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UNITED NATIONS CONCILIATION COMMISSION FOR PALESTINE
SUMMARY RECORD OF THE THREE HUNDRED AND TWENTY-FIRST MEETING (Closed)

Held at Headquarters, New York,
on Thursday, 25 November 1954, at 3.00 p.m.

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Meeting with the Representative of Israel

PRESENT:

<u>Chairman:</u>	Mr. DERINSU	(Turkey)
<u>Members:</u>	Mr. ORDONNEAU	(France)
	Mr. BARCO	(United States of America)
<u>Secretariat:</u>	Mr. CHAI	(Acting Principal Secretary)
<u>ALSO PRESENT:</u>	Mr. KIDRON	(Israel)
	Mr. LABOUISSSE	(UNRWA)
	Mr. CARVER	(UNRWA)

MEETING WITH THE REPRESENTATIVE OF ISRAEL

The CHAIRMAN informed the representative of Israel that the Commission had asked him to meet it in order that the Commission might receive any clarification which he might be in a position to give concerning his Government's position and understanding as to the present situation with regard to the final payment of the blocked Arab refugee accounts. The Commission had asked the Director of UNRWA to be present, since it was a matter which had directly concerned his Agency in the past and on which he too would be glad to receive some clarification.

The most recent official information which the Commission had received on this matter from the Israel Government was contained in a letter dated 1 November 1954, enclosing a set of proposals for the release of blocked accounts and safety deposits which had been submitted to Israel by the General Refugee Congress of Ramallah. In the letter the Israel representative stated that, as a result of discussions with members of the Executive Committee of the Congress, the Government of Israel had agreed to release the accounts on the basis of the terms and procedures contained in the proposals submitted by the Congress.

Since that time the Conciliation Commission had received no further information from the Government of Israel, either at Headquarters or through its Liaison Representative in Jerusalem. It had learned, however, that on 16 November a public radio announcement was made by the Government of Israel in which procedures to be followed by absentee and refugee depositors were set forth.

The Commission, the Chairman continued, had noted that there were certain important differences as to procedure between the public announcement and the letter of 1 November. The Commission had also noted that in the public radio announcement reference was made to UNRWA and the functions it would be expected to assume in the release operation. The Director of UNRWA had advised the Commission that he had not been approached by the Government of Israel with a request for UNRWA's assistance in the operation and that he was therefore somewhat at a loss to understand the reference in the Israel announcement to certain functions to be assumed by his Agency.

(The Chairman)

For these reasons, the Chairman continued, the Commission would appreciate receiving from the Government of Israel further information on the following points:

(1) Did the public announcement of 16 November render obsolete the letter of 1 November addressed to the Commission? The Commission had noted particularly that the sense of paragraphs 8 through 14 of the Memorandum of proposals included with the letter of 1 November was not contained in the public announcement.

(2) What were the exact steps now being taken or proposed by Israel for the actual processing and handling of the accounts?

(3) What did Israel consider to be the attitude of the banks with regard to the payment procedures proposed by the Israel Government?

(4) What were the Israel Government's views as to the co-operation it would like to receive from United Nations bodies in the area?

(5) Did the Government of Israel envisage the participation of refugee groups, such as the Ramallah Congress, in the actual release operation? If so, what would be the nature of that participation?

The Chairman concluded by stating that the Conciliation Commission continued to have a very real concern for as smooth and expeditious a completion of the operation as possible. The Commission continued to stand ready to lend its co-operation wherever and whenever necessary, in accordance with its terms of reference, and it felt sure that as soon as the conflicting points could be clarified by the Government of Israel, the final payment operation could be carried out without further difficulties.

Mr. KIDRON (Israel) had not been aware that the situation was so complicated and he hoped that, as soon as he had replied to the Chairman's questions, everyone would be able to feel satisfied at a job well done.

