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UNITED NATIONS CONCILIATION COMMISSION FOR PALESTINEAnalytical Summary of Chapters 1, 2, 3 and 4 of the
Clapp Report of 18 December 1949

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The Final Report of the Survey Mission entitled "An Approach to Economic Development in the Middle East" is in two parts. The first contains the Final Report itself together with five Appendices. The second deals with the purely technical aspects of the problem which the Mission had to examine in the course of its work.

A. GENERAL CONSIDERATIONS

The Final Report does not deal directly with the problem of Palestine refugees. Nevertheless the obstacles in the way of the economic development of countries in the Middle East are much the same as those hampering the rehabilitation of the refugees. The solution of the refugee problem, a problem of poverty, unemployment and hunger, is therefore inseparable from a solution of the problem which affects a considerable section of the peoples of the Middle East, above all in the group of countries surrounding Palestine, namely, Lebanon, Syria, Iraq and Jordan. All these countries have suffered, to a greater or lesser degree, from the effects of the hostilities in Palestine. The standard of living of the population may differ from country to country, but from the economic standpoint these countries display identical features arising out of their geographical position, culture and aspirations. On the other hand, Israel, which occupies a considerable part of Palestine, has an entirely different economic structure.

These four countries - Syria, Lebanon, Iraq and Jordan - are principally agricultural countries. They are traversed by rivers, large and small, which constitute their life-blood. With the exception of Lebanon, they all have

vast stretches of desert. The produce of the soil barely suffices to sustain the population. Their main mineral resources are: the petroleum of Iraq, the phosphates of Jordan and the potash of the Dead Sea. Of these, oil alone is significant, but the production of oil can give work to but a handful. From the economic standpoint this oil is the main link between East and West,

The whole of this area is destined to remain agricultural for a very long time to come. The first step which should be taken to raise the standard of living of the inhabitants is to supply them with the necessary equipment to enable them to feed themselves and later to export their surplus in order to obtain from foreign countries the manufactured articles they need. The land and rivers in the Middle East are capable of considerable improvement and in Syria, Iraq and Lebanon the result should be to raise the present standard of living and increase the population. So far as Palestine - i.e. Israel and Arab Palestine - and Jordan are concerned these countries cannot, either individually or by their joint efforts, attain or maintain the standard of living of the Western world without economic co-operation with neighbouring countries. The skilful utilization of the resources of Jordan and Arab Palestine can certainly bring about an improvement in the very low standard of living of their inhabitants. On the other hand, even if the whole of Palestine were placed under the sovereignty of Israel the land and rivers of the area, no matter how skilfully utilized, could not raise the standard of living of its present population, still less of a larger one, because of the heavy expenditure on development and the high standard of living of the population, which are the outstanding features of Israel's economy. From the economic angle the integration of Arab Palestine would therefore merely aggravate the economic situation in Israel.

B. PREVIOUS SURVEYS

When it began its work the Mission had imagined it might be able to make use of various earlier surveys aimed at re-organizing the land and water resources of the Middle East. But its hopes were disappointed. The region was not ready, the projects were not ready, and lastly, the Governments were not ready for the large-scale development of the river systems of the region or of

its major uncultivated land areas. This was mainly due to the lack of capital required to carry out the projects prepared, on only a few of which could work be begun. Except in Israel, the wealth of these countries is concentrated in the hands of a small minority which is loth to finance projects of this kind yielding a relatively small return. Moreover, the taxation system in those countries makes it impossible for their Governments to contemplate financing the works themselves. Foreign capital is unwilling to make large investments there owing to the economy of the region. This remark also applies to Israel which, although more advanced from the point of view of industrialization, offers little scope for further industrial development calculated to attract foreign capital. Nevertheless it would be a mistake to regard the lack of capital as the only obstacle to the implementation of these projects. Other factors have to be taken into account, the main one being the non-existence of any regional agreement between the countries concerned. In the absence of a peace settlement between Israel and adjoining countries on outstanding issues involving territorial boundaries, the repatriation of refugees and compensation for their property, it is unrealistic to suppose that agreement on the complex question of international water rights could be negotiated among the parties, The best illustration of the foregoing is the Hayes Plan the implementation of which requires agreement between Israel on the one hand and Jordan, Syria, and Lebanon on the other. As for projects upon which prior international agreement is unnecessary only a few have reached a stage at which construction could begin.

