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UNITED NATIONS CONCILIATION COMMISSION FOR PALESTINE
SUMMARY RECORD OF THE TWO HUNDRED AND SEVENTY-NINTH MEETING (closed)

Held at Headquarters, New York
on Monday, 28 April 1952, at 2.30 p.m.

CONTENTS:

- Draft letter to be addressed by the Commission to the interested Governments;
- Question of a representative of the Commission in Jerusalem;
- Question of blocked accounts;
- Question of compensation;
- Progress report of the Commission to the Secretary-General;
- Other business.

<u>Chairman:</u>	Mr. de BOISANGER	France
<u>Members:</u>	Mr. MENEMENCIOGLU	Turkey
	Mr. PALMER	United States of America
<u>Secretariat:</u>	Mr. CHAI	Acting Principal Secretary
	Mr. BERNCastle	Land Specialist

DRAFT LETTER TO BE ADDRESSED BY THE COMMISSION TO THE INTERESTED GOVERNMENTS

At the invitation of the CHAIRMAN, Mr. PALMER (United States of America) outlined the ideas underlying his alternative draft.

Mr. MENEMENCIÖGLU (Turkey) thought Mr. Palmer's draft very well worded and had no hesitation in accepting it. He suggested that it might also be circulated to the delegations of all States Members of the United Nations.

The CHAIRMAN also found Mr. Palmer's text entirely acceptable. In addition to addressing it, in French or English as appropriate, to the seven Arab countries concerned and to Israel, as already agreed, he proposed that copies should also be sent to the Director of UNRWA, the Chairman of the Advisory Commission of UNRWA and General Riley, Truce Supervision Organization. He suggested that the best method of informing other United Nations Members would be to reproduce it in extenso as an annex to the eleventh progress report to the Secretary-General.

It was so agreed.

QUESTION OF A REPRESENTATIVE OF THE COMMISSION IN JERUSALEM

The CHAIRMAN proposed that, as the Commission had not yet been able to reach unanimous agreement on the matter, discussion of it should be postponed for the time being.

It was so agreed.

QUESTION OF BLOCKED ACCOUNTS

The CHAIRMAN invited the Commission to consider the paper on blocked accounts prepared by the Secretariat (A/AC.25/W/R.77).

Mr. PALMER (United States of America) thought that the paper was an excellent one, providing a good survey of the question. It was obvious however, that no progress could be achieved until one of the interested parties made some move. He himself still felt that the step to be taken by the Commission now

/was to

was to attempt to find out how far the Government of Israel was prepared to move ahead towards settlement of the question of blocked accounts, although that did not rule out the possibility of proceeding with evaluation. He thought the time had come to raise the question of blocked accounts again and perhaps the Governments represented on the Commission would try to ascertain the Israel Government's attitude.

Mr. MENEMENCIOLU (Turkey) said that his Government wished to have both the questions of blocked accounts and compensation kept on the Commission's agenda; the impression should not be conveyed that either subject was being shelved, and the only reason for considering one before the other should be one of expediency, not principle. There had been some hopeful indications in Paris that progress could be made on the question of blocked accounts. The sum involved was about £4,000,000 sterling and the availability of currency should not be a serious difficulty. As indicated in the Secretariat's paper, Israel had raised the question of the frozen Israel assets in Iraq. But they were of two categories -- blocked accounts and real property -- and for the time being only the former could be considered, not the question of compensation for Israel assets in Iraq as a whole. He thought a system could be worked out by which the bank balances in Israel could be released to the owners without placing too heavy a burden on the Israel Government, and any such progress would represent some help to the Arab refugees.

The CHAIRMAN agreed that there seemed to be some grounds for optimism concerning the question of blocked accounts. He thought the French Government would see no objection to sounding the opinion of Israel through the French representative at Tel Aviv, but the latter would need some guidance as to how to make the approach, as the matter was a technical one. It might be advisable if members of the Commission presented an explanatory aide-mémoire to their Governments to be used for that purpose.