With regard to the Chairman's first question, Mr. Kidron stated that he had not himself received the authoritative text of the public announcement of 16 November but that he would transmit it to the Commission as soon as possible. He felt that there was no essential contradiction between the announcement and the letter of 1 November. It was true that paragraphs 8-14

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were not included in the announcement because there had been no necessity for it. The exact position was that Israel, at its own expense, had had new, simplified forms printed and had turned them over to the banks, who would arrange for their distribution. The matter was out of the hands of Israel, which was now waiting for the completed forms to be returned. Paragraphs 8-14 of the Ramallah memorandum were, therefore, of no concern in the 16 November notice. The question was, essentially, one between the Refugee Congress and the banks. In its agreement with the Congress, Israel was bound only in so far as the banks agreed to the proposals. Mr. Kidron thought, although he was not certain, that the banks and the Congress had agreed on a role for the Congress to play; he understood that there had been discussions between them in London.

In reply to the Chairman's second question, Mr. Kidron stated that the procedure was very simple. From the moment Israel received the completed application forms, the process of handling would take no longer than two weeks. The banks' Control Office in Jerusalem would then receive the necessary authorization and funds to pay out the accounts.

Mr. Kidron said that he found it difficult to answer the Commission's third question, since he could not speak for the banks. An agreement had been signed between his Government and the banks, and he did not know of any disagreement or difficulties.

With regard to the co-operation of United Nations bodies, Mr. Kidron replied that, from his own experience of the first instalment, there had been two kinds of assistance. The first involved the actual distribution of the forms by UNRWA, which also arranged for their return to the nearest bank branch when completed. The second phase involved the physical transportation of the forms back and forth across the Armistice lines. The extent of co-operation was, therefore, simply a matter of the distribution of the forms and their transportation to and from Israel.

Mr. Kidron felt that he had replied to the fifth question in his answer to the first. As far as he was concerned, Israel's formal connexion with the Ramallah group in this matter had ceased when Israel accepted the group's proposals. There was nothing, physically, that Israel could further do. It

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was up to the banks to decide whether or not they had a role for the Congress to play; in any case, the matter was now out of Israel's hands.

Mr. Kidron went on to say that with regard to the role of UNRWA in the operation, he had assumed that there had been contact between the Agency and Israel in Jerusalem, but he now learned that such had not been the case. He expressed his regret and apologies that such contact had not been made and felt assured that it was due to an oversight. He assumed that UNRWA's function would be the same as before, and hoped that the Director would be able to agree to similar arrangements.

In concluding, Mr. Kidron stated that his Government was as interested as the Commission in seeing the operation completed as smoothly as possible and felt that Israel's method of handling the scheme would accomplish just that. He also hoped that in a matter of a month or two, Israel would be able to report that the operation was concluded, since the procedures which had been worked out by Israel would obviate many of the difficulties which had hampered the scheme during the first instalment.

Mr. BARCO (United States of America) drew attention to the statement in the letter of 1 November to the effect that paragraphs 8-13 of the Congress' memorandum were subject to the agreement of the banks. He wondered whether he was right in assuming that if the banks did not agree to the proposals of the Refugee Congress Israel was nevertheless prepared to proceed with the banks for the release in full of the accounts.

Mr. KIDRON (Israel) replied that he could give an unqualified affirmative on that point. He added, however, that as far as he knew, some sort of agreement had been reached. If for some reason which he could not foresee, new difficulties were to arise between the banks and the Congress, and the banks repudiated that agreement, he could assure the Commission that the Government of Israel would proceed with the scheme.

Mr. ORDONNEAU (France) thanked the representative of Israel for his remarks and thought that the Commission could now await the receipt of his communication.

Mr. LABOUISSSE (UNRWA) expressed some concern over the fact that an announcement had been made which referred to the Relief and Works Agency and of which he had learned only through press reports. He had also learned that some of the Arab Governments had raised objections to the actions of the Ramallah group. The Agency was willing to co-operate in making the operation as smooth and workable as possible. It was, he thought, quite proper for the Agency to assist in making the forms available and in arranging for them to be returned to the banks, as it had done during the first instalment. But he was concerned over what seemed to be the introduction of a new step. What he had read in the press concerning the arrangement with the Refugee Congress and the reactions thereto had bothered him and he wondered why the present operation should be carried out along lines different from those followed during the first instalment.