C. IMMEDIATE PROSPECTS

Use can of course be made of the important technical studies on the rivers carried out by English and French experts, but these studies are relatively out-of-date and are not applicable to the whole region. New surveys should be undertaken by experts of high competence both technically and in the social and economic fields. Decisions on all such surveys should be taken by the authorities of the countries concerned, with the help of skilled experts who would be asked to gauge who would benefit by the project and propose any other legal or administrative measures required in order to make the project as profitable as possible. Important measures can be adopted forthwith. The methods used to

obtain outside assistance and to carry out the actual projects will determine the pace of subsequent operations. The financial aid contemplated is comparatively small but appears sufficient, in conjunction with the technical assistance put at the disposal of the Governments, to set going the machinery created for this purpose. This would be a first step towards the development of the natural resources of the countries concerned. The pilot projects set forth in the report have a further advantage: they are feasible now.

D. PILOT PROJECTS

These projects are the following:

- (1) for JORDAN - the so-called Wadi Zerqa Project;
- (2) for ARAB PALESTINE - the so-called Wadi Qilt Project;
- (3) for LEBANON - the so-called Litani River Project;
- (4) for SYRIA - the so-called Ghab Valley Project.

The criteria on which these projects are based are as follows:

- (a) they are high on the list of projects which the governments would like to carry out;
- (b) their limited character is unlikely to hinder their future development;
- (c) they can be extended in a fairly short period of time;
- (d) they are varied in their nature and require in handling some interesting differences in technique;
- (e) they entail team work on a small but important scale;
- (f) they will provide the Governments concerned with experience which can be turned to account later;
- (g) they represent the logical continuation of works recommended in the Interim Report.

E. DEVELOPMENT BOARD

These projects must be carried out under the auspices and with the participation of the Governments concerned if the desired results are to be achieved. It follows that government organs with wide administrative and technical functions will have to be established. As soon as the projects with which they are concerned are accepted in principle by a government, it should establish in the countries concerned a permanent Development Board divorced as far as possible from politics and unaffected by cabinet changes. It should consist of technical experts and of the Ministers most directly concerned, such as, for instance, the Ministers of Finance, Public Works, Agriculture and Foreign Affairs. The Board, besides ensuring continuity in the development of projects, would also act as a link between the government and the international or other advisory or executive body providing technical or financial assistance. More specifically, assuming that refugee relief work will be financed through the body just established by the General Assembly resolution, the Board would be the organ of government responsible for maintaining contact and conducting negotiations with this body. It would be the most suitable organ for co-ordinating plans for the development of the country's natural resources and also to deal with problems of housing, road and rail communications, and industry in general. It is therefore most important that wherever there are Palestine refugees for whom temporary relief work is in prospect, the governments concerned should take prompt action with a view to the establishment of such boards.

Some Middle East Governments have already taken steps in this direction, or have even actually set up such boards.

F. RESEARCH FUND

Generally speaking, it is the government's duty to provide land and living accommodation for skilled or semi-skilled workers and to pay their wages. The financial resources at its disposal may not however suffice to pay the salaries of foreign experts or to purchase the necessary scientific instruments. Expenditure under these heads cannot be met from the United Nations relief fund

for Palestine refugees, even though this expenditure is fundamentally for the purpose of providing work for them. On the other hand, the need for research into technical problems is urgent, as has been recognized by all the governments concerned.

The Survey Mission has come to the conclusion that from every point of view, what is required is the immediate creation by the governments represented on the Advisory Commission established by the resolution of 8 December 1949 of a special fund for the above-mentioned purposes. This fund, not to exceed ten million dollars, should be made available to the Advisory Commission for allocation to the governments concerned. It should be used primarily for financing research and for carrying out preparatory work. It might however also be used for the completion of pilot projects in cases where the Board has no funds available.

The Mission has not considered it necessary to draw up pilot projects for Egypt, Israel and Iraq. Egypt is in fact in a position to cope with such problems herself, whilst Israel has the benefit of trained technicians and considerable experience in scientific matters: furthermore, it has already of its own accord started irrigation works and soil cultivation according to the most modern methods, financed by the large funds from foreign sources which it has at its disposal. Finally, Iraq is negotiating a loan from the International Bank for financing the erection of dams to control the waters of the Euphrates and the Tigris. Should these governments however seek the aid or assistance of the international community, there is every reason to suppose that it would be granted.

G. CONCLUSIONS

In submitting its conclusions, the Mission suggests:

1. That the Governments of Lebanon and Syria put in hand the pilot projects for their countries. Should these Governments not be in a position to do so for financial reasons, any request by them for external aid should receive favourable consideration.

2. That a start be made with the pilot plan for Jordan with the financial and technical assistance envisaged by the General Assembly. In addition, favourable consideration should be given to any request from this country for additional assistance for the completion of works already in hand, either by the United Nations or by the individual governments to whom Jordan has already applied.
3. The establishment, by means of contributions by the governments represented on the Advisory Commission, of a fund of 10 million dollars primarily for the purpose of financing research work requested by the Syrian, Lebanon and Jordan Governments.
4. The establishment of development boards in each of these three States, to act as a link between the local authorities and the United Nations Relief and Works Agency for Palestine Refugees.