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**PROGRESS REPORT OF THE
UNITED NATIONS CONCILIATION
COMMISSION FOR PALESTINE**
**Covering the period from 23 January to
19 November 1951**

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N O T E

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PROGRESS REPORT TO THE SECRETARY-GENERAL OF THE UNITED NATIONS

For the period from 23 January to 19 November 1951

A. ACTIVITIES OF THE COMMISSION FROM 23 JANUARY TO 15 JULY 1951

1. Following its return to the Middle East from United Nations Headquarters at the end of January 1951, the Conciliation Commission remained at its headquarters in Jerusalem and maintained its contacts with the governments and authorities concerned.

2. During this period, in the light of the instructions given by the General Assembly to the Commission in resolution 394 (V) of 14 December 1950 and to the United Nations Relief and Works Agency in resolution 393 (V) of 2 December 1950, the Commission maintained close liaison with the Relief and Works Agency. Several meetings were held in Jerusalem and Beirut between the Commission and the Director and Advisory Commission of the Agency, and close contact was maintained between the two bodies at the secretariat level.

3. In conformity with the resolution of the Security Council of 11 August 1949, the Commission maintained liaison with the Chief of Staff of the United Nations Truce Supervision Organization. The Commission kept the Chief of Staff fully informed of its work and was kept fully informed by him of developments concerning the activities of the Truce Supervision Organization. This information was

extremely useful for the Commission in formulating its own plans.

4. On 29 March 1951, the Commission received a letter from the Government of Israel stating that legislation had been enacted earlier that month by the Government of Iraq providing for the seizure of property of Iraqi Jews who had registered for emigration to Israel. The Government of Israel informed the Commission that it had felt compelled to take steps to protect the Jews affected by this legislation and had therefore decided that the value of Jewish property seized in Iraq would be taken into account in the settlement of the obligation assumed in respect of compensation for Arab property abandoned in Israel. The Commission, in acknowledging receipt of the letter, stated that it reserved its right to express at the appropriate time its opinion concerning the questions of competence and substance raised by the letter. At the same time the Commission communicated the letter to the Government of Iraq and also to the Governments of the other Arab States concerned for their information.

5. On 28 April 1951, during his tour of the Middle East, the Secretary-General of the United Nations paid a visit to the Commission's headquarters in Jerusalem. He conferred with the members of the Commission, who discussed with him various aspects of the Commission's task.

6. The Commission's main preoccupation during this period was to complete the organization of the Refugee Office which the Commission had been instructed to establish by the General Assembly resolution of 14 December 1950. This resolution, inter alia, directed the Commission "to establish an office which, under the direction of the Commission, shall:

" (a) Make such arrangements as it may consider necessary for the assessment and payment of compensation in pursuance of paragraph 11 of General Assembly resolution 194 (III);

" (b) Work out such arrangements as may be practicable for the implementation of the other objectives of paragraph 11 of the said resolution;

" (c) Continue consultations with the parties concerned regarding measures for the protection of the rights, property and interests of the refugees".

7. In a letter dated 15 May 1951, the Commission informed the Government of Israel and the Governments of Egypt, Jordan, Lebanon and Syria of the establishment of the Refugee Office. At the same time, the Commission asked to be assured by the Government of Israel that no steps had been taken or would be taken by that Government which might be likely to impair the task with which the Office had been entrusted. No reply was received to that request.

8. The setting up of the Commission's Refugee Office was completed on 22 May 1951 with the arrival in Jerusalem of its Director, Mr. Holger Andersen. The Commission established, with Mr. Andersen, the general lines along which the Refugee Office should function and decided to place at his disposal the three members of the Committee of Experts on Compensation, the establishment of which had been decided by the Commission in October 1950. The staff of the Office was thus composed of a legal expert, an economic expert and a land specialist. The Office established its headquarters in Jerusalem and subsequently held conversations with representatives of the five governments concerned, as well as with spokesmen of the refugees and various experts on questions of Arab property and assets. As a result of these contacts the Refugee Office prepared studies on the basis of which practical arrangements might be made for a solution of the refugee problem.

9. On 1 June, pending the completion of these studies, the Commission suspended its meetings. On 15 July, Mr. Claude de Boisanger, representative of France on the Conciliation Commission, was replaced by Mr. Léon Marchal.

B. CALLING OF THE PARIS CONFERENCE

10. At the end of July the members of the Commission met in special session in Geneva in order to consider the future activities of the Commission. As a result of these deliberations, and in the light of the findings of the Refugee Office, the Commission decided, on the basis of paragraph 1 of the General Assembly resolution of 14 December 1950, to invite the Governments of Egypt, Jordan, Lebanon and Syria and the Government of Israel to discuss with the Commission solutions to the problems outstanding between them.

11. The Commission was aware that during the past three years all its efforts to conciliate the points of view of the two sides within the terms of reference given to it by the General Assembly had failed. During this period of unfruitful discussions, however, the views of the parties had been made abundantly clear. The Commission believed that before reporting to the sixth session of the General Assembly it should attempt to make constructive use of this clarification of views by assuming the mediatory functions specifically given to it by the General Assembly in its resolution 194 (III) of 11 December 1948. Paragraph 2 (a) of that resolution authorized the Commission to assume, in so far, as it considered necessary, the functions given to the United Nations Mediator on Palestine by resolution 186 (S-2) of 14 May 1948. The Commission therefore decided to make one more effort within the framework of its present terms of reference. It was aware that the success of this new attempt would depend on the sincere desire of the parties to arrive at a peaceful settlement and on their willingness to make the necessary concessions towards achieving that end. The Commission also felt that it would be desirable to report fully to the General Assembly during the early stages of its meetings in Paris.

12. The Commission also had in mind the fact, as pointed out in its supplementary report of 23 October 1950, 1/ that the Armistice Agreements are of a purely military character intended to provide a transitional stage between the truce and a final peace, and that it was desirable to consider the revision or amendment of this system. The series of disputes which troubled the armistice lines during the early part of this year further convinced the Commission of the need for a renewed effort to stabilize and normalize the relations between the States concerned by eliminating those differences which have impeded all *rapprochements* during the past three years.

13. On 10 August, the governments concerned were invited to send their representatives to a conference to be held in Paris beginning on 10 September 1951. In its invitation the Commission pointed out that, during the period following the adoption by the General Assembly of its resolution of 14 December 1950, it had continued to seek solutions for problems arising out of the Palestine situation. Pursuant to the General Assembly's directive of 14 December 1950, the Commission had undertaken to carry out the obligation imposed upon it under paragraph 2 of that resolution by creating its Refugee Office for the purpose of making certain practical arrangements for the solution of the refugee problem. The Commission now believed its obligations under paragraph 1 of the resolution of 14 December 1950 should be fulfilled and, accordingly, was ready to make a new effort to lend assistance to the parties in seeking solution of this and other questions outstanding between them. In the course of the proposed discussions, the Commission would be prepared to exercise its mediatory functions by suggesting specific solutions to specific problems for consideration by the parties.

14. The Commission's invitation was accepted by all the governments concerned. In accepting this invitation, the Arab Governments specifically referred to a previous communication (14 April 1950) in which they had already indicated that the Commission, in their opinion, should assume mediatory functions and submit proposals to the parties. They emphasized at the same time that such proposals should implement the resolutions of the United Nations. The Arab Governments also reaffirmed their attitude on the refugee question and called for the implementation of United Nations resolutions concerning the Palestine problem. They once again proclaimed their desire to continue collaborating with the Commission.

15. The Government of Israel, in accepting the Commission's invitation, also reaffirmed its policy of co-operating with the Commission. It pointed out, however, that the achievement of tangible results would depend on the spirit in which the parties entered the conference and suggested that the Commission obtain assurances from them that they accept as the objective of the conference the final settlement of all outstanding questions. The Government of Israel insisted once more on the need for direct negotiations with the Arab States, whether under the auspices of the Commission or not. It also questioned the usefulness of a procedure in which the Commission would submit its own proposals for consideration by the parties.

16. The Commission noted these observations made by the parties but considered that their acceptance of the Commission's invitation constituted acceptance of the Commission's proposed method of procedure which could not be altered by unilateral reservations made by one or the other party. The parties, of course, remained free to reject any of the Commission's proposals during the course of the negotiations.

C. THE PARIS CONFERENCE (13 September to 19 November 1951)

17. The Commission held its first formal meeting with the Arab delegations on the morning of 13 September and with the delegation of Israel in the afternoon of the same day, at the Hôtel de Crillon in Paris. Before embarking on the discussion of the substance of its proposals, the Commission wished to make perfectly clear to the parties the procedure that it intended to follow and the reasons which inspired it to decide on such a procedure. This was done in a statement read by the Chairman at the opening meetings with the delegations.

18. In this statement it was pointed out that in drafting the proposals to be submitted to the delegations, the Commission had been guided by two considerations: fairness and realism. It had tried to take into consideration all the views expressed during the past three years by the parties to the dispute, as well as political, social and economic realities. The Commission was convinced that the Palestine problem must be considered in its entirety, and that its solution must be sought in a fair and realistic spirit of give-and-take.

19. In considering the Palestine problem in its entirety, the Commission was following the guidance given to it by the General Assembly. The Assembly resolution under which the Commission operated--and under which the delegations were co-operating with it--emphasized the general character of the Palestine problem. In drafting its mediatory proposals for discussion in the conference, the Commission had kept in mind that the General Assembly had instructed it to assist the governments and authorities concerned to achieve a final statement of all questions outstanding between them. The same resolution had called upon the parties to the dispute to seek agreement by negotiations with a view to the final settlement of all outstanding questions. It was impossible to miss the meaning of this call and the clear emphasis of the resolution on the interdependence of the various elements of the Palestine problem.

20. In the Chairman's statement it was noted that experience had shown that concentration on one or the other isolated paragraph of the resolution out of context had not helped in the promotion of peace in Palestine. All the elements were necessary, but they were useful only if linked together according to an over-all plan. For example, the resolution instructed the Commission to facilitate the repatriation,

resettlement and rehabilitation of refugees, and that instruction had not been forgotten by the Commission when it drafted the proposals for the conference. Nor had it forgotten the instruction given it in the same resolution, to seek agreements between the governments which would facilitate the economic development of the area, including arrangements for free access to ports and airfields and the use of transportation and communication facilities. On the one hand, it was pointed out, a sound economic development was impossible in an area with hundreds of thousands of homeless people uncertain of the future and of their standing in society. On the other hand, refugees--and non-refugees for that matter--could not be settled securely anywhere in an area badly lacking economic development.

21. The interrelation of all the aspects of the problem was too obvious to be overlooked. The Conciliation Commission had not overlooked this in weighing the mediatory proposals to be placed before the parties. In drafting these proposals, the Commission had considered that any solution of the refugee question would involve important commitments by Israel. But it had also considered that Israel could not be expected to make such commitments unless, at the same time, she received reasonable assurances from her neighbours as to her national and economic security. The solution of the refugee problem proposed by the Commission envisaged the repatriation and integration of some of the refugees in Israel and the resettlement of others in Arab countries. Such undertakings would necessitate the creation of additional land by means of development and irrigation and agreements between the parties on the use of water resources. These agreements would, in turn, involve revisions or extensions in scope of existing Armistice Agreements, as well as appropriate economic arrangements.

22. In the Chairman's statement it was further pointed out that no constructive progress towards a solution of existing problems would be possible unless all the parties to the dispute, at the outset of the discussions, expressed their determination to respect each other's right to security and freedom from attack, to refrain from warlike or hostile acts against one another, and to promote the return of permanent peace in Palestine.

D. THE COMMISSION'S COMPREHENSIVE PATTERN OF PROPOSALS

23. On the basis of the considerations set forth by the Chairman in his opening statement, the Commission presented a comprehensive pattern of proposals to the parties for their consideration. These proposals were submitted to the Arab delegations on 17 September and to the delegation of Israel on 21 September. The discussion of the proposals was to be preceded by a declaration of pacific intentions by the parties which, it was suggested, should take the form of a preamble. The text of the Commission's preamble and proposals reads as follows:

"Preamble

"In accordance with the obligations of States Members of the United Nations and of signatories to Armistice Agreements, the Governments of Egypt, Jordan, Lebanon and Syria and the Government of Israel solemnly affirm their intention and undertake to settle all differences, present or future, solely by resort to pacific procedures, refraining from any use of force or acts of hostility, with full respect for the right of each party to security and freedom from fear of attack, and by these means to promote the return of peace in Palestine.

"Proposals

"1. That an agreement be reached concerning war damages arising out of the hostilities of 1948, such an agreement to include, in the Commission's opinion, mutual cancellation of such claims by the Governments of Egypt, Jordan, Lebanon and Syria and the Government of Israel;

"2. That the Government of Israel agree to the repatriation of a specified number of Arab refugees in categories which can be integrated into the economy of the State of Israel and who wish to return and live in peace with their neighbours;

"3. That the Government of Israel accept the obligation to pay, as compensation for property abandoned by those refugees not repatriated, a global sum based upon the evaluation arrived at by the Commission's Refugee Office; that a payment plan, taking into consideration the Government of Israel's ability to pay, be set up by a special committee of economic and financial experts to be established by a United Nations trustee through whom payment of individual claims for compensation would be made;

"4. That the Governments of Egypt, Jordan, Lebanon and Syria and the Government of Israel agree upon the mutual release of all blocked bank accounts and to make them payable in pounds sterling;

"5. That the Government of Israel and the Governments of Egypt, Jordan, Lebanon and Syria agree to consider, under United Nations auspices, and in the light of the experience gained during the past three years, the revision or amendment of the Armistice Agreements between them, especially with regard to the following questions:

"(a) Territorial adjustments, including demilitarized zones;

"(b) The creation of an international water authority to deal with the problems of the use of the Jordan and Yarmuk Rivers and their tributaries, as well as the waters of Lake Tiberias;

"(c) The disposition of the Gaza strip.

