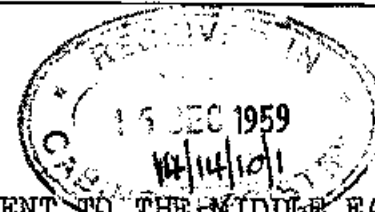


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SUPPLY OF MILITARY EQUIPMENT TO THE MIDDLE EAST

1. Three proposals for the supply of arms to the Middle East require an urgent decision:

- (a) to give tanks to Jordan;
- (b) to assist Israel to purchase additional Centurion tanks; and
- (c) to supply Israel with surface-to-air guided missiles.

Proposals (a) and (b) are considered below. (c) is dealt with in Part II of this paper.

PART I: TANKS FOR JORDAN AND ISRAEL

(a) Gift of tanks to Jordan

2. The proposal to supply tanks to Jordan arises out of an American examination of a plan for re-equipping the Jordanian Army prepared by Brigadier Strickland, British Military Adviser to the Jordanian Government. The Strickland report (by which Her Majesty's Government is, of course, in no way bound) recommended the provision over three years, jointly by the United Kingdom and the United States, of equipment to the value of \$18.5m. The United States, who have been asked by the Jordanians to accept the Strickland recommendations rather than those of General Ridsen, an American General commissioned by the United States Government to carry out a review of the Jordan Army, have recently indicated a willingness to supply a major part of the equipment, much of it by the off-shore purchase of British items. They are not, however, prepared to supply Jordan with more than 12 M.47 (American) tanks and, if the Jordanians are to have any more, all of them must come from the U.K.

3. The Strickland report recommends that the Jordan Army should have a total of 150 medium-heavy tanks. The War Office regard this as too ambitious a figure and have suggested that 90 would be a more reasonable number. The Jordanians already have 36 M.47s which, on the War Office appreciation and assuming an American supply of a further 12, will leave a deficiency of 42.

(b) Supply of Tanks to Israel

4. Ministers agreed last year to the supply to Israel on normal commercial terms of up to 60 Centurion tanks. Eventually a contract was signed for 16 Mark 5s from War Office stocks, and 44 Mark 8s from new production. Later the Israelis cancelled their option on 30 of the new tanks. The 16 Mark 5s have been delivered; the 14 Mark 8s are due to be supplied next year.

5. The Israelis say that they have cancelled the 30 new tanks because they are short of money. In place of these, they have been trying until recently to negotiate with the South African Government the purchase of 30 Mark 3 Centurions (convertible to Mark 5) from 200 Mark 3s which the South African Government have been trying to sell for some months. The Israelis did this with United Kingdom blessing and in the knowledge that we would not be prepared to act as an intermediary.

6. It seems unlikely that the South African Government will be prepared to do business for as small a number as 30, and the Israelis allege that they will not sell any to them except through an intermediary. They have suggested to the Israelis that either the United Kingdom or France might be prepared to act as

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middleman. The Director General of the Israel Ministry of Defence has said that they would prefer to do their business through the United Kingdom and asked us in September to reconsider our earlier decision not to act as intermediary. He wanted us to buy 90 tanks from South Africa, preferably 30 now and 60 later, but, if that sub-division or a total order for 90 was unacceptable to South Africa, to buy 100 immediately.

7. More recently the Israel Foreign Minister expressed considerable alarm at reports of these tanks going to the U.A.R. and asked H.M. Government to raise no objection to the purchase direct by Israel of a hundred, and also to find a purchaser other than Egypt for the remainder even at the cost of making an interim purchase of them ourselves.

#### Strategic Considerations

8. The proposals for both Israel and Jordan must be set against the background of existing holdings of arms by the countries concerned, and by Middle East countries generally. Apart from the 36 M.47 tanks already mentioned, Jordan has 48 Sherman medium tanks and 48 Charioteer ~~tanks~~ tanks. Of medium-heavy tanks, Israel has only the 16 Centurions referred to above, but she has over 500 medium tanks, (of which, however, only 2/3 may by now be runners) and over 160 light tanks. Details of these and of holdings by other countries are given in Annex A. An assessment of the effectiveness of the armour of the respective countries is given at Annex B.

9. The American plan for Jordan envisages the supply of Saladin and possibly Ferret armoured cars, but even when these are taken into account, the provision of 42 tanks by the U.K. and 12 by the U.S. would not seem likely to have an important effect on the balance of power.

10. Although Israel remains significantly inferior to the Arabs in medium-heavy tanks, an addition of 90 or 100 such tanks to the present Israeli Force would not only be a sizeable addition to their armoured strength but, in the hands of forces as efficient as those of Israel, could have an appreciable effect on the balance of power. The South African tanks are virtually unused and, although it is probable that they will have deteriorated in store, there is little doubt that the Israelis are capable of restoring them to full operational standards. The total of 60 approved earlier for supply was at the time regarded by the Chiefs of Staff as reasonable; they have since indicated that they would not object to Israel having another 60.

#### Political and Economic Considerations

11. Jordan occupies a special position in the Arab/Israel dispute. As things stand she is not anti-Israel in her actions (whatever her propaganda may say), and Israel has not objected to military support of Jordan by ourselves and the United States. Jordan's position could however one day change and if we and the United States supply considerable quantities of heavy arms, Israel is likely at least to use this as a strong added argument for greater help to herself. Jordan's requirements can however be looked at on their merits as part of our joint measures, with the Americans, to maintain the régime. Israel's need does not seem to be so compelling.

12. From the point of view of Jordan's economy the value of meeting her request for tanks is debatable, and it is arguable that her interests would be better served by concentrating on those aspects of her economy which are vital to her survival. This year we have

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given nearly \$4. million to Jordan in various forms of aid, including \$2 million budgetary support and \$500,000 loan for the Desert Road. Our present thinking is that we should try to keep within approximately this level of aid in future years. The commitment now proposed is for 42 medium-heavy tanks (plus minimum ammunition and spares), to be delivered over the next two or three years. If the proposal in paragraph 22 below, is adopted, the cost, including transport, is estimated at not more than £1.7 million. This would make it difficult for us to help with anything else in the way of development projects at the same time.

#### Israel

13. Israel's heaviest tank is the Centurion and she has only just begun to acquire some of these. It was her conspicuous inferiority in this type of armament that supported her arguments for Centurions last year. Previously Israel had been unable to buy any heavy tanks at all, and though she still only has 16, the lifting of the ban on such sales seems to have had a calming effect of considerable political importance. Even 60 would leave her numerically a long way behind the Arab states and this may sooner or later force us to consider new sales.

