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UNITED NATIONS CONCILIATION COMMISSION FOR PALESTINE

Provisional Summary Record of the
322nd Meeting (closed)

held at Headquarters on Tuesday, 7 December
at 10.00 a.m.

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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. LABOUISSE	UNRWA
	Mr. CARVER	

1. THE QUESTION OF BLOCKED ACCOUNTS

The CHAIRMAN observed that since its last meeting the Commission had received a number of communications relating to the blocked accounts question and he thought that it would be of use to discuss these communications with the Director of UNRWA. The first was a letter dated 30 November from the Israeli representative, enclosing the text of his Government's announcement of 16 November. The second was a letter dated 30 November from the United Kingdom delegation, requesting the Commission to seek the co-operation of the Truce Supervision Organization in transporting the forms of application across the demarcation lines, as it had done during the first instalment. And finally there was a letter dated 7 December from the representative of Iraq, enquiring as to the present position with regard to the blocked accounts question and asking to be informed of recent developments. The Chairman sought the views of his colleagues and of the representatives of UNRWA as to how the Commission might proceed in order that the record might be completed.

Mr. BARCO (United States of America) pointed out that the letter from Mr. Kidron was in reply to the Commission's request, at its meeting on 25 November, for information as to whether or not the announcement of 16 November represented the entire extent of the procedural agreement between Israel and the banks, or whether the memorandum contained in the letter of 1 November was still in any way in force. Mr. Kidron's reply had, he thought, fallen somewhat short of what the Commission had hoped to receive in the way of clarification; he felt, however, that the Commission should consider it as in fact a reply to its request for clarification and as indicating that the 16 November announcement did comprehend the arrangement in its entirety. Mr. Barco believed that the Commission could reasonably assume such to be the case, and could make it clear to the Government of Israel that that was its understanding of the situation. Having done that, the Commission would then be in a position to assist in any procedural arrangements which were within its competence.

Mr. CARVER (UNRWA) said that the Agency had received a request from the United Kingdom delegation requesting its co-operation in the distribution and collection of forms. The Director had replied to the effect that the Agency would naturally be willing to assist to the same extent as it had during the previous instalment. However, he had been surprised to receive a set of instructions setting forth UNRWA's role in the operation which went far beyond its former functions. Apparently, the representative of Barclay's in Jerusalem had based himself upon a previous draft instruction sheet which had never been used during the first instalment, which explained the present confusion. UNRWA was instructing its Beirut staff to adhere to the original formula as followed during the first instalment.

A draft reply to the letter of the delegation of Israel was then circulated, and approved, with certain drafting changes.

It was also decided to transmit to the Arab delegations and to the representative of Jordan the text of the Israeli announcement of 16 November as well as a copy of the Commission's letter to the representative of Israel.

It was further decided to reply in the affirmative to the request of the United Kingdom, enclosing copies of the above correspondence, and to instruct the Commission's Liaison Representative in Jerusalem to transmit the request to the UNTSO and to offer to lend his assistance where required, within the Commission's terms of reference.

2. CONSULTATION WITH THE DIRECTOR OF UNRWA

The CHAIRMAN asked for the views of his colleagues and the Director and Deputy Director of UNRWA as to other problems confronting the two bodies.

Mr. LABOUISSSE (UNRWA) recalled that the Syrian delegate had recently made certain specific proposals relating to the refugee problem which he thought should be examined. Of the three proposals all but one seemed impractical. Two of them, involving a plebiscite of the refugees to determine which of them wished to be repatriated, and a United Nations custodianship of Arab property in Israel seemed to Mr. Labouisse to be unreal. The third proposal, calling for a census to determine where the refugees came from would be of interest to UNRWA.

Mr. CARVER (UNRWA) thought that with regard to a plebiscite among the refugees on repatriation, a different picture would result if the refugees knew the exact condition of their property in Israel and what they would receive in the nature of compensation. The first practical step could be to pursue the issue with Israel. The Horowitz Commission on compensation had apparently studied the matter and reported to the Israel Government. The only reason that nothing had been done was due to the lack of financing. Mr. Carver believed that a clarification of the compensation question was more important than finding out which refugees wished to be repatriated.