"(d) The creation of a free port at Haifa;

"(e) Border regulations between Israel and her neighbours with special attention to the need for free access to the Holy Places in the Jerusalem area, including Bethlehem;

"(f) Health, narcotics and contraband control along the demarcation lines;

"(g) Arrangements which will facilitate the economic development of the area: resumption of communications and economic relations between Israel and her neighbours."

24. The Commission believed, as has been pointed out by the Chairman in his opening statement, that the Palestine problem must be considered in its entirety and its resolution sought in a fair and realistic spirit of give-and-take and that no question of priority of discussion should arise and hamper the negotiations. Therefore the Commission clearly indicated that its proposals constituted a comprehensive pattern, all parts of which should be freely discussed. However, the Commission considered that a previous statement by the parties of their pacific intentions and their determination to promote the return of peace in Palestine would create an atmosphere favourable to the discussion of the Commission's proposals.

25. In formulating the five proposals which constitute in its opinion a balance whole, the Commission based itself on its experience of the Palestine question acquired during three years of dealing with this problem in its various ramifications. The Commission also depended to a considerable degree on the studies prepared for it by the Refugee Office. The proposals were formulated in a manner intended to conform both to the various directives of the Assembly and to the practical requirements of the situation. The Commission considered that solution of the questions included in its proposals would have eliminated the principal obstacles in the way of a final settlement of the Palestine problem and would have paved the way for the revision of the Armistice Agreements, tending to render them more extensive in scope and stable in character.

26. In connexion with point 1 of its proposals, regarding war damages, the Commission gave careful consideration to the principles of international law bearing upon such war damage claims. An effort to determine such claims between the parties engaged in the Palestine hostilities of 1948 on the basis of violations of rules of international law would, in the Commission's opinion, have led to no practical result.

Charges by one side that the other has committed acts contrary to the law of war are generally countered by the defence that the alleged violations took place as the natural result of the hostilities. Such charges in the present instance would have led the negotiations along a path further removed from a peaceful settlement. Likewise, it either side were to present war damage claims based upon the contention that the other must accept the responsibility for the outbreak of the hostilities, and has therefore a duty to compensate the claimant State for losses borne by itself and its nationals, the Commission believed that a political debate would have ensued which would again have postponed and possibly jeopardized the solution of the Palestine problem. Any attempt to go back to the origin of the conflict in order to determine the responsibility for the outbreak of the hostilities would have been, in the Commission's opinion, a step backwards.

27. While throughout history there have been precedents for the exactions of reparations following armed conflict between States, there have been other instances where, in the interests of lasting peace, claims for war damages have been mutually waived by those States legally entitled to assert such claims for damages borne by them or their nationals. The Commission considered that in the present instance a mutual waiver of war damage claims would be consonant with the general principles and purposes of the United Nations.

Therefore, the Conciliation Commission urged the parties to agree to a mutual cancellation of their claims for damages arising out of the hostilities of 1948.

28. In submitting its proposals on repatriation (point 2), the Commission was aware that the first difficulty confronting anyone seeking a solution of the refugee problem is that of co-ordinating the wishes of the refugees themselves with the practical possibilities of any proposed solution; for these two aspects of the question are interdependent and mutually affect each other. The concrete conditions of repatriation and resettlement would undoubtedly influence the wishes of the refugees, and the expression of these wishes would in turn determine the extent of any repatriation plan.

29. When, in 1948, the General Assembly first resolved that the refugees should be permitted to return to their homes, the land and houses which these people had abandoned in their flight were considered to be still, for the most part, intact and unoccupied. The operation involved in their return did not, therefore, present any very great difficulties; all that would have been necessary was for those refugees who wished to do so to undertake the journey of return and resume their uninterrupted lives, perhaps with a little financial assistance from the international community. It was this kind of movement of return that the Conciliation Commission was instructed to facilitate.

30. For reasons that were beyond the Commission's task of facilitation, this movement did not come to pass. The respective attitudes of the parties on this matter--attitudes which produced a complete deadlock as regards the refugee question--are well known. The Arab States insisted upon a prior solution of the refugee question, at least in principle, before agreeing to discuss other outstanding issues. In

their opinion, a solution of the refugee problem could be reached only as a result of unconditional acceptance by Israel of the right of refugees to be repatriated. Israel, on the other hand, has maintained that no solution of the refugee question involving repatriation could be envisaged outside the framework of an overall settlement. As regards the right of the refugees to return, Israel refused to accept a principle that might involve her in a repatriation operation of unknown extent.

31. The Commission has been unable to conciliate these two points of view.

32. The physical conditions, moreover, have changed considerably since 1948. The areas from which the refugees came are no longer vacant, and any movement of return would have to be carefully worked out and executed with the active co-operation of the Government of Israel. Therefore it is indispensable that this Government should have definite, concrete figures on which to work, so that it can integrate plans of repatriation into its own economy. On the other hand, it is equally necessary that the refugees who opt to return do so in the full knowledge of the actual conditions under which they would be repatriated. The Commission believes that the fulfilment of these two requirements is paramount in any settlement of the refugee question.

33. In presenting to the parties its proposal on repatriation, the Commission believed that consideration must be given to the refugees' choice and the expressed intention of those choosing to return to live at peace with their neighbours; and to the possibilities of the integration of the returning refugees into the national life of Israel. The Commission proposed therefore to pursue with Israel the consideration of methods for the determination of the number of refugees that can be repatriated with these criteria in mind.

34. The Commission was fully aware that, in submitting a practicable proposal for the repatriation of refugees, any such concrete proposal might be interpreted as departing from the strict letter of paragraph 11 of the General Assembly resolution 194 (III) of 11 December 1948. On the other hand, the Commission's proposals could only be successful if both parties, having the best interests of the refugees in mind, were willing to depart from their original positions in order to make possible practical and realistic arrangements towards the solution of the refugee problem.

35. Before making its third proposal (point 3), relating to the payment of compensation, the Commission had undertaken to estimate the value of property abandoned by Arab refugees. The Commission's Refugee Office prepared this evaluation (annex A) in accordance with the General Assembly's resolution of 14 December 1950.

36. The Office estimated that the extent of the land abandoned by Arab refugees is 16,324 square kilometres, of which 4,574 square kilometres are cultivable. The demilitarized areas and the Jerusalem no man's land were not included in this estimate. The term "land" denoted immovable property; buildings and trees were regarded as an integral part of the soil on which they stand and valued together with it. The Office estimated the total value of this abandoned land at 100 million Palestine pounds, made up as follows:

	<i>Palestine pounds</i>
Rural lands	69,500,000
Urban lands, excluding Jerusalem	21,500,000
Jerusalem lands	<u>9,000,000</u>
Total	100,000,000

37. This estimate of immovable property was based on the value of the land for its existing use, as measured by the revenue which it would produce. In estimating the revenue, due regard was paid to the Urban and Rural Property Tax assessments, suitably adjusted to allow for the increase in value between the date of assessment and 29 November 1947, which was adopted as the date of valuation. Regard was also paid to the opinions of experts which experience of conditions in Palestine during the last years of the Mandate. No account was taken of potential development value, except in the case of development value which can be ascribed to the normal growth of towns. No value was placed on uncultivable land outside urban areas.

38. In approaching the problem of making a global valuation of Arab refugee movable property, the Commission's Refugee Office came to the conclusion that it was unable to make a valuation of all such property since some categories of movable property do not lend themselves to a global evaluation and since the Office had no means of knowing what property the refugees took with them and what they left behind. It therefore confined itself to an attempt to estimate the approximate value of the movable property which belonged to the refugees before their exodus. The Office took into account the following items of property: industrial equipment, commercial stocks, motor vehicles, agricultural equipment and livestock and household effects. The Office made preliminary calculations based on the following three methods, with a view to comparing the results obtained: 2/ (a) a percentage of the value of abandoned Arab immovable property, applying percentages used at the time of the Turkish-Greek exchange of populations in the case of predominantly rural and predominantly urban populations. The calculation in the case of Arab refugee rural and urban populations gave a total of £P21,570,000; (b) a percentage of the national income of the Arab population of Palestine under the Mandate. It was considered that this should be 40 per cent, and the proportionate figure in the case of movable property belonging to the refugee population was £P18,600,000; (c) the aggregate value of the various categories of movable property owned by Arabs under the Mandate. The proportion of this total representing the refugee property gave a figure of £P19,100,000.

39. In view of the fact that these three estimates, arrived at by entirely different methods, approximate each other so closely, the Commission considers that the approximate global value of the movable property belonging to the refugees before their exodus is in the neighbourhood of £20,000,000.

40. The Commission considered that the Palestine pound should be reckoned as equivalent to the pound sterling and that the rate of converting the pound sterling to dollars or to any other currency should be the rate in force at the date of payment.

41. The Office's evaluation of abandoned Arab property was based on the territorial situation as defined by the Armistice Agreements and on the geographical situation of the refugees at the time the estimate was made. The question of the estimated value of the proportion of movable property which the refugees were able to take with them and of the value of those categories of movable property which do not lend themselves to global evaluation remain subjects for further examination between the parties concerned. With these reservations, the Commission held that the sum representing the value of abandoned Arab property, both movable and immovable, constituted a debt by the Government of Israel to the refugees. Although the amount of compensation had been estimated on a global basis, the Commission considered that disbursement should in all cases be made to individual refugee property owners. It therefore believed that on the basis of the value of abandoned Arab property as estimated by the Refugee Office, the Government of Israel should, as a first step, obligate itself to pay this sum of money as compensation for property abandoned by Arab refugees who are not repatriated.

42. In view of Israel's economic situation, there can be no expectation that the Government of Israel could pay its full debt except over a long period of years. Payment on such a protracted basis would be useless to the refugees. The Commission therefore considered that after Israel had obligated itself to pay the sum due, procedures should be agreed upon for providing the funds and for their disbursement. In working out these procedures, Israel's ability to raise the funds would have to be taken into consideration. In this connexion the Commission had in mind the appointment of a United Nations trustee through whom individual payments would be made and who would be assisted by a group of economic and financial experts charged with the plan of elaborating the details of a payment plan. The relevant studies prepared by the Commission's Refugee Office would be made available to these experts for their information.

43. The question of blocked accounts, which formed the subject of point 3 of the Commission's comprehensive proposals, has been the subject of negotiations between the Commission and the parties since June 1949. In August 1949, a special Mixed Committee of two experts, one appointed by the Arab Governments and the other appointed by the Government of Israel, was established under the chairmanship of a representative of the Commission. These negotiations were not productive. Efforts to arrive at a formula for partial release of Arab bank accounts blocked in Israel were unsuccessful.

44. In the case of blocked accounts, the ownership, the identity of the owners and the amount of each account are established. In this regard there are no questions for negotiation and under these conditions payment to the individual owners of the accounts can be readily affected. The Commission therefore proposed the mutual release of blocked accounts in their total amounts in a currency equivalent to that of the original accounts and readily convertible. The Commission considered that an agreement in this sense would contribute to the well-being of the refugees and would be a step in the development of peaceful relations.

45. The Commission's intention in submitting point 5 of its proposals, with regard to the revision or amendment of the Armistice Agreements, was to obtain the agreement of Israel and Egypt, Jordan, Lebanon and Syria to negotiate, at a time and place to be determined, the revision or amendment of their respective Armistice Agreements or the conclusion of additional agreements. The Commission listed certain questions in this proposal which, in its opinion, might be usefully included in the respective agenda for such negotiations.

46. Nothing in this explanation of the Commission's fifth proposal was to be taken to mean that, if agreement to enter into such discussions were promptly reached by the parties, the actual negotiations could not take place immediately.

47. After the Commission's proposals had been submitted to the parties, the Arab delegations raised questions concerning the Commission's structure and mediatory functions as well as the principles underlying its mediatory proposals. They questioned whether the Commission should be considered as a body composed of representatives of governments or of representatives of the United Nations. In connexion with the mediatory proposals submitted by the Commission, they indicated that, as regards those points on which the Assembly had taken decisions, the Commission's task was simply one of implementation and that it was exceeding its mandate in submitting proposals that would involve the reopening of discussions of points which had already been the subject of decisions. In their view, resolution 194 (III) left the Commission no discretionary powers in carrying out its task, particularly with regard to the compensation and repatriation of refugees.

48. In reply, the Commission pointed out that the Conciliation Commission is a body composed of three States, under instruction by the General Assembly to assist the governments and authorities concerned to achieve a final settlement of all questions outstanding between them. The Commission as a body functions under instructions from the General Assembly. The representatives of the three States receive their instructions from their respective governments.

49. It was further pointed out that the terms of reference and the powers of the Commission were defined in resolution 194 (III) and subsequent resolutions. The Commission had no authority to assume any

functions or powers beyond those assigned to it by the General Assembly. By resolution 194 (III) the Commission had been given the primary mandate "to take steps to assist the governments and authorities concerned to achieve a final settlement of all questions outstanding between them". In entrusting the Commission with this responsibility, the Assembly had purposely refrained from restricting the Commission's authority within narrow limits. On the contrary, the Assembly expected the Commission to exercise its judgment as to the best ways and means to be adopted in facilitating the return of peace in Palestine and had instructed it to assume, in so far as it considered necessary, the functions given to the United Nations Mediator on Palestine.