14. Past experience suggests that the Israelis would probably succeed in keeping a purchase of new tanks secret. But it seems less likely that, if Her Majesty's Government bought South African tanks for resale, the world armaments trade would be unaware of their ultimate destination. A period when our relations with the Arab world and in particular with Nasser are precariously improving is not a good time to be found helping Israel to increase her heavy armaments.

15. It has already been mentioned that the Israelis are apprehensive that all 200 of the surplus South African tanks will find their way to the U.A.R. The Israel Foreign Minister has even gone as far as saying that they would be willing to buy the lot to make sure that this does not happen. The Israelis have an obvious reason for making the assertion that the U.A.R. is trying to buy them. Although there are signs that the Egyptians may be willing to buy Western arms again, it seems unlikely that they would wish to add in this way to their already considerable tank holdings unless they wish to pre-empt them. We have no confirmation from other than Israel sources that the U.A.R. are contemplating such a step. The South African Minister of External Affairs moreover has assured the U.K. High Commissioner recently that the Union Government is not even contemplating either a direct or indirect sale to any Middle East country.

16. We informed the South African Government earlier of our view that the supply of only sixty tanks to Israel was reasonable, and this view that an additional 30 was sufficient in present circumstances was substantially reaffirmed in the course of this latest discussion between the High Commissioner and Mr. Jooste. Both the Israelis and the Union Defence Ministry (who are anxious to sell the tanks and use the money to buy other things) are resentful of our attitude, however, and it may be that their combined efforts will be more than the Ministry of External Affairs can resist. If the U.A.R. acquire large quantities of these tanks we shall undoubtedly have to consider further ISRAEL requests.

17. Another possibility is that if the United Kingdom refuses to accede to the Israel request the French will be more co-operative, and agree to purchase South African tanks on Israel's behalf. This would nullify any refusal on our part to help, and might reduce the chances of the U.K. securing an order for helicopters which the South Africans are known to want.

- 3 -

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Supply consideration

18. The supply to Jordan of 42 British tanks of any kind will mean their continuing to have a mixed force when, in Brigadier Strickland's view, they should be concentrating on standardisation. The choice falls between the following:

- (a) New Centurion Mark 7 tanks;
- (b) Centurion Mark 3/5 tanks, surplus to South African requirements;
- (c) Comet tanks;
- (d) Centurions Mark 3/5 from War Office stock;
- (e) Saladin armoured cars.

19. 42 new Centurions, complete with spares backing and sufficient ammunition, would cost between £3 and £4 million, which seems to us prohibitive.

20. The South African tanks have already been mentioned. A minimum of 100 has already been offered to the U.K. at £20,000 each, but the offer has been turned down because of lack of suitable markets for this number. In the absence of other markets a requirement for 42 does nothing to overcome the difficulty. These tanks would moreover require refurbishing and conversion to Mark 5 at substantial extra cost. There are also political objections in principle to acting as an intermediary for the purchase of these tanks.

21. Comets are surplus to British Army requirement and could be made available complete with spares backing very cheaply (£1,000 each). They were, however, offered to the Jordanians at an earlier stage and rejected. They are lighter and much less effective than the Centurion and would introduce a new type of gun (the 77 mm.) into the Jordan Army. Armour piercing ammunition could be supplied at surplus prices, but the provision of high explosive ammunition would mean re-opening production. This would be expensive, though the cost would be more than offset by the saving on the tanks themselves. Since these tanks have already been offered to the Jordanians and rejected and since, moreover, they have no "prestige value" in the Middle East, it is very doubtful whether we should gain any political advantage by offering them again now.

22. 42 Centurion 3/5s could be made available from War Office stocks at £30,100 each, including the cost of refurbishing. With the minimum provision of ammunition and spares the total cost, including freight, would be about £1.7 million. The supply of these tanks to Jordan from War Office stocks might lead to renewed pressure from the Israelis who have been told that none are available from that source.

23. Under the Strickland plan, the Jordanians are already to receive 42 Saladin armoured cars. With ammunition and spares backing, these cost a little over £30,000 each. Saladins have a high "prestige value", but they are not a substitute for tanks, and it is unlikely that the Jordanians would regard them as such.

- 4 -

TOP SECRET

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Conclusions

24. In order to maintain existing Anglo-American co-operation in regard to Jordan, as a result of which the U.S. are now taking the brunt of the financial burden of support, we are faced with a decision to supply a Jordanian requirement for tanks as our share of an Anglo-American programme to re-equip the Jordanian army. In the light of the War Office assessment of reasonable Jordanian requirements for defence and internal security, we should be justified in supplying up to 42 medium heavy tanks in addition to those Jordan already holds.

25. None of the alternatives considered above would provide a complete answer to the standardisation problem. A gift of 42 Centurions from War Office stocks would, however, give the Jordanians a reasonable force and appears to be the best choice.

26. Recommendations

(a) Jordan

It is recommended:-

- (i) that, after informing the U.S. Government, we should offer Jordan 42 Centurions Mk 3/5, together with a minimum supply of spares and ammunition, over the next two or three years;
- (ii) that the cost should be met within the proposed annual limit of about £4.5 million for all kinds of aid to Jordan.

(b) Israel

The arguments for acceding to the Israeli request are less conclusive, and it is recommended that the United Kingdom should adhere to its earlier decision that 60 Centurion tanks is a reasonable maximum for Israel in present circumstances.

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PART II: SURFACE-TO-AIR GUIDED WEAPONS FOR ISRAEL

On 16th September, Mr. Ben Natan, the Director General of the Israeli Ministry of Defence, discussed with the Permanent Secretary of the Ministry of Defence the possibility of the U.K.

supplying Israel with surface-to-air guided weapons (S.A.G.W.); and assisting Israel to acquire additional Centurion tanks.

The tank question is examined in PART I of this paper.

2. According to Mr. Ben Natan, the Israelis wish to acquire missiles for air defence when their present fighter aircraft become ineffective, probably in 1965. They are interested in the Bristol BLOODHOUND and the developed version (SUPER BLOODHOUND) which seem to them very suitable weapons with which to defend the three or four main target areas in Israel. As a first step, however, they would like to have discussions with the Air Staff about the feasibility of a missile air defence system. This would give them a clearer idea of what was involved so that they could make up their minds whether to give serious consideration to the installation of a missile defence system.

3. The Israelis have in fact already had talks with the Air Ministry involving the release of information up to "confidential" level. A decision to allow them to go further than this would carry with it the implication that H.M.G. would be willing to supply Israel with S.A.G.W. should Israel decide that they were suited to her purpose. It is therefore important to consider now the implications of engaging in this business. These fall broadly into three parts - political, strategic and commercial.

