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UNITED NATIONS CONCILIATION COMMISSION FOR PALESTINE

SUMMARY RECORD OF THE ONE HUNDRED AND THIRTY-THIRD MEETING

Held at the Palais des Nations, Geneva,  
on Tuesday, 7 March 1950, at 11 a.m.

PRESENT:

Mr. de BOISANGER (France)	Chairman
Mr. PALMER (United States of America)	
Mr. YALCIN (Turkey)	
Mr. de AZCARATE	Principal Secretary

Blocked Arab accounts: Report on the mission to London of the Economic Adviser to the Secretariat.

At the request of the Chairman, Dr. SERVOISE (Secretariat) reported on his recent visit to the Foreign Office and the Treasury in London.

The conversations in London, as the first of their kind to be held with the British authorities and the Banks, had been of a very general character. Their main purpose was to explain the situation to the authorities and the Banks and to ascertain whether they could assist in the implementation of the procedure suggested.

The British authorities (Foreign Office and Treasury), who had appeared to be aware of the proposed plan, had stated that they would give favourable consideration, within the limits of the Treasury's ability, to any measure likely to facilitate an operation to be carried out under the auspices of the Commission with a view to assisting Arab refugees who held blocked accounts in Israel.

In order to have a clearer idea of what might be required in connection

with the unfreezing of sterling the British Government would like to be informed as to:

- (a) the total amount of the proposed operation in sterling;
- (b) the amount of transferable sterling which would eventually have to be unfrozen for each of the Arab States granting advances to refugees.

It would appear to be possible to give the British authorities a reply with regard to point (a), namely the total amount of the operation, since the Commission or the Mixed Committee of Experts could request the Israeli Government to supply an estimate of the total amount of the operation on the basis of data supplied by the banks and statements of blocked accounts.

Point (b), namely the possible allocation of sterling among the Arab States - Egypt, Jordan, Lebanon and Syria - was, he thought, a more complicated question. Apart from the fact that, if refugees were officially advised forthwith to register with the banks in order to declare their assets (a step which might raise hopes which would perhaps be dashed later), a certain number of false declarations must be expected and these might give a wrong idea of the allocation of sterling to be made among the Arab States. Having discussed that point with the British representatives, he thought the Commission or the Mixed Committee of Experts might request the Arab Governments to inform refugees through the press and by other appropriate means that they must make their declarations to the banks (National Bank of Egypt, Bank of Syria and Lebanon, and Ottoman Bank). The banks would be in a position to obtain replies and to communicate them fairly quickly and would at the same time obtain useful data, for future reference, as to the geographical distribution of refugees holding accounts and the extent of the total advances to be granted by localities.

The British authorities could not undertake to sanction the "unconditional transferability" of a total sum in sterling to be allocated by the Trustee in proportion to the advances granted by each of the Arab States. They did not feel able to accord special treatment to this operation since such action might be incompatible with the general policy pursued by His Majesty's

Government in this field. As a general rule, the case of each country would have to be considered in the light of its situation and that of the British Treasury at a given moment.

So far as the appointment of a Trustee was concerned, the Treasury, which had been informed of the part that the Bank of England might be asked to play, had stated that the Bank did not propose to accept this responsibility. During the conversations the Ottoman Bank was suggested as a possible Trustee by the United Kingdom authorities.

Conversations had also taken place with representatives of certain banks operating in the Middle East. Barclay's Bank had stated that at the present time accounts to a total of £.I.2,750,000, belonging to Arab refugees living outside Israeli territory, were blocked at its branches in Israel.

The Ottoman Bank had shown a strong desire to undertake an operation to assist Arab refugees and had stated that Arab accounts deposited at the branches of the Ottoman Bank in Israel and blocked by the Israeli authorities amounted to a total of £.I.925,000.

The Anglo-Palestine Bank had promised to ascertain from Tel-Aviv the number of Arab accounts blocked in Israel and the total sum involved.

In conclusion, although it appeared impossible at the moment to obtain special treatment in connection with any operation from Great Britain, which had very definite financial commitments towards a large number of countries, the British authorities would appear to recognize the political and economic importance of partially unblocking Arab accounts frozen in Israel and to be ready to give favourable consideration to all problems of transferability which might arise in the course of such an operation. Such problems could best be dealt with by the Trustee as soon as agreement in principle had been reached.

In these circumstances, once the position of the Israeli Government with regard to the unblocking of Arab accounts in Palestinian currency had been completely clarified, the following procedure could probably be adopted:

- (a) to ask the parties concerned to supply certain information:
  - (i) in the case of the Israeli Government - the total amount involved in the operation;
  - (ii) in the case of each of the Arab Governments - the number of Arab refugees who would benefit from the operation and, so far as possible, an estimate of the amount to be unblocked to cover the advances granted in local currency;
- (b) to select the Trustee, in agreement with the parties concerned, i.e. the Arab Governments and institutions, the Israeli Government, the British Treasury and the United Nations Conciliation Commission for Palestine.

The CHAIRMAN thought that the General Committee and the Mixed Committee of Experts should set to work with the least possible delay without awaiting the reply on the question of a currency guarantee from the Government at Tel-Aviv.

The PRINCIPAL SECRETARY observed that the first task to be performed was to appoint the Trustee and, with the latter's assistance, to undertake the preparation of the necessary agreements with Israel, the Arab States and the British Treasury.

After some discussion the Commission decided to request the Principal Secretary to inform the members of the Mixed Committee that it had considered the Ottoman Bank as a possible Trustee.

#### Creation of Mixed Committees

The Commission noted that it had not yet received a reply to its letter to Mr. Rafael, the Israeli delegate, on the Egyptian proposals concerning the Gaza refugees.

The text of the Israeli-Egyptian agreement concerning the Gaza no-man's land Zone had not yet reached the Commission.

#### General situation in Palestine. Statement by Mr. Fisher (Secretariat)

Mr. FISHER reported to the Commission on his impressions of the

general situation in Palestine and Jerusalem,

The CHAIRMAN and Mr. PALMER (United States of America) thanked him for his statement.

Date of next meeting.

It was agreed that the next meeting of the Commission should be held on the following day, Wednesday, 8 March 1950, at 11 a.m.

The meeting rose at 12.45 p.m.