50. Particularly in its mediatory role, the Commission had not only the right but the duty to make realistic give-and-take proposals on all outstanding questions--those which had been the subject of specific General Assembly recommendations as well as those which had not. In drawing up the comprehensive pattern of proposals which it had submitted to the parties, the Commission had not held itself aloof from the relevant resolutions of the General Assembly. It had carefully designed the proposals as a means by which the spirit of these resolutions could be implemented in the best interests of all concerned: the Arab States, the State of Israel, the refugees and the world community.

51. During a meeting held on 25 September with the Arab delegations, the Commission once more explained the reasons for considering that its pattern of proposals should be preceded by a non-aggression declaration in the form of the proposed preamble. In the light of these explanations it asked the delegations to consider and accept the preamble so that it would be possible to proceed to the discussion of the proposals.

52. The Arab delegations reaffirmed their peaceful intentions, and declared that they regarded the Armistice Agreements as constituting valid, continuing non-aggression pacts beyond which they considered it unnecessary to go. The four Arab delegations were unable to associate themselves with the text suggested by the Commission in its preamble. They later submitted a text of their own in which they assured the Conciliation Commission of their desire to promote the establishment of an atmosphere necessary for continuance of the Commission's work and to facilitate the pacific settlement of the Palestine problem.

53. On 21 September, in reply to the Chairman's opening statement, the delegation of Israel informed the Commission that, as a first step towards the achievement of peace, it was willing to subscribe to a declaration such as that indicated in the opening statement. Subsequently, the delegation of Israel suggested that this affirmation by the parties of their pacific intentions take the form of a non-aggression pact, to supplement the Armistice Agreements.

54. The Commission had not envisaged the conclusion of a formal pact at this stage and it regarded consideration of that question as premature. While the Israel formulation thus went beyond the preliminary statement of peaceful intent which the Commission considered practicable, the Arab formulation fell short of the Commission's intention as set forth in the preamble. In spite of extensive discussions, both formal and informal, with the various Arab delegations, the Commission was unable to obtain their acceptance of its proposed text. In these circumstances, the Commission considered it desirable and in the interest of both sides to proceed from this initial stage to a discussion of the concrete issues outstanding between the parties. The Commission therefore informed the parties, in a letter dated 6 October (annex B), that in its opinion their formulations constituted a basis for the consideration of its comprehensive pattern of proposals and that the Commission was accordingly ready to proceed with the consideration of these proposals with the delegations.

55. The delegation of Israel did not agree with the Commission that the declaration submitted by the Arab States contributed to the creation of an atmosphere which could constitute a basis for the consideration of the Commission's proposals and so informed the Commission in a letter dated 14 October. The delegation of Israel maintained that the disparity between the declaration put forward by the Arab Governments and the undertaking requested by the Commission was a disparity of substance and not of form. The declaration of the Arab States expressed no intention of settling the differences outstanding between the parties by resort to pacific procedures as specified by the Commission and it did not reaffirm the intention of conforming with the obligations assumed under the United Nations Charter. In the declaration which they put forward, the Arab States had omitted any undertaking to refrain from acts of hostility against the State of Israel. This last omission implied a point of view which the Security Council in its resolution of 1 September 1951 had declared to be incompatible with the Israel-Arab Armistice Agreements and a threat to the peace. The formulation submitted to the Commission by the Arab States, therefore, represented an attempt to have the Commission accept, as a basis for the work of the conference, an interpretation of the 1949 Armistice Agreements which the Security Council had just rejected on the ground that it undermined the foundations of the security system based on those agreements.

56. The refusal of the Arab States to subscribe to the undertakings requested by the Conciliation Commission and the very terms of the declaration which they wished to substitute indicated, in the view of the delegation of Israel, that they had no intention of promoting the achievement of peace but that, on the contrary, their intention was to continue all activities which a war entailed, short of the use of military force. The acceptance by the Conciliation Commission of the Arab text as contributing to the creation of a favourable atmosphere implied, in the view of the delegation of Israel, that a United Nations body had sanctioned an interpretation of the 1949 Armistice Agreements which had just been rejected by the Security Council. The delegation of Israel stated that it was unable to agree that the attitude adopted by the Arab States could constitute a basis for negotiations.

57. In a letter to the delegation of Israel dated 18 October 1951, the Commission pointed out that in its opinion the text of its letter of 6 October and the decision to proceed with consideration of the Commission's proposals in no way justified the fears expressed by that delegation. In order to avoid any

possible misunderstanding, the Commission declared that it was unable to accept any interpretation of its position which implied an evaluation of the scope of either the Armistice Agreements, or the resolutions of the Security Council or the provisions of the United Nations Charter. The Commission stated that it should be clearly understood that neither the form nor the substance of the declaration of either party could alter the obligations assumed by the parties in accordance either with the provisions of the Armistice Agreements or with the terms of the United Nations Charter. It was equally apparent that such declarations could not alter the import of the resolutions of the Security Council.

58. In reply, the delegation of Israel stated that it felt no apprehension concerning the Commission's interpretation of the Armistice Agreements or the United Nations Charter. Although the Commission had dissociated itself from the attitude of the Arab States as expressed in the declaration submitted by those States, it could not thereby alter the negative atmosphere created by that attitude or make it possible for the delegation of Israel to agree that attitude could constitute a starting-point for the negotiations. Such negotiations whether direct or through the Commission, remained, in the Israel delegation's opinion, conditional upon the explicit recognition by the Arab States of the international obligations and treaties to which they had subscribed, that is to say, that the negotiations could not be carried on until the Arab States had replaced their declaration of 3 October 1951 by an affirmation of their intention to respect their obligations vis-à-vis the State of Israel, as signatories of the Armistice Agreements as interpreted by the Security Council, and as Members of the United Nations.

59. The delegation of Israel, while reaffirming its desire to collaborate with the Conciliation Commission, stated that it was ready to examine with the Commission any question which might form the subject of discussion between that delegation and the Commission in its capacity as a United Nations body, it being understood that the examination of any question implying either direct or indirect negotiation with the Arab States would have to be deferred until those States had complied unequivocally with the terms of the Armistice Agreements, the decisions of the Security Council and the provisions of the United Nations Charter.

60. On 24 October, the Commission submitted to the Arab delegations detailed explanations of the five points constituting its comprehensive pattern of proposals. These same explanations were submitted to the delegation of Israel on 26 October.

61. On 31 October, the Commission addressed a letter to both sides, reiterating the point of view expressed in its letter of 6 October that a basis of negotiations existed and requesting them to state whether they were prepared to proceed with the detailed discussion of all points of the Commission's comprehensive pattern of proposals. The Arab delegations replied in the affirmative. The delegation of Israel, though maintaining its previous position, stated that it was prepared to submit its comments on the Commission's proposals.

E. COMMENTS OF THE DELEGATION OF ISRAEL ON THE COMMISSION'S PROPOSALS

62. In the course of a meeting held in the morning of 14 November the delegation of Israel stated its views on the five points constituting the Commission's comprehensive pattern of proposals.

63. With regard to the question of war damages the delegation of Israel maintained that the Arab States were the aggressors in the Palestine conflict and could not escape the moral and material responsibility for their belligerent acts. To allow them to do so would be contrary to the basic aim of the United Nations--to prevent the use or threat of force in international relations. The delegation of Israel stated that it therefore did not agree to the mutual cancellation of war damages and held that this question should be included in the agenda of possible future negotiations between Israel and the Arab States.

64. With regard to the repatriation of refugees the delegation of Israel stated that major considerations of security and of political and economic stability made the return of Arab refugees impossible. Moreover the gulf between the Israelis and the Arabs who fled Palestine was wider now than it had been in 1948. The integration of the refugees in the national life of Israel was incompatible with present realities. Responsibility for their rehabilitation lay with the Arab States, not with Israel. As for Israel, it had made a positive contribution towards solving the problems of population movements arising out of the Palestine conflict by welcoming some 200,000 Jews from Middle Eastern countries.

65. With regard to the question of compensation the delegation of Israel reaffirmed that it was ready to contribute to the settlement of the question of compensation for Arab property abandoned in Israel territory. It suggested that concrete discussions on the question of evaluation should be held immediately with the Commission or with any other United Nations body designated for the purpose. The following factors should also be borne in mind: (a) the property had been abandoned as a direct consequence of Arab aggression and the state of the property had been affected by hostilities in 1948 and by resulting events; (b) Israel's ability to pay was affected by hostile Arab economic measures against her and by Israel's material obligations towards Jewish immigrants who left Arab countries as a result of hostile Arab policies; (c) Jewish property had been abandoned in Arab Palestine and in certain Arab countries, notably Iraq. Final agreement on the global amount of Israel's contribution towards compensation should put an end to the refugee problem in so far as Israel was concerned. Individual claims should be handled through United Nations machinery.

66. With regard to blocked accounts the Israel delegation recalled that that question formed the subject of a technical agreement concluded in February 1950, which had been made possible by the conciliatory attitude of Israel and had not been implemented because of the Arabs' unco-operative attitude. A settlement of the question, which might well have resulted from the Paris discussions, must include the

unfreezing of Jewish accounts blocked in Iraq.

67. Finally, the Israel delegation welcomed the Commission's move to enlarge the scope of the Armistice agreements. It stated, however, that a prerequisite for such a step was to secure Arab respect for the Agreements in their present form and as interpreted by the Security Council. The specific points suggested by the Commission would be taken into serious consideration by Israel when the moment came to discuss with the Arab States an agenda for negotiations on a revision of the Agreements. The Commission's suggestions, however, could not be accepted in their entirety: territorial adjustments should not be discussed at the same time as demilitarized zones; problems of the use of the Jordan and Yarmuk did not require the setting up of an international authority but should merely form the subject of direct agreements between the riparian States; facilities at Haifa should be examined within the framework of a general agreement on economic relations between Israel and the Arab States.

F. COMMENTS OF THE ARAB DELEGATIONS ON THE COMMISSION'S PROPOSALS

68. The Arab delegations expressed their views on the comprehensive pattern of proposals in a meeting held with the Commission in the afternoon of 14 November.

69. With regard to the question of war damages, the Arab delegations asserted that the Mandatory Power, Jewish terrorists and the United Nations were responsible for the Palestine conflict and that therefore mutual cancellation of war damage claims between the Arab States and Israel would not contribute to a just and durable settlement of the Palestine dispute. They further expressed the opinion that the question did not lie within the Commission's competence and should not form the subject of mediation on its part. They suggested that the question be deleted from the Commission's proposals.

70. With regard to the repatriation of refugees the delegations of the Arab States maintained that there could be no limitations on the return of the refugees. In making its proposal, the Commission has not only contravened paragraph 11 of General Assembly resolution 194 (III), which set no limit on the right of the refugees to return, but had also sanctioned a flagrant injustice and had disregarded a right confirmed by the Declaration of Human Rights. This proposal further incited Israel to continue its mass immigration policy, thus intensifying the causes of disturbances in the Middle East. As long as Israel refused to allow the return of the refugees, there could be no peace in the Middle East. The Commission should forthwith take practical measures to bring about the return of the refugees and, as a first step, should ascertain which of them wished to return. In their view the criteria proposed by the Commission did not offer a practical basis for the solution of the problem.

71. With regard to the proposal on compensation the Arab delegations raised the following points of principle and of procedure:

(a) On the question of principle they stated that the United Nations shared with Israel responsibility for paying compensation to refugees who were not repatriated and for paying indemnities for lost and damaged property in general. The payment of compensation and of indemnities should not be tied to Israel's ability to pay. If Israel could not pay, the United Nations should assume the obligation.

(b) On the question of procedure they expressed the opinion that compensation should be evaluated on the basis of the actual value of the property. The refugees should be represented at all stages of the proceedings and machinery for appeals should be set up. The question of the proportion of the value of State domain, including highways, harbours, railways, etc., which should be paid to the refugees should be studied by experts. They also emphasized that disbursement should be on an individual basis and in cash.

72. The delegations of the Arab States accepted the proposal regarding the mutual release of blocked accounts and urged its prompt implementation.

73. With regard to the question of revision or amendment of the Armistice Agreements, the delegation of Egypt had no objection in principle. It held, however, that revision or amendment of the Armistice Agreements must be based on certain principles: respect for United Nations resolutions and for the [Lausanne protocol](#). The question of establishing communications and economic relations between Israel and the Arab States lay in the sphere of the sovereign jurisdiction of States and outside the competence of the Commission. Furthermore, such a development was impossible so long as the refugee problem remained unsolved and Israel continued its aggressive policy against the Arab world. On the other hand, the proposals omitted any mention of the internationalization of Jerusalem or of the general disposition of that part of Palestine outside Israel jurisdiction. The latter question must be freely decided by the inhabitants of those areas. The disposition of the Gaza Strip was tied to the final solution of the Palestine problem and to the fate of Arab Palestine and could not be discussed separately.

74. The delegation of the Hashemite Kingdom of Jordan had no comments to make on the Commission's proposals regarding the revision or amendment of the Armistice Agreements.

75. The Lebanese delegation stated that in its opinion the revision of the Armistice Agreements should not go beyond the present framework of these Agreements. The Government of Lebanon opposed the creation of an international water authority to deal with the question of the use of the waters of the Yarmuk and Jordan rivers. Free access to the Holy Places should not be limited to Jerusalem and Bethlehem; the

only possible solution was the internationalization of all the Holy Places. The disposition of the Gaza Strip should only be discussed in the general context of the future of Arab Palestine.

76. The Syrian delegation stated that the Commission's proposal regarding the revision or amendment of the Armistice Agreements brought into focus the Palestine problem in its entirety. The proposal appeared to be prompted by a desire to ratify a *fait accompli* and to secure final acceptance of a situation brought about by force and in defiance of United Nations decisions.