Political

4. In the years immediately following the Suez operation, there was virtually a complete embargo on the supply of arms to Israel. This policy has been progressively relaxed over the past year or eighteen months, and just over a year ago Ministers agreed to allow Israel to purchase two submarines and up to 60 Centurion tanks from the United Kingdom. This decision was of great benefit to Anglo-Israeli relations, and there is no doubt that these would be further improved if the U.K. would fall in with the Israelis' latest request for S.A.G.W. On the other hand these relations would not suffer serious damage if we refused.

5. There is a certain attraction in meeting this request. We should be strengthening Israel's defences and also, therefore, her sense of security without going contrary to our stated policy or directly increasing her aggressive power. The actual date of delivery would be some way off, and the full effects of a decision in principle now would not become evident for some time.

- 6 -

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6. But the supply of this weapon is not necessarily a natural progression from the supply of conventional weapons such as submarines and tanks. An Israeli request for assistance in the development of a surface-to-surface guided weapon with a range of the order of 200 miles was turned down earlier this year. The Israelis were told in explanation that it would not have been in keeping with the spirit of the Tripartite Declaration to help them in this way. This decision was to some extent guided by the expert view that such a weapon could not be really effective without a nuclear warhead. The overriding consideration however, was the knowledge that a favourable reply would almost certainly place on H.M.G. the onus of being the first country to introduce guided weapons into the Middle East. A subsequent request for the air-to-air guided missile FIRESTREAK was rejected on the same grounds.

7. The same objection applies to BLOODHOUND although it is a defensive weapon. There can be no certainty that the U.K. having set a lead, other countries would draw the same fine distinction. To touch off a further stage in the arms race in the Middle East involving comparatively sophisticated and highly expensive weapons would be dangerous.

8. The supply of BLOODHOUND would require prior consultation with the United States, France and Italy through the N.E.A.C.C. There is no certainty that they would acquiesce, though there is no veto in the Committee (~~see paragraph 8 of the main paper.~~) The U.S. Government have already indicated earlier that they themselves would refuse to supply Israel with such weapons if asked. There might also be difficulty in securing United States consent to the release to Israel of American classified information embodied in the weapon, though it is possible that the latter versions will be free of this restriction.

#### Strategic

9. Although the Services could not regard with equanimity the introduction of guided weapons generally into the Middle East, there are no obvious strategic objections to supplying Israel with a static defence weapon like BLOODHOUND. At present, however, there is a bar to her receiving classified information higher than CONFIDENTIAL. Before this ruling can be relaxed it is necessary to carry out a thorough reappraisal of her reliability. This is being put in hand but it will take time to complete and there is no possibility of an early change in the ruling.

#### Commercial

10. Sweden has placed a large order for BLOODHOUND, but so far she is the only overseas market for British S.A.G.W. The prospects of further overseas orders are not very good and an Israel order would be very welcome not merely because of the much needed fillip that this would give to British industry, but because it might lead to others which would all help to reduce the cost of these weapons to our own Forces.

#### Recommendation

The arguments are fairly evenly balanced; but in the view of the Foreign Office the balance is against meeting the request.

- 7 -

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As however this is a new type of request and one in which other countries may well have similar misgivings an opportunity offers to use the existing machinery of consultation between the Western powers in NEACC to reach a joint and therefore more effective decision. It is therefore recommended that we should in the first place propose to the United States Government that the matter should be discussed there, informing them at the same time that our own view would be against the supply of such weapons.

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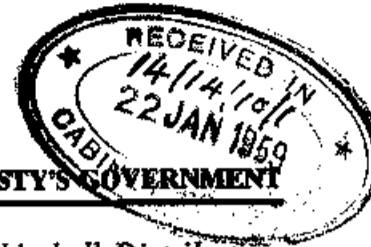
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MIDDLE EAST (GENERAL)  
December 18, 1958

**THE ARAB-ISRAEL DISPUTE : WHAT ARE THE FACTORS IN  
FAVOUR OF RECONCILIATION AND PEACE?**

[Foreign Office Steering Committee Paper]

This paper attempts to describe the main factors in the Arab-Israel dispute and to give some forecast of their likely effect.

**Summary**

(i) The Arabs see no incentive to make peace, and feel that time is on their side. They have the present support of the Soviet Union, and are confident that in the long run they can squeeze out the Israelis. They do their best to keep alive the problem of the Arab refugees as an embarrassment to Israel. On the other hand they do not want to fight Israel again yet, nor is there any compelling need for them to do so.

(ii) Israel similarly believes that time is on her side. She is confident that she can defend herself and is not prepared to make any major concession to obtain a settlement. She must be expected to attack the Arabs again if she feels herself seriously threatened by them. Failing a settlement this feeling may easily return, particularly if Nasser's power increases or Jordan is absorbed into a larger Arab unit. Eventually, however, Israel needs a settlement giving her permanent frontiers and freeing her from the Arab blockade. Also she is more susceptible to pressure of world opinion than the Arab countries, being largely dependent for her existence on external aid and trade.

(iii) The Soviet Union has been a major factor in the problem since 1955. Her interest is that the dispute should continue, because it causes trouble between the Arabs and the Western Powers. Her support for the Arabs, including the supply of arms, encourages them not to come to terms with Israel. On the other hand she presumably does not want the dispute to flare up into the start of a World War.

(iv) The Western Powers desire stability in the Middle East and therefore a settlement of the Palestine problem. They are not, however, in a position to take a direct initiative, since they have no means of putting effective pressure on the Arabs to reconcile them to the existence of Israel. (A theoretical basis for a possible compromise solution was worked out by British and American officials in 1955.)

(v) The United Nations has increased its "presence" in the Middle East in the last couple of years, but lacks the teeth to enforce a settlement in Palestine. The General Assembly's partition resolution of November 29, 1947, is now clearly not practical politics, and there is no prospect of a United Nations agreement on any substitute solution at present.

(vi) *Conclusion.*—No one has an interest in open war between Israel and the Arabs at present. Major hostilities are therefore unlikely, provided Israel does not feel her existence threatened. On the other hand there are strong forces opposed to a durable peace settlement. There is thus equilibrium without stability. In the short term, the most that can be hoped for is the continued maintenance of the armistice lines and possibly some progress towards the settlement of the refugees. In the longer term, all depends on future developments in the Arab world. If the Arabs unite further under a dictator, they may find themselves strong enough either to attack Israel or to make some kind of settlement with her. The latter is perhaps slightly more probable. If the Arab world remains divided, the present uneasy situation may well continue indefinitely.

