

GENERAL
ASSEMBLYASSEMBLEE
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ENGLISH ONLY

UNITED NATIONS PALESTINE COMMISSION

THE DISPOSAL OF CERTAIN LIQUID ASSETS OF
THE PALESTINE ADMINISTRATION

(Working Paper Prepared by the Secretariat)

1. The importance to the Commission of the appended summary estimate lies chiefly in the fact that it includes liabilities outside the normal budget which the Palestine Administration is charging or intends to charge against the liquid assets of the Administration. According to resolution E.2, disposal of these assets should be made in consultation with the Commission. It appears, however, that the assets are being disposed of by unilateral decision and in a manner which may seriously prejudice the work of the Commission.

2. The important items amongst additional liabilities are the abolition benefits and the cost of Cyprus camps. It will be seen that disbursements are to be made against each of these items in two periods, the current period from 1 January 1948 to 31 March 1948, and from 1 April 1948 to 15 May 1948.

3. The Abolition Benefits are amounts to be paid to employees of the Administration on the abolition of their posts which will take place before the termination of the Mandate. It appears that the Mandatory Power intends to abolish all civil service posts and pay abolition allowances. This is a serious matter for the Commission since it means that not only will the personnel of the services be disbanded and require to be recruited again but they will have received a gratuitous payment, at the expense of Palestine revenues.

4. The Commission could deal with the matter by requesting the Mandatory Power to suspend all action on the abolition of posts held by Palestinians, and to enter into negotiation with the Commission regarding possible arrangements for personnel to continue in service. It is necessary to take immediate action since posts are already being abolished without the Commission having had an opportunity to safeguard its own position.

5. The cost of detention of illegal immigrants in Cyprus is also being currently charged against Palestine revenues, and on this matter

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the Commission might also request the Mandatory Power to take no further action until the Commission has had an opportunity to put its own point of view.

6. In both cases the Commission should probably set a date in the very near future when it would be ready to negotiate on these matters.

SUMMARY ESTIMATE OF FINANCIAL POSITION OF
PALESTINE ADMINISTRATION TO 15 MAY 1948

| | |
|--|-------------------|
| Balance of Revenue at 31 December 1947 | £5,500,000 |
| Anticipated Revenue from 1 January to 31 March 1948 | 5,000,000 |
| Revenue from 31 March to 15 May 1948 | <u>1,500,000</u> |
| Total. | 12,000,000 |
| Normal Expenditures from 1 January to 31 March 1948 | 5,000,000 |
| *Additional Liabilities to be met before 31 March 1948 | 5,385,000 |
| Normal Expenditures for 6 weeks to 15 May 1948 | 2,250,000 |
| **Additional Liabilities to be met for 6 weeks to 15 May 1948 | <u>3,560,000</u> |
| Total. | <u>16,175,000</u> |
| Deficit. | 4,175,000 |
| Additional Liabilities expected to fall due after 15 May 1948 | <u>1,467,000</u> |
| Total Deficit. | <u>5,642,000</u> |

* (Including)
Abolition Benefits £ 2,692,000 31 March to 15 May 1948
Cyprus Camps 2,500,000

** (Including)
Abolition Benefits 1,500,000 31 March to 15 May 1948
Cyprus Camps 1,375,000