77. After careful consideration of the comments presented by the parties on 14 November, and in the light of its prior discussions with the parties in Paris, the Commission was forced to conclude that it had been unsuccessful in its endeavours to persuade the parties to discuss the comprehensive pattern of proposals in a fair and realistic spirit of give-and-take, since neither party had indicated a willingness substantially to recede from its rigid position and to seek a solution through mediation along the lines set forth in the comprehensive pattern of proposals.

78. In view of the attitudes taken by the parties, the Commission therefore regretfully decided to terminate the conference to which it had invited them on 10 August 1951. This decision was communicated to the parties in a letter dated 19 November 1951 (annex C), to which were annexed the summary records of the meetings in which the delegations had presented their comments on the comprehensive pattern of proposals.

G. CONCLUSIONS

79. In its work during the past year--and indeed during the three years of its existence--the Conciliation Commission has been unable to make substantial progress in the task given to it by the General Assembly of assisting the parties to the Palestine dispute towards a final settlement of all questions outstanding between them.

80. In the course of its efforts to accomplish that task, the Commission has successively employed all the procedures which were at its disposal under the relevant General Assembly resolutions. At Lausanne, in the spring of 1949, it tried to render that assistance in the role of an intermediary between the parties; at Geneva, in 1950, the Commission attempted to bring about direct negotiations between the parties through the medium of Mixed Committees; and, finally, at its recent conference in Paris, the Commission assumed the functions of a mediator and, in that role, submitted to the parties for their consideration a comprehensive pattern of concrete proposals towards a solution of the Palestine question.

81. This pattern of proposals comprised practical arrangements for a solution of the refugee question, and a method of revising or amending the Armistice Agreements concluded between Israel and her neighbours with a view to promoting the return of peace in Palestine.

82. In linking those two issues together in a comprehensive pattern of proposals the Commission took account of two factors: (a) that the Armistice Agreements, although of a military character, were designed as a means of transition from war to peace and provided for procedures by which that aim could be attained; and (b) that positive progress in the transition from war to peace in Palestine is impossible if the refugee problem remains unsolved.

83. This final effort at the Paris conference was no more successful than the prior attempts by the Commission during the past three years. Despite that lack of progress, the Commission recognizes that both sides have expressed their desire to co-operate with the United Nations towards the achievement of stability in Palestine; but the Commission believes that neither side is now ready to seek that aim through full implementation of the General Assembly resolutions under which the Commission is operating.

84. In particular, the Government of Israel is not prepared to implement the part of paragraph 11 of the General Assembly resolution of 11 December 1948 which resolves that the refugees wishing to return to their homes and live at peace with their neighbours should be permitted to do so at the earliest practicable date.

85. The Arab Governments, on the other hand, are not prepared fully to implement paragraph 5 of the said resolution, which calls for the final settlement of all questions outstanding between them and Israel.

The Arab Governments in their contacts with the Commission have evinced no readiness to arrive at such a peace settlement with the Government of Israel.

86. The Commission considers that further efforts towards settling the Palestine question could yet be usefully based on the principles underlying the comprehensive pattern of proposals which the Commission submitted to the parties at the Paris Conference. The Commission continues to believe that if and when the parties are ready to accept these principles, general agreement or partial agreement could be sought through direct negotiations with United Nations assistance or mediation.

87. The Commission is of the opinion, however, that the present unwillingness of the parties fully to implement the General Assembly resolutions under which the Commission is operating, as well as the changes which have occurred in Palestine during the past three years, have made it impossible for the Commission to carry out its mandate, and this fact should be taken into consideration in any further approach to the Palestine problem.

88. Finally, in view of its firm conviction that the aspects of the Palestine problem are interrelated, the Commission is of the opinion that in any further approach to the problem it is desirable that consideration be given to the need for coordinating all United Nations efforts aimed at the promotion of stability, security and peace in Palestine.

ANNEXES

Annex A

Evaluation of abandoned Arab property in Israel

I. SUMMARY OF THE EVALUATION OF ABANDONED ARAB IMMOVABLE PROPERTY IN ISRAEL ARRIVED AT BY THE REFUGEE OFFICE OF THE UNITED NATIONS CONCILIATION COMMISSION FOR PALESTINE.

1. The total extent of the abandoned land which has passed to Jewish hands is estimated by the Commission's Refugee Office at 16,324 square kilometres and its total value at £P 100 million. The methods used by the Office to arrive at these global figures are briefly described below. Those conversant with the extreme complexity of the problem will recognize that the estimates must inevitably be regarded as approximate ones.

2. Throughout its work, the Office maintained contact with the interested governments and obtained the expert opinions of specialists in the problem, such as former officials of the Mandatory Government, representatives of the Israel Ministry of Finance and directors of local banks. The Office was also in touch with representatives of the refugees, notably with the Ramallah Refugee Congress and the Committee of Arab Refugee Property Owners in Palestine.

A. Definitions

3. The term "land" is to be regarded as synonymous with "immovable property" and is used to denote land and anything attached to land, as in the relevant ordinances of the former Government of Palestine. Buildings and trees have, therefore, been regarded as an integral part of the soil on which they stand and valued together with it.

B. Extent of the abandoned land

4. Four possible methods of approach suggested themselves to the Office:

(a) The issue to all refugees of a questionnaire, and the checking of replies against the Land Registers (registers of title and transmission) of the Mandatory Government;

(b) The use of the Land Registers themselves, as reconstituted from micro-photographs;

(c) The use of the records of the Custodian of Absentee Property, appointed by the Government of Israel under its Absentee Property Act;

(d) The use of "Village Statistics 1945", issued by the Government of Palestine.

5. Methods (a) and (b) were discarded because they would have afforded a relatively incomplete factual basis. Method (c) was not used because it was felt that it would be inappropriate to assess compensation entirely on the basis of information furnished by an interested party. The valuation was therefore based on the "Village Statistics", which contain the basic material both for ascertaining the extent of the land and for making a global assessment of its value: i.e., a list of all the villages and towns in Palestine, giving the populations subdivided according to religion, and giving the area in *dunums* of each village and town, divided into categories according to the nature and the use of the land, and showing the number of *dunums* in each category held respectively by Arabs, Jews, the State and others. The "Statistics" also give the total amount of rural property tax and urban property tax payable in each town and village by Arabs and Jews respectively.

6. Although the global extent of abandoned land was not evaluated by means of the submission of a questionnaire to all refugees, the Office is convinced that some such procedures will have to be resorted to when individual payments of compensation are determined.

7. The process by which the global figure of 16,324 square kilometres was arrived at is as follows:

*Deletion from the "Village Statistics" of all villages outside Israel's jurisdiction, including the demilitarized areas as well as the Jerusalem "no-man's land". As the armistice lines do not follow village boundaries, the "Village Statistics" were adopted in the case of border villages to show approximately the number of *dunums* in the various categories and 'ownerships lying within Israel's jurisdiction.*

Deletion from the "Village Statistics" of those urban areas and villages in which land continued to be held by the original Arab inhabitants.

8. The above deletions and alterations having been made, the totals of the columns headed "Arabs" in the "Village Statistics" gave the number of *dunums* of rural land in each category or group of categories which were formerly held by Arabs and which have now passed into Israel hands. The results may be summarized as follows: Excluding the Negev, 4,186 square kilometres have passed to Jewish hands, of which 1,432 square kilometres are uncultivable, and 15 square kilometres are village built-on areas, thus leaving 2,739 square kilometres of cultivable land. In the Negev, 12,138 square kilometres have changed hands, of which 10,303 square kilometres are uncultivable and 1,835 square kilometres are cultivable. Thus, the total area of land which has passed to Israel hands is 16,324 square kilometres, of which 4,574 square kilometres are cultivable.

C. *Determination of the value of abandoned Arab lands*

9. Three possible methods of approach suggested themselves:

(a) A study of the prices actually realized and recorded in the Land Registers, supplemented by actual inspection on the ground;

(b) A study of the assessments for rural property tax and urban property tax of the Mandatory Administration (shown in the "Village Statistics");

(c) To obtain a consensus of expert Israel and Arab opinion and to supplement it by the Office's land specialist's own knowledge of conditions in the country and of the terrain.

10. Method (a) was discarded because the Land Registers do not contain statements of the value of parcels of land at the same date, and in view of the considerable fluctuation in land values in Palestine it would be difficult to arrive at a conclusion as to the value of any particular category of land at a particular date. It was felt, on the other hand, that the "Village Statistics" were prepared as an official document at a time when the question of compensation payable by one party to the other did not arise (a particularly important factor as regards the categorization of land, a matter on which numerous expert opinions could be held); that the "Statistics" take into account all the land actually occupied and cultivated by Arabs; and that they take no account of speculative elements. It was therefore decided that a combination of methods (b) and (c) should be used.

11. It was considered that the following principles should be adopted:

(a) The valuation should be based on existing use value (i.e., in the case of agricultural land, on estimated productivity of crops and in the case of buildings in urban areas on actual or estimated productivity of rent) plus normal development value (i.e., value which attaches to vacant sites within the boundaries of towns);

(b) Speculative elements which exceeded the normal should be ignored. These fictitious elements were due to temporary shortages owing to conditions during and after the Second World War; to the effect of the Land Transfer Regulations, 1939, which, by strictly limiting the areas in which Jews were allowed to purchase land, forced up prices in those areas; to the effect of land purchases by the Jewish National Fund for strategic reasons at prices greatly in excess of those which could be justified economically; and to the Arab campaign against sales of land to Jews, as a result of which Arabs who effected such sales ran certain risks for which they expected to be compensated;

(c) The valuation should be made by reference to the level of values prevailing and to the condition of the property as at 29 November 1947;

(d) No value should be placed on uncultivable land.

12. The Rural Property Tax Ordinance in Palestine (which in 1947 applied to all rural lands except the Negev) provided for a tax per *dunum* at varying rates on categories arranged according to the estimated productivity of the soil, and in some relation to the net annual yield. Generally, the rates of tax per *dunum* approximated to 10 per cent of a low estimated net annual value of the several categories of land.

13. The values per *dunum* of 1,000 square metres applied to each category or group of categories are as follows:

Citrus: Categories 1 and 2: £P 80. The tax assessment was of little or no use in arriving at the value, as during the Second World War there was no market for the fruit, the condition of the groves consequently deteriorate and the market for them became very restricted. The value is therefore based on a consensus of expert opinion.

Bananas: Category 3: £P 80. The tax assessment was of no use as a guide to value, since the 1947 tax rate was imposed as a deterrent, for general economic reasons, to the creation of additional banana gardens. The Mandatory Government (*Survey of Palestine* , chapter VIII) calculated the area which

might be regarded as a "lot viable" in the case of bananas as ten *dunums*, the same as for citrus. The Office therefore assumed that the value per *dunum* was the same.

Village built-on area: Category 4: £P 150. The original tax rate of 160 mils was fixed in 1935 on the basis of a capital value of the pound sterling £27 per *dunum* for the land only. In 1947, the tax rate was quadrupled and this may be held to reflect the increased capital value, which would thus be £P 108 per *dunum*. This fixes the minimum value for the land plus the building, for in the case of rural land it is hardly ever less than the value of the land alone. On the basis of a list of small Arab towns to which the urban property tax applied but which were little more than villages, the total capital values were worked out for each town and divided by areas to give the capital values per *dunum*. The mean proved to be £P 235 and the median £P 190 (for land and buildings). Since the average standard of buildings is generally speaking lower than in the towns selected, it was decided that the value should lie between £P 108 and £P 190 and that it should be placed at £P 150.

Irrigated lands, fruit plantations and first-grade ground crop land: Categories 5 to 8: £P 48.75. The figure was reached by multiplying the 1947 tax rates by ten to give the net annual value for each category, by "weighting" the net annual values thus arrived at by adding 25 per cent to take account of the fact that irrigated land increased proportionately more in value than dry cereal land, and finally by applying a coefficient of 30 3/ to give a capital value of £P 60 for category 5 and of £P 48.75 as the average for the whole group of categories 5 to 8.

Cereal lands: Categories 9 to 13: £P 16.8. This figure was arrived at by applying the same coefficient of 30 to the "unweighted" 1947 net annual values of this group of categories and taking the average for the whole group.

Marginal cereal lands: Categories 14 and 15: £P 3.6. The same process was applied as in the case of categories 9 to 13.

Negev: (to which the rural property tax did not apply).

14. In view of conflicts in the scanty evidence available as to what actually was the value of the cultivable land in the Negev, the Office based its valuation on expert opinion and arrived at the figure of £P 3.6 per *dunum*.