**I.—Present Position**

The present border-lines between Israel and her Arab neighbours are shown on the attached map. They are in fact the Armistice lines agreed in 1949 as a result of United Nations mediation. As they follow the lines where fighting actually

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ceased they have no particular political, territorial, or economic basis and thus contain many anomalies, in some cases dividing Arab villages or separating the Arab villages from their fields. In spite of United Nations supervision, there is continual friction between Jews and Arabs on the frontiers and both suffer sporadic casualties.

2. Also shown on the attached map is the Palestine Partition Plan drawn up by the United Nations when Great Britain announced her intention of laying down the Mandate. This plan was adopted by the General Assembly on November 29, 1947, and is the most recent international proposal made for a solution of the problem. The Arabs rejected it at the time, but have subsequently invoked it in an effort to redress the fortune of the 1948 war.

3. A short historical Appendix is attached.

## II.—Factors in the Dispute

### A.—The Arab States

4. The destruction of Israel remains (together with Arab unity) one of the long-term aims of foreign policy to which all politically active Arabs must at least pay lip-service—this in spite of the Bandung Conference resolution, to which the Arab States subscribed, for “the implementation of the United Nations Resolutions on Palestine and the peaceful settlement of the Palestine question.”

5. The hatred of the Arabs for the Zionist Jews is fanatical and deep-seated. They see them as European intruders planted on Arab territory by the Western Powers, displacing the native Arab inhabitants of more than 1,000 years' standing. To this is added the Arabs' sense of humiliation brought by the defeats of 1948, and their fear of long-term Israeli intentions, both military and economic. Thus any durable peace settlement between the Arab States and Israel at present seems most unlikely. No Arab leader can afford politically to abandon an attitude of complete hostility to Israel.

6. Some Arab statesmen (e.g., Nuri), in an attempt to appear reasonable, have in the past professed themselves willing to consider some kind of settlement “based on” the 1947 United Nations partition plan. But such professions could hardly have been genuine. The plan is now impracticable and quite unacceptable to Israel, which would have to suffer a cut of about 30 per cent. in its territory although its population has meanwhile grown from 650,000 to nearly 2 million.

7. There is at present little incentive for the Arabs (whose pace is set by Egypt) to make even an interim settlement on terms which Israel would accept, and they appear content to see the *status quo* continue. The present support of the Soviet Union for Arab nationalism, which induces the hope of being able to play the Soviet Union off against the West, has made them more intransigent than ever and confirmed their feeling that time (aided by the economic boycott) is on their side. They do not, however, desire for the time being to become involved once more in military engagements with Israel.

### B.—Israel

8. Israel's attitude, unlike that of the Arab States, is governed by the fact that she is engaged in a struggle for survival. She is therefore liable at any time to resort to force to destroy any apparent threat to her frontier before it becomes serious. However, any repetition of her Suez operation is likely to produce once more a strong reaction in world opinion, including the United States. At present her mood is one of confidence: she (like the Arabs) believes that time is on her side, and she is not prepared to make any sacrifice of territory for the sake of a settlement. The basis of Israeli policy is that Israel cannot afford to make concessions except in the context of a total, secure and guaranteed peace settlement. Her rulers consider, probably rightly, that peace with the Arabs would bring about a decline both in Israel's internal morale and in the political and financial aid she receives from Zionists abroad. This is a price possibly worth paying for permanent peace but too high for anything less. She might of course be more attracted by the idea of partial settlement if she believed that the Arab States were fast gaining in relative military power. But for the moment she feels capable of defeating any Arab attack which could be launched against her in the foreseeable future—although the new situation which has come about after the Baghdad *coup* has naturally made her

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nervous. There is no immediate prospect of any falling-off in her economic aid from the United States or world Jewry, on which she still largely depends. (A major slump, however, would presumably affect it seriously.) Her immigration programme is going ahead at a reduced but substantial rate (71,000 in 1957, 40,000 expected in 1958). Talk of her population reaching the 3 million mark in 10 years' time is common. This, she feels, will not only help to make her permanently secure against the Arabs, but will also bring her economic viability as an industrialised exporting State. She needs all the territory now in her possession for her settlement programme, and would therefore stand, in any negotiations for a settlement, on the 1949 Armistice lines.

9. Israel does not need to expand further on economic grounds, providing the Arab blockade does not become so efficient, or Arab attempts at excluding her from Asian and African countries so successful, that her plans for exporting her manufactured goods and citrus fruits are thwarted. The expected volume of new immigrants could be absorbed within her existing territory. But if Israel felt herself seriously threatened by some drastic alteration of the *status quo* round her frontier, she might well think it necessary to make another preventive attack. For example, there would be an obvious temptation to seize at least the high ground on the West Bank of the Jordan river if Jordan were swallowed up by Iraq or the United Arab Republic. Also at some stage Israel will need to tap the Jordan waters (though, with great difficulty and at the cost of much extra expenditure as well as loud Arab protest, she could do this without infringing Arab territory or the demilitarised areas).

10. In spite of Israel's present attitude, almost all Israelis from Ben Gurion downwards recognise that in the long term she needs a settlement (though they are in no hurry for it). There is more incentive for Israel to make peace than for the Arabs. Her basic position is weak. She needs the raising of the Arab blockade, a large share of the Jordan waters, and above all guaranteed frontiers. For the last alone she might be persuaded to make sacrifices. But as for the rest the blockade is at present of comparatively little effect, her water schemes are far from ready, and the Arab danger brings in dollars from world Jewry. But the possibility remains that, if no settlement or international guarantee appears and if Arab consolidation increases, Israel will one day be driven by desperation to attack the Arabs again.

#### C.—The Arab Refugees

11. These now number about 950,000 mainly in Jordan (520,000) and the Gaza strip (224,000). They are increasing at the rate of about 20,000 a year, and too few have found employment in the Arab States even to counterbalance this increase. They are maintained by charitable bodies and principally by United Nations funds, to which the United States and United Kingdom together contribute £9 million per annum.

12. The official Arab view is that the refugees should have the right to return to their homes in Palestine. This is reinforced by a United Nations Assembly resolution of December 11, 1948, endorsing the refugees' right either to return home if they wish or to receive compensation. Israel has recognised their right to compensation in principle (but see paragraph 14 below).

13. The refugees are an unstable political element. They are for the most part strongly anti-Western and are fertile ground for Egyptian and Soviet propaganda. Their existence gives the Arabs a propaganda weapon against Israel and the Western Powers, of which they take full advantage. Any resettlement of the refugees is bound to be a long business. The United Nations authorities estimate that, given freedom of choice, only about 30,000 would wish to return to their former homes; but so far the Arab States have refused to co-operate in any plans for their resettlement outside Palestine. A large number could be settled in Iraq, Syria and Jordan, if irrigation development schemes were carried out there. But recent plans, however impracticable, for settling surplus Egyptian population in Syria may be given priority; and large-scale refugee settlement in Jordan would be dependent on an agreement with Israel, which the Arabs refuse, over the Jordan waters. The short-lived Iraq-Jordan federation offered rather more hope of resettlement, since its Constitution appeared to offer the refugees the opportunity to move freely to Iraq, where increased prospects of employment are continually being opened up by the development programme. But again, for political reasons,

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it has been so far impossible to contemplate any large-scale Government action, although as individuals the refugees may drift away from camps under their own arrangements.

