

7. Compensation is a thorny subject. While we are pressing the Israelis for payment to Arabs for property left behind in Israel, we must temper our moves with these considerations in the background:

(1) Israel cannot, for lack of funds, make any really substantial payments in the reasonably near future.

(2) The U.S. can hardly be expected to pay compensation for Israel over and above resettlement costs through UNRWA, and even if the US does so, the political effect of compensation would be neutralized if it were clear that the burden did not fall on Israel.

(3) Estimates of PCC experts indicate that on any reasonable estimates of total compensation, over half the refugees would receive little benefit, certainly not enough to reestablish their livelihood elsewhere. Contrarywise, a small group would probably be entitled to very substantial sums per capita.

No. 500

357.AC/10-952: Telegram

*The Ambassador in Israel (Davis) to the Department of State*¹

CONFIDENTIAL PRIORITY TEL AVIV, October 9, 1952—5 p. m.

569. Embtels 438,² 542,³ 551.⁴ Gen Riley advises Israel Govt has not yet complied with his request re Mt. Scopus and has taken no position on subj in any communication to him. He believes disagreement may lie in his interpretation of July 7, 1948 agreement to effect UN observer is in command of demil zone Mt. Scopus, and in his view, validity maps dated June 16, July 7, and July 21, 1948 in delimiting demil zone.

He states sitn becoming increasingly embarrassing and fears continued failure IG comply with his requests may oblige him to

¹ Repeated to Amman, London, Paris, and Jerusalem (for Riley).

² Telegram 438 from Tel Aviv, Sept. 15, described General Riley's allegations of Israel's failure to comply, in the Demilitarized Zone of Mount Scopus, with his requests of Aug. 17 in accordance with the Mount Scopus Agreement of July 7, 1948. Riley requested the withdrawal of a check post, the elimination of an observation post, the filling in of semi-foxholes and slit trenches, and the destruction of a suspected mine field. (357.AC/9-1552)

³ In telegram 542 from Tel Aviv, Oct. 6, Ambassador Davis reported in part that the British Foreign Office, concerned with a potentially explosive situation, had asked the British Ambassador to assess jointly with the French Chargé and Davis (1) Israel's case for her present attitude, and (2) the arguments for and against tripartite representation before the situation got out of hand. (357.AC/10-652)

⁴ In telegram 551, Oct. 7, Davis reported that he had met on Oct. 6 with the British Ambassador and French Chargé to discuss the alleged failure of the Israeli authorities to comply with Riley's request. (357.AC/10-752)