15. The following table shows the total extent of abandoned Arab land and the value placed on it:

Description	Category	Value per <i>dunum</i> £P	Value <i>dunums</i> £P	Area	
				Total £P	
<i>Northern Israel</i>					
Citrus and banana	1, 2 & 3	80	121,184	9,694,720	
Village built-on area			4	150	14,602
Irrigated land, plantations, etc.	5 to 8	48.75		303,750	14,807,812
Cereal land	9 to 13	16.8	2,113,183	35,501,474	
Cereal land	14 & 15	3.6		201,495	725,382
<i>Negev</i>					
.		3.6	1,834,849	<u>6,605,456</u>
				Total	69,525,144

Urban lands

16. The Office arrived at the notional amount of tax payable on abandoned Arab lands in each town by assuming that the tax payable is in proportion to the decrease in population. The results are shown in the following table:

Town	Approximate Arab popu- lation in 1945	Approximate Arab popu- lation at present	Notional Tax payable Amount of by Arabs tax payable on abandoned lands	
			Tax payable Arab popu- lation in 1945	Amount of tax payable on abandoned lands
£P				
Acre . . .	12,220	3,100	3,111	2,322
Beisan . .	5,160	Nil	1,373	1,373
Nazareth .	14,200	20,067	2,942	Nil <u>4</u> /
Safad . . .	9,530	Nil	1,357	1,357
Tiberias .	5,300	Nil	1,911	1,911

Haifa. . .	62,510	5,700	39,980	36,494
Shafa 'Amr	3,630	3,905	455	Nil <u>4</u> /
Tel Aviv-Jaffa	66,640	4,500	41,688	38,873
Lydda. . .	16,750	1,050	2,919	2,736
Ramle. . .	15,160	1,700	3,347	2,972
Majdal . .	9,910	2,300	1,244	955
Beersheba.	5,560	Nil		1,043 <u>1,043</u>
			Total	90,036

17. Having established the notional amount of tax payable, the figure was multiplied by ten to arrive at the net annual value. This figure was "weighted" by 25 per cent to take account of the fact that, under the system of tax assessment which operated in Palestine, the assessments for a variety of reasons rarely represented the full market value; and by a further 25 per cent to take account of the rise in values between the last assessment prior to 1945 and the end of 1947. The "weighted" net annual value was multiplied by a coefficient of 16.667 5/ to arrive at the global capital value of £P 21,608,640.

Jerusalem property

18. It was felt necessary to deal with Jerusalem property separately because of the division of the city into three zones. The zone under Israel's jurisdiction which contains much valuable Arab residential property, was the only one with which the Office was concerned. The valuation was based on the register compiled by the Israel Custodian of Enemy Property. The register gives the number and description of each parcel vested in the Custodian, together with the assessment of capital value. There are approximately 3,660 separate parcels. The net annual value of each parcel according to the field valuation sheets for the latest assessment (1947) was obtained from other sources. The total net annual value was £P 444,000 and, for the reasons mentioned above, an addition of 25 per cent was made. Application of the capitalization coefficient of 16.667, to the resulting net annual value of £P 555,000, gave £P 9,250,000 as the value of the Jerusalem property.

Total value

19. The total value of the abandoned Arab land in Israel arrived at by the Commission's Refugee Office is made up as follows:

	£P
Rural lands	69,525,144
Urban lands	21,608,640
Jerusalem lands	<u>9,250,000</u>
	<u>100,383,784</u>
or say	100,000,000

20. It is considered that, in converting the valuation figure of £P 100,000 to dollars or any other currency, the Palestine pound should be reckoned as equivalent to the pound sterling, and that the conversion rate should be the rate in force at the date of payment. At the present pound-dollar rate, the amount of compensation in dollars would be 280 million.

II. PRELIMINARY SURVEY OF THE VALUE OF CERTAIN CATEGORIES OF ARAB MOVABLE PROPERTY MADE BY THE REFUGEE OFFICE OF THE UNITED NATIONS CONCILIATION COMMISSION FOR PALESTINE.

21. At the request of the Conciliation Commission, the Refugee Office considered the possibility of making a global valuation of movable property left behind by the Arab population when they abandoned the territory which is now under the jurisdiction of Israel. The Office came regretfully to the conclusion that it could not make a valuation of all movable property, since some categories of such property do not lend themselves to global evaluation and since it had no means of knowing what property the refugees took with them and what they left behind. In this respect the problem is quite different from the problem of valuing the immovable property. It is perhaps not inappropriate to mention here that, even if it were possible to ascertain what property was left behind it could not be assumed that all such property was appropriated by the Israel authorities. A formal request made by the Office on 30 September 1951 to the Israel authorities for information concerning the nature and extent of movable property appropriated by them has so far produced no result. In the circumstances the best that the Office could do was to furnish some data on the value of

the property which belonged to the refugees before their exodus.

22. Two possible lines of approach suggested themselves. The first was to conduct a sample survey among a number--say 1,000--of refugees selected at random and to get them to state on a prescribed form of questionnaire the nature, extent and value of both their immovable and movable property. From the result the relationship of the value of the movable property to the value of the immovable property could be worked out. The method had numerous disadvantages, notably the impossibility of checking the refugees' statements. The other line of approach was to make a study of the statistical material published by the former Mandatory Government in the hope of finding something which might bear on the problem. The Office learned that no study of the kind required was ever published during the Mandatory Administration by the Palestine Department of Statistics, but it obtained a table showing the results of an unpublished study made at the beginning of 1948. This study provided estimates of the distribution of wealth in Palestine as between Jews and non-Jews in the year 1945, and it was found that it could be used to obtain an estimate of wealth per head of the non-Jewish population in 1945, although it would be necessary to make allowances for price increases and depreciation since that date. It was also clear that the value of movable property is related more to the national income than to the national wealth. The study estimated the national income of the non-Jewish population in 1945 at £P 62 million, and it emerged from the study that the value of movable property would be somewhere between 30 per cent and 50 per cent of the national income.

23. As a result of this information there were three possible methods of estimating the value of the Arab movable property, namely: (a) a calculation based on a percentage of the value of the immovable property; (b) a calculation based on a percentage of the national income; and (c) a calculation based on the aggregate values in 1945 of various descriptions of property which can be grouped under the heading "movable". It was decided to experiment with each method without attaching more importance to one than to another and to compare the results obtained.

24. For the purposes of this paper "movable property" means only industrial equipment, commercial stocks, motor vehicles, agricultural equipment and livestock, and household effects.

A. *The refugee population*

25. In the calculations which follow, the total Arab population of the former mandated territory, the total number of refugees and the distribution of these two figures under the headings "rural" and "urban" are important factors. Unfortunately no figures are available relating specifically to Arabs; all the published figures relate to Jews and non-Jews, but the number of non-Jews who were not Arabs is relatively so small as not materially to affect the calculations. According to the figures for 1944, the number of non-Jews in the whole of Palestine was 1,211,370, made up as follows:

Rural	733,870
Urban	410,500
Nomads.	<u>67,000</u>
Total	1,211,370

26. For the purpose of these calculations, the refugee population was taken as numbering 900,000, which is near enough to 75 per cent of the total population. If one groups the rural population and the nomads together and assumes that the refugee population is distributed between "rural" and "urban" in the same proportions as the total population, one arrives at the following results:

Approximately

Rural refugees	600,000
Urban refugees	<u>300,000</u>
Total refugees	900,000

B. *Calculation based on a percentage of the value of immovable property*

27. The value of immovable property belonging to refugees was estimated by the Office at £P 100 million, made up as follows:

Approximately

£P

Rural property	70,000,000
Urban property	<u>30,000,000</u>
Total	100,000,000

28. When the exchange of population took place between Turkey and Greece after the First World War, the proportion of the value of abandoned movables to the value of abandoned immovables in the case of Turks leaving Greece was 4.7 per cent, and in the case of Greeks leaving Turkey 60.9 per cent. The Turks were a predominantly rural community and the Greeks predominantly urban. There is thus a distinct similarity between the social structure of the Turkish and Greek communities and the rural and urban Arab communities respectively. If the above-mentioned percentages are applied to the figures for Arab rural and urban immovable property the following results are obtained:

<u>70,000,000 x 4.7</u>			
100	equals	£P	3,300,000
<u>30,000,000 x 60.9</u>			
100	equals	<u>£P 18,270,000</u>	
<i>Value of movable property of Arab refugees .</i>			£P 21,570,000

29. In France movable property is reckoned for certain purposes as being worth 5 per cent of the value of immovable property. It is clear from the text of the law in question that the 5 per cent relates only to the furniture and household effects. If the same proportion held good in Arab Palestine, the value of the refugees' household effects would be in the neighbourhood of £P 5 million, but in view of the relatively low standard of living and the relatively high value of land it is probable that the proportion is actually much lower and might, at a guess, be put at 2.5 per cent, which would represent a value of £P2,500,000.

C. *Calculation based on a percentage of the national income*

30. The national income for the whole of Arab Palestine in 1945 was £P 62 million. According to available information the value of the movable property should lie between 30 per cent and 50 per cent of this figure. Taking 40 per cent as the mean gives a value of £P 24,800,000, but this is for the whole of the Arab movable property in Palestine. To obtain the figure for the refugees it is necessary to divide by the total Arab population and multiply by the refugee population, as follows:

Value of refugee property

<u>24,800,000 X 900,000</u>			
1,200,000	equals	£P	18,600,000

D. *Calculation based on the aggregate of values of different descriptions of property*

31. According to the information available to the Office, the non-Jewish wealth of Palestine in 1945, as represented by movable property, was as follows:

	£P
	(million)
Industrial equipment	3.4
Commercial stocks	4.3
Motor vehicles	1.3
Agricultural equipment and livestock	<u>13.1</u>
Total	22.1

32. It has been suggested that these figures should be adjusted for depreciation and for price increases between 1945 and 1947, but it seemed to the Office that these two factors would in a large measure cancel each other out, and in any case adjustments would be largely a matter of guesswork. For these reasons it was decided to leave the figures as they stand. It can be argued that commercial stocks vary greatly from year to year, but as will be seen from the foregoing table such stocks represent but a relatively small proportion of the total Arab wealth, and even a 50 per cent increase or decrease would not make such an enormous difference to the total when measured in terms of percentages.

33. The figures given above represent the wealth in those particular categories of all Arabs in Palestine, and it is necessary to multiply by 0.75 to arrive at the amount which may be regarded as having belonged to the refugees. The resulting figure is approximately £P 16.6 million. To this must be added

a figure to represent the value of household effects and, as suggested in a previous paragraph, this may be taken as £P 2.5 million. Thus, the total value of the movable property belonging to the refugees works out at £P 19.1 million.

E. *Comparison of the results of the calculations and conclusions*

34. From the foregoing calculations emerge three different estimates arrived at by entirely different methods. These estimates are as follows: £P 21,570,000, £P 18,600,000, £P 19,100,000.

There is reason to believe that the first estimate may be too high, since it is probable that the Greek community in Turkey was wealthier and enjoyed a higher standard of living than the urban Arab community in Palestine taken as a whole.

35. In submitting to the Commission the foregoing figures relating to the approximate value of certain categories of movable property which belonged to Arab refugees of Palestine before the exodus, the Office felt bound to underline the fact that it was not itself in a position to draw any definite conclusion concerning the value of the property in question and, a fortiori, of the movable property which ought to be the subject of compensation.

Annex B

Letter, with appendices, dated 6 October 1951, addressed by the Chairman of the Conciliation Commission to the delegations of Egypt, Jordan, Lebanon and Syria and to the delegation of Israel

In submitting to the delegations of Egypt, Jordan, Lebanon and Syria and to the delegations of Israel a comprehensive pattern of proposals towards a solution of outstanding questions, the Conciliation Commission for Palestine, both in its opening statement to the delegations and in its comprehensive proposals, emphasized the importance of a reaffirmation of the undertakings of the parties as signatories to the Armistice Agreements and as United Nations Members.

In the preamble to its comprehensive proposals, the Commission recommended that this reaffirmation be given in the following form:

"In accordance with the obligations of States Members of the United Nations and of signatories to Armistice Agreements, the Governments of Egypt, Jordan, Lebanon and Syria and the Government of Israel solemnly affirm their intention and undertake to settle all differences, present or future, solely by resort to pacific procedures, refraining from any use of force or acts of hostility, with full respect for the right of each party to security and freedom from fear of attack, and by these means to promote the return of peace in Palestine".

On 21 September, in reply to the Chairman's opening statement, the delegation of Israel informed the Commission that, as a first step towards the achievement of peace, it was willing to subscribe to a declaration such as that indicated in the opening statement. Subsequently the delegation of Israel suggested that this affirmation by the parties of their pacific intentions take the form of a non-aggression pact (attached to this letter as appendix I).

On 3 October 1951 the delegations of Egypt, Jordan, Lebanon and Syria assured the Conciliation Commission of their desire to promote the establishment of an atmosphere necessary for continuance of the Commission's work and to facilitate the pacific settlement of the Palestine problem; to that end they submitted the declaration attached to this letter as appendix II.

The Conciliation Commission is aware of the disparity between the formulations suggested by the parties. However, the Commission considers that the parties, by offering these formulations, have contributed to the creation of a favourable atmosphere for the present discussions, and for the promotion of the return of permanent peace in Palestine.

In the opinion of the commission, these formulations constitute a basis for the consideration of its comprehensive pattern of proposals. The Commission is accordingly ready to proceed with consideration of its proposals with the delegations.

(Signed) Ely E. PALMER
Chairman

The Government of Israel and ...

Desirous of further promoting the return of peace and to that end of extending the scope of the General Armistice Agreement concluded between them at... on... in response to action taken by the Security Council as a further provisional measure under Article 40 of the United Nations Charter by removing all reasonable grounds of fear and suspicion as to their mutual intentions have agreed on the following provisions.

ARTICLE I

The two Governments in accordance with the obligations incumbent upon them by virtue of their membership of the United Nations solemnly affirm their intention and undertake to settle all differences presently existing or arising in the future between them solely by resort to pacific procedures and bind themselves to refrain from any acts of hostility whatsoever and from any threat or use of force in their reciprocal relations.

ARTICLE II

The right of each party to its security and freedom from fear of attack or hostile act by the other is recognized and shall be fully respected. It is further agreed that no warlike act or act of hostility shall be conducted from the territory of either party to this agreement against the other party. Each party undertakes not to enter in any alliance or participate in any action directed against the other.

ARTICLE III

The present agreement is supplemental to and in no wise derogates from the General Armistice agreement signed at... on... the provisions of which remain in full force and effect.

ARTICLE IV

This agreement shall come into force on the date of its signature. It shall be ratified and the instruments of ratification exchanged at Paris in presence of the Palestine Conciliation Commission not later than thirty days after the date hereof.