14. Israel could probably reabsorb up to 100,000 refugees as part of an over-all settlement, and at one time made an offer to do so. Though this was later withdrawn it was mentioned again by Mr. Ben Gurion last summer. More recently Israel has indicated her readiness to consider some reabsorption under a "families' reunion" scheme. She has also agreed in principle to pay compensation to those who do not return. But as this would probably amount to at least £100-£150 million, she would need international help in doing so.

*D.—The Soviet Union*

15. A new major factor in the Palestine problem has been the appearance of direct Soviet influence in the Middle East, since the Soviet *bloc* arms deal of 1955 with Egypt. This upset the balance which the Western Powers, as the traditional chief suppliers of arms to the area, had tried to maintain between the two sides. The chief Soviet interest in the Arab-Israel dispute is in its continuance. Not only does it tend to bedevil relations between the Arabs and the Western Powers throughout the Middle East, but it offers the Soviet Union a good opportunity of encouraging Arab nationalism along anti-Western lines and of inciting internal public opinion against régimes which co-operate with the West. The Soviet Union can also improve her own position in the Arab world by posing as the champion of the Arab cause, offering arms and economic aid "without strings" and abusing the present régime in Israel as the instrument of imperialism.

16. The Soviet Union would not, however, presumably wish the dispute to flare up in such a way as to involve her in major hostilities with the Western Powers. It suits her better to keep the card up her sleeve than to play it. At present she seems to be concentrating on strengthening Arab régimes hostile to the West and on increasing their dependence on Soviet aid. To provoke open warfare between them and Israel would be to risk their being defeated and overthrown, as well as facing Russia with the choice between intervention, with all its risks, and inaction with its attendant discredit in Arab eyes. She can thus be expected to continue to encourage the Arabs to maintain their intransigence over a settlement, but to oppose discreetly any major hostile move against Israel. It is possible that these two aims may before too long become incompatible and that some Arab disillusionment may set in. The Arabs are already believed to be trying to discover how the Russians would react to a direct request for military help against Israel, and they seem bound eventually to perceive that Soviet support can only be counted on as long as it suits Soviet policy.

17. A further factor in the situation is the Jews behind the Iron Curtain. There are 2½ million Jews in Russia, of whom Israel hopes eventually to obtain at least a million. There are also another 300,000 Jews in Roumania and Hungary. The Soviet Government are unlikely to release Jews to go to Israel in view of their present pro-Arab policy. They have also an endemic distrust of Zionism. But Iron Curtain policy as a whole is still not by any means 100 per cent. anti-Israel. Poland has released 30,000 Jews to Israel during the last 18 months, and considerable numbers are now arriving in Israel from Roumania. In addition, economic agreements have recently been successfully renewed by Israel with Poland, Bulgaria, Hungary and Roumania. Israel may yet come to be useful to the Soviet Union if the Arabs turn in time once more towards the West. But for the time being the Russian Jews are being retained somewhat in the role of hostages for Israel's good behaviour.

*E.—The Western Powers*

18. It is to the interest of both the United Kingdom and the United States that there should be stability in the Middle East and thus a settlement of the Palestine problem. Neither is, however, in a position to take the initiative, as both need the friendship of the Arabs on the one hand, and are committed morally and politically to supporting the existence of Israel on the other.

*F.—The United Nations*

19. The United Nations, despite its inability to enforce its own resolutions on Palestine (which have now largely been overtaken by events), has played an increasingly important role in the dispute. It is more particularly a potential

**CONFIDENTIAL**

CONFIDENTIAL

5

authority over Israel, which, being dependent on foreign aid and on exports, is much more susceptible to world pressure than the Arabs. Since the admission of Israel to membership in 1949, the United Nations has been responsible for the negotiation of the existing Armistice lines through its mediators and their supervision through conciliation machinery. Despite major and minor incidents these lines have been maintained. The small international force sent to the Gaza strip since the Israel attack on Egypt in 1956 is a help in preserving peace. Israel's military superiority having been demonstrated, the presence of this force, on Egyptian sufferance, saves Egypt's face.

### III.—Prospects of a Solution

20. The main practical points with which a peace settlement would have to deal lie, while Jordan remains independent, between Israel on the one hand and Jordan on the other. Jerusalem is divided between the two; they are the predominant users of the Jordan waters; more than half the refugees are in Jordan; and the main natural land trade routes of each party lie through the other's territory. The main brunt of the fighting in 1948 was borne by the Jordanians, with some Iraqi help, and Jordan is the only Arab State which managed to save any substantial part of former Palestine Arab territory. The first serious attempts at a peace settlement were between Israel and King Abdullah (who was assassinated for his pains). The main barrier to a peace settlement is the jealous intervention of the other Arab States, who have themselves little to lose or gain except politically.

#### *Local Peaceful Solutions from Within the Area*

21. Attempts to reconcile the Arabs to a Jewish home in Palestine date back to 1917 and have been steadily less successful. Even King Abdullah, an absolute Arab monarch though strongly backed by a Western Power, was unable in the emotions which followed the fighting to find a Jordanian Government to support a peace. Peace remains a strong interest of Jordan, both because Israel bars access to the Mediterranean coast and because of the unsettling effect on the crowded West bank of a Western frontier that is badly drawn and only provisional. Emotion against a peace settlement has, however, been whipped up constantly by the Arab States in rivalry with one another, and Jordan could not accept peace now for fear of the effect of Nasser's propaganda machine on the Jordanian population.

#### *Solutions Imposed from Outside*

22. Of the outside Powers (other than ourselves) who have influence in the area, that of France is limited to Israel. But it is limited even in Israel; and France is likely to oppose either a weakening of Israel by concessions or her elimination as a source of anxiety to Nasser. The United States are theoretically able to bring decisive economic pressure to bear on Israel, but there is no prospect of their doing so to the extent which would be required to enforce sufficient territorial concessions for the Arabs to agree to peace. An attempt at pressure on the Arabs to this end would be fatal. The USSR has no direct means of bringing effective pressure to bear on either Israel or the Arabs to make peace, even if it suited her to do so. She would be unlikely even to try to exert such pressure on the United Arab Republic except in return for a substantial *quid pro quo*; and such an effort might prove fatal to her prestige in the area, strong though it at present is. On the other hand, she would probably not wish her protégés to risk military defeat by Israel, or herself to risk being drawn into a major conflict or a "Spanish civil war" situation; so that her influence for some time to come, like that of the Western Powers, is likely to be, while limited, in the last resort peaceful. Finally, without broad agreement between these Powers, the United Nations is unlikely to be able to reach agreement on, let alone impose, a solution.

