

RESTRICTED

W/59

26 February 1951

ORIGINAL : ENGLISH

NOTE CONCERNING THE EVALUATION OF REFUGEE PROPERTY

(Working paper prepared by the Secretariat)

1. The following suggestions are offered in connection with the General Committee's discussions concerning the work of the Conciliation Commission's Refugee Office.
2. It seems inadvisable at this time to set up machinery for the detailed evaluation of refugee property for these reasons:
 - a) It would be dangerous: It can be anticipated that the figure resulting from such an evaluation would be astronomical compared to any amount Israel could possibly be persuaded to pay. Once set into motion, evaluation machinery cannot be stopped and its result cannot be kept secret. Thus the danger arises that this machinery would produce figures of a magnitude apt to paralyse rather than aid the Commission's search for a realistic solution.
 - b) It would be useless: The costly and complicated efforts involved in detailed evaluation would produce no useful result, since it is clear that compensation - being part of the general Palestine problem - is a political and not a bookkeeping question.
 - c) It would be ill-timed: Pending the outcome of detailed evaluation, which is necessarily a lengthy process, the Commission would be unable to formulate concrete compensation proposals to Israel. On the other hand, the very fact that evaluation was being carried out by the Office, would arouse unwarranted hope among refugees and increase the atmosphere of unreality. Both results would be highly undesirable in the present world situation when time may be of the essence.

d) It would be unnecessary: The problem being a political one, it would be unnecessary to procure detailed evaluation figures now. The factors which will really matter are Israel's willingness and ability to pay, the procedures under which such payment can be made (trustee-body, bond-issues, etc.) and the international aid needed to finance such payments (loans, guarantees, etc.). The order of magnitude of payments, to form the basis of the Commission's proposals to Israel, can easily be established by an informed and informal estimate made confidentially by its experts.

3. It is, therefore, suggested that the Office not be charged with the task of setting up elaborate evaluation machinery, but be asked to carry out studies which can aid the political work of the Commission in the immediate future.

4. Such studies would concern, inter alia:

- a) machinery - regardless of the final amount - for international financing of compensation, for payment, for allocation, for proportional distribution;
- b) a rough estimate of the amounts involved;
- c) machinery for partial repatriation over a period of time.

5. Such a procedure, it is suggested, would aid instead of hamper the Commission's work and would make it possible for the Commission within the shortest possible time to start its task of making concrete and realistic political proposals towards a liquidation of the refugee problem.