



UNITED NATIONS CONCILIATION COMMISSION FOR PALESTINE

Summary Record of the 11th Meeting (Closed)
Held at Headquarters, New York,
on Friday 15 October 1954, at 4.20 p.m.

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Meeting with the representatives of Israel

PRESENT:

Chairman:	Mr. DERINSU	(Turkey)
Members:	Mr. ORDONNEAU	(France)
	Mr. BARCO	(United States of America)
Secretariat:	Mr. CHAI	(Acting Principal Secretary)
Also Present:	Mr. KIDRON	(Israel)
	Mr. TOV	(Israel)

MEETING WITH THE REPRESENTATIVES OF ISRAEL

The CHAIRMAN understood that the representative of Israel had some remarks to address to the Commission, and asked him to proceed. Mr. KIDRON (Israel) after congratulating the New Chairman, said that he had two questions he wished to raise. The first concerned the notice of the Commission dated 11 October 1954 which had been released to the press and communicated as a vote to seven Arab States.

Mr. Kidron wished to discuss the notice and to analyse it from beginning to end. First of all, as regards the nature of the notice; Mr. Kidron stated that he had been instructed to ask why the Commission had seen fit to address a note to seven Arab States instead of issuing it as an official document of interest to all the Members of the United Nations. The Commission very well knew that the Government of Israel had never accepted the premise of negotiations with the Arab Governments as a bloc, a bloc having no common right nor competence to deal with matters in dispute between Israel and its neighbours. The Conciliation Commission certainly knew that the Government of Israel did not wish to deal with the seven Arab States as a whole. It was true that it was the Commission in this instance which was communicating with the seven Arab States, but it was doing so in connexion with a [notice published by the Government of Israel on 27 September](#) which was of general interest. Mr. Kidron recalled that there had been a precedent for the Commission's dealing with four of the Arab States *en bloc* on this question, namely at Lausanne in 1949. Four of the Arab States — Egypt, Jordan, Lebanon and Syria — had accepted the Commission's invitation to a conference in which the question of blocked accounts was, *inter alia*, discussed. The other three — Iraq, Saudi Arabia and Yemen — had not. Why then should they be specifically mentioned in this notice?

Mr. Kidron went on to say that the Government of Israel did not recognize an affinity of language, culture or religion between States as an element which should influence the Commission in connexion with what the Commission had itself described as a technical banking procedure. Mr. Kidron thought that there were undoubtedly many more potential recipients of blocked funds right in New York City than there were in the Yemen or in Saudi Arabia.

Mr. Kidron reiterated that the Commission's notice should have been issued as a United Nations document. It involved a matter which had been debated in the General Assembly and therefore it would have been appropriate to inform all the members officially of the [Israeli notice of 27 September](#) and not merely by means of the press release of a note addressed to some of them.

Mr. Kidron then raised the question of the timing of the announcement. During his [meeting with the Commission on 27 September](#) he had tried his utmost to persuade the Commission to join with the Government of Israel in the issuance of its [notice](#), which, Mr. Kidron pointed out, the Commission had noted with gladness in its own statement. His Government believed that if the Commission had joined with the Government of Israel, much good would have resulted. Much good would

also have resulted if the Commission had issued a supporting statement on the same day as the Israeli text was released or on the following day. As it was, Mr. Kidron could not see what good result from a statement by the Commission issued at the present time. Inasmuch as the Commission had not been prepared to support the Government of Israel on [27 September](#), it might have attached greater weight to his unofficial request for a delay. Mr. Kidron then called attention to the first part of the second paragraph of the Commission's press release, which noted that Israel's action had been made possible by the provision of the necessary foreign currency to the Government of Israel by one of the banks concerned. Mr. Kidron observed that there were other delegations in addition to his own at the United Nations which had expressed surprise over that clause. The impression gained was that the fact that Israel was taking this action was due only to the generosity of the banks. That was not so, as the Commission very well knew Israel's problem had been one of foreign currency, not of money. The banks had not given the money to Israel, they had lent it and the loan would be repaid. That meant that every penny released to the holders of the accounts would be disbursed by Israel. The role of Israel had been so disguised by that clause of the Commission's statement that it appeared that it was actually the banks and not the Government of Israel which were furnishing the necessary funds. With regard to the second clause of paragraph two of the Commission's statement, Mr. Kidron observed that an examination of the records would show that such categorical language was not entirely appropriate.