#### *Local Military Solutions*

23. To return, therefore, to the possibility of a solution being reached within the Middle East itself by force of arms. On paper, the Arab forces greatly outnumber those of Israel. The approximate total for the active forces of the United Arab Republic, Iraq and Jordan is 175,000 as against Israel's 68,000. However, militarily speaking, the Arabs are far behind Israel in discipline and training; and they suffer from jealousies and the lack of a unified command. In the first respect they are further behind Israel now than they were in 1948. In the

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second, they appear to have made some progress by the creation of the United Arab Republic, but rivalry between the Arab States would be a serious weakness in a war even if they were to join forces against Israel. Even if the Arabs achieved political unity, it would be a long time before they could become unaided the military equals of Israel.

24. An Israel Government for their part have at present no territorial ambitions, apart from asserting sovereignty over small unimportant areas left in doubt by the Armistice Agreements. Unless there is further large-scale immigration and population pressure grows, there is no need for Israel to expand. Territorial acquisitions would in themselves be at present of comparatively small value, and the Suez affair showed that the price of keeping them might well be prohibitive. Conditions of peace extorted by force would not be upheld by world opinion, to which, because of her small size and need for friends and markets, Israel is very sensitive. Her vital interest, apart from the integrity of her present frontier, is to have a sufficiently developed industry and export markets to replace the present main overseas sources of funds (viz., German reparations, United States loans and Zionist contributions) when these eventually begin to tail off. Free navigation from Elath through the Gulf of Aqaba, tacit permission to use the Suez Canal, and the containment of the Arab boycott within tolerable limits are more important to her than is the West Bank of the Jordan. To inflict further loss of face on the Arabs would be to invite further dangers to Israel's trade. All in all, therefore, Israel is not likely to seek to impose peace on the Arabs by force. The main danger lies in the further extension of Nasser's power; and if the Lebanon or Jordan were to be absorbed by the U.A.R., there would be a strong incentive for Israel to fight before it is too late. Apart from this, the only motive which might cause her to take risks is her desire to tap the Jordan waters (paragraph 9 above).

25. It thus appears that there is no one who has an interest in open war between Israel and the Arabs at present; but, on the other hand, there are important forces, largely hostile to the West, which militate against a peace settlement. There is therefore equilibrium without stability. The instability is caused mainly from the Arab side, by the nervousness of the Arab armies (and their commanders, including King Hussein) and the restlessness of the refugees. A contributing factor has been the tendency of Arab Governments to egg one another on to stand up publicly against Israel. A further cause of instability lies in the unpredictable nature of Soviet policy. There is no evidence of deliberate Soviet attempts to provoke trouble between Israel and the Arabs on the frontiers; their contribution to tension in the military field has been by the supply of arms and therefore the raising of Arab hopes. In the political field, they have worked on the refugees to undermine the more conservative Arab régimes.

26. In the short term, therefore, any progress towards a solution is likely to depend upon the stabilisation of the frontier and the dispersal and settlement of the refugees.

27. The frontier is already stabilised with fair success by the United Nations Truce Supervision Organisation and Emergency Force; and by the fact that, for reasons already given, both Israel and the Arabs observe, despite occasional scares, a much greater degree of restraint than in the past. The main trouble spots are those where the Armistice Agreements are vague about territorial authority—i.e., the demilitarised zones, no-man's lands and enclaves, where Israel is as stubborn in bolstering its claims as the Arabs are in rejecting them—only cleverer. It would be a move towards stability if these areas could be brought under international control. This, however, would mean Israel withdrawing her claims to sovereignty, and might cause more disturbance than it was worth. The Israelis would contend that the Armistice Agreements were meant to be only a prelude to a speedy general settlement, and that there is no reason why they should suffer for the Arabs' refusal to negotiate final terms. Of the contentious areas, the enclave on Mount Scopus, dominating Jerusalem and the seat of the Israel Government, is the most vital for Israel's security, and in almost all foreseeable situations she would fight rather than give it up. The United Nations Secretary-General, who has the immediate practical responsibility, seems unlikely to favour a radical approach to the border question. Circumstances may in the end justify it.

28. At one time it seemed possible that an increasing number of refugees might filter quietly into Iraq as a result of the union with Jordan. But no start can be

CONFIDENTIAL

7

made with resettlement on a large scale in Arab territories—and this is what is required—unless the Arab Governments adopt a different attitude and Israel for her part admits the principle of free choice between repatriation and compensation, enshrined in the United Nations Resolution of December 11, 1948. Israel would only do this if she were sure that the overwhelming majority of the refugees would choose compensation; and this would not be easy to ensure, in view of the pressure exerted on the refugees by the Arab Governments. The incorporation of hundreds of thousands of refugees would virtually saturate Israel's remaining capacity for immigration; and no Government of Israel would consent to this, since it would involve modifying or even rescinding the sacred Law of Return. Moreover, even in circumstances of peace, the influx of large numbers of West Bank Arabs would gravely compromise Israel's security.

29. The United Nations has a direct interest in the refugee question both because of the Resolution of December 1948 and because of the financial problem of relief; and there is a strong humanitarian aspect which would justify, and might rally, separate United Nations action on this aspect of the Palestine problem. It looks as though U.N.R.W.A. will have to be kept in being if responsibility for the refugees cannot be transferred to the host Governments.

30. In the longer term, prospects for a settlement depend on what happens in the Arab world.

(i) If, as seems possible, the Arabs were to become more united under an authoritarian ruler, they would for the first time be approaching the capacity to destroy Israel. Equally, however, they would for the first time be in a position to make peace with Israel. Given the strong likelihood that the Western world would resist the destruction of Israel, peace seems the more likely outcome. An Arab dictator who might have fish to fry elsewhere, or who might have internal troubles of political or economic origin, might prefer "agreement to differ" with a strong military power so near his capital, rather than the risky enterprise of a diversionary campaign. The danger remains, however, that Nasser might chance an attack on Israel as his last throw if his designs were thwarted elsewhere.

(ii) If the Arab world continues to be split into two main groups, but both maintain some degree of understanding with the West, then the most likely outcome seems to be the stabilisation of the present frontier (which would, however, remain technically an armistice line), a gradual petrification of the boycott, and possibly dispersal of the refugees.

