



UNITED NATIONS CONCILIATION COMMISSION FOR PALESTINE
SUMMARY RECORD OF THE TWO HUNDRED AND SIXTH MEETING
held at Government House, Jerusalem, on Tuesday,
6 March 1951, at 3.30 p.m.

Present:	Mr. de Boisanger Mr. Eralp* Mr. Palmer Mr. de Azcarate	(France) (Turkey) (United States)	Chairman Principal Secretary
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* Alternate

In opening the meeting, the CHAIRMAN suggested that, in view of the absence of Mr. Aras (Turkey), the Commission should postpone consideration of the General Committee's report ([COM.GEN/17](#)) until his return to Jerusalem.

This was agreed.

1. Telegram from Mr. Andersen

Referring to the telegram in which Mr. Andersen had stated that on his way to India he would visit Jerusalem to meet the members of the Commission, the CHAIRMAN remarked that the Head of the Office had not given the date of his visit. In any case, if all the members of the Commission were not in Jerusalem at the time of Mr. Andersen's visit, he could be received by Mr. Palmer, who was to assume the chairmanship of the Commission on 16 March, and by the Principal Secretary.

The Commission therefore requested the Principal Secretary to send a telegram to Mr. Andersen, informing him that the Commission would be happy to welcome him in the near future in Jerusalem and asking him to give a 14 days notice of the date of his arrival in Cairo.

2. Committee of Experts on Compensation

The PRINCIPAL SECRETARY recalled that following the adoption by the General Assembly of the resolution of 14 December 1950 providing for the establishment of a Refugee Office, the question had arisen as to whether the Committee of Experts on Compensation set up by the Commission the previous October should be retained as a separate body or integrated into the Office. The General Committee, after considering the question, had agreed that it was a matter for the Commission's decision. The Principal Secretary drew the Commission's attention to the need for adopting without delay one of the two solutions, as the Commission's decision would affect the practical organization of the Office.

The Principal Secretary was requested to give his opinion, and stated that he personally would have thought it more logical for the Committee to cease functioning as a separate body working on parallel lines to the Office. However, since the Commission had established the Committee of Experts on Compensation before the Office was set up, it would be preferable, from the practical point of view, for the Committee to remain in being, it being understood that its members would form the initial staff of the Office.

Mr. PALMER (United States) felt that that was the best situation, at least for the time being. At a later stage the Commission would be in a position to decide whether it was advisable to dissolve the Committee and integrate it into the Office.

Mr. ERALP (Turkey) remarked that pending the arrival of the Head of the Office, the experts on compensation would be required to carry out preliminary studies, and there was no doubt that the fact of their being members of a Committee of the Commission would give them more authority to carry out their tasks. It would be time enough when the Office was in operation to consider the possibility of merging the Committee into the Office.

After this exchange of views, the CHAIRMAN stated that the unanimous view of the members of the Commission was that the time had not come for the integration of the Committee of Experts into the Office.

It was therefore decided that the Committee of Experts on Compensation should remain as an organ of the Commission, it being understood that the members of the Committee would form the initial staff of the Refugee Office.

Mr. PALMER (United States) then raised the question of the appointment of experts to the Committee on Compensation and remarked that up to the present only the legal expert had been appointed. In his opinion, the Secretary-General should be asked to expedite the appointment of the experts and informed that it was urgently necessary for them to undertake as soon as possible the work for which the Commission had requested and obtained the co-operation of the Government of Israel.

After discussion, *it was decided* to send a telegram to this effect to the Secretary-General.

3. Progress Report to Headquarters

The CHAIRMAN pointed out that it was desirable to consider whether, at the present stage of its work, the Commission was in a position to send a progress report to the Secretary-General, as had been the practice in the past. It would be useful to inform the Secretary-General of the Commission's activities since its return to Jerusalem; at the same time he felt that questions which might give rise to reactions from the parties concerned and compromise the efforts which the Commission was now making should be avoided.

The Secretariat might be requested to prepare a draft report in which the following points would be mentioned in very general terms: that the Commission had studied ways of implementing [the General Assembly resolution of 14 December 1950](#); that it had established the Refugee Office in application of [paragraph 2 of that](#)

[resolution](#); that it had appointed the Head of the Refugee Office; that it had established contact with the Relief and Works Agency concerning resettlement questions; and finally that the members of the Commission had had discussions with the Arab Governments and with the Government of Israel.

Mr. PALMER (United States) observed that the Commission, in this progress report, should not take up too precise a position; either with regard to its own future activities or with regard to the present attitudes of the parties concerned.

After a lengthy discussion, it was decided to instruct the Secretariat to prepare a draft progress report in the light of the suggestions put forward in the discussion and to submit the draft to the Commission, which would then decide whether the report should at that time be sent to the Secretary-General.