Mr. BARCO (United States of America) observed that the Conciliation Commission had always felt that compensation had possibilities for promoting peace in the Middle East and contributing to the well being of the refugees. Unfortunately, the Commission had not been able to make any progress. The matter had been discussed for several years without any tangible results. Israel had repeatedly stated that it was willing to discuss the question and had made public pronouncements to that effect, but every approach by the Commission had been answered to the effect that Israel was not yet ready. In the meantime, the Commission had established a project for the identification and evaluation of refugee property in Israel on which compensation might be claimed, which, at the present rate, would take many years to complete. It was, in effect, nothing more than a means of keeping the door open. The Commission was uncertain as to how it could proceed further, although it was ready and willing to do so if the key to the situation could be found. It could be argued that the present limited identification effort was an unreal and misleading one which should be abandoned. In any case, Mr. Barco felt that thought should be given to the possibility of concentrating the entire project in Jerusalem rather than continuing it, as at present, partly in New York and partly in Jerusalem.

In reply to a question by Mr. Labouisse, Mr. Barco then outlined briefly the nature of the work being carried out. He added that the progress was extremely slow and did not, in itself, reach the heart of the problem. The project was valid only if compensation funds were to be paid but it could not

(Mr. Barco, USA)

of itself bring about any progress toward that end. An expansion of the programme, without any progress having been made on the availability of compensation funds, would be an abuse of the Commission's budget on which it would be very difficult to render an accounting. At the same time Mr. Barco did not see how the work could be dropped altogether.

Mr. LABOUISSSE (UNRWA) observed that until a refugee's property had been valued he would not know how to make a choice between repatriation and compensation. He felt that the work of identification and evaluation was essential, especially if Israel was intending to make its compensation payment in the form of a lump sum. Such a lump sum would have to be put into the hands of a United Nations organization which would have to know on what basis it was to be paid out to the individual refugee. The identification work was, therefore, extremely important and Mr. Labouisse wondered if it could not be speeded up, provided that the additional funds could be found. It would then be possible to say that the United Nations had done everything it could and thereby force one or more of the other Governments concerned to take positive action.

Mr. BARCO (United States of America) agreed that if, in the space of a year or so, the work on identification could be announced as completed, that would certainly carry with it a certain impact. But he pointed out that such a speed-up would represent a considerable undertaking. The identification of an owner and his property was one thing; the evaluation of that property would be almost certain to cause difficulties and controversy, as had been the case with the Commission's global evaluation in 1951.

Mr. CARVER (UNRWA) observed that it would be extremely useful as far as UNRWA was concerned if the property owners among the refugees could be identified. The question of ownership was an almost impossibly difficult one, since some parcels were divided up into many thousands of shares. But even to know who were property owners and who were not would be a step in the right direction. One group, having no property in Palestine, would know that it had

(Mr. Carver, UNRWA)

nothing to go back to; the other, whose property may or may not have become, say, part of an airfield or road, would at least have facts on which to base its choice as between repatriation and compensation.

Mr. LABOUISSSE (UNRWA) wondered whether each refugee would be treated on an individual basis, or whether there would be a levelling process by which all the refugees would be compensated alike.

Mr. BARCO (United States of America) replied that the directive of the General Assembly left no choice in the matter. It called for each refugee to be compensated individually for exactly what he had lost. Furthermore, aside from the principle of equity, it would be unwise to permit compensation to be administered as a lump sum through the Governments involved, as such a course would almost certainly lead into counter claims for war damages which were actually unrelated to the losses of individual refugees under the relevant United Nations resolutions.

Mr. CARVER (UNRWA) thought that compensation might be offered in the form of shares, part of which would be spent by the country which agreed to take the refugee, the other part of which would be made available to the refugee in the currency of that country. The part which the country would receive for development purposes would be directly tied to the number of refugees that country would be prepared to receive. The refugee could use his own share only in the country in which he resettled. UNRWA would provide money from its resettlement fund for those refugees who were not entitled to receive compensation. In that way the Arab view and the Israeli view would meet on something like common ground. Mr. Carver felt that only by using some such broad, interlocking plan could the problem as a whole be settled.

Mr. BARCO (United States of America) was of the opinion that to think of the problem in such broad terms presupposed a considerable degree of improvement in the political climate in the area. His personal view was that

(Mr. Barco, USA)

the identification project as presently being carried out was more or less fruitless, and served as a mere excuse for not doing something more constructive. He would, however, not hold such a view if it were possible to finish off the work in a year or so.

After further discussion, it was agreed that it would be useful if the Commission were to receive suggestions from the Director of UNRWA as to the future of the project and his ideas as to how it might be expanded and accelerated.

The meeting rose at 11.20 a.m.