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AD HOC COMMITTEE ON PALESTINE QUESTION
SUBCOMMITTEE 1
23rd Meeting

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14 November 1947 (Night)

PALESTINE COMMITTEE 1 - 14 NOVEMBER (Night)

Subcommittee 1 of the Ad Hoc Committee on the Palestinian Question met at Lake Success tonight to consider the matters of the Division of Joint Revenues and that part of the UNSCOP Majority Report dealing with Citizenship in the proposed Jewish and Arab States.

The Subcommittee received copies of four alternative texts for the paragraph in the UNSCOP Majority Report respecting the Division of Customs Revenue. These included a text by Dr. Garcia Granados of Guatemala, one by the Jewish Agency, an alternative text by Dr. Granados and one based on Dr. Granados' report and recommended by Mr. Riedman, Economist of the United Nations Secretariat and by the Jewish Agency.

Mr. Riedman explained the proposal recommended by him, and added that the proposal was weighted slightly in favor of the Arab State insofar as the Jewish State, through immigration, expects to build up a greater import business than that expected in the proposed Arab State. He said the basis of this was to enable the States, and in particular the Arab State, to maintain essential services at the same level as during the Mandate.

The United States Delegation went on record as favoring an equal distribution of revenue, but opposing this "weighting" as a limited subsidy to the Arab State, which, the Delegation considered, would be out of keeping with the equal and joint economic development proposed in the Economic Union.

The text of the proposal recommended by Mr. Riedman and the Jewish Agency reads:

"After these obligations have been met in full, the surplus revenue from the customs and other common services shall be divided in the following manner: not less than 5% and not more than 10% to the City of Jerusalem; and the residue shall be allocated to each State by the Joint Economic Board equally except that the share of either State shall not exceed the amount of that State's contribution to the revenues of the Economic Union by more than

(More)

approximately four million pounds in any year. The amount granted may be adjusted by the Board according to the price level in relation to the prices prevailing at the time of the establishment of the Union. After five years, the principles of the distribution of the joint revenue shall be revised by the Joint Economic Board on a basis of equity."

The United States Representative reserved the position of his Delegation, in the event the text submitted by Dr. Granados was not accepted.

The Czechoslovakian Delegate, Dr. Karel Lisicky, then suggested that Dr. Granados' original proposal be combined with that of his alternative text for consideration.

Without reaching a decision, the Subcommittee then turned its attention toward citizenship requirements in the two proposed states. A change suggested by Professor Enrique Rodriguez Fabregat (Uruguay) in the UNSCOI text was submitted and a long discussion followed. Professor Fabregat said his text was a modification of a United States proposal, and a conciliatory proposal between that of the United States and the one appearing in the UNSCOI Majority Report.

Guatemala, the USSR and the Jewish Agency declared themselves in favor of the original text. One section of the text proposed by the Representative of Uruguay, allowing a person over 18 years of age to opt within one year for citizenship in the other state on condition that he would move to the preferred state within a year unless granted special permission, was deleted. Another sentence was also deleted which provided that the state of residence might authorize persons who had opted for citizenship in another state to remain in its own Territory for an additional period of two years.

At the close of the meeting, Dr. Garcia Granados spoke on international conventions and also on financial obligations.

The meeting adjourned shortly before 11 p.m. and will reconvene at Flushing at 11 o'clock tomorrow morning.

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