

No. 648

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*Memorandum by the Deputy Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Jernegan) to the Secretary of State*¹

TOP SECRET

[WASHINGTON,] August 10, 1953.

Subject: Need for Early Diplomatic Initiative by U.S. Government re Arab Refugees and Related Palestine Issues.

Discussion:

The attached memorandum (Tab A) sets forth at considerable length outstanding problems in Palestine and a specific course of action in connection with the Arab refugee program. We believe that:

(1) We should take the initiative at this time in moving toward partial solutions to the Palestine problem and should anticipate Israel's diplomatic moves on an Israeli "Peace Plan" which would probably not be fruitful. We must discuss with Israel and the Arabs the question of economic use of water in the Jordan Valley. We should take action before the 8th Session of the General Assembly, and should be prepared to discuss at least the refugee aspect of the Palestine question at the Assembly. The UNRWA program and its continuation must in any case be considered at that time.

(2) The most urgent issue in the Palestine case, and one requiring top level consideration, is the progress of UNRWA. The U.N. and the Arabs have a strong moral case in demanding action looking to rehabilitation of the Arab refugees in Israel if rehabilitation is also to occur in the Arab States. The recent report of the Near East Subcommittee of the Senate, attached as Tab C,² is especially helpful in this connection. This report chides Jews, Arabs, and the U.N., for lack of progress, and suggests that the specific problem of the waters of the Jordan River should be tackled forthwith.

(3) We now have an authoritative basis in a study³ financed by UNRWA and conducted by TVA to consider economic division of the waters of the Jordan as between Israel and the Kingdom of Jordan, and an evaluation of the engineering factors which leads to the conclusion that on economic grounds we can save as much as \$60 million by making use of Lake Tiberias as a storage reservoir rather than creating an artificial reservoir on the Yarmuk River. This undertaking is considered to be politically impossible, unless we can arrange boundary adjustments which would, in the words

¹ Sent through the Executive Secretariat.

² *Palestine Refugee Problem: Report of the Subcommittee on the Near East and Africa, Foreign Relations Committee, on The Problems of Arab Refugees from Palestine.* 83d Cong., 1st sess., Committee Print. Washington, U.S. Government Printing Office, 1953. Not printed here.

³ See footnote 2, Document 604.