(iii) If the U.A.R. continues to be a protégé of the USSR and becomes actively aggressive towards Israel, then sooner or later to avoid an open clash the West and the USSR will have to agree, if only tacitly, to restrain their respective clients from aggressive acts (this may well be happening to some extent already). The USSR will have to run the same risk that we do of forfeiting Arab goodwill as a result.

31. In the long term, if no catastrophe occurs, the problem may evolve gradually as a result of internal changes in the countries concerned. If the Arab countries' industrial development gets into its stride, they are likely both to absorb the refugees and to lose their (quite genuine) fear of Israel's expansion (whether military or economic). Israel's population increase is already slowing down, which may help to reassure the Arabs; and, as the "heroic age" passes and the laws of supply and demand replace reparations and Zionist help as the basis of Israel's economy, her attitude is likely to become less nervous and stubborn. One important danger is the squeezing of Israel to a point at which she feels obliged to take up arms to avoid economic strangulation or to avoid being militarily outstripped. This consideration (in conjunction with existing United Nations resolutions) will continue to confront Western policy-makers over such issues as the Arab boycott, the use of Aqaba and the Suez Canal and the supply of arms to Israel.

32. Although any long-term solution at present seems remote, it should be recorded that the basic elements of a possible compromise solution were worked out by a team of British and American officials in 1955. It still seems likely that any durable settlement would have to cover much the same ground. The main points were:—

- (a) Territorial adjustment of the Armistice lines, involving some sacrifices by Israel, affecting her prestige more than her practical requirements: *e.g.*, the surrender of Mount Scopus and of a corridor in the southern Negev to give overland access between Egypt and Jordan (this last has

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8

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been somewhat out-distanced by events!). Jerusalem to remain divided as at present, but to be demilitarised, with international supervision over the Holy Places (a point for which, incidentally, there is considerable Catholic support in the United Nations).

- (b) An offer by Israel to accept 75,000 Arab refugees and to compensate the remainder. (£100 million was the figure in mind for this.) Resettlement with Western help, of the remaining Arab refugees in Arab territories.
- (c) A scheme for the fair sharing of Jordan waters between Israel, Jordan and Syria.
- (d) A free port at Haifa for Jordan.
- (e) The raising of the Arab trade boycott and the opening of the Suez Canal to Israel ships.

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9

APPENDIX

1. The terms of the Mandate for Palestine, awarded to Great Britain by the League of Nations in 1922, confirmed the two major principles approved by the British Government in the Balfour Declaration of 1917, by stating that the Mandatory "shall be responsible for placing the country under such political, administrative, and economic condition as will secure the establishment of the Jewish National Home . . . and also for safeguarding the civil and religious rights of all the inhabitants of Palestine, irrespective of race and religion." Subsequent events rendered these two principles irreconcilable. The crucial issue was that of Jewish immigration. The Arab inhabitants of Palestine insisted that this should be strictly limited, whereas the Jews demanded that it should be unrestricted. Arab disorders during the period of mass Jewish immigration prior to 1939 were followed, after a truce during the Second World War, by armed Jewish resistance to the British policy of limiting immigration and of ultimately making it subject to Arab agreement. The Jewish attitude received strong political support from the United States.

2. In April 1947, the United Kingdom Government, finding the burden of maintaining law and order intolerable, submitted the problem to the United Nations and asked them to recommend a settlement. The resulting eleven-Power Special Commission visited Palestine and recommended that the country should be divided into an Arab and a Jewish State linked by an economic union, with the Jerusalem area under an international régime, as shown on the attached map. This partition plan was fairly well received by the Jews, being more than they hoped for, though less than they wanted. Although totally rejected by the Arabs, it was adopted by the United Nations General Assembly on November 29, 1947.

3. No solution of the Arab-Jewish deadlock had emerged when the United Kingdom Mandate ended on May 14, 1948. The State of Israel was proclaimed on the same day. It was immediately recognised by the United States and three days later by the Soviet Union. Warfare at once broke out between Israel and the Arab States and the forces of the latter marched into Palestine. After ten months of intermittent fighting the Israel forces, having in the meantime acquired quantities of arms from behind the Iron Curtain, had consolidated their position over a large portion of the country (80 per cent. as against the 55 per cent. awarded them under the Partition Plan), from which a majority of the Arab inhabitants had fled. The Arab States had meanwhile set up an economic blockade and boycott against Israel, which still persists despite United Nations resolutions (e.g., on the use of the Suez Canal). In 1949, through the efforts of United Nations mediators, Armistice Agreements were made between Israel and her Arab neighbours. Israel was then admitted to the United Nations, the Iron Curtain countries voting in her favour (while excluding Jordan until 1955).

