



UNITED NATIONS CONCILIATION COMMISSION FOR PALESTINE
GENERAL COMMITTEE

SUMMARY RECORD OF A MEETING BETWEEN
THE GENERAL COMMITTEE AND
THE DELEGATION OF ISRAEL

held in Lausanne on Tuesday,
14 June 1949, at 3.30 p.m.

Present:	Mr. Yenisey	(Turkey)	Chairman
	Mr. de la Tour du Pin	(France)	
	Mr. Wilkins	(U.S.A.)	
	Mr. Milner		- Committee Secretary
	Mr. Elias Sasson		- Representatives of Israel
	Mr. Gershon Hirsch		

Repatriation of citrus grove owners and workers: unfreezing of Arab assets (items 1 and 2, [Arab memorandum of 18 May](#))

The CHAIRMAN pointed out that there was a close relation between the first two items on the agenda; he proposed to discuss them together.

Before entering upon that discussion, however, he wished, in accordance with the current tendency to stress the importance of constructive suggestions and conciliatory "gestures", to advance one such constructive suggestion himself. In his view, a suggestion, in order to be constructive, must deal with the substance of the question, not merely with form and procedure. For that reason he could not look upon the first and third proposals made by the Israeli delegation recently to the Commission ([see SR/LM/20](#)) as constructive suggestions. He felt that the sending of a representative of the Commission, on a tour of the Arab capitals would be seriously lacking in tact. As regards the formation of a number of committees, he observed that the Commission was not a tribunal; moreover, even in a tribunal, the parties could not be forced to speak against their will. The Israeli delegation had expressed the view that statements on frontiers could be elicited from the other party if a sub-committee on frontiers were set up. He pointed out, however, that the Arab delegations had clearly stated their refusal to speak on the territorial question in the present circumstances; the Commission, having no coercive power, could not oblige either party to speak on any question. Therefore the suggestion for the establishment of sub-committees did not seem applicable. In order to be truly constructive, a suggestion should lead the other party to revise its position and to make concessions; this could be achieved only if the suggestion were made in a spirit of friendliness and good will, and in a desire to eliminate the points which were still dividing the parties. It was in that spirit that the Chairman desired to open the discussion of the first two items on the present agenda.

The request set forth in point 1 of the [Arab memorandum of 18 May](#) seemed to him a natural one, the granting of which would be to Israel's own material advantage. He again stressed the fact that the citrus groves in question constituted a large part of Israel's national capital; it would be contrary to Israel's own interests to let them deteriorate to the point of total loss. With regard to the second point, it was well known that many Arabs possessed of great wealth were at present threatened with starvation; the Israeli Government could easily show its good will and humanitarian tendencies by permitting these Arabs to have access to a minimum amount of the blocked funds. The Chairman considered both of these requests to be constructive suggestions.

Mr. SASSON observed that it was the Commission's function to determine the applicability or inapplicability of proposals made by the delegations. He explained why he considered the proposal for five sub-committees to be a constructive one. As the situation stood at present, his own delegation did not wish to discuss the refugee question separately, while the Arab delegations refused to discuss any other question. The General Committee could not dissolve the deadlock, since under its general [terms of reference](#) it was forced to allow discussion of any question and listen to any proposal; it had no means of preventing the two parties from continuing to talk along two completely separate lines. The establishment of the five sub-committees, each strictly limited to the consideration of one question, would save a great deal of time and prevent the slow dragging out of one discussion over a period of weeks. The Arab delegations would be able to discuss the refugee question in the sub-committee dealing with that question, but they would be morally bound to discuss the territorial question in the sub-committee on frontiers. If

they refused to do so, the Commission would then be in a position to draw a clear conclusion from such refusal and to fix responsibility for the delay or failure of the negotiations.

Mr. Sasson observed that the first item of the agenda must be considered in two parts: first, the urgent care needed by the groves, and secondly, the return of the owners, the necessary labourers, technicians, etc. On the question of care of the groves, he stressed the fact that the 200,000 dunums now under cultivation in citrus were an integral part of Israel's economy. It was possible that the Government's economic plan might require the reduction of the amount of land under citrus cultivation; it might be considered necessary that as much as half the 200,000 dunums should be converted to other agricultural production or to industry. This was the reason why his delegation had not yet replied on the question; it was a fundamental one closely related to Israel's economic and agricultural planning, and was still under exhaustive study. He pointed out that the land to be converted might be at present in either Arab or Jewish possessions; Israel would naturally expect its plan to be accepted by its citizens, on the basis of the normal compensation attaching to expropriation. If refugee land was acquired in this way, the compensation would naturally apply also to the refugees involved.

