

UNITED NATIONS CONCILIATION COMMISSION FOR PALESTINE

A/AC.25/RESTRICTED  
SR/264  
8 November 1951  
ORIGINAL: ENGLISH

SUMMARY RECORD OF THE TWO HUNDRED AND SIXTY-FOURTH MEETING

held at the Hôtel de Crillon, Paris, on Thursday,  
8 November 1951, at 11.15 a.m.

CONTENTS

- Replies to the Commission's letter of 31 October  
(AR/65; AR/66; IS/76; IS/77)
- Report by the Head of the Refugee Office and the  
Land Specialist

PRESENT

|                     |   |                 |                            |
|---------------------|---|-----------------|----------------------------|
| <u>Chairman</u>     | : | Mr. PALMER      | United States of America   |
| <u>Members</u>      | : | Mr. MARCHAL     | France                     |
|                     |   | Mr. ARAS        | Turkey                     |
| <u>Alternates</u>   | : | Mr. BARCO       | United States of America   |
|                     |   | Mr. de NICOLAY  | France                     |
|                     |   | Mr. TEPEDELEN   | Turkey                     |
| <u>Secretariat</u>  | : | Mr. de AZCARATE | Principal Secretary        |
| <u>Also present</u> | : | Mr. ANDERSEN    | Head of the Refugee Office |
|                     |   | Mr. BERNCastle  | Land Specialist            |

.. /

REPLIES TO THE COMMISSION'S LETTER OF 31 OCTOBER (AR/65; AR/66; IS/76; IS/77)

The CHAIRMAN stated that two replies had so far been received to the Commission's letter of 31 October, and he expected that all the delegations would have answered within two or three days. The Egyptian representative had replied repeating his delegation's willingness to comment on the Commission's proposals and to discuss them with the Commission. The representative of Israel had handed to the Chairman the previous evening a letter to the effect that the Israel delegation maintained its previous attitude that the nature of the declaration by the Arab delegations made it impossible for Israel to discuss the Commission's proposals, but would meet with the Commission to give its views on the detailed explanations of the proposals.

REPORT BY THE HEAD OF THE REFUGEE OFFICE AND THE LAND SPECIALIST

The CHAIRMAN welcomed Mr. Andersen (Head of the Refugee Office) and Mr. Berncastle (Land Specialist) and invited Mr. Andersen to present the reports he had brought from Geneva.

Mr. ANDERSEN (Head of the Refugee Office) said that during his last visit to Paris he had suggested to the Chairman of the Commission and the Principal Secretary that the Office might prepare a supplementary report showing the compensation situation to which the implementation of the Partition Plan of 1947 would have given rise. That suggestion had been based on political considerations, which were of course outside the competence of the Office. The Chairman having been in complete agreement that such a supplementary report would be useful, the Head of the Office had therefore requested Mr. Berncastle to prepare one, basing his work on exactly the same methods of evaluation as he had used in the main report, and now presented that supplementary report to the Commission. The amount of compensation that would have been payable under the Partition Plan arrangement was of course lower. Mr. Andersen thought it was interesting to note that according to the calculations made by Mr. Berncastle it would have been

approximately half the sum estimated as the value of abandoned Arab immovable property.

Mr. Andersen then referred to the supplementary report to be submitted by Mr. Berncastle on the evaluation of Arab movable property abandoned in Israel and recalled the enormous difficulties involved in the task. In the relevant chapter of the Office's report, reference had been made to the possibility of applying a percentage representing the value of movable property to the estimated total value of immovable property, and it had been stated that that method alone was not to be recommended, unless its results could be checked by other methods. The Commission, after discussing that chapter, had asked the Office to try to work out a percentage figure in that way, also taking into account, if possible, stocks of merchandise, and to give detailed explanations of the methods of checking envisaged. The Office had therefore worked on that basis, and had quickly reached the conclusion that a percentage which attempted to take into account stocks of merchandise etc. would be an arbitrary and indefensible figure.