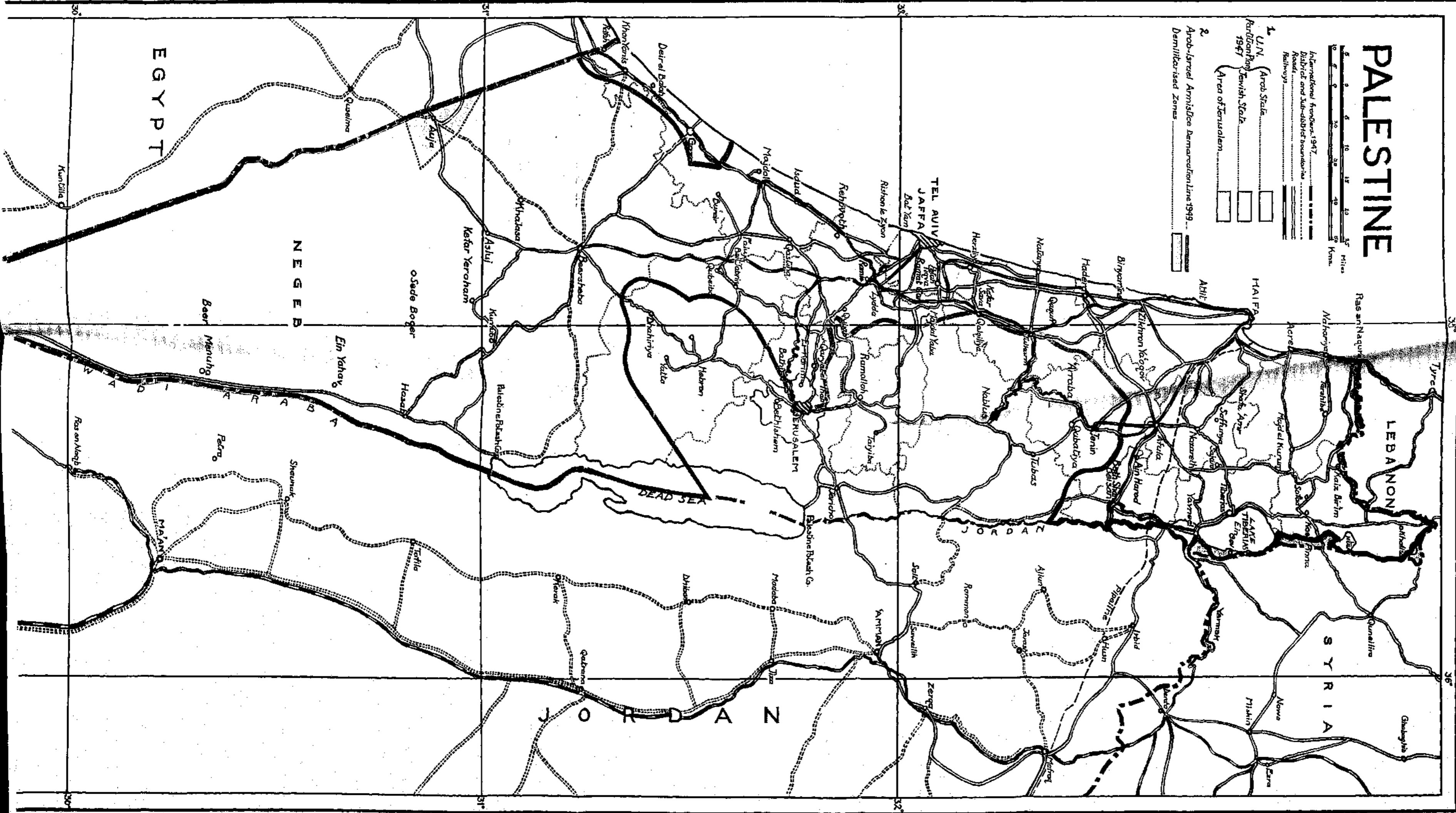
4. The 1949 Armistice lines, which form the present frontiers of Israel, are shown on the attached map. In spite of recurrent border incidents (in which Israel developed the tactic of the retaliatory raid in force in answer to minor provocations) the United Nations supervisory organisation succeeded for several years in preserving an uneasy peace. On the Israel-Egyptian border, however, increasing friction was caused by the infiltration of Egyptian irregulars, Government-supported, bent on sabotage. This led to punitive raids by Israel forces in the Gaza area, and culminated in a full-scale attack on the Egyptian army in the Sinai desert in October 1956. After defeating the Egyptians, the Israelis withdrew, under strong United Nations and United States pressure, to the 1949 Armistice lines.

5. For the past eighteen months a small international United Nations Emergency Force, created after the Suez crisis, has kept watch on the Israeli-Egyptian frontier, and the frontiers in general have remained in a state of uneasy truce. Shooting incidents take place continuously, but are not noticeably on the increase.

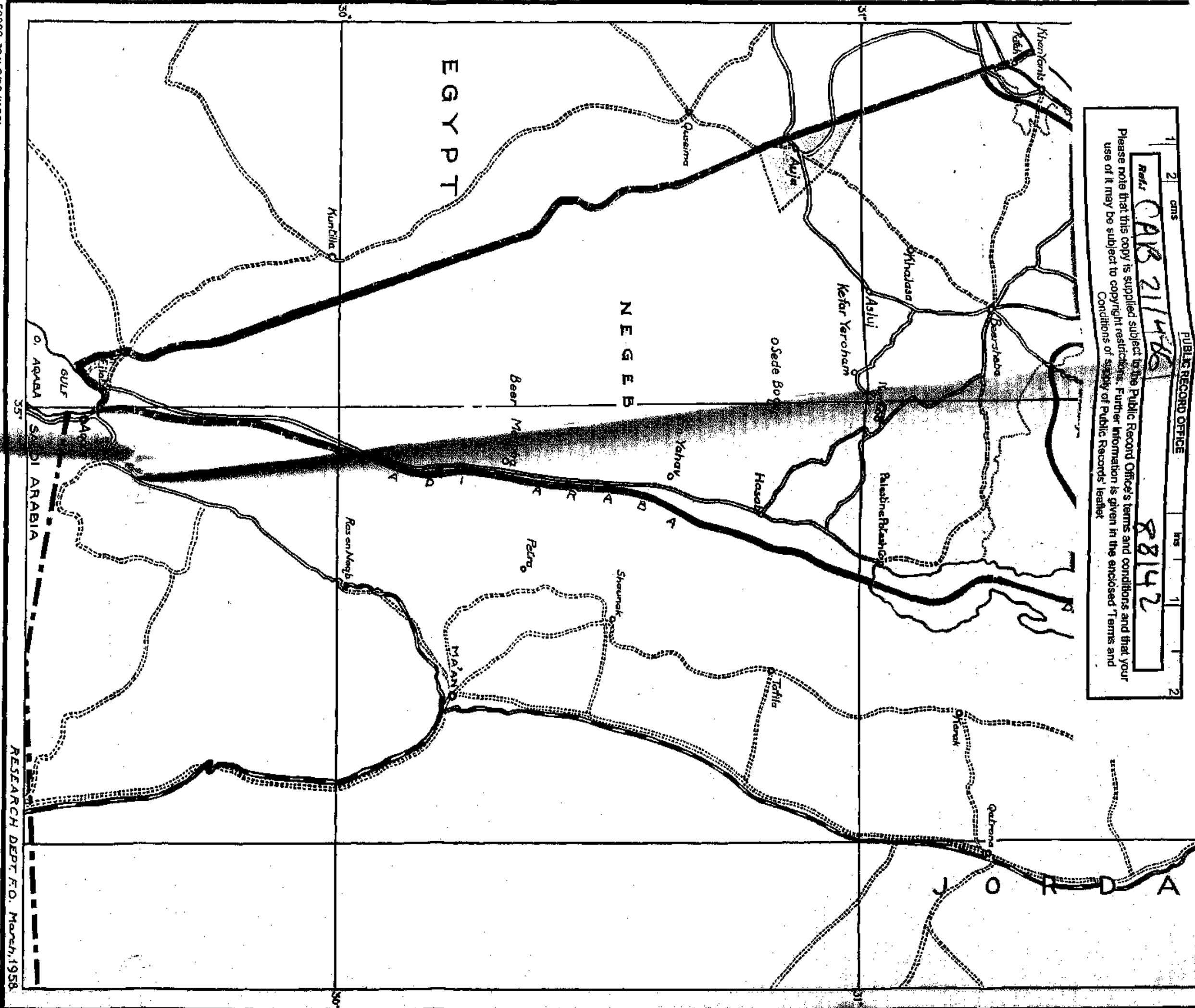
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