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SUMMARY RECORD OF THE 293RD MEETING

Held at Headquarters, 13 November 1952,
at 3:00 p.m.

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3. Report by the Acting Principal Secretary on the establishment of the necessary machinery for the evaluation and assessment of individual Arab property holdings in Israel.

Chairman: M. ORDONNEAU (France)

Members: Mr. BARAN (Turkey)

Mr. BARCO (United States of America)

Secretariat: Mr. CHAI (Acting Principal Secretary)

Mr. BERNCASTLE

Mr. REEDMAN

Mr. LADAS

1. ADOPTION OF THE AGENDA

The agenda was adopted.

2. REPORT BY MR. REEDMAN ON THE OUTCOME OF THE NEGOTIATIONS BETWEEN THE ISRAEL EXPERTS AND BARCLAY'S BANK ON THE QUESTION OF BLOCKED ACCOUNTS

Mr. REEDMAN (Secretariat) drew attention to the set of figures which had been furnished by the Israel delegation in London, covering the number of accounts and the amounts affected by the release. The material came from the Custodian of Absentee Property, and was apparently based upon figures given by the banks themselves. It also appeared that that was the only material in the Custodian's possession. The greater part of the amount constituted what the Custodian considered as Arab refugee accounts, amounting to over £3 million, and divided among 6,040 depositors. A large proportion of those accounts were small ones, some 2,820 amounting to less than £50. According to the system of payments contemplated, therefore, more than half the accounts - those up to £100 - could be paid off by the end of the second month of the operation, though it was not probable that applications would be received and proved as rapidly as this. The majority of the accounts were held by Barclay's, a lesser number by the Ottoman Bank, while the remainder of the banks held only a comparatively small number.

The rate at which the transfer would be made, according to the Israeli estimates, would mean that the accounts up to £50 would be paid off in the first month. The maximum payment during the first month would run to something like £231,000. After the tenth month, assuming that the applications were all presented, only accounts over £500 would remain, and £500 of the total amount of those accounts would already have been paid. Payments would then reach the £1 million mark.

He had spoken to Mr. Rafael a short time previously and had been informed that, so far as Mr. Rafael knew, the Government of Israel was in agreement with the proposed scheme, although Mr. Rafael did not know whether all the details had been cleared up between Barclay's and the Custodian of Absentee Property. The central point in that respect was the problem of satisfying the procedures required of the Custodian by Israeli law. There seemed to be no reason why that could not be done, however.

Mr. Baster of UNRWA had informed Mr. Blandford that there seemed to be no objection in either Cairo or Amman to the role proposed for UNRWA in the operation. The programme had been welcomed in Damascus but no reaction had as yet been obtained in Beirut. Mr. Baster had therefore cabled asking whether he should make contact with Barclay's representative on the spot, who was the manager of the Jerusalem branch, and with the Government of Israel. He suggested that Mr. Baster be urged to do so.

The CHAIRMAN, thanking Mr. Reedman on behalf of the Commission, said that he found the figures cited particularly satisfactory, since it appeared that the number of accounts would be reduced to 1,005 after ten months. That would mean that 5/6 of the total number of accounts would be cleared by that time.

Mr. BARCO (United States of America) observed that the definition of refugees on page 2 of Mr. Reedman's report raised a question on which the Commission might wish to express an opinion. The Commission had always used the words "former Arab residents of Palestine". People living in the old City of Jerusalem, who had banked in the part of Jerusalem now in Israel, might not, under the tentative definition, be entitled to receive their accounts. That would be rather an unjust situation which might lead to difficulties.

Mr. REEDMAN (Secretariat) replied that the point had been raised during the discussions in London. The definition was a very tentative one which had been derived from the wording of the provisions governing absentee property in Israel. It had been clearly understood in the discussions that many persons who were not refugees under that definition would be included among those whose accounts the Government of Israel intended to release. The Israel expert in London, Mr. Keren, had said that he was certain that the intention of the Israel Government was to interpret the matter liberally. Mr. Keren had spoken informally to the Israel Minister of Justice, then passing through London, who had expressed similar views. Though the point was one to be kept under review, the position therefore seemed quite satisfactory.

The CHAIRMAN suggested that the point might be included in the summary record of the meeting in order to make it clear that the Commission had taken note of the matter.

Mr. BARCO (United States of America) thought that the Commission might also express to the delegation of Israel its hope that the whole programme would not be jeopardized by overly technical application of the definition.

The CHAIRMAN stated that the Commission took note of Mr. Reedman's report.

Mr. BARAN (Turkey), referring to the figures circulated by Mr. Reedman, asked whether the Government of Israel intended to pay more than the amount of £1 million in the first instalment.

Mr. REEDMAN (Secretariat) did not think that that necessarily followed since the figures in question were intended to give an indication of the rate at which the accounts would be paid off. It seemed clear that the accounts would not be cleared that rapidly, because delays could be expected in the matter of applications, identification, etc. He noted that earlier estimates as to the number and amounts of the accounts had been much higher, probably because they had not been based upon any reliable data. The figures given had been drawn up on the basis of information furnished by the banks. The reason for the limitation of payments to each holder to £50 a month was that, according to the laws governing absentee property, the release of more than £50 a month required consideration by a special committee. Such a procedure would involve considerable delays.

Mr. BARAN (Turkey) drew attention to certain discrepancies in the figures.

Mr. REEDMAN (Secretariat) said that some accounts had been released earlier by the Government of Israel. The discrepancies in the figures which had been circulated might be due to the estimates having been made at different times.

The Commission agreed on the text of a cable to be sent to Mr. Baster.

3. REPORT BY THE ACTING PRINCIPAL SECRETARY ON THE ESTABLISHMENT OF THE NECESSARY MACHINERY FOR THE EVALUATION AND ASSESSMENT OF INDIVIDUAL ARAB PROPERTY HOLDINGS IN ISRAEL.

Mr. CHAI (Acting Principal Secretary) recalled that the Commission had addressed a letter to the Secretary-General on 29 October concerning the establishment of machinery for the evaluation and assessment of individual Arab property holdings in Israel. The Secretariat had looked into the matter, and the necessary funds had been secured. The estimate of the cost during the next two months was slightly more than \$3,000. The staff required at the present stage was two officers and two clerks. The two clerks had already been recruited, and efforts were being made to recruit the officers.

Mr. BERNCASTLE (Secretariat) said that some spools of microfilm had already been projected experimentally and the staff was gaining experience as to the best way of using the viewing machines and was learning to find its way about among the films. He did not think that any unsurmountable difficulties would arise in the programme. However, it was only incidentally that the microfilm would give any information as to the value of the holdings. Where a sale had been effected the price realized, together with the Registrar's estimate of value, would be recorded. This was valuable information but would be found only in a small minority of cases. In other cases the taxation records would have to be the main source of such information. Those records were in the possession of the Israel Government, which had agreed in principle to make them available. The Commission would have to follow this up, though the matter was not urgent. Large scale plans of the areas involved were also necessary. Tracings of these plans to the scale 1:1,250 or 1:2,500 were in the Custody of Mr. Walpole, Director of Lands and Surveys in the Jordan Government, at Amman. Mr. Walpole had agreed to have prints made for the use of the United Nations if he could be provided with funds for paying for the temporary help he would need to do the work, and with the necessary sensitized paper. One of the officers in view for the supervision of the

programme was now in Amman, and could make the necessary arrangements as soon as his appointment was approved.

The Commission took note of the requirements mentioned by Mr. Berncastle and relied upon the Secretariat to take the necessary measures.

The meeting rose at 3:45 p.m.