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UNITED NATIONS CONCILIATION COMMISSION FOR PALESTINE

GENERAL COMMITTEE

SUMMARY RECORD OF THE FORTY-EIGHTH MEETING

Held at the Palais des Nations, Geneva,
on Tuesday, 17 January 1950, at 11 a.m.

<u>Present:</u>	MR. BARCO* (United States)	Chairman
	MR. TOUSSAINT (France)	
	MR. ERALP* (Turkey)	
	MR. de AZCARATE	Principal Secretary
	DR. SERVOISE	Economic Adviser

~~* Alternates~~

ARAB ASSETS FROZEN IN ISRAEL

THE CHAIRMAN welcomed Mr. Toussaint, the French representative, and Mr. Eralp, the representative of Turkey, who were taking part in the work of the General Committee for the first time. The question before the Committee was that of Arab assets frozen in Israel, on which the Economic Adviser had prepared a report (Com. Gen./W.8/rev.1).

THE PRINCIPAL SECRETARY recalled that during its last meetings at Lausanne, the General Committee had finally got the Arab and Israeli delegations to agree that the question of Arab assets frozen in Israel should be examined by a Mixed Committee of Experts consisting of one Arab member and one Israeli member under the chairmanship of the Principal Secretary of the Commission. After a few meetings of that Committee, it had been decided to ask Dr. Servoise to study, with the experts at Tel-Aviv and Cairo, a procedure which would enable unfreezing to be achieved. The

report had been submitted to the Conciliation Commission at the conclusion of its work in New York, and copies had been transmitted to the Arab and Israeli members of the Mixed Committee of Experts.

He considered that the report provided an excellent basis for the work that would have to be done in order to solve this specific problem satisfactorily. For the time being, the Israeli Government was prepared to guarantee advances only on accounts of less than 100 Palestine pounds. The experts calculated that that operation would represent the unfreezing of about 250,000 pounds in all. However, it appeared that that sum would be insufficient to justify the considerable amount of administrative work that the operation would entail for the banks, and the negotiations that would have to be undertaken with States called upon to participate in it. On the basis of the discussions he had had, Dr. Servoise thought it advisable to arrange for an operation covering about 500,000 pounds.

It would therefore be advisable, first of all, to request the Israeli Government to guarantee advances up to about 500,000 pounds. The British Treasury should then be asked to unfreeze an equivalent amount of sterling, so as to enable the banks in Arab countries to make advances to refugees. The Mixed Committee would then be able to do further useful work. It therefore seemed preferable to approach the Israeli delegation before convening the Mixed Committee of Experts, which should meet in any case to examine Dr. Servoise's report.

THE CHAIRMAN approved the procedure suggested by the Principal Secretary.

DR. SERVOISE (Economic Adviser), replying to the CHAIRMAN, said that the operation contemplated was not strictly governmental, and that it would be preferable to work through the banks as far as possible.

The proposed procedure would allow the banks, which were also the issuing institutions of the Arab countries, to make advances in local currency to Palestine refugees in their territory. But to make it possible for the banks to grant advances in conformity with the laws and regulations

governing their transactions, the Arab experts had asked for a guarantee in convertible sterling; it would therefore be necessary to inform the British Treasury at the proper time of this application for unfreezing.

He also explained that the sum of 250,000 Palestine pounds represented the total of accounts of 100 Palestine pounds or less on 1 January 1948. The Israeli Government wished, by that means, to make a distinction between holders of small accounts, and holders of large accounts who had withdrawn the major part of their funds on the outbreak of hostilities, while leaving a certain sum at the bank in order to retain the advantage of having an account. To make up the total to the 500,000 pounds which the banks considered necessary for the operation, it would be sufficient if the Israeli Government would agree to unfreeze 100 pounds from all accounts, of whatever amount. Indeed, it hardly seemed fair to prevent families of modest means, who had been unable to withdraw their money in time, from enjoying that facility.

THE CHAIRMAN agreed with the Principal Secretary that the Israeli delegation should be approached before the Mixed Committee was convened. Meanwhile, he thought it would be advisable to inform the Governments of the Arab States and Israel that the Mixed Committee would soon be meeting again and that the General Committee had examined Dr. Servoise's report.

It was so decided.

THE CHAIRMAN instructed the Principal Secretary to approach the Israeli delegation with a view to ascertaining whether the Israeli Government would agree to guarantee advances up to about 500,000 pounds.

CULTIVATION OF LANDS DIVIDED BY THE ARMISTICE LINE.

REUNION OF SEPARATED FAMILIES.

THE CHAIRMAN recalled that the General Committee had considered those two questions at Lausanne. He asked the Principal Secretary to approach the competent authorities with a view to informing the Committee of the progress made in the meantime.

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THE PRINCIPAL SECRETARY explained that, in accordance with instructions from the General Committee, he had taken up those questions himself when he was in Jerusalem, and had submitted a report on the subject to the General Committee in New York.

The Governments of Israel and the Jordan Kingdom had agreed to submit the question of cultivation of lands divided by the armistice line to the Special Committee set up under the armistice agreement, but the results obtained by that Committee were not yet known.

With regard to the second question, he pointed out that certain members of separated families in Lebanon and Egypt had been able to rejoin the heads of their families in Israel. In that connection, less progress had been made in respect of separated families in Syria and the Jordan Kingdom.

He explained that this information was two months old, and agreed with the Chairman that the competent authorities should be approached with a view to obtaining more recent reports.

It was so decided.

The meeting rose at 12.10 p.m.