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Operations of the Custodian of Absentee Property and estimation
of the compensation due to Arab refugees not returning
to their homes

(Working paper prepared by the Secretariat

of the Commission at Jerusalem)

During recent weeks, the attention of the Conciliation Commission has been directed to the problem of the compensation which might be payable to Palestine refugees not returning to their homes. Further, the Advisory Commission of UNRWA has on several occasions, in the course of its meetings with the Conciliation Commission, asked whether the latter had any data regarding the total amount of Arab property and assets in the territory controlled by Israel.

This note makes no attempt to deal with the problem of the methods of assembling the documentation which would make it possible to answer this question even in general terms and subsequently to estimate the total value of Arab property, both for the Arab community as a whole and for individuals. The note is intended simply to draw attention to a source of information which seems to have hitherto been neglected. All measures taken by the Custodian of Absentee Property (*) in virtue of his powers over the immovable

(*) The text of the law (Absentees' Property Law) is now supplemented by the law establishing the Development Authority. This law enables the Government to sell the land and property of absentees through an agency known as the Development Authority. The agency, whose powers are very extensive, may, in liquidation, transfer its assets to the Ministry of Finance (Section 2 (c)). At present, the Development Authority may sell land to the Government, to the Jewish National Fund and to a new organ which is to be established for the

and movable property of absentee Arabs, and all leases or sales or other measures have in principle been registered by the Custodian.

This consequently provides an indirect means of obtaining accurate information regarding the number, geographical distribution and present status of Arab properties. A very brief analysis of the work of the Custodian during the last two years may provide useful information in this connexion, although the information is not so complete as might be wished.

A. One of the Custodian's first tasks when order was restored and the armistice lines established, was to take steps to safeguard the movable property abandoned by the Arabs. The Custodian had to take measures against the looting of such movable property, and to protect abandoned Arab houses against unlawful occupation and the spontaneous looting which tended to increase with the growing number of immigrants arriving in Israel. Property left in dwelling houses, warehouses and workshops was systematically collected and made available to the army, public institutions or individuals by auction or direct sale. These operations were duly registered.

B. As regards immovable property, it seems that 73,000 dwellings and 7,800 premises, such as warehouses, workshops, shops and offices, are under the Custodian's control. Most of them are situated at Jaffa, Haifa, Jerusalem, Beersheba, Migdal Gad, Ramle, Lydda, Acre, Beisan, Tiberias and Safed, and in the vicinity of the orange-growing area.

Approximately 170,000 persons have been housed in these dwellings as a measure to assist in solving the housing shortage. Priority has been given to new immigrants and ex-service men, including a considerable number of war-disabled persons. To this figure should be added approximately 40,000 Jewish and Arab former tenants.

(*) (footnote continued from previous page)

settlement of landless Arabs. The three institutions may not alienate land thus acquired (Section 3 (4)). If the Jewish National Fund does not exercise its rights of pre-emption, the Development Authority may sell 100,000 dunums to other persons subject to the approval of each sale by the Government (Section 3 (4b-b)). The Government of Israel is required to submit a report to the Knesset on the work of the Development Authority every four months (Section 4).

Agreements have been concluded between the Absorption Department of the Jewish Agency, the Department for the Rehabilitation of Ex-service men and the Custodian with a view to the provision of business premises (workshops and shops) for immigrants and ex-service men. One of the greatest difficulties encountered by the Custodian was the problem of the repair and alteration of buildings. Because of the extremely heavy demand for housing, most families have been given accommodation of only one or two rooms. Consequently, buildings have been converted into smaller housing units and in many cases the new tenants have made alterations without consulting the competent technical authorities. Further, in many cases the Custodian has had to meet the cost of repairs.

C. As regards abandoned land, it is estimated that approximately 3.5 million dunums (*) have been vested in the Custodian.

(1) Of this total, 1,000,000 dunums have been transferred to the Jewish National Fund with the consent of the Israeli Government. Of the remainder, it is reported that 650,000 dunums have been leased, including 150,000 dunums to Arabs. Approximately 100,000 dunums have been prepared for cultivation by the Custodian with a view to their being leased to new Israeli colonists. The remaining land, approximately half (approximately 1,755,000 dunums,) has not yet been utilized.

(2) As regards plantations the following figures are available:

Of the 120,000 dunums of orange plantations, it is estimated that only 35,000 dunums can be rehabilitated and it is hoped that they will be in full production in two or three years. The remaining orange trees -- i.e., the great majority -- will have to be uprooted. Of the 35,000 dunums which have been rehabilitated, half is cultivated direct by the Custodian and the remainder by the Custodian in collaboration with other organs.

The Custodian is also administering 20,000 dunums of vines and 5,000 dunums of miscellaneous orchards, which are either cultivated direct by the Custodian or leased to settlers. Finally, there are 100,000 dunums of abandoned olive groves, 80,000 of which are in good condition and in production.

D. The Custodian also deals with the industrial development of abandoned property, chiefly in the area of Tel Aviv, Ramle, Lydda, Natania,

(*) 1 dunum: 1,000 square metres.

Herzlia, Kfar Saba, Petah Tikva, Rehovot and Tiberias. He is also responsible for the working of quarries owned by Arabs in Israeli territory.

The complexity of this task in the industrial field has led to the establishment of the Development Authority. It thus seems that in the future the Custodian will concentrate on the administration of abandoned property and the disposal of such property by lease or by sale while the Development Authority will be responsible for all matters regarding development and operation.

The information given above is fragmentary and brief but could be supplemented. Further, it should be observed that it gives no particulars regarding the "value" of the abandoned property. It should, however, be noted that under the law setting up his office, the Custodian is responsible both to the Government of Israel and to Parliament. It would therefore be possible to find in the report he is required to submit to the Inter-Departmental Council of the Government and in the financial report he is required to submit to the Financial Commission of the Knesset, financial data which would be of the greatest value in estimating the value of Arab assets and ascertaining their disposal.

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The Custodian is required to submit a report to the Inter-Departmental Council of the Government and to the Financial Commission of the Knesset. This report should contain details of the property under his control, its value, and the steps taken for its disposal. It is hoped that this report will be of great value in the estimation of Arab assets and in the ascertaining of their disposal. The Custodian is also required to submit a financial report to the Financial Commission of the Knesset. This report should contain details of the income and expenditure of the Custodian's office. It is hoped that this report will be of great value in the estimation of the financial position of the Custodian's office.