

Negotiating Committee for Extra-Budgetary Funds, without prejudice to review each year by the General Assembly;

8. *Requests* the Negotiating Committee for Extra-Budgetary Funds, after receipt of such budgets from the Director of UNRWA, to seek such funds as may be required by the Agency;

9. *Appeals* to the Governments of Member and non-Member States to make voluntary contributions to the extent necessary to carry through to fulfilment the Agency's programmes, and thanks the numerous religious, charitable and humanitarian organizations for their valuable and continuing work in assisting the refugees;

10. *Requests* the Director to continue to submit the reports referred to in paragraph 21 of resolution 302 (IV), as well as the annual budgets.

No. 927

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Memorandum of Conversation, by the Politico-Economic Adviser in the Bureau of Near Eastern, South Asian, and African Affairs (Gardiner)

SECRET

WASHINGTON, December 9, 1954.

Subject: Palestine Refugee Problems

Participants: The Secretary

Mr. Labouisse, Director of UNRWA

Mr. Gardiner, NEA

Mr. Labouisse explained the difficult problems of the UNRWA and emphasized the fact that, because of the high birth rate among the refugees, we should anticipate a continuation of a relief burden at about the current level of \$25 million annually for some years to come. He indicated that programs in Sinai and the Jordan Valley would take some years to execute and could hardly serve to provide opportunities for much more than 150,000 of the refugee population. For the remainder, the best prospect lay in Syria and Iraq. It is impossible for a mass movement of refugees to go to these two countries which are unprepared both in their attitudes and in their resources to accept large scale refugee migration.

To break down Arab resistance, Mr. Labouisse suggested that the best approach would be some concessions on the part of Israel by (1) a token repatriation of refugees in certain areas of Israel (particularly in areas of Galilee not marked out for Israel under the Partition) and (2) the payment by the Israelis of substantial compensation which could only be done if Israel received a loan from