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UNITED NATIONS CONCILIATION COMMISSION FOR PALESTINE
SUMMARY RECORD OF THE TWO HUNDRED AND NINETY FIRST MEETING (Closed)

Held at Headquarters, New York,
on Tuesday, 7 October 1952, at 11.00 a.m.

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1. Consideration of the draft of the Commission's Twelfth Progress Report

PRESENT:

| | | |
|---------------------|---------------|--------------------------------------|
| <u>Chairman:</u> | Mr. ORDONNEAU | France |
| <u>Members:</u> | Mr. BARAN | Turkey |
| | Mr. ROSS | United States of America |
| | Mr. BARCO | United States of America (Alternate) |
| <u>Secretariat:</u> | Mr. CHAI | Acting Principal Secretary |
| | Mr. REEDMAN | |
| | Mr. LADAS | |

CONSIDERATION OF THE DRAFT OF THE COMMISSION'S TWELFTH PROGRESS REPORT

The CHAIRMAN informed the Commission that word had been received from the United Kingdom Delegation to the effect that Barclay's Bank had agreed in principle to undertake the operation and that the Israeli Embassy in London and Barclay's Bank had agreed that the technical phase of the discussions at the expert level would start on 20 October. Written confirmation of that information had been requested. Inviting the Commission to undertake consideration of the draft of its Twelfth Progress Report paragraph by paragraph, he drew attention to the draft of paragraph 12 which had been prepared on the basis of the information which he had just conveyed to the Commission.

Paragraph 1 was approved.

Paragraph 2 was approved with a minor change.

Paragraphs 3 and 4:

Mr. BARAN (Turkey) thought that most of the existing paragraph 4 should be discarded. While he could agree with the views expressed therein it was inadvisable to make such a statement, which might lead to misunderstanding and criticism, in the Commission's report.

Mr. ROSS (United States of America) said that when an initiative was taken by one side or the other, it seemed appropriate for the Commission to take note of the matter. Solution of the problem of blocked accounts would not necessarily be the key to success in other spheres, but since the General Assembly had clearly expressed its feeling that the initiative rested with the parties it would be inappropriate for the Commission to pass over the matter. Any such initiative should be encouraged by the Commission, from whichever side it might originate. If no notice were taken Israel might be discouraged from moving on into the larger question of compensation.

After some discussion, it was agreed that the following sentence would be inserted at the end of paragraph 3: "In the course of the discussions which followed the Chairman expressed the Commission's satisfaction at the undertaking thus assumed by the Government of Israel, which it considered an important step towards the settlement of the differences existing between Israel and her

neighbours.", and that paragraph 4 would read as follows: "In the Commission's opinion the action taken in this case by the Government of Israel conforms with the view expressed by the General Assembly that the Governments concerned have primary responsibility for reaching a settlement of their outstanding differences in conformity with the resolutions of the General Assembly on Palestine. The progressive elimination of the problems which continue to separate the parties, solved on the basis of initiative taken by the parties themselves, can transform the present unhappy circumstances of the refugees and encourage a return to normal relations between the countries of the Near East".

Paragraphs 3 and 4 were approved as modified.

Paragraphs 5 and 6 were approved with minor alterations.

Paragraph 7:

The CHAIRMAN thought that the draft addition to paragraph 7 should be reworded, since the existing text did not altogether correspond to what had happened, and it would be inadvisable to imply that any given bank had been singled out by Israel or by the Commission.

After some discussion, it was agreed that the addition to paragraph 7 would be reworded as follows: "It was suggested that Barclay's Bank Limited (Dominion, Colonial and Overseas) might be approached in the first instance. The delegation of Israel indicated that it was prepared to enter into discussions with this bank in order to reach agreement on a method of procedure. The Commission advised the Israel delegation that it would be ready to request the good offices of the United Kingdom delegation to the United Nations to facilitate these discussions".

Paragraph 7 was approved with the above addition and a minor alteration.

Paragraph 8:

Mr. ROSS (United States of America) thought the words "as a first instalment" might involve the possibility of misinterpretation.

It was agreed that the words "in the first stage" would be substituted.

Paragraph 8 was approved as modified.

Paragraph 9 was approved with minor changes.

Paragraphs 10 and 11 were approved without change.

The text to be inserted as paragraph 12 was approved with minor alterations.

Paragraph 13 was approved without change.

Paragraph 14:

Mr. ROSS (United States of America) suggested that, in view of the information contained in Mr. Berncastle's latest letter, some changes should be made in the wording of the second sentence.

The CHAIRMAN thought that the Commission might say that discussions on other technical aspects of compensation question were continuing.

Paragraph 14 was approved with the above modification.

Paragraph 15:

Mr. BARCO (United States of America) thought that the agreement referred to in the last sentence but one was not quite so definite as was stated in the draft text.

After discussion, it was agreed that the following words would be used: "and has agreed in principle to do so".

Paragraph 15 was approved with the above modification.

Paragraphs 16 and 17 were approved without change.

Paragraph 18 was approved with a minor change.

Paragraph 19:

The CHAIRMAN thought that the first sentence of the text was unnecessary.

Mr. BARCO (United States of America) considered that the Commission should not use the word "disposition" at the beginning of the second sentence.

It was agreed that the first sentence would be omitted and that the beginning of the second sentence would be altered to read: "In the absence of a specific request from the parties".

Paragraph 19 was approved with the above and other changes.

Mr. CHAI (Acting Principal Secretary) said that the delegation of Israel had recently enquired as to whether or not the Commission would publish a communique on the results of the consultations.

Mr. ROSS (United States of America) thought that it would be unnecessary to issue a communique if the report could be circulated within two days or so.

After some discussion, it was agreed that the Chairman would inform the delegation of Israel of the Commission's view that its report would serve as a communique.

The CHAIRMAN hoped that it would be possible to circulate advance copies to the delegations of the interested parties on Thursday afternoon and to give it general circulation on Friday morning so that release could be made to the Press on Friday afternoon.

The meeting rose at 12:45 p.m.