

No. 834

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SECRET

CAIRO, June 17, 1954—1 p. m.

1564. From Johnston.

1. Discussions with Arab committee which started June 13, recessed evening June 16, with confidential agreement they be resumed in Cairo June 24, upon my return from Tel Aviv. Atmosphere has been most cordial throughout. Talks opened with review by Arabs and presentation of Arab plan. I replied by indicating areas of agreement, disagreement and uncertainty between Arab and unified plans. Remaining sessions devoted efforts reconcile two plans.

2. Final session consideration was given to four crucial points in attempt achieve agreement in principle.

a. Allocation of water. It was generally agreed that the quantities of water allocated to the four riparian states would approximate those indicated in unified plan. Adjustments will be made to meet needs of Lebanon on Hasbani and of Syria at Banias, Boteiha, and Yarmuk Plateau as indicated in Arab plan.

b. Use of water outside of watershed. I sought Arab agreement in principle to proposition that once allocations of water had been made, they could be used in places and for purposes determined by the states to which allotted. I insisted that unless I could assure Israel that she would get as much water as provided in the unified plan, and that she could then use it on coastal plain or elsewhere, there was no hope at all of Israel agreement. Consequences would be perilous to all concerned. Arabs continue officially to adhere firmly to position that water must be used in the basin with no export to other areas. Their overt postures could not appear more intransigent. We have had private indications from committee members and top Egyptians, however, that Arabs might give ground on this point if Israel accepts other elements of unified development proposals. There is evidence Arabs feel necessity remain tough on this point now in order enhance their bargaining position vis-à-vis Israel.

c. Storage on Yarmuk. Committee pressed for maximum storage on Yarmuk with only flood waters going into Tiberias. Stated such storage on Yarmuk was essential HKJ security since otherwise

¹ Repeated to Beirut, Damascus, Amman, Tel Aviv, London, Paris, Baghdad, and Jidda.