Mr. PALMER (United States of America) agreed, but thought it would be difficult to prepare such a document without further contact with the Israel Government first, and suggested that an informal conversation with an Israel representative in the United States might be a helpful preliminary. Too much emphasis should not be placed on the question of the liquidation of the Israel bank balances in Iraq at such an interview, and the question of the Israel real /property in

property in Iraq should be kept entirely apart. He agreed that the Commission must not give the appearance of wishing to abandon either the question of blocked accounts or that of compensation; the fact that he put blocked accounts first was that he considered it a possible wedge to open the way to further settlement.

At the suggestion of the CHAIRMAN, supported by Mr. MENEMENCIOGLU (Turkey), Mr. PALMER (United States of America) agreed that, as it was some time since he had discussed the matter of blocked accounts with an Israel representative, he would be prepared to make a preliminary contact with Mr. Eban in Washington to ascertain the attitude of the Israel Government. That would probably be his last action in the service of the Commission. He could try to contact Mr. Eban at the end of the week and leave a report of his interview for the Commission.

Mr. MENEMENCIOGLU (Turkey) agreed, again emphasizing the necessity of keeping the question of the blocked accounts and real property in Iraq separate.

The CHAIRMAN accordingly proposed that Mr. Palmer be asked to contact the Israel representative in Washington and that the Secretariat be requested to draft an aide-memoire on blocked accounts based on his report of the interview.

It was so agreed.

QUESTION OF COMPENSATION

The CHAIRMAN invited the Commission to consider the question of compensation in the light of Mr. Berncastle's very thorough and helpful paper on practical suggestions for the Commission's future activities in the matter (A/AC.25/W/R.78).

Mr. PALMER (United States of America) said Mr. Berncastle's paper contained very sound views. By contacting the experts on the subject, Mr. Berncastle would soon be able to determine what hopes there were of success, for the experts would be following instructions from their Governments. Perhaps it would be wise, however, to make some contact through the diplomatic channel in the United States first to make sure that Israel was prepared to designate experts to confer with Mr. Berncastle. The immediate step was to arrange for him to

/proceed to

proceed to Palestine, with the approval of the Israel Government. Obviously the problem of evaluation had to be settled first, and some decision had to be reached on global compensation before the matter of individual claims could be approached.

Mr. MENEMENCIOGLU (Turkey) also expressed appreciation of Mr. Berncastle's paper. With regard to the establishment of the amounts due as individual compensation, Mr. Berncastle seemed to favour direct representation by the refugees; but presumably the Arab Governments would wish to have a say in the matter.

The CHAIRMAN agreed that the two parts of the question dealt with in the paper -- global evaluation and individual assessment -- should be considered separately. The Commission's immediate task was to decide on Mr. Berncastle's mission. He agreed that some preliminary step at the diplomatic level might be helpful. He felt, however, that the Commission should not give the impression that it depended on Israel's attitude; it had a task to perform and should take Israel's acceptance of Mr. Berncastle's mission for granted. However, the Commission ought to inform Israel of its plans beforehand, indicating that it counted on the Government's co-operation with Mr. Berncastle at the technical level. If the Commission agreed, he, as Chairman, could approach the Israel representative in New York for that purpose immediately and report to the Commission at its following meeting.

It was so agreed.

The CHAIRMAN invited Mr. Berncastle to comment on his proposed mission.

Mr. BERNCASTLE (Land Specialist) felt that he could make some contribution at the technical level towards a solution of the question of compensation and would be glad to start as soon as possible; he was anxious to make the best possible use of his remaining time with the United Nations as it would not be long before he would have to return to the service of his own Government. He felt it would be helpful if the Israel delegation in New York were informed of his mission. He could only make contacts at the technical level, and it was clear that his efforts would be doomed to failure if there was no agreement at the diplomatic level.

/Regarding

Regarding individual assessment, which was dealt with in the second part of his paper, as the Commission apparently did not feel that the method of circulating questionnaires to individual refugees could be entertained at present, he would be glad to know their views on the alternative method -- the use of the microfilm records. As the United Nations was spending a considerable sum on having them copied, it seemed logical that they should be used.

Mr. PALMER (United States of America) said that his understanding was that they would in any case be used for checking purposes. But as the complete series of microphotographs would not be ready till July, it seemed best to postpone any decision for the time being, until Mr. Berncastle had been able to report to the Commission from Palestine. If any useful work could be done by the Commission itself on the microphotographs, before July, to prepare the way for settling the problem of compensation, he would of course have no objection, provided that care was taken not to raise false hopes of settlement among the refugees.

