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UNITED NATIONS CONCILIATION COMMISSION FOR PALESTINE

SUMMARY RECORD OF THE TWO HUNDRED AND NINETY-SIXTH MEETING (CLOSED)

Held at Headquarters, New York,  
on Monday, 9 February 1953, at 3.00 p.m.

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PRESENT:

Chairman: Mr. BARAN Turkey

Members: Mr. ORDONNEAU France

Mr. BARCO United States of America

Also present: Mr. RAFAEL Israel

Mr. PRAGAI

Secretariat: Mr. CHAI Acting Principal Secretary

Mr. REEDMAN

1. ADOPTION OF THE AGENDA

The agenda was adopted.

2. THE QUESTION OF THE RELEASE OF ARAB ACCOUNTS BLOCKED IN ISRAEL

The CHAIRMAN welcomed Mr. Rafael. The Commission had asked him to the meeting in order to ascertain the stage reached in the release of the blocked accounts. He noted that it was about two months since the Commission had been informed that the release of the first instalment would take effect at the beginning of March 1953.

Mr. RAFAEL (Israel) stated that the situation was as follows: his Government's undertaking to release the first instalment of one million pounds sterling beginning in March 1953 stood. In the meantime, the authorities in Israel had been making the necessary technical arrangements both in Israel and abroad. He understood that the necessary directives had been issued to the branches of the banks concerned in the Middle East, and that the application forms would be ready during the current month, so that payments could start on the first of March.

Mr. Rafael wished to go further and to give some of the considerations which presented themselves to his Government at that stage. The Commission had hailed Israel's undertaking to release the first instalment as an important step towards settling differences with the neighbouring countries and towards alleviating the plight of the refugees. If it considered that step in the light of the progress achieved in the settlement of differences, not only could his Government find no satisfaction, but it must note its concern. In that connexion Mr. Rafael recalled the following statement which he had made at the 290th meeting of the Commission on 22 September 1952: "The absence of progress towards peace in this area vital to world security is not only a matter of concern to Israel alone, but arouses the anxiety of all peace-loving Member States of the United Nations. We were advised by friendly Governments that the cause of peace and mutual understanding would be furthered by a renewed demonstration of Israel's willingness to advance with practical steps towards our unreconciled and

recalcitrant neighbours. So far they have done nothing to encourage us to accelerate our pace on this road. Yet we are guided in our action by a wider sense of international responsibility. We do not measure each step the distance we have put behind us, but what we have to watch is whether we are approaching our goal or whether it recedes with each step we make towards it."

His Government had not concealed from the Commission the sacrifices that the decision to release the blocked accounts meant for Israel both politically and financially in the light of the hostile attitude consistently maintained by the Governments of the surrounding countries. It had also drawn attention to the economic boycott and blockade maintained by the Arab Governments and the flouting of the Security Council resolution expressing the Council's verdict against any restrictive measures on the free passage of vessels through the Suez Canal. Despite the unrelenting economic warfare waged by the Arab countries, his Government had stated its readiness, as an instalment of goodwill, to implement its commitment.

The commitment had been honoured and was being implemented. What was the result? The Government of Israel had not encountered any positive reaction from the Arab Side. There had been ample opportunity during the seventh session of the General Assembly, in the course of a lengthy debate on the Palestine question, to refer to the action of the Government of Israel. There had not been one word of positive reaction from any of the Arab delegations.

Indeed, not only did Egypt continue to flout the decision of the Security Council regarding the Suez Canal blockade, but since the previous meeting of the Commission which he had attended, that illegal blockade had even been extended and had been applied to cargoes previously unaffected. Recently, a shipment of meat from Ethiopia, on board a Norwegian freighter under French charter, had been confiscated and had been released only after strong protests by his Government, which were supported by the Governments of Ethiopia, Norway and France. To show how far matters had gone in that respect, because of the lack of any action by the United Nations, Mr. Rafael cited another case, reported in the New York Times on 27 January 1953, to the effect that the survivors from a Finnish ship which had sunk in the Red Sea after its cargo of fertilizer had exploded had not been allowed to land in Egypt from the Norwegian ship that had

picked them up because that ship had been blacklisted by the Egyptian Government. Yet the survivors had had no connexion whatsoever with the illegal blockade maintained by Egypt. Refusal to allow them to land and receive hospitalization was a new low point in international lawlessness. Moreover, more United States ships were recently being blacklisted by Egypt merely for calling at Israeli ports.

Since September and October 1952 there had been a general intensification of the economic boycott of Israel. The Political Committee of the Arab League had recently decided to strengthen that boycott, which had been extended to Libya and boycott offices had been opened in Yemen. Still another instance was one which might affect the transfer of the Arab blocked accounts: the Arab League had recently considered prohibiting the operation of those Middle East banks which maintained branches in Israel. Mr. Rafael thought that serious difficulty for the implementation of his Government's undertaking would arise if that new measure of economic warfare should be put into effect by the Arab Governments.