ARTICLE V

This agreement is signed in quintuplicate. One copy shall be retained by each party; two copies shall forthwith be communicated to the United Nations Secretary-General and to the Chief of Staff of the United Nations Truce Supervision Organization in Palestine; and one copy shall be retained by the Palestine Conciliation Commission.

In faith whereof the undersigned representatives of the contracting parties, duly authorized by their respective Governments have signed this agreement and affixed their seals.

Done in the City of Paris in the presence of the Palestine Conciliation Commission on... day of... in the year of... in English, French, Hebrew and Arabic languages, each authentic.

Appendix II

DRAFT-DECLARATION SUBMITTED TO THE CONCILIATION ON 3 OCTOBER 1951
BY THE DELEGATIONS OF EGYPT, JORDAN, LEBANON AND SYRIA

The delegations of Egypt, Jordan, Lebanon and Syria declare that their respective Governments, as signatories to the Armistice Agreements with the Government of Israel, desirous of promoting the establishment of the atmosphere necessary for the continuance of the work of the United Nations Conciliation Commission for Palestine, and with a view to facilitating the pacific settlement of the Palestine problem in accordance with the United Nations resolutions, reaffirm their intention to respect their undertakings given in the said Agreements, not to resort to military force in the settlement of the Palestine question and to respect the right of each party to its security and freedom from fear of attack by the armed forces of the other.

Annex C

**Letter with appendices, dated 19 November 1951,
addressed by the Chairman of the Conciliation Commission
to the delegations of Egypt, Jordan, Lebanon and Syria
to the delegation of Israel**

On 14 November 1951, the Conciliation Commission for Palestine met with the delegation of Israel and with the delegations of Egypt, Jordan, Lebanon and Syria to hear their comments on the comprehensive pattern of proposals which the Commission had put forward, to be discussed with the parties in a fair and realistic spirit of give and take. The summary records of the meetings in which the delegations' comments were presented are annexed to this letter.

After careful consideration of the comments presented by the parties on 14 November, and in the light of its prior discussions with the parties in Paris, the Commission is forced to conclude that it has been unsuccessful in its endeavours, since neither party indicated a willingness substantially to recede from their rigid positions and to seek a solution through mediation along the lines spelled out in the Commission's pattern of proposals.

In view of the attitudes taken by the parties, the Commission has, therefore, regretfully decided to terminate the conference to which it invited the parties on 10 August 1951.

As indicated in the invitations sent out on that date, the Commission will report fully to the General Assembly, through the Secretary-General of the United Nations, on the developments of the conference and the conclusions drawn by the Commission from those developments.

(Signed) Ely E. PALMER
Chairman

Appendix I

SUMMARY RECORD OF A MEETING BETWEEN THE CONCILIATION COMMISSION AND THE DELEGATION OF ISRAEL

*Held at the Hôtel de Crillon, Paris, on Wednesday,
14 November 1951*

CONTENTS

Comments of the delegation of Israel concerning the points raised in the statement made by the Chairman of the Conciliation Commission on 26 October 1951.

PRESENT

Chairman: Mr. Palmer, United States of America.
Members: Mr. Marchal, France; Mr. Aras, Turkey.
Alternates: Mr. Barco, United States of America; Mr. de Nicolay, France;
Mr. Tepedelen, Turkey.
Secretariat: Mr. de Azcarate, Principal Secretary.
Also present: Mr. Fischer, Israel; Mr. Najjar, Israel;
Mr. Divon, Israel.

COMMENTS OF THE DELEGATION OF ISRAEL CONCERNING THE POINTS RAISED IN THE STATEMENT MADE BY THE CHAIRMAN OF THE CONCILIATION COMMISSION ON 26 OCTOBER 1951.

The CHAIRMAN welcomed the members of the Israel delegation and said the Commission would be glad to hear its comments concerning the Commission's proposals and the explanations given by the Chairman on 26 October 1951.

Mr. FISCHER (Israel) read the following statement:

"In my letter of 7 November 1951, in reply to the Commission's letter of 31 October 1951, I stated that the delegation of Israel was prepared to submit to the Conciliation Commission its comments on the questions dealt with in your communication of 26 October.

"I now have the honour to submit those comments.

"Before doing so, I feel it advisable to point out that the supplementary explanations of the Commission's proposals that you gave to the Israel delegation on 26 October did not refer to the preamble which formed part of the document handed to that delegation on 21 September.

"The text of the preamble is indeed perfectly clear, and the fact that it has been accepted by the

Israel delegation and rejected by the Arab delegations shows unequivocally the respective intentions of the Governments invited to this conference.

"The position of the Government of Israel on this matter has already been made known to the Commission.

"However, I should like to recall that the Israel delegation had at one time hoped that it would be possible for the preliminary declaration requested by the Commission to take the form of non-aggression pacts between Israel and each of the four Arab States concerned.

"On 5 October, while still unaware of the inadmissible proposal put forward by the Arab delegations on 3 October 1951, the Israel delegation told the Commission, substantially, that it was worth while attempting to persuade the Arab delegations to agree to the signature of such pacts, but that if such efforts proved unsuccessful it would not insist on the contractual form it had proposed and would accept the Commission's text. Insofar as it may be necessary, the Israel delegation now restates its acceptance of that text.

"I now turn to the various points dealt with in your explanatory statement.

"1. The Israel delegation considers it impossible to discuss, or even to refer to, the question of the damages resulting from the war undertaken by the Arab States against the State of Israel without speaking of the fact of Arab aggression.

"No discussion is necessary to prove this fact, which is recognized by international public opinion and by the Security Council.

"It is an established fact that both before and after the resolution of the United Nations General Assembly of 29 November 1947 the Arab States loudly proclaimed their intention of destroying the Jewish State by force of arms; that Arab bands fired the first shots in Palestine after 29 November 1947 and that as early as December 1947 armed groups from the Arab States infiltrated into the country and carried out large-scale military actions. Finally, it is a fact that, on 15 May 1948, the day after the end of the British Mandate and the proclamation of the State of Israel, regular troops of the Arab States crossed the frontiers into Palestine from every side. The resulting Arab-Israel war involved human misery, sorrow and destruction, outside the borders of the Arab States and within the borders of Israel.

"The Arab States still maintain that a state of war exists between them and the State of Israel. They openly claim the right to undertake any acts of hostility against Israel not requiring the direct use of armed force, and are carrying on against that State economic warfare and a blockade of international waterways.

"Arab aggression against Israel is thus still continuing, in violation of the Armistice Agreements concluded under the auspices of the United Nations, and in violation of the decisions of the Security Council and the Charter of the United Nations.

"The Israel delegation does not see how it would be possible to examine the problems outstanding between Israel and the Arab States if these essential and undeniable facts are passed over.

"To wish to ignore these facts is just unthinkable as to wish to ignore the fact that in 1914 it was Germany that violated Belgium's neutrality or that twenty-five years later it was the Third Reich that invaded Poland.

"The United Nations recently decided that North Korea had been guilty of aggression against South Korea. On the basis of that decision, United Nations forces went to the assistance of the South Korean military forces. Could any United Nations body now fail to take into account, in studying the question of Korea, the responsibility for the conflict as defined by the United Nations?

"The Israel delegation cannot agree with the view that to waive war damages would be in accordance with the general principles and purposes of the United Nations.

"Those principles and purposes are to prohibit or to prevent the resort to force or threats in international relations. It would appear to be an elementary consequence of those principles and purposes that States violating them should be held responsible for damage caused by their actions.

"Once the fact of Arab aggression against the State of Israel has been established, there can be no justification for freeing the Arab States from responsibility--not only moral but also material--for their acts of belligerency.

"For these reasons, the Israel delegation considers that the question of war damages is undoubtedly of the utmost importance and that it should be included in the agenda of eventual negotiations between Israel and the Arab States.

"2. It is a basic principle of public international law that in certain fields, in particular those of military, political and economic security States exercise absolute sovereignty. Each State is in command of and responsible for the protection and control of its frontiers and the maintenance within those frontiers

of the conditions necessary for the well-being and security of its population. Those are matters which fall essentially within its national jurisdiction.

"In the light of these principles, and of existing conditions, the Government of Israel would be failing in its fundamental responsibilities if it were to open the frontiers of the State of Israel to the Arab masses who have left the country since 29 November 1947.

"The State of Israel is no longer the same country which this Arab population left during the hostilities, and major considerations of security and of political and economic stability stand in the way of their return.

"The political and military war launched by the Arab States had certain material and psychological consequences which have not disappeared but, on the contrary, have become worse.

"Those who, deluded by the Arab leaders, chose to leave through fear or in the hope of a speedy victory by the Arab armies, are today even further estranged than in 1948 from the population of Israel, which chose to resist, which imposed the existence of its State and which is unremittingly continuing its constructive work in spite of the violent antagonism of the Arab States.

"Until this day the majority of these Arabs who immigrated into countries under Arab control are living in or in restricted areas in conditions which are hardly likely to pacify them, and for which the very States that claim to be their protectors are responsible.

"In those circumstances the possibility of their integration into the national life of Israel is incompatible with the realities of the situation.

"Therefore the daily increasing responsibility for the normalization of the life of these Arabs and for their resettlement devolves upon the Arab States and not upon the State of Israel.

"The policy of the Arab Governments has also provoked another exodus: that of almost 200,000 Jews belonging to ancient communities in the Near East who have had to flee from intolerable living conditions in order to save their lives and to recover their dignity in Israel.

"Deprived of their property almost without exception, they find in the State of Israel the welcome, the brotherly support and the citizenship which they had a right to expect.

"This represents a positive contribution by Israel towards a solution of the difficulties caused by the movements of population resulting directly or indirectly from the Arab-Israeli war, and should be carefully taken into account.

"On the other hand, the creation--from now on an artificial one--of a large Arab minority in the State of Israel would be detrimental to the interests of peace and stability in the area, particularly in the existing atmosphere of tension in the Middle East.

"Finally, it is clear that it would not be possible, even in principle, to suggest that the State of Israel should contemplate opening its frontiers to any Arab population when the Arab States consider themselves at war with Israel and refuse to take the steps towards peace recommended by the United Nations General Assembly and by the Security Council.

"3. The Government of Israel has already had the opportunity to state its readiness to contribute to the settlement of the question of compensation for abandoned Arab property in Israel territory.

"The Israel delegation today reaffirms that intention.

"This question should certainly be discussed in a concrete way between the Government of Israel and the Conciliation Commission or any other United Nations body appointed for that purpose. The Israel delegation considers it indispensable that in such discussions the evaluation of abandoned Arab lands should be taken up first. To that end, exchanges of view with the Commission would be necessary, and the Israel delegation is ready to start them immediately.

"This evaluation will be an important factor in the determination of the extent of Israel's contribution. Other no less important factors will, however, also have to be borne in mind.

"The fact that there is abandoned Arab property in Israel is a direct consequence of the war undertaken by the Arab States against the State of Israel. It is not by virtue of a land transaction entered into at a time freely chosen and under conditions freely agreed to, that these lands are in the possession, of the Israel authorities. Moreover, the state of preservation and the conditions of exploitation of the property were seriously affected by the military events of 1948 and their consequences. The problem of abandoned Arab property cannot be completely dissociated from the fact of the Palestine war and the responsibility of those who set it in motion.

"Moreover, the total Israel contribution and the methods of payment will be directly dependent on the

capacity of the State of Israel to meet this charge mainly resulting from the Arab war, without harming its economic stability. The economic warfare carried on against the State of Israel by the Arab States, the blockade of the Suez Canal and the economic blockade are essential factors in estimating that capacity. Likewise, the hostile policy of the Arab Governments towards their Jewish minorities has resulted in a rapid collective exodus of these minorities to Israel, thus imposing heavy material charges on the Government of Israel.

"Finally, it cannot be forgotten that not only are there Arab lands abandoned in Israel territory but there are also Jewish lands abandoned in territory under Arab control, and that, further, a large amount of property was also abandoned by its Jewish owners in certain Arab States, in particular Iraq.

"In any event, final agreement regarding the total Israel contribution to compensation for abandoned Arab property will, in the opinion of the Israel delegation, have to put an end to the whole problem of the Arab refugees in all its aspects, both humanitarian and material, so far as the State of Israel is concerned. More particularly, it is to the United Nations body charged with settling the question of compensation that the Arab owners concerned will have to address any individual claims they may have.

"4. The Conciliation Commission is aware that the question of unfreezing blocked accounts in Egypt, Jordan, Lebanon, Syria and Israel is the only one on which direct negotiations have taken place between Arab and Israel delegates under the auspices of the Commission. Those negotiations resulted, in February 1950, in a technical agreement made possible by the conciliatory attitude of the Israel Government. This agreement, however, could not be put into practice owing to lack of co-operation by the Arab Governments in implementing it.

"Since that time serious events have taken place in Iraq. Almost all the Jews of that country have emigrated to Israel. They have been deprived of their property and their assets have been frozen. Any settlement of the question of blocked accounts, which might well result from the present discussions, would therefore have to include the freeing of Jewish accounts blocked in Iraq.

"5. The Israel delegation has had the opportunity of expressing its Government's concern that the integrity of the armistice system set up under the auspices of the United Nations should be preserved. The Israel delegation welcomes the initiative taken by the Commission in asking the parties to meet as soon as possible for the purpose of extending the scope of the 1949 Armistice Agreements.

"It is true that such an extension of the Armistice Agreements would not constitute peace, but at the very least, it would represent a further step towards the establishment of peace and would thus be in conformity with the letter and the spirit of those agreements and with the decisions of the Security Council.

"It would, however, be necessary, before considering any extension of the Armistice Agreements, first to ensure that the Arab Governments signatory to these Agreements will respect them in their present form and in conformity with the decisions of the Security Council.

