Sent: Wednesday, May 07, 2008 7:41 AM

Subject: NSU- Refugees: number of returns to Israel

Importance: High

1- As indicated in my previous e-mail (please see below), the NSU has commissioned a demographer to study in more detail Israel's capacity to absorb potential Palestinian "returnees".

The expert has just provided us with his first draft which sets different projection scenarios for the returns, and estimates their consequences on Israeli demographics. Even if some more work still needs to be done on the study, we think some of its findings can be already used in the scope of the discussions between President Abu Mazen and PM E. Olmert on the issue and/or be presented to the US Administration

The main conclusion is that Israel's concerns relating to the impact of Palestinian returns on its demographics is largely irrational. Our consultant worked in particular on two scenarios which prove that the return of several hundred thousands Palestinian refugees to Israel would not substantially impact Israel's Jewish majority, even in the long term:

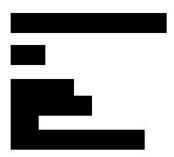
- A) A first scenario is based on Israel's average past immigration rates (41,000 immigrants per year from 1948 to 2007). If one assumes that 41,000 Palestinian refugees would return annually to Israel during 15 years, (therefore replacing during this limited timeframe Israel's "normal" stream of immigrants), a total number of 600,000 Palestinian refugees would return. In such case, the number of Palestinians in Israel would increase in percentage from 16.7% to 26.6% of the overall Israeli population. Therefore, if Palestinian refugees are allowed to return during a limited timeframe of 15 years on the basis of Israel's historic immigration rates, $3/4^{th}$ of Israel's population would remain Jewish.
- B) A second scenario considers that a selective number of refugees entitled to return would effectively return to Israel. Our consultant took into account a figure of 2,000,000 effective returns. His conclusion is that, in this scenario, the overall Palestinian group in Israel would reach, in 50 years, 35.7% of the Israeli population. Therefore, with the return of 2,000,000 Palestinian refugees, 2/3rd of Israel's population would remain Jewish.

Please note that these scenarios do not take into account the possible continuation of Jewish immigration during the relevant time periods. The figures obtained are therefore conservative and it is likely that the percentages of Palestinians in the Israeli total population would be even lower than the ones indicated above.

I stay available to provide you with more details on this matter and discuss the best way to use this work in the scope of the ongoing talks with Israel. I would also be very pleased to provide you with a first briefing on refugees at your best convenience.

Do you think that it would be possible to schedule a date for such a meeting in the course of next week?

I thank you in advance for you answer.



Sent: Tuesday, April 15, 2008 5:59 PM

Subject: Re: NSU- Refugees

ok let us prepare . i will review every thing before release



As you know, the 'Nakba' will be commemorated for the 60th time on the 15th May (just a month from now).

In the coming weeks, it is therefore very likely that Palestinian civil society, as well as the international community, will inquire after the Palestinian leadership's position and expectations on the refugee issue, especially in the scope of the ongoing Annapolis process.

In this regard, I thought you might want to consider the following suggestions:

- 1- With your permission and guidance, the NSU could prepare a press release on the refugee issue for your review. It could be published when you find it appropriate.
- 2- Before the beginning of May, if your agenda permit, it would be useful to organize two briefings (of 30/40 mn each) for yourself and Abu Alaa. The purpose of these briefings would be to present our work on the international mechanism (1st meeting) and refugee compensation (2nd), and discuss the best way to use it in the scope of the negotiations.
- 3- In addition, we have to determine what communication strategy would suit the best to reinforce the Palestinian negotiation position in this matter.

For instance, as to refugee compensation, the figure we arrive at for all property damages suffered by 1948 refugees is around USD 280 billion. This figure does not include a valuation of refugee non-material damages, to which they are also entitled (this relates to their suffering caused by their longstanding displacement and dispossession).

However, this number is already far beyond the estimates which were put forward in the past. In addition, underestimated valuations based on superficial studies are currently circulating (in

particular via the Aix group): the attention they are getting in diplomatic circles or in the media may undermine our position in the future because they preempt more just and full numbers.

Therefore, you may want to consider soon whether you wish to disclose publicly the results of our analysis or not.

4- Finally, and just for information purposes at this stage: considering the status of the talks between President Abu Mazen and PM Olmert on the number of Palestinian returns to Israel, we have recently asked an expert to work on demographic projections of the Israeli population (and its Jewish and Arab components) which will take into account various scenarios for the returns. Our objective is to try to assess rationally Israel's absorption capacity on the basis of its past immigration figures and demographic realities. It is too early to indicate whether this study will be able to prove whether Israel's absorption capacity is much higher than what Israeli irrational reactions on the topic might suggest. In any case, I will come back to you as soon as this study is available. Since it requires substantial work from the demographer, it will not be delivered to us before the course of May.

I hope this is helpful and remain available to discuss these points with you.

