

No. 523

320.2 AA/11-2152 Telegram

*The Chargé in Israel (Russell) to the Department of State*¹

SECRET PRIORITY TEL AVIV, November 21, 1952—6 p. m.

836. Deptel 517.² Called on FonMin this morning and asked for info requested in paras 1 and 2 ref tel. Said believed repatriation may be raised in GA and Dept considering realistic approach. Said we consider any large scale return refugees out of question and solution must be based on resettlement of most refugees in Arab states. However their continued plight can be used as means keeping feelings inflamed and preventing real progress toward peace. IG therefore may consider permitting return certain number, particularly farmers to terraced agricultural areas. Consider action by Israel toward limited repatriation wld advance prospects of other peace measures and show Israel's desire carry out spirit UN res 1948. As closely related problem wish inquire whether IG has plan paying compensation to refugees who do not return. Compensation affected by boycott and continuation of boycott affected by refugee situation. Particular refugees shld not have both compensation and repatriation but IG shld provide alternative and larger number of refugees less the amt of compensation. If repatriation issue raised, need for definite plan of compensation acute.

On possible repatriation of small number refugees FonMin said taker. aback by suggestion, had not heard it for a long time, had thought it common ground that solution lay in resettlement and compensation; if not common ground then regretted but position Israel firmly fixed; no useful purposes served by increasing number Arabs in Israel; wld intensify problem that lead to fighting; Arab population stabilized at 170,000 more wld increase fifth column and explosive neighborhood relations all cases in history of movement of population was result of war or upheaval and no instance of any return such populations to original area; even if Arab farmers brought in cultivate terraced areas it wld require new villages in midst existing Jewish villages.

On compensation FonMin referred to previous agreement in principle. Said working toward assessment of amts due individuals but big problem is payment. Israel treas does not yet know where will get funds payment unblocked Arab accounts. No plans for

¹ Repeated to New York, London, Paris, Ankara, Amman, Beirut, Baghdad, Cairo, Damascus, and Jidda.

² *Supra.*