

UNITED NATIONS PALESTINE COMMISSION

SUMMARY RECORD OF THE SEVENTH-FIRST MEETING

Lake Success, New York

Thursday, 29 April 1948, at 2.30 p.m.

Present:

Chairman:	Mr. LISICKY	(Czechoslovakia)
Members:	Mr. Federspiel	(Denmark)
	Mr. Morgan	(Panama)
	Mr. Monzon (Observer for Mr. Francisco)	(Philippines)
Secretariat:	Mr. Bunche	(Secretary)
	Mr. Azcarate	(Deputy Principal Secretary)
	Mr. Vigier	(Senior Political Adviser)
	Mr. Reedman	(Senior Economic Adviser)

INFORMAL REPORT BY MR. AZCARATE

The CHAIRMAN welcomed Mr. Azcarate (Deputy Principal Secretary) on his return from Palestine and invited him to give an off-the-record account of the situation in Palestine.

Mr. AZCARATE (Deputy Principal Secretary) made a lengthy statement on the general situation in Palestine as it appeared to him while he was there. In the course of his statement he paid a warm tribute to the members of the Advance Party, and stressed the fine spirit which, under the difficult circumstances in which they had to live, they had shown both in respect to their work and their relations with each other.

CONSIDERATION OF THE QUESTION OF THE RELEASE OF STERLING BALANCES

The CHAIRMAN stated that provision had to be made for the release of an amount of sterling sufficient to cover Palestinian imports during the period following 15 May. He informed the Commission that the Secretariat was preparing a working-paper in which the Secretariat would calculate a reasonable amount on which to base the Commission's negotiations with the United Kingdom Government respecting the release of sterling balances to meet Palestinian import requirements during the period of 15 May to 1 October.

/Mr. REEDMAN

Mr. REEDMAN (Senior Economic Adviser) explained that the calculations would be made on certain assumptions which might or might not prove to be correct but which could not be avoided.

The first assumption was that the rate of imports would continue to be more or less the same as it had been for a similar period during the previous year.

A second assumption was that the imports would be distributed as between hard and soft currency areas in the same proportions as they had been in the previous period. He explained certain difficulties that might possibly arise in this connection, difficulties resulting from the fact that Palestine would, after 15 May, be completely outside the sterling area. However, in making the calculations the Secretariat would have to work on the assumption that the distribution of imports as between the hard and soft currency areas would remain the same as it had been in the past.

The third assumption was that prices would remain at the present level.

The CHAIRMAN requested Mr. Reedman to transmit to Mr. Hoofien of the Jewish Agency a copy of the working-paper which was being prepared when it was ready.

It was agreed that Mr. Hoofien would be invited to attend that meeting of the Commission at which the working-paper was discussed and to make his comments on the working-paper.

The meeting rose at 5.30 p.m.