4. Future activities of the Commission

The CHAIRMAN observed that while awaiting the return of Mr. Aras, after which the question would have to be discussed again, the Commission might immediately have a brief exchange of views concerning its future activities. He recalled that at its last meeting the Commission had decided that its members would have discussions with representatives of the Arab Governments and of the Government of Israel, and that after settling certain questions, it might adjourn its meetings for about a month. The chairmanship of the Commission would revert on 16 March to Mr. Palmer, who would remain in Jerusalem and would be able to convene the Commission in an emergency. The General Committee would direct the execution of the preliminary work to be undertaken prior to the arrival of the Head of the Office. Mr. PALMER (United States) could see no reason why the Commission should not remain in session, although there would be no meetings during a certain period. The Secretariat would ensure that current administrative matters were dealt with, and the General Committee would proceed with its task. If a question were to arise which required an immediate decision of the Commission, the Chairman would convene the alternatives.

Mr. ERALP (Turkey) stated that, subject to the agreement of Mr. Aras, the suggested arrangements seemed to be acceptable.

It was therefore decided that subject to the approval of the representative of Turkey, the Commission would hold no meetings before 23 April, by which date the preliminary work undertaken by the Secretariat and the experts on compensation, under the direction of the General Committee, would have made considerable progress and would perhaps reflect a further development in the attitudes of the parties.

5. Blocked accounts

The PRINCIPAL SECRETARY recalled that during the conversation which the Chairman of the Commission had had in Cairo with Mr. Shukairi, Assistant Secretary-General of the Arab League, the latter had expressed a desire to be informed of the Commission's efforts to solve the problem of blocked accounts, for the purpose of preparing a memorandum on the subject which the Arab League proposed to send to the British Government and to the Conciliation Commission. In compliance with that request, Mr. Servoise, the Commission's economic adviser, had been asked to go to Cairo for talks with Mr. Shukairi.

The Principal Secretary also reminded the Commission that it had been decided to draw the attention of Mr. Furlong, of the Middle East Affairs Department of the Foreign Office, to the possible effects of the recent release of £13,700,000 sterling to Israel on the final settlement of the question of the Arab accounts blocked in Israel banks. He stated that this had been done and that the Commission's economic adviser had also discussed the question with the financial attaché of the British Legation in Tel Aviv and with the representative of the British Treasury in Cairo.

He suggested that the Commission might wish to hear Mr. Servoise's account of those conversations, so as to be able to judge whether it was advisable to approach the British Government with a view to protecting the interests of Arab refugees with bank accounts in Israel.

Mr. SERVOISE (Economic Advisor) gave a brief résumé of the question of blocked accounts and the consequences of the British Government's decision of 22 February 1948 to exclude Palestine and Transjordan from the sterling area.

His recent conversations with Azzam Pasha, Secretary General of the Arab League, and with Mr. Shukairi had led him to the conclusion that the attitude of the League of Arab States to the question could be summarized as follows:

The Palestinian Arabs who were at present living as refugees in the Arab countries and who had deposits of Palestine pounds (convertible into sterling pounds by the terms of the Palestine Currency Board Statute) in banks — chiefly British banks — which were, as a result of the war, situated in Israel territory, were not recognized as citizens of Israel by the Government of that country. The Government of Israel, on the one hand, refused to permit them to return to Israel, where they would be able to make use of their assets, and, on the other hand, prevented them from obtaining their money, which was indispensable to enable them to resettle in the Arab countries. A law which had been promulgated by a State which did not recognize the Arab refugees as its citizens and which had been passed after they had left the territory of that State was being applied to the refugees; at the same time the latter were aware that that State was profiting by the right to exchange Palestine pounds for sterling pounds. If it were left to Israel to reconstitute the blocked assets, which did not belong to her, it would not be possible to ascertain the date of repayment, and the resulting uncertainty would delay the resettlement of the refugees. Furthermore, it was feared that Israel did not propose to repay the money in sterling, but in Israel pounds, which it would be difficult for the refugees or for the reintegration agencies to make use of.

It appeared to be desirable for the United Kingdom to take into account, at the time of releasing sterling to Israel, the very special case of the Palestine Arab refugees whose accounts had been blocked, on the one hand by Israel, and on the other by the United Kingdom.

Part of the Palestine sterling assets blocked by the United Kingdom in February 1948 had been allocated to Jordan, and part to Israel.

It was beyond question that a portion (between 4 and 5 million sterling pounds) of the share allotted to Israel covered the funds deposited in British banks by Palestine Arabs before their departure.

Those sterling deposits should be protected and Israel ought not to be able to make use of them, as she was able to make use of sterling assets belonging to her own nationals. The British Government might perhaps be persuaded to release for the refugees a sum in sterling equal to the total amount of their accounts, or at least to continue to keep a corresponding amount frozen until the refugee problem was solved. In any case, it was necessary to ensure that the refugee assets were not released to Israel.

Mr. Servoise, having thus explained the views of the Arab League on the question of blocked accounts, remarked that it had not yet been possible to ascertain whether the recent releases of sterling to Israel had exhausted that country's reserves, or whether any reserves still remained for the holders of accounts blocked in Israel banks.