"The Commission lists a certain number of questions which it suggests might usefully be included in the agenda of possible negotiations. The Israel delegation hereby declares that the Government of Israel will not fail to give careful consideration to the Commission's suggestions when an agreement between Israel and the Arab States on the agenda for these negotiations is discussed.

"The Commission's suggestions obviously do not have to be retained in toto or without amendment.

"For instance, it does not seem to the Israel delegation that the question of territorial adjustments should be discussed at the same time as that of the demilitarized zones; the control of the waters of the Jordan and Yarmuk rivers does not require the creation of an international authority but should merely be the subject of direct agreements between the riparian States; the nature and conditions of the facilities to be granted in the port of Haifa must be studied with a view to a possible arrangement concerning them being included in a general agreement regarding economic relations between Israel and the Arab States.

"However that may be, those are problems which can best be fully analyzed during the discussion of the agenda for the proposed negotiations.

"In conclusion, the Israel delegation wishes to say how much the explanations given by the Commission on 26 October have contributed towards the progress of the discussions. The Israel delegation has been able, without changing its attitude as defined at the meeting on 26 October, to express its views concerning those explanations all the more freely, since the Commission's proposals were submitted to it not as a rigid formula for a settlement but as a series of suggestions intended to guide the parties in the establishment of the agenda for possible negotiations".

The CHAIRMAN stated that he had listened with the greatest attention to the statement made by Mr. Fischer. For his part--and he thought the other members of the Commission felt the same way--he would like to examine the statement at leisure in order to be able to go more deeply into the various points dealt with.

For the present, therefore, he thanked the Israel delegation for having presented its comments to the Commission, which appreciated their importance.

The meeting rose at 12 noon.

Appendix II

SUMMARY RECORD OF A MEETING BETWEEN THE CONCILIATION COMMISSION AND THE ARAB DELEGATIONS

*Held at the Hôtel de Crillon, Paris, on Wednesday,
14 November 1951, at 4 p.m.*

CONTENTS

Comments of the Arab delegations concerning the questions raised in the statement made by the Chairman of the Conciliation Commission on 24 October 1951.

PRESENT

Chairman: Mr. Palmer, United States of America.

Members: Mr. Marchal, France; Mr. Aras, Turkey.

Alternates: Mr. Barco, United States of America; Mr. de Nicolay, France; Mr. Tepedelen, Turkey.

Secretariat: Mr. de Azcarate, Principal Secretary.

Also present: H.E. Abdel Monem Mostafa Bey, Egypt; Khulusi Bey El Khairy, Hashimite Kingdom of Jordan; H.E. Ahmed Bey Daouk, Lebanon; H.E. Adnan El Atassi, Syria.

COMMENTS OF THE ARAB DELEGATION CONCERNING THE QUESTIONS RAISED IN THE STATEMENT MADE BY THE CHAIRMAN OF THE CONCILIATION COMMISSION ON 24 OCTOBER 1951.

The CHAIRMAN welcomed the members of the delegation of the Arab countries and said the Commission would be glad to hear their comments concerning the Commission's proposals and the detailed explanations which had been given by the Chairman.

MOSTAFA Bey (Egypt) had carefully studied the Commission's proposals in the light of the explanations given by the Chairman, and wished to make the following observations:

" *Point 1.* Point 1 of the Commission's proposals aims at the conclusion of an agreement which would include the mutual cancellation of all war damage claims.

"In putting forward this proposal the Commission states its belief that any attempt to go back to the origin of the conflict in order to determine the responsibility would be a step backwards.

"My delegation regrets that it cannot agree with the Commission's reasoning, as the responsibility which the Commission thus wishes to avoid fixing has already been established by a higher organ of the United Nations, as the following explanation shows:

"As soon as the Partition Plan was adopted by the United Nations General Assembly in November 1947, the Zionists decided to get rid of the Arabs living in territory which was to belong to their State. They did not shrink from any methods of dispersing that Arab population. Acts of terrorism and persecution vying in horror with the methods of Hitler were committed by Zionist bands of terrorists, with the full knowledge of the British Mandatory authorities, which were still responsible for maintaining order and security in the country. That state of affairs soon alarmed the Security Council, which, in its resolution of 17 April 1948 concerning the situation in Palestine, expressed itself in the following terms: "...the United Kingdom Government, so long as it remains the Mandatory Power, is responsible for the maintenance of peace and order in Palestine and should continue to take all steps necessary to that end".

"Furthermore, on the termination of the British Mandate on 14 May 1948, the country was left a prey to anarchy, without any legitimate government capable of enforcing law and order and protecting life and property. The Zionists took advantage of that situation to strengthen their aggressive potential, by importing huge quantities of arms and war materials and by bringing into the country many immigrants, the majority of whom were ex-servicemen. They used this potential to spread terror, by committing the most odious crimes against the Arab population, which had been left defenceless. The memory of the pregnant women, children and helpless old people who were the victims of cowardly murder in their own homes, merely in order that Jewish immigrants could be settled in their place, is still fresh in all our minds.

"To take up arms for the purpose of putting an end to such barbarous acts is a duty imposed by

humanitarian principles on all those who are conscious of human dignity, honour and solidarity.

"This brief outline clearly proves that the damage that took place in Palestine as a result of the events following the adoption of the Partition Plan can be attributed to two main sources.

"The first responsible party is the Mandatory Power, which failed to carry out the obligations deriving from its Mandate, by not having given the country, during its thirty years of government, the institutions necessary for the achievement of statehood, by favouring the Jews as against the Arabs and by abandoning the country at the end of the Mandate, thus leaving it a vacuum and handing it over to anarchy.

"The second is the Zionist terrorist bands for which the present Jewish authorities are answerable.

"Responsibility can also be attributed to a third party: the United Nations, which merely adopted the Partition Plan without taking the measures necessary to ensure its implementation.

"To wipe out all these factors and merely to suggest the mutual cancellation of war damage claims does not appear to be a contribution to the settlement of the Palestine dispute on a just and lasting basis.

"However that may be, the character and complexity of the problem and the nature of the interests it involves are outside the Commission's terms of reference. For all these reasons, my delegation considers that point 1 of the Commission's proposals should not be the subject of mediation.

" *Point 2* . Point 2 of the Commission's proposals reads as follows:

"'That the Government of Israel agree to the repatriation of a specified number of Arab refugees in categories which can be integrated into the economy of the State of Israel and who wish to return and live in peace with their neighbours;'

"This proposal has been carefully studied by my delegation, which has been struck by the fact that it is in complete conformity with the Israel attitude. This might be merely a coincidence.

"After having offered, at the beginning of the Lausanne meetings, to agree to the repatriation of a fixed number of refugees, to be chosen from certain specific categories and according to specific criteria, Israel appears to have withdrawn that offer, judging by the statement made on 9 June 1949 to the Commission by the Chairman of the Israel delegation. That offer, reduced to its simplest terms and without its many reservations, involved the return of some 85,000 refugees to the whole of the territory administered by Israel. In addition, Israel reserved the right to choose these refugees and to resettle them in accordance with the requirements of its national and economic security.

"The Commission, in formulating this proposal, seems to have adopted the same criterion as that on which the Israel offer was based. In so doing it has certainly lost sight of paragraph 11 of the General Assembly resolution of 11 December 1948, which was confirmed by other resolutions adopted by the General Assembly in December 1949 and in December 1950. That paragraph made the return of the refugees to their homes dependent only on their own wishes, freely expressed. There is no suggestion, whatsoever, in the resolution of 1948, of in the successive resolutions confirming it, of restricting the refugees' absolute right to their homes. There is no mention either of realities created by the existence of Israel or of any other restriction. The Commission is thus trying to set aside the right of the refugees to their ancient homeland, a right recognized by the community of civilized peoples and confirmed by the Universal Declaration of Human Rights adopted in 1948.

"Further, this proposal represents an unjustified reversal of the Commission's attitude. As a result of arduous efforts and skilful methods of persuasion--as witnessed by the Commission's records--the Commission finally secured the signature of the parties to the Lausanne Protocol. The aim of that document, in the Commission's own words, was to achieve as quickly as possible the objectives of the General Assembly's resolution of 11 December 1948, regarding refugees, the respect for their rights and the preservation of their property. Since that document was signed, nearly three years ago, the Commission has not made the slightest reference to any steps it may have taken towards achieving those objectives or of obstacles that may have prevented their achievement. Instead of doing so, the Commission is now trying to restrict the rights of the refugees. The least that can be said of this complete change in the Commission's policy is that it conforms to the Israel point of view, which was expressed most clearly in the statement of 9 June 1949 to which I referred earlier. It is true that the Commission puts forward as an explanation what it has called the realities of the situation in Palestine. But is this not tantamount to rewarding the policy of fair accompli condemned by the civilized world and by the United Nations? The Commission's attitude is an incitement to the Israelis to persist in their policy of mass immigrations which, while making the return of the Arab refugees to their homes illusory, intensifies the causes of unrest in the Middle East and creates potential dangers for the Arab States. For lack of space in Palestine, the Jewish immigrants will inevitably try to spread into neighbouring countries, thus achieving the ambitions entertained by Israel. I hope that the Commission and the Governments it claims to represent will not overlook the fact that the conciliatory tendencies of Israel diplomacy are shown more by words than by actions and that they always have their propaganda aspect.

"It is obvious that the Commission's proposal sanctions a flagrant injustice, that it is beyond the Commission's terms of reference and that the solution it advocates is liable to perpetuate one of the causes of the unrest and instability which are unfortunately prevalent in the Middle East.

"For all these reasons my delegation cannot subscribe to any limitation of the indefeasible right of the refugees to return to their homes. That right must be respected in its entirety.

"I should now like to remind the Commission of the note by the Arab delegations reproduced in the Commission's document No. AR/17 of 29 August 1949. That note deals with the whole Palestine question. Chapter B is devoted to the refugee problem. I therefore refer back to that chapter, which still represents the only solution to the problem that is acceptable to my delegation.

"The Commission would certainly be accomplishing something useful if it were to take immediately, without further delay, the steps indicated in that note concerning the return of the refugees, the preservation of their property, their personal protection and the protection of their rights. It is high time for the Commission to take positive action. The immobility which has marked the Commission's work must come to an end. The mass of refugees deprived of a decent life for more than three years is a prey to all evil and subversive propaganda. The first indispensable step, in the opinion of my delegation, is to take an immediate census of the refugees who wish to be repatriated. My Government is prepared to give its full assistance to that end. All refugees who express the wish to return to their homes should be allowed to do so, without any restriction or limitation of their absolute right to their homeland. Unless that solution is adopted, there can be no just peace in the Middle East. Any sincere plan for the re-establishment of peace in Palestine must include as a first and indispensable step the settlement of the refugee problem on that basis. As long as the Jews are opposed to the return of the refugees, the re-establishment of peace in the Middle East will remain nothing more than a wish.

" *Point 3* . Point 3 of the Commission's proposals reads as follows:

"'That the Government of Israel accept the obligation to pay, as compensation for property abandoned by those refugees not repatriated, a global sum based upon the evaluation arrived at by the Commission's Refugee Office; that a payment plan, taking into consideration the Government of Israel's ability to pay, be set up by a special committee of economic and financial experts to be established by a United Nations trustee through whom payment of individual claims for compensation would be made;'

"This proposal raises a question of principle and a technical question of procedure and method.

"1. *The question of principle:* In the first place, there is the right to compensation of refugees deciding not to return to their homes. This right is laid down in paragraph 11 of the General Assembly resolution of 11 December 1948 in which, after deciding that refugees wishing to return to their homes and live at peace with their neighbours should be permitted to do so at the earliest practicable date, the Assembly prescribed the payment of compensation for the property of those deciding not to return to their homes.

"In the second place, there is the question of the compensation to be paid for all property lost or damaged.

"My delegation rightly considers that this is an individual right of the refugees personally or of their beneficiaries. They should be able to exercise it without any limitation of time or space.

"The principal responsibility for paying the amounts due under these two headings lies with Israel. Israel, moreover, acknowledged its obligation in that connexion during the Lausanne conversations, and specifically on 6 May 1949.

"The United Nations shares this responsibility with Israel. I have already had the opportunity of stating before the Commission that the present situation in Palestine had its origin in the United Nations intervention in the Palestine conflict and the fact that it failed to implement its resolutions concerning the conflict. Moreover, the United Nations has recognized its responsibility in that connexion. It is only fair that it should pay the compensation due to the refugees for their property when the principal debtor is insolvent. The United Nations has, so to speak, taken upon itself this obligation which belongs mainly to Israel.

"The Commission's proposal according to which payment of the compensation due to the refugees would be related to Israel's financial capacity calls forth the most categorical reservations by my delegation. Any attempt to establish a relationship of cause and effect between the payment of compensation and the financial capacity of Israel would be equivalent to a pure and simple confiscation of the property of the Arab refugees.

Everyone knows that the policy of mass immigration which Israel is carrying out is leading to disastrous financial consequences for that country. Apart from the fact that the right to compensation of refugees not wishing to return to their homes should not be subject to any conditions and that the compensation should be paid without delay, it is obvious that these payments will represent for the refugees capital that can be invested and that will to some extent replace their abandoned property. To restrict this right or to make the payment of compensation dependent on the financial capacity of Israel would be to make this right an illusion and to make Israel a present of the refugees' property. And the unfortunate refugees would thus be deprived of their homeland and of their property. Would that not be equivalent to making theft unlawful?

Would it not be contrary to the demands of the most elementary justice?

"For all these reasons my delegation cannot agree to the proposal that the payment of compensation should be conditional upon Israel's financial possibilities and maintains that the payment should be made without delay by Israel or, failing that, by the United Nations.