Mr. Loftus of the Statistical Division of the United Nations (formerly Government Statistician of the Mandatory Government) had been asked whether he could give any information that would assist in working out an estimate of the value of movable property, with regard to the particular circumstances in Palestine. Mr. Loftus had replied by a letter dated 30 October, which Mr. Andersen felt was extremely important and valuable. The information and ideas contained therein, and particularly the indication that the value of movable property was related more to the national income than to the national wealth, would form a sound basis for working out a well founded and defensible figure for the value of movable property, including stocks of merchandise.

It was interesting to note that Mr. Berncastle, the Land Specialist, had made some independent calculations based on statistics of the Mandatory Administration before receiving Mr. Loftus's letter, and had reached very

similar results to those given in that letter. He would ask Mr. Berncastle to give the Commission a brief account of his calculations.

Mr. BERNCASTLE (Land Specialist) first pointed out that any evaluation of movable property made by the Office would have to take into account all movable property owned by the refugees on 29 November 1947. It would not be possible to ascertain with any degree of certainty what proportion of their movable property they had been able to take with them in their flight.

Referring to the suggested estimation of the value of movable property as a percentage of the immovable property, Mr. Berncastle expressed the opinion that the result of such a method could easily be contested by anyone who desired to attack it. He therefore felt that as Mr. Loftus's letter offered definite figures, at least for certain classes of movable property, and a sound basis on which to work, it was desirable to adopt them as the principal basis for the evaluation. The percentage method could then merely be used as a check on the figures arrived at.

The Land Specialist gave the Commission the results of some of the rough calculations he had made before receiving Mr. Loftus's letter, which had produced similar figures to those given in that letter. He did not attach any great significance to the similarity in the results, which might merely have been coincidental, as his calculations had been extremely tentative. In making his calculations he had not had the benefit of the statistics of 1947 values, which, however, he had asked for and hoped to receive very shortly. One interesting fact that had emerged was that the value of livestock owned by the Arab population of Palestine had represented a very high proportion of their total wealth. His calculation had given him, for animal wealth alone, a percentage of approximately 5 per cent of the value of immovable property (land wealth). Since receiving Mr. Loftus's letter he had made further tentative calculations, using, as suggested, the national income figures, and the resulting figure representing the value of all movable property had been equivalent to almost 20 per cent of the value of

the immovable property.

Mr. Berncastle again stressed the very tentative nature of the figures he had been able to produce up to the present. On receipt of the information concerning 1947 values etc. he would be able to give figures for which there was a firm basis. It could, however, already be stated that the animal wealth would represent not less than 5 per cent of the value of the immovable property, and that the total movable property would probably represent not more than 20 per cent.

The Land Specialist requested a directive from the Commission regarding the items that were to be included when valuing movable property. He presumed that the items "foreign liquid assets" and "public assets" mentioned in Mr. Loftus's letter should not be included.

The CHAIRMAN thanked Mr. Andersen and Mr. Berncastle for their explanations. He proposed that the Commission should now decide that only the following items be included in the evaluation of movable property:

- Industrial equipment
- Furniture
- Agricultural equipment and livestock
- Motor vehicles
- Commercial stocks

It was so decided.

The CHAIRMAN said that as the Commission had begun to draft its report it would appreciate receiving the results of Mr. Berncastle's further calculations at the earliest possible date. He suggested that in view of the pressure of time the actual conclusions might be sent as soon as they were ready, even though the whole supplementary chapter might not be finished. The Commission now had a good idea of the basis on which the figures were being worked out.

Mr. ANDERSEN (Head of the Refugee Office) hoped to be able to send the conclusions, with a brief résumé of the chapter, in about a week or ten days. He wished to stress once more that the estimate would be in the form of a lump sum and would have no relation to individual payments to refugees.

The CHAIRMAN requested the Head of the Office to present his report on riparian rights at a meeting of the Commission the following morning.

The meeting rose at 12.45 p.m.

-----