Certain questions would arise in that connection which could only be answered by the British Treasury.

The CHAIRMAN thanked the economic adviser for his explanation and asked the members of the Commission whether they considered it advisable to make an immediate approach to the British Government, or whether they preferred to await the receipt of the memorandum which the Arab League intended to communicate to that Government.

Mr. PALMER (United States) observed that the unfreezing of assets belonging to Palestine Arabs and deposited with banks in Israel territory should not give rise to insuperable difficulties, since it was in fact a case of Palestine assets whose ownership could not be contested. He thought that efforts should be made to settle the question of blocked accounts simultaneously with that of compensation. He had, furthermore, the opportunity of pointing out to Mr. Furlong that a speedy settlement of the question of blocked accounts would make a good impression on the refugees would thus contribute to the creation of an atmosphere favourable to the settlement of other questions, especially that of compensation.

The PRINCIPAL SECRETARY remarked that it was essential to make it clear to the British Government that the Commission, which intended to continue its efforts to settle the question of blocked accounts, was anxious to have detailed information regarding the conditions in which the release of sterling to Israel would take place, in order to be in a position to judge whether the operations were likely to hinder its efforts.

Mr. PALMER (United States), after having considered the question, wondered whether it might not be preferable, before approaching the British Government officially, to address to Mr. Furlong a note concerning all the aspects of the question and to inform him that the Commission had no knowledge of the contents of the Arab League memorandum. The economic adviser might prepare the note for Mr. Palmer to give to Mr. Furlong, together with a letter of introduction.

This was agreed.

6. Liaison with UNRWA

The PRINCIPAL SECRETARY recalled the decision to set up closer liaison between the Director of the Relief and Works Agency and the Conciliation Commission, and between the Secretariats of the two bodies. During his last visit to Beirut, he had discussed the question with the Director of UNRWA, and it had been decided that the secretariats of the two bodies would in principle hold bi-monthly exchanges of view. Mr. Kennedy had designated Mr. Fabre to maintain the liaison. He also stated that the Relief and Works Agency had communicated to him certain documents and studies concerning resettlement, which were at the disposal of the Commission. One of those documents was of particular interest. It concerned questionnaire sent out by the Director of the Relief and Works Agency to all refugees living in camps, to which replies had already been received from the refugees in Jordan and from about 25,000 refugees in Lebanon.

The replies to the question regarding property abandoned in Israel by the refugees would provide the Commission with extremely interesting data concerning compensation. Mr. Fisher, Political Adviser, was in touch with the Jerusalem office of the Relief and Works Agency and had initiated study of the papers. At the request of the Principal Secretary, Mr. FISHER (Political Adviser) explained in detail the method of statistical sampling which he would use in order to extract from the

replies of 150,000 refugee families certain conclusions of appreciable accuracy. He hoped that in six or eight weeks he would be able to obtain information which would enable a relatively accurate estimate to be made of the total value of the property for which compensation would be submitted. It would, of course, be necessary to take into account the fact that refugees not living in camps — that is to say, the wealthier ones — had not replied to the questionnaire.

The Commission professed great interest in this study and requested the Political Adviser to continue with the work.

7. Letter from Mr. F. Saad concerning a compensation claim

The CHAIRMAN drew the Commission's attention to a letter containing an authenticated request for compensation from a Mr. Saad.

The question now arose as to whether it was advisable to encourage or to discourage people who might submit requests for compensation to the Commission.

Mr. PALMER (United States) thought that the question was a delicate one with numerous implications which required consideration.

The CHAIRMAN said that he would not have been in favour of replying hastily to such requests. However, as the Relief and Works Agency questionnaire gave an opportunity to refugees living in camps to state whether they possessed property in Israel, he felt that in all fairness the refugees not living in camps, to whom compensation was of primary importance, should also have the opportunity of signifying whether they had compensation claims to submit.

Mr. FISHER (Political Adviser) remarked that it was perhaps premature to announce that the Commission was prepared to accept requests for compensation, for the Commission, lacking the personnel required to establish the validity of the claims, would run the risk of disappointing the claimants.

Mr. PALMER (United States) felt that, although it should not neglect to reply to letters such as that of Mr. Saad, the Commission should nevertheless avoid giving the impression that it was now in a position to investigate claims. For that reason, he thought it advisable to draw up a model reply which could be sent to any refugee who submitted a claim for compensation to the Commission. The reply should be drafted in a way which could not be interpreted as a rejection, but which would also avoid giving rise to vain hopes.

The CHAIRMAN remarked that the reply should not be such to discourage the refugees from making claims for compensation. It was, in fact, those claims which would constitute the Commission's principal argument when urging the Government of Israel to make the gesture which would permit a settlement of the question.

The PRINCIPAL SECRETARY suggested that the legal expert should make a comprehensive study of the question and draft a model reply to requests for compensation, for consideration by the Commission at its next meeting.

This was agreed.

The meeting rose at 6.10 p.m.

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