unilateral guarantee by the Western Powers might be extended to them and the offer of a treaty left open.

4. In the proposed Treaty with Jordan a special article might be included stating that rights and obligations under the Anglo-Jordan[ian] Treaty are not affected.
5. Draft treaties are attached [not reproduced].

VI. THE ROLES OF FRANCE, TURKEY, AND THE UNITED NATIONS

1. France should not be included in the planning or negotiations but should be informed of the proposals prior to the approach to Israel. In order to avoid offending her she would not be informed of the project as a complete plan worked out by the US and UK, but its various components would be revealed gradually to her as they are unfolded to the parties. If France were prepared to cooperate, she might be included in the negotiations on Jerusalem. (See IV.C.) The participation of France as a guaranteeing power would be considered in the light of the reaction of the guaranteed states and the general situation at the time.
2. Turkey would not be included in the planning or in the negotiations but would be informed at the same time and in the same manner as France. The question of Turkey's participation in the guarantee would be considered in the light of the reaction of the guaranteed states and the general situation at the time.
3. The UN would be involved in the machinery of a settlement, for example, in supervision of the frontier, and UN resolutions would probably be required, for example, in connection with Jerusalem and the refugees. The UN should not be informed of the project until negotiations with the parties are well advanced.
4. The possibility should be borne in mind that Pakistan might play a useful part in including [*sic*? 'inducing'] the Arab states to accept the proposals.

VII. COST OF THE OPERATION

A. As inducements to a resolution of the Arab-Israel problem, it is anticipated that it would be necessary for the United States and the United Kingdom to provide assistance in addition to present and already projected commitments (development assistance, UNRWA relief and rehabilitation, and the unified development of the Jordan Valley). Such new assistance might include:

1. US-UK participation in the financing of compensation by Israel to the Palestine refugees.
2. Economic inducements such as substantial grant aid for the High Aswan Dam, etc.
3. Military aid to the cooperating countries.

Source: *FRUS 1955-1957*, XIV, 98-107 (D48). This document is a revised version of an earlier one, dated 2 Feb. 1955, reproduced (with similar deletions) in *ibid*, 35-42.