"As regards the question of the procedure to be adopted for the evaluation of refugee property or for the payment of compensation to rightful claimants, my delegation wishes to make some comments.

"Firstly, the compensation must represent the true value of the property.

"Secondly, the refugees must be represented during the different stages of this operation for the purpose of seeing that their interests are protected and giving the benefit of their experience to the United Nations bodies entrusted with the operation.

"Thirdly, a procedure must be set up through which the refugees can appeal.

"My comments would be incomplete if I omitted the question of public property, roads, railway lines, ports, aerodromes, etc., situated in Palestine territory under Israel administration. It is well known that the established practice in the case of dismemberment of States is to divide such property. It is only fair to claim the value of that portion of such property which is due to the refugees who are not repatriated. This question might be studied by specialists.

" Point 4 . Point 4 of the Commission's proposals reads as follows:

"'That the Governments of Egypt, Jordan, Lebanon and Syria and the Government of Israel agree upon the mutual release of all blocked accounts and to make them payable in pounds sterling;'

"My delegation has no objection to make concerning this proposal, particularly as the principle which underlies it was accepted by my delegation during the Lausanne conversations. The only desire of my delegation is that the formalities of unfreezing should be undertaken as soon as possible, for the freeing of the assets belonging to the Arab refugees would be of considerable assistance.

" Point 5 . Point 5 of the Commission's proposals reads as follows:

"'That the Government of Israel and the Governments of Egypt, Jordan, Lebanon and Syria agree to consider, under United Nations auspices, and in the light of the experience gained during the past three years, the revision or amendment of the Armistice Agreements between them, especially with regard to the following questions:

"'(a) Territorial adjustments, including demilitarized zones;

"'(b) The creation of an international water authority to deal with the problems of the use of the Jordan and Yarmuk Rivers and their tributaries, as well as the waters of Lake Tiberias;

"'(c) The disposition of the Gaza strip;

"'(d) The creation of a free port at Haifa;

"'(e) Border regulations between Israel and her neighbours with special attention to the need for free access to the Holy Places in the Jerusalem area, including Bethlehem;

"'(f) Health, narcotics and contraband control along the demarcation lines;

"'(g) Arrangements which will facilitate the economic development of the area: resumption of communications and economic relations between Israel and her neighbours.'

"My delegation does not object to the principle underlying this proposal.

"However, if any real improvement on the present situation is to be accomplished by the revision and amendment of the Armistice Agreements as envisaged by the Commission, such revision and amendment must be based on certain guiding principles.

"Any revision or amendment of those Agreements must be aimed at putting an end to the abnormal situation at present existing in Palestine and to the causes of friction between the parties concerned, in the light of the experience of the last three years.

"They must have the object of righting--even if only partially--the wrongs done to the Arab world in general, and to the Arab population of Palestine in particular, without losing sight of the requirements of the security of the Middle East.

"The first and most fundamental of these principles is the respect for the resolutions adopted by United Nations bodies--the General Assembly, the Security Council, the Trusteeship Council etc.--on the Palestine problem.

"It should be noted that the Armistice Agreements themselves bear out this view. They were concluded on a purely military basis, without prejudice to the solution of the Palestine problem as a whole or to any claims which might be formulated at a later date.

"This principle implies the respect for the instrument drawn up by the Conciliation Commission itself and submitted to the parties during the Lausanne conversations in May 1949. This was the Lausanne Protocol, to which I referred a moment ago. My delegation was therefore surprised that the Commission had set aside that instrument when formulating its proposals. That instrument, which was designed essentially as a basis and a starting-point for the implementation of the United Nations resolutions concerning the Palestine question, still bears the signatures of the members of the Commission and those of the parties. I imagine, in the light of the statement of the members of the Commission that they are acting on behalf of their Governments, that before signing the Protocol they must have received authorization from their respective Governments. Has the Commission's attitude changed since that time? I shall not elaborate any further on this point at present.

"Having thus made clear the position taken by my delegation, I should now like to refer to and comment on some of the examples given by the Commission of problems which might be included in the revision and amendment of the Armistice Agreements. In the opinion of my delegation, these examples sin both by commission and by omission.

"In the first place, they sin by commission by including questions that fall within the sovereign jurisdiction of the Arab States. This is the case as regards the establishment of communications and economic relations between Israel and the States bordering on Palestine.

"A striking feature characterizes the Commission's proposals. Each time there is a question of Israel's interests or of strengthening her position, the Commission proceeds to find in the United Nations resolutions pertinent arguments to back up its pro-Israel proposals. It is so in the case of this proposal for the resumption of economic relations and the re-establishment of communications. It is true that the United Nations resolutions provide for the re-establishment of normal conditions in Palestine. But each time the interest of the Arabs are involved--interests which are laid down and guaranteed by the same resolutions--the Commission attempts to diminish those interests and to weaken the relevant resolutions, entrenching itself behind a thousand arguments. Mr. Chairman, justice is indivisible and peace is indivisible. Does the Commission imagine or believe that it is possible to establish communications or relations between the Arab States and Israel while a million Arab refugees are wandering in the desert, deprived of any kind of decent life and able to see, a few hundred yards away, their homes and lands occupied by Jewish immigrants from the four corners of the earth? Does the Commission sincerely believe in the possibility of establishing economic relations between the Arab States and Israel while the latter is carrying out a policy of aggression against the Arab world and defying the United Nations?

"In the second place, the examples given by the Commission sin by omission in that they make no allusion whatever to the internationalization of the Jerusalem area or to the fate of the part of Palestine that is not under Israel administration. There might be an explanation of this silence on the part of the Commission. The Commission claims to represent the interests of its States members. The position taken by at least two of the States represented on the Commission, when the Jerusalem question came before the United Nations last year, is a matter of common knowledge. For my part, I consider that the Commission is a United Nations body which should obey nothing but the resolutions of the United Nations organs. It is under the obligation to take those resolutions fully into consideration when submitting to the parties examples of questions which might be considered in the revision or amendment of the Armistice Agreements.

"For this reason, my delegation demands the internationalization of the Jerusalem area.

"As regards the part of Palestine not occupied by the Jews, its fate must be decided by the inhabitants in accordance with democratic principles and on the basis of self-determination, as laid down in the United Nations Charter and the Universal Declaration of Human Rights. Moreover, the reply of the Arab States to the Tripartite declaration of 25 May 1950 concerning the Middle East is based on the same idea, I quote the words of that reply: 'The Arab States wish to put on record the assurance that the three Governments did not desire by their declaration to encourage Israel to exercise pressure on the Arab States with a view to persuading them to negotiate with Israel, to prejudice in any way whatsoever the final solution to the Palestine problem or to maintain the status quo; but that their intention was to set themselves against the use of force or the violation of the established armistice lines'.

"For the above reasons, my delegation believes that there is no point at the present time in considering the fate of the Gaza strip, the population of which is a hundred per cent Arab, as this question is linked to the final solution of the Palestine problem and to the fate of Arab Palestine.

"My colleagues of the other Arab delegations are in a better position than I to comment on some of the other questions raised by the Commission".

In conclusion, the representative of Egypt asked the Commission to consider the observations he had just made and to take them into account in making its report to the General Assembly. He added that the delegation of Egypt remained at the Commission's disposal if it wished to continue the discussion.

Finally, he wished to assure the members of the Commission of his feelings of esteem and friendship which no difference of opinion resulting from the nature of the situation could affect.

KHULUSI Bey KHAIRY (Hashimite Kingdom of Jordan) said he would limit himself to making some brief comments, as the objections formulated by the delegations of the Arab countries in the joint note they had addressed to the Commission also applied to the explanations given by the Chairman.

With reference to point 1 of the proposals, the Jordan delegation wished to remark that there had been no "war", in the strict sense of the word, in Palestine, but rather what might be called a political war carried out according to a plan that had been prepared in detail beforehand. Obviously, the responsibility for the regrettable incidents that had taken place in Palestine rested, during the time of the Mandate, with the Mandatory Power, and afterwards with the United Nations. Indeed, as the representative of Egypt had pointed out, the United Nations, which had adopted the Partition Plan, should have taken the necessary measures for its implementation.

However, the Jordan delegation agreed with the Commission that it would be taking a step backwards to attempt to go back to the origin of the conflict in order to determine the responsibility; it was therefore in agreement with the delegation of Egypt that point 1 should be withdrawn from the Commission's proposals.

As regards the question of repatriation dealt with in point 2 of the Commission's proposals, the Jordan delegation could only recall the objection of principle contained in the joint note of the Arab delegations. It did not consider that the criteria suggested by the Commission offered a practical basis for a solution of the refugee problem.

With reference to point 3 of the proposals, the representative of Jordan had to admit that its meaning had not been clear to him, nor to his Government, which would be glad to receive clarification on that subject.

The Commission's Refugee Office appeared to have estimated the total area of Arab lands in Israel at 16,324 square kilometres. As the total area of the territory occupied by Israel was 18,000 square kilometres, was it to be inferred that the Arabs possessed eight-ninths of that territory? As for the procedure for the payment of compensation which, according to those eloquent figures, must represent a large amount, the representative of Jordan wished to know how this proposal could fit in with a realistic view of the situation.

Finally, the Jordan delegation fully agreed with Egypt's view concerning blocked assets.

AHMED Bey DAOUK (Lebanon), who was in full accord with the opinions expressed by the preceding speakers, wished to clarify his Government's position with regard to the various points of the Commission's proposals.

The delegation of Lebanon considered that point 1 could not be discussed at the present time for the reasons given by the previous speakers and because the question required a more thorough examination by the Arab Governments.

With regard to point 2 concerning repatriation, the Lebanese Government could not agree to the limitation of the number of refugees who could be repatriated, or to the restriction of repatriation to certain categories of refugees who, it was considered, could be integrated into Israel's economic life.

Concerning point 3, he considered that the payment of compensation should be effected not by a lump sum but on an individual basis and in cash, after a fair evaluation of the abandoned property.

The delegation of Lebanon agreed with point 4 of the Commission's proposals. As regards point 5, he stated that his delegation could only contemplate the revision of the Armistice Agreements within the framework of the clauses of those Agreements. It was opposed to the setting up of an international water authority to deal with the problems of the use of the Jordan and Yarmuk Rivers and Lake Tiberias. Nor could it agree that free access to the Holy Places be mentioned only in connexion with the Jerusalem area and Bethlehem, as in his opinion the only possible solution in the circumstances was the internationalization of all the Holy Places. Finally, the representative of Lebanon wondered why the Commission contemplated dealing with the future of the Gaza strip and not of other areas in a similar situation.

Mr. ADNAN EL ATASSI (Syria) referred to the letter which the Commission had addressed to the Arab delegations asking them whether they were ready to discuss the Commission's proposals in the light of the explanations given by the Chairman. He believed that a similar letter had been addressed to the Israel delegation and asked the Commission whether the Arab delegations might be informed of Israel's reply, which was of interest to the Arab States, believing as they did that no attempt at conciliation could be made without the assurance that the co-operation of both parties to the dispute would be forthcoming.

Turning to the various points of the Commission's proposals, the representative of Syria stated that his Government's position in that connexion was in complete accord with that of the Governments of Egypt, Jordan and Lebanon.

As regards point 1, he felt, in contrast to the Commission's view, that it was easy to fix the responsibility for the events that had taken place in Palestine in 1948, by consulting a few dates. As was well known, the intervention of the Arab States had taken place on 15 May 1948. The greater part of the territory to which the Partition Plan applied had been occupied before that date by the Jewish forces, which at that time had been faced, not with the Arab forces, but with the civilian population. It was therefore obvious that it was the Jews who bore the responsibility for the conflict. The delegation of Syria agreed,

however, that it was useless to waste any more time studying that question.

With regard to points 2 and 3, his delegation had nothing to add to the remarks of the previous speakers. It was prepared to accept point 4 and considered it essential that it should be put into practice without delay.

The representative of Syria wished to draw attention to the fact that point 5 of the proposals once more brought into focus the Palestine problem as a whole. Such a proposal appeared to result from an intention purely and simply to recognize a fait accompli and to secure the final acceptance by one of the parties of a position gained by the other party through the use of force and by scorning the decisions of the United Nations. The delegation of Syria felt obliged to point out that such a procedure did not represent conciliation.

The CHAIRMAN thanked the delegations for having expressed their comments so clearly. The Commission had listened to them with the greatest interest and would study them carefully.

In reply to the representative of Syria, he stated that the Commission had that very morning heard the comments of Israel concerning the Commission's proposals, and concluded by saying that in the light of all those comments the Commission would soon have to take certain decisions, of which it would not fail to inform the delegations concerned immediately.

The meeting rose at 6 p.m.

Notes

1/ A/1367/Add.1.

2/ The statistical data concerning Palestine under the Mandate available to the Refugee Office related to the "non-Jewish" rather than to the "Arab" population. In the view of the Office, the number of non-Jews who were not Arabs was so small as not materially to affect the Office's calculations.

3/ Agricultural land is regarded as one of the most secure investments and the expected yield is consequently low. Three per cent is the figure usually assumed and this corresponds to a multiplier of 33.3. Since the net annual values in this instance are on the high side, a multiplier of 30 was held to be more appropriate.

4/ The Arab population has increased and it is assumed that no Arab property has been abandoned in these towns.

5/ The coefficient might vary from 10 to 25 (corresponding to assumed yields of 10 per cent to 4 per cent), according to the type, age and condition of the property, as well as to the yields obtainable from alternative forms of investment offering similar security. In view of the widely varying character of the property, the coefficient was fixed at 16.667, corresponding to a yield of 6 per cent.