On the matter of return of the refugees connected with the groves, Mr. Sasson said that the return of the owners was a question of principle which would be a difficult one to decide. As regards the labourers and technicians, he pointed out that Israel had no lack of such labourers and technicians, either Arab or Jewish; *there was already unemployment in Israel*, and the Government must first find work for the refugees already within its borders before accepting more. In making this overall request, the Arab delegations chose to ignore the economic life and problems of the State of Israel; the question could be more thoroughly dealt with, however, if a refugee sub-committee were set up. Mr. Sasson recalled that his Government had already made one concrete proposal on the matter, committing itself to accept and be responsible for a large number of refugees in the Gaza area.

As regards the question of the blocked accounts, Mr. Sasson asked for clarification as to what was requested; he was in doubt whether the present request was for the use of a certain part of the blocked funds to defray the cost of care of the groves, or whether it concerned individual distribution of private funds to their owners. The CHAIRMAN observed that the formation of sub-committees lay within the competence of the Commission. He wished to know, however, what possibilities of success such sub-committees would have if the Israeli delegation itself admitted, as it had just done, that its general principle was to discuss the refugee question only within the context of the whole problem.

As regards Israel's economic rehabilitation plan, he asked whether, pending a decision as to which lands were to be converted, Israel would give assurances that measures would be taken for the preservation of the groves.

With reference to the blocked accounts, the Commission had been told that the Ottoman bank in London and some banks in Israel had permission to make certain payments. The Chairman did not wish to enter into the question of possible advances to cover upkeep of the groves; it was a question of making available some part of their private funds to the destitute among the refugees, for their immediate relief. It was well known that the international relief organisation had insufficient funds to meet the situation.

Mr. HIRSCH agreed with the Chairman that the proposal to set up sub-committees raised a fundamental question of the method of work to be followed, and was therefore within the competence of the Commission and the heads of delegations. He wished it to be recorded, however, that if such sub-committees were created, the Israeli delegation would be prepared to discuss the refugee problem fully in the sub-committee concerned with that question. He stressed the fact that his delegation had never been unwilling to discuss the matter; it had already discussed it at some length; it merely was not ready to agree to the actual return of refugees until the position with regard to a general peace settlement was known.

He observed that the [Arab nine-point memorandum](#) was still receiving sympathetic consideration by the Israeli Government. With regard to its first point, the government continued to take the view that there could be no repatriation of refugees except as a measure of the peace settlement; the Israeli delegation must adhere to that position until new instructions were forthcoming. The Government was, however, considering the possibility that such groves as Israel intended to cultivate, and which were not now under cultivation, might be operated by Arabs, even by refugees, who were at present in Israel. If such a plan of action were adopted, the aim of preservation of the groves would be achieved, without the necessity of repatriating any refugees for the moment.

With regard to the assurances requested by the Chairman, Mr. Hirsch pointed out that under the Absentee Act there was a custodian whose responsibility it was to care for abandoned property. A certain percentage of the groves which were the property of Arab refugees were under cultivation at present and in good condition; the proceeds of sale of their product was being held in the interests of the owners. Another percentage, mainly in the Lydda-Ramle area, had suffered considerable damage as a result of the hostilities and were now near destruction; no moral responsibility could be assumed by the Israeli Government in this case. There existed a third percentage which could be restored to productivity were it not for a lack of man-power.

Concerning the problem of the blocked accounts, Mr. Hirsch called attention to the difficulty raised by Israeli currency regulations, which limited stringently the exportation of funds by Israeli citizens. Those regulations made it difficult for the Government to allow the removal of Arab-owned funds which were destined for the Arab States. For that reason, he wished to know whether the present request was for individual payments to individual depositors, or for the unfreezing of a lump sum for general distribution. He suggested that a possible solution of the problem might lie in the use of some of the blocked funds by the international relief agencies within Israel, with the resultant freeing of other funds of those agencies which could be used to assist the refugees outside Israel.

The CHAIRMAN expressed interest in Mr. Hirsch's suggestion, and asked whether it could be considered an official proposal and put in writing to be transmitted to the Arab delegations.

Mr. HIRSCH replied that since his Government had not completed its study of the question, he could not state whether or not the proposal could be made official; he would, however, consult the head of his delegation on the matter.

In reply to a question by Mr. Wilkins, who asked how much the International Red Cross was now spending for relief within Israel, and what was the total amount of the blocked Arab accounts, Mr. Hirsch said he would endeavour to ascertain figures for the information of the Committee.

Mr. de la TOUR DU PIN agreed that Israel had the right to convert to other purposes land which was now under citrus cultivation, but he wished to draw attention to the possible consequences to Israel of such a change from a free economy to a planned economy. While the Committee had no desire to interfere in Israel's domestic affairs, it should be pointed out that such a policy might produce political repercussions, since it might easily be interpreted by the Arab States as a systematic discrimination against the Arab population. Such an economic ideology might be extremely unfavourable to the establishment of peace in the Middle East.

With reference to prevention of deterioration of the groves, he pointed out that the Arab delegations had made the suggestion with the purpose not only of achieving repatriation of refugees, but also of enabling Israel to profit by the services of workers who would be useful to its economy. Although Israel had grasped the economic and technical aspect of the question, the political aspect — the possible gesture of conciliation — would be lost if measures were taken to preserve the groves without repatriation of any refugees.