The CHAIRMAN assured that the Commission was agreed that some sort of individual compensation would be possible eventually. With regard to the circulation of the questionnaire, as the United States representative felt that it would have an unfortunate effect at the present stage, he thought the Commission should abstain from circulating it for the time being. Mr. Berncastle could however find out, on the spot, what kind of reactions it would be likely to meet with, so that the Commission could take a decision about it later. He could be asked to report on that as well as on the matter of global evaluation.

Mr. PALMER (United States of America), referring to the question of representation on the proposed mixed technical committee as outlined by Mr. Berncastle, thought it would be difficult for the Commission to take a decision as to its membership until it had received a report from Mr. Berncastle after his arrival in the area.

/Mr. BERNCASTLE

Mr. BERNCASTLE (Land Specialist) said that, if it was able to give it, he would like the Commission's immediate approval of the proposal to set up a mixed technical committee to determine the value of the abandoned Arab property in Israel. That would give him the necessary authority to proceed. As the Commission was aware, an Arab representative might not feel very anxious to sit upon such a committee.

Mr. MENEMENCIOGLU (Turkey) agreed that the best procedure was to set up a mixed technical committee, but it would perhaps also be necessary to consult the Governments of the Arab host countries.

Mr. PALMER (United States of America) thought the degree of interest in the refugees would differ among the various Arab States; in Jordan, for instance the refugees were nationals of the country, but that was not so in other States. He felt that at the outset the committee should be composed solely of technical experts; care must be taken not to appear to be favouring any one group of refugees by designating one of their representatives to serve.

The CHAIRMAN felt that if the committee were a purely technical one, there would be no objections from Governments. No doubt Mr. Berncastle, however, would keep the Commission informed of all developments. He asked for the Commission's opinion on the possibility of valuing the abandoned Jewish property in Jordan, referred to in paragraph 11 of the paper.

After a short exchange of views, the CHAIRMAN said that, whilst recognizing that the General Assembly had instructed it to evaluate both Arab and Jewish property, the Commission seemed to consider it wiser to postpone any decision concerning evaluation of Jewish property for the time being. Concerning the Israel Government's acceptance of the Committee's findings he gathered that the Commission considered the solution proposed in the second sentence of paragraph 13 the most acceptable.

/He suggested

He suggested that a letter addressed to Mr. Berncastle should be drafted, outlining his functions and the lines on which he should proceed, in the light of the Commission's discussion. It should be made clear that the technical work on compensation would not prejudice any action that might become possible in other directions. The letter of instructions should be drafted in sufficiently broad terms to allow Mr. Berncastle latitude to act as circumstances required. At its following meeting the Commission could give final approval to the instructions and Mr. Berncastle could leave for Palestine by the end of the week, as he had expressed himself ready to do, making a short stop in London on the way.

It was so agreed.

PROGRESS REPORT OF THE COMMISSION TO THE SECRETARY-GENERAL

The CHAIRMAN suggested that the Commission should ask the Secretariat to add to the draft of the eleventh progress report which it had submitted for the Commission's approval, the text of the letter to the parties and the contents of the Commission's instructions to Mr. Berncastle, when completed and approved. It should also expand the section of the progress report which dealt with the question of blocked accounts, in the light of the day's discussions. He further suggested that paragraph 6 of the draft report should be deleted as the Commission had decided to take no action on the question of a representative in Jerusalem.

At the request of Mr. MENEMENCIOGLU (Turkey), the CHAIRMAN proposed that a sentence should be added to paragraph 4 of the report, stating that the Commission had also exchanged views on the questions of blocked accounts and compensation at its first meeting.

It was agreed that the Secretariat be asked to amend and expand the draft progress report as indicated.

OTHER BUSINESS

Press communique

After a short exchange of views, the CHAIRMAN proposed that the Secretariat be asked to prepare a draft press communique for approval by the Commission and release after its following meeting. The communique, which should be as brief as possible, should mention that the Commission had discussed the question of blocked accounts and compensation and had decided to send Mr. Berncastle to Palestine.

It was so agreed.

14/5 p.m.

The meeting rose at 4.30 p.m.