Air and sea transportation companies maintaining branches in Israel were also threatened with not being able to operate in Arab countries. Egypt, he continued, had become the standard bearer of the Arab countries in the action against the Israeli-German Compensation Agreement, an action which Israel regarded as most shocking from the moral and political point of view. Along with other Arab delegations, Egypt had declared its opposition to that agreement in the Ad Hoc Political Committee and had threatened to take action against Germany. His Government was aware of a note sent by Egypt to the Federal Republic of Germany - which had stated that Egypt and the Arab countries were at war with Israel and had threatened Germany with drastic reprisals if it did not repudiate the agreement.

Was that the right response to Israel's willingness to release Arab funds? On 24 January 1953, the Head of the Egyptian Government had reportedly stated that after liberating itself of the enemy within its midst, the Egyptian people would act to liberate Palestine and to restore it to its sons. Efforts were being made by the Arab countries to rearm and to obtain the most modern weapons, necessitating increased vigilance by Israel, which was forced to keep up its military strength, with consequent effects on its material resources.

In this connexion Israel could not overlook the Arab objectives manifested again during the General Assembly, of any kind of negotiated settlement with Israel, and indeed their outright and violent opposition to any direct meeting with Israel for the settlement of outstanding issues. This was the state of affairs in the light of the peaceful gesture made by the Government of Israel, to which the Arab Governments had responded with warlike gesticulations. However, his country was one of those which honoured their commitments, and would therefore proceed with the release of one million Israeli pounds to the equivalent of one million pounds sterling on the date fixed, namely 1 March 1953.

Mr. BARCO (United States of America) was sure that the Commission would be gratified that the steps announced earlier were proceeding successfully and that the first instalment would be released on 1 March. He added that the Commission was not unmindful of the inherent difficulties confronting the Government of Israel. All the points raised by Mr. Rafael were matters to which Israel could not yet be expected to close its eyes, but he would suggest that they had not yet seen the reaction that would come with the receipt of funds by the individuals concerned, most of whom were probably not aware of the time required for a matter of that kind. For his own part, and he believed that of the Commission, he did see an improvement in the general situation which had perhaps been covered up by the matters to which Mr. Rafael had drawn attention. The situation had changed and his Government hoped and believed that it had changed for the better. Mr. Barco believed that the results of the steps taken by Israel would become evident shortly.

Mr. ORDONNEAU (France) associated himself with Mr. Barco's statement and also expressed pleasure at the progress reported by Mr. Rafael. He explained that the Commission had not feared that the operation would not go through. Although no very favourable reaction had resulted from the step taken by the Government of Israel, he believed that there would be a definite response. The question was a long-term one, however, and too much attention should not be paid to superficial attitudes. He also believed that, in view of its situation,

Israel's position would be made very much stronger vis à vis its neighbours by liquidating the blocked accounts as well as the question of compensation. Like Mr. Barco, he believed that in certain parts of the Middle East there were indications showing the possibility of lowering the level of tension between Israel and its neighbours.

### 3. THE QUESTION OF OBTAINING TAX LISTS, LAND REGISTERS AND OTHER RELEVANT DOCUMENTARY MATERIAL FROM THE GOVERNMENT OF ISRAEL FOR THE WORK OF INDIVIDUAL ASSESSMENT OF ARAB IMMOVABLE PROPERTY

The CHAIRMAN recalled the promise, made to Mr. Berncastle by Mr. Comay in Jerusalem, that the tax distribution lists and land registers required by the Commission for the individual assessment of Arab immovable property would be made available to the Commission.

Mr. IFAEL (Israel) had been under the impression that the matter was settled, but would inquire as to the exact situation.

Mr. CHAI (Acting Principal Secretary) noted that the Commission might need the documents in question before long and would have to get into touch with Israel in order to make some arrangement by which the documents would be made available. He added that the documents would probably be wanted in stages rather than all at once.

Mr. RAFAEL (Israel) said that he would get in touch with his Government and inform them of the Commission's reminder.

Mr. ORDONNEAU (France) explained that the Commission merely wished to serve notice that it might need the material.

Mr. BARCO (United States of America) pointed out that it had also been desired to formalize an agreement which had been made only in principle.

The CHAIRMAN thanked Mr. Rafael, and expressed the hope that the problems confronting the Government of Israel would be resolved. In any case, he believed that the step taken by Israel would help the cause of peace.

Mr. RAFAEL (Israel) thanked the members of the Commission for their optimism and encouraging words. The situation in the Middle East was of such importance and perhaps of such seriousness that they could not be content with wishful thinking. Hopes must be translated into action and the Arab countries must be impressed that dwelling on past rancors would lead to no solution and that the time for a change had come. If the existing problems were to be solved and a future calamity avoided, a new vigorous approach to the restoration of peace and security in the Middle East would be required.

At this point Mr. Rafael (Israel) withdrew from the meeting.

#### 4. OTHER BUSINESS

The CHAIRMAN suggested that the members of the Commission might meet Mr. Hadawi, the Land Specialist, so as to be able to talk with him before discussing the working papers he had submitted.

Mr. ORDONNEAU (France) agreed with that suggestion.

Mr. BARCO (United States of America) also agreed with the suggestion of the Chairman. Mr. Hadawi had had time to make progress on the microfilm work and in terms of the result of that work it would be easier to see what would be needed for the assessment. He suggested that Mr. Chai might stress the need for speed to Mr. Hadawi.

Mr. CHAI (Acting Principal Secretary) said that he would do so.

The meeting rose at 4.10 p.m.

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