On the subject of the blocked accounts, he understood the difficulties involved as regards Israeli public opinion, and he considered Mr. Hirsch's suggestion a most interesting one. Nevertheless, he wondered whether a way might not be found to permit Barclay's Bank or the Ottoman Bank to make small monthly payments to depositors without an exportation of capital or any grave financial consequences being involved. Another question to be studied was a method by which an Arab refugee could have access to his blocked funds for purposes of paying debts or making payments to relatives or friends within Israel. Such a move, even on a small scale, would constitute a major gesture of good will which would prove of great assistance to the Commission in its work of conciliation.

To a question from the Chairman, who asked whether the Arabs at present in Israel had free use of their banked funds, Mr. SASSON replied in the affirmative.

In reply to Mr. de la Tour du Pin, Mr. Sasson said that the suggestions made would be taken into consideration, although there was little practical difference between exportation of capital and use of national credits in foreign countries.

In Mr. Sasson's view, the continuous imperative demands of the Arab delegations, and their unwillingness to settle the problems within the framework of a general peace, indicated clearly that they were in no haste to reach such a final settlement.

In reply to Mr. Sasson, Mr. de la TOUR DU PIN pointed out that the matter of urgent preliminary measures for preservation of the rights and property of the refugees was a question which had first been raised, not by the Arab delegations, but by the Commission itself, in its [memorandum of 11 April](#) to the Government of Israel. In answer to Mr. Hirsch, who wished to know, on behalf of his Government, whether the request was for individual payments from the blocked funds or for a single unfreezing of a large lump sum, the CHAIRMAN said it was desired that individual refugees should be able to utilize their personal assets within certain limits, for their immediate needs. The Committee might establish a list of the persons involved, which could be compared with the Israeli Government's statistics.

The CHAIRMAN recalled that the Israeli delegation had complained of having received no proposals from the Arab delegations. He pointed out, however, that in paragraph 3 of the [memorandum of 21 May](#), the Arabs requested the repatriation of refugees to areas which would have been part of the independent Arab State under the [Partition Plan](#). This request indicated an acceptance by the Arab States of the [Partition Plan](#), and constituted in effect a proposal; indeed, the Arab delegations considered it as one.

Mr. SASSON thought it had been obvious that the Arab delegations accepted the [Partition Plan](#), at the time they had signed the [Protocol of 12 May](#). He agreed with Dr. Eytan's reply to the Arab memorandum, however. The Arab delegations either ignored the Israeli proposals entirely, or refused to discuss them, and subsequently offered proposals which were contradictory to those presented by Israel. Israel had offered proposals regarding the frontiers with Lebanon, Egypt and the Hashemite Jordan Kingdom, which departed from the [Partition boundaries](#), and implied the retention by Israel of such territories as Galilee, Lydda, Ramle and Jaffa; those proposals constituted in effect a clear reply to the [Arab memorandum of 21 May](#).

In reply to an observation by the Chairman, who recalled that the Arab delegations had rejected the frontier proposals as being a violation of the [Protocol](#), Mr. Sasser thought that the difficulty, and the resulting deadlock, arose from differing interpretations of the [Protocol](#). Israel had interpreted the [Protocol](#) as allowing either side, while taking the [Partition map](#) as a starting point, to offer proposals departing from the provisions of that [map](#); the Arab delegations, however, evidently interpreted it strictly as implying acceptance of the actual [Partition boundaries](#). He pointed out that this error could only be attributed to the fact that the Commission had never informed the Arab delegations of the reservation taken by the Israeli delegation at the time the [Protocol](#) was signed, a reservation which had been accepted by the Commission.

In reply to the Chairman, who wondered why, in that case, the Israeli delegation had accepted the [Partition map](#) as a basis for discussion, Mr. Sasson recalled that at the beginning of the talks the Israeli delegation had presented a [draft "Preamble"](#) of a peace settlement, as a suggested basis for negotiation. The Commission, for reasons of its own, had found that document unsatisfactory, and had taken the initiative in proposing another basis. After private discussions, the Israeli delegation had agreed, in order to advance the work, to accept that basis, subject to the reservation he had mentioned. It could therefore take no responsibility for the choice of the document which served as the basis for negotiations.

Mr. HIRSCH added that owing to that reservation, by which his delegation had made it clear that it could never accept the [Partition boundaries](#) as its frontiers, Israel could not agree that its territorial proposals constituted a violation of the [Protocol](#). The Arab delegations could have made such a claim only through ignorance of the Israeli reservation. As for the paragraph now under discussion, Israel could only answer by calling attention to its own previous territorial proposals, which constituted in effect a reply. He agreed with the Chairman that the Committee was faced with two proposals which were mutually exclusive; he considered that fact a further argument in favour of separate sub-committees to deal with the refugee question and the territorial question.

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