Mr. KIDRON (Israel) hoped that Mr. Labouisse's fears were groundless and believed that they in fact were. As far as he could judge, there should be no difficulty. There had been some criticism on the grounds that participation by a refugee group might tend to delay or complicate the scheme. Israel had accepted the Congress' proposals, which it felt to be good ones. In order to ensure a smooth operation, Israel had done its best this time to remove every difficulty before it arose.

Mr. LABOUISSSE (UNRWA) confessed that he was still somewhat worried. The trouble was that the Agency was being asked to participate in a scheme which, if it turned out to be objectionable to the refugees or the Arab Governments, would place UNRWA, as a United Nations agency in the area, in a difficult position. There would, he thought, be trouble if the Agency were to hand over forms not to the banks, but to refugee representatives who might not be acceptable either to the refugees themselves or to the countries concerned. It was unimportant what he himself thought about the Refugee Congress.

Mr. KIDRON (Israel) thought that the matter was essentially something to be discussed between the banks and UNRWA - a purely practical matter. He did think that the Congress was a body with some standing and he recalled that it had been granted a hearing by the Commission in Beirut in 1949. But, he reiterated, the question remained one between the banks and UNRWA. Israel had the funds available; it was up to the banks to arrange for the distribution of the forms in such a way that everyone with a claim could be reached.

Mr. BARCO (United States of America) thought that if paragraphs 8-13 of the Congress' memorandum were no longer applicable, the difficulty would disappear, although the problem would still exist as far as the procedure with regard to safe deposits, as mentioned in paragraph 14, was concerned.

Mr. KIDRON (Israel) observed in connexion with the safe deposits that it was inevitable that some participation by the depositors or their representatives would be necessary. He did not believe that any United Nations body would be able to assume the responsibility for opening and re-sealing the boxes and delivering the contents to their owners. In any case, he did not think it was a matter which could be dealt with now, since there were many complicated factors involved, such as arranging for the necessary escorts, etc. All that was intended by the proposals set forth in paragraphs 8 through 17 was to suggest a possible mode of procedure. He did not believe that paragraphs 8-11, which dealt with the blocked accounts themselves, should give rise to any difficulties since the question could be settled in the area by UNRWA and the banks.

Mr. Kidron believed that it was always good to base one's self on the most recent document on a given matter. He then read out the second sentence of paragraph 2 of the 16 November announcement which instructed the refugee to submit his completed form either directly or through any local organization he might select, to the nearest bank branch or through the nearest UNRWA office. In reply to a question by Mr. Labouisse as to what UNRWA's next step would be, Mr. Kidron replied that UNRWA would simply turn over the completed forms to the banks.

Mr. LABOUISSSE (UNRWA) stated that the Agency would be glad to perform the same functions as it had during the first instalment. He did feel, however, that the 16 November announcement should be read against the background of what had gone before. He had read that there had been opposition to the Ramallah agreement. Readers of the new announcement might now wonder whether the previous memorandum still held true.

Mr. KIDRON (Israel) observed that those were the same difficulties which had occurred before. The refugees had been induced not to accept money which Israel was ready to pay. He did think, however, that the language of the 16 November announcement would settle their fears.

Mr. BARCO (United States of America) believed that if the announcement of 16 November represented the actual agreement and the way in which it would be carried out, the Commission would welcome it. The Commission had clearly indicated that its role had always been to try to reach something of the sort. Its fears had been based upon a wish to avoid the very obstruction to which Mr. Kidron had referred. Mr. Kidron would recall that the Commission had always hoped that nothing in the way of an obstruction would be introduced which might induce the refugees to refuse to accept their funds. Mr. Barco thought that the announcement of 16 November went a long way towards alleviating the difficulties which had arisen, and he looked forward to the Commission's receiving from the representative of Israel an official notification that that announcement represented the agreement in full.

The CHAIRMAN thanked the representative of Israel for the clarifications which he had given the Commission.

The meeting rose at 4.15 p.m.