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6 April 1948

UNITED NATIONS PALESTINE COMMISSION

Communication Received from the United Kingdom  
Delegation Concerning Food Supplies in Palestine

The following communication, concerning the food supply position in Palestine after 15 May, has been received from Mr. Fletcher-Cooke of the United Kingdom Delegation in reply to the Commission's letter of 25 March on the same subject.

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UNITED KINGDOM DELEGATION TO THE UNITED NATIONS  
Empire State Building, New York 1, N. Y.

5th April, 1948

URGENT

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Dear Bunche,

May I refer to your letter of the 25th March in which you conveyed to me the views of the Commission on the proposals of His Majesty's Government in the matter of food supplies for Palestine, which were set out in my letter of the 18th March.

2. The Commission's views have been conveyed to His Majesty's Government, who have asked that the following points should be brought to the notice of the Commission: -

(1) As regards sub-paragraph 2 of paragraph 3 of your letter of the 25th March, His Majesty's Government are glad to note that the Commission accept financial obligation for supplies received after the 15th May.

(2) It is, however, quite impossible for the Government of Palestine to advance money for the procurement of these supplies since, apart from the question of principle, it has no monies available for this purpose.

(3) The Government of Palestine is already in deficit and His Majesty's Government have been obliged to advance a substantial sum to meet outstanding commitments, of which the existing food bill is some three million pounds sterling, only part of which may be recovered.

(4) In addition, the deficit at the 15th May as a result of declining revenue is likely to be very substantial.

(5) The proposal in paragraph 2 of your letter of the 25th March would in effect mean that His Majesty's Government would have to advance the money and this His Majesty's Government are not prepared to do.

(6) In view of the uncertainty of future developments in Palestine, His Majesty's Government cannot feel confident that the Commission will now be in a position to implement within a reasonable time a guarantee to re-imburse His Majesty's Government out of the future revenues of Palestine (sub-paragraph 4 of paragraph 3 of your letter of the 25th March refers).

(7) As regards sub-paragraph 5 of paragraph 3 of your letter of 25th March His Majesty's Government consider that the disposal of Palestine Currency Board funds would be a matter on which the views of the successor currency authority should be obtained. Under the General Assembly's Partition Plan, this was envisaged to be the Joint Economic Board and until the future currency authority is set up, the disposal of any such funds must rest in abeyance.

(8) His Majesty's Government can, therefore, only undertake procurement for the period in question on an agency basis, i.e. if they are put in funds at the time that payment is required by the suppliers. Sub-paragraph 2(b) of paragraph 2 of my letter of the 18th March suggested means by which the Commission might be able to make funds available. The total amount required for supplies up to the end of June would be of the order of one to one-and-a-half million pounds sterling.

(9) This question is now a matter of great urgency since if continuity of supplies to Palestine is not to be interrupted, it is essential that shipping arrangements should be made within the next week or ten days. Failing that, His Majesty's Government understand that on the 15th May Palestine's stock of cereals will not exceed two weeks' supply except insofar as the position may be covered by private importers, a point upon which further information is being sought from the Government of Palestine.

(10) If the arrangements referred to in sub-paragraph (8) above are not possible, the Commission might wish to consider approaching the Secretary-General with a view to funds being provided for this purpose. His Majesty's Government understand that the Secretary-General has powers to advance up to two million

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dollars at his own discretion and further amounts with the agreement of the Advisory Committee out of the Working Capital of the United Nations for purposes of urgent economic rehabilitation. It appears to His Majesty's Government that the financing of urgent supplies for Palestine would come within this definition. In any case, if for any reason this were not immediately possible, the support of the Secretary-General might well facilitate the making of arrangements on the lines referred to in sub-paragraph (8) above.

3. I should be grateful for an expression of the Commission's views as soon as possible.

Yours sincerely,

Dr. Ralph J. Bunche,  
Principal Secretary,  
United Nations Palestine Commission,  
United Nations, Lake Success,

for J. Fletcher-Cooke (signed)