With regard to the final paragraph Mr. Kidron said that he had no comment to make except that his Government shared the Commission's hope that the operation could be brought to a conclusion in a general atmosphere of good-will. But he wished to point out that that would depend upon certain things. The Government of Israel was not introducing any new conditions. He recalled that in the [Israeli letter of 19 August](#), his Government had said that it felt it necessary to discuss new procedures with the depositors, in order to obviate the difficulties which had arisen in the past. The Commission had objected, feeling that a new condition was being set. The Commission had also objected to part of the last paragraph of the [Israeli notice of 27 September](#) for the same reason, fearing that a new feature was being introduced. Mr. Kidron went on to say that during the [meeting of 27 September](#) he had asked Mr. Chai if a letter had been received from group of refugees in Ramallah requesting an opportunity to negotiate with the Commission on procedures. His Government had learned of the existence of that letter through the bank's representatives in Jerusalem. Mr. Chai informed him that the letter had not been received. Later in the day, Mr. Chai said that the letter had been received at four o'clock that afternoon and he provided Mr. Kidron with a copy. Mr. Kidron then read out for inclusion in the record the text of a letter dated 17 September to the Conciliation Commission from the General Refugee Congress in Ramallah, enclosing a copy of a letter dated 20 July 1954, which Mr. Kidron, also read:

17 September, 1954.

The President,
The Conciliation Commission for Palestine, United Nations,
Lake Success,
Sir,

On the 20th of July, 1954 our Congress addressed you a letter with the hope that your Committee may hold a meeting to discuss problems relating to frozen assets belonging to Palestine Refugees.

It has come to our notice that the above letter had gone astray and was never received in Lake Success. We therefore enclose a copy of the said letter, and hope that it may be carefully studied and a meeting arranged at an early convenience.

Yours faithfully,
/s/ A. Shihadeh
Secretary
General Refugee Congress
(Ramallah)

20th July, 1954,

The President,
The Conciliation Commission for Palestine, United Nations,
Lake Success.
Sir,

On behalf of the General Refugee Congress for Palestine we beg to submit the following:

1. The Arab Refugee Congress noticed that the outstanding problems of the Arab Refugees of Palestine have been dormant and their cause is being totally neglected. They wish therefore to renew their efforts for a settlement of these problems, and as a first step towards this achievement they have decided to move your committee to open negotiations with the parties concerned with a view of arriving at an acceptable solution.
 2. One of the problems in the case of the Arab refugees is that of their frozen assets. Lately the Courts of Jordan have given a paramount decision on this subject which will help the refugees to obtain their rights. But litigation in courts is a long process and our committee believes that under these circumstances it would be a wise step to commence negotiations with this question which if proved to be successful will open the way to further negotiations and finally help to maintain peace in this part of the world.
 3. We therefore urge you to pass our proposal to the authorities concerned and through your medium to conduct negotiations for finally releasing these assets.
 4. If our proposal is accepted our committee is prepared to send a delegation to Lake Success or any other place you may suggest immediately we hear from you.
- Awaiting your early reply,

Yours, sincerely,

/s/ Y. Ramoudeh
Member of the
Executive Committee

M. Yahya
Member of
Executive Committee

A. Shihadel
Secretary
General Refugee Congress
(Ramallah)

Mr. Kidron wondered whether, if the letter had been available for the morning's meeting, the attitude of the Commission towards the Israeli notice might not have been different. If the Israeli request for discussions with the depositors had been unilateral, the Commission might conceivably, although he thought, unjustifiably, have considered it as a means for delaying the issue. The imputation would have been that Israel was trying to avoid its obligation by introducing a new consideration. But once the refugees themselves had asked for discussions on the subject, Mr. Kidron would have thought that the Commission could have associated itself with the request of both parties. The Commission's objection would have disappeared; no suspicion could then have remained that this was an evasion of responsibility on Israel's part.

Mr. Kidron then wanted to know what, if any, action had been taken on the letter from the Ramallah group.

Mr. BARCO (United States of America) objected to the Commission being asked such a question at that time. He then proposed that Mr. Kidron be asked to continue his statement.

The CHAIRMAN asked Mr. Kidron to proceed with his statement.

Mr. KIDRON (Israel) observed that since he was unable to receive an answer to his question, he must try to anticipate what the Commission had done. There were, he said, three possible alternatives. First, the Commission might have sent an affirmative reply to the refugees' letter. If that were so, he did not understand the Commission's notice of 11 October in which no mention of possible negotiations or consultations was made.

The second alternative was that the Commission had ignored the letter altogether and had not replied. Mr. Kidron found this almost impossible to conceive.

The third alternative was that the Ramallah Congress had received a negative reply. Mr. Kidron stated that he was under instructions to express the surprise and disappointment of the Government of Israel at such a step if it had in fact been taken. The Conciliation Commission, he went on to say, did not exist in order to provide an agency for the extraction of monies from Israel for residents of Arab States without any commitment whatsoever from those States. From the various

relevant resolutions of the General Assembly on the subject, it emerged clearly that one of the Commission's functions was to be available to the parties. [Resolution 512 \(VI\) of 26 January 1952](#) considered that the Conciliation Commission "should be available to the parties to assist them in reaching agreement on outstanding questions..." In its own [Thirteenth Progress Report](#) the Commission had confirmed its understanding of that function and had so advised the interested parties. It had also stated that, because there had been no requests from the parties, it had had no opportunity to exercise its function of conciliation.

The Commission, continued Mr. Kidron, surely had two requests before it now, one from Israel and one from the refugees. The Commission had informed the parties in the past that it was available; if his surmise was correct, it now seemed that the Commission had advised both parties that it was not interested. In the view of the Government of Israel, that was a very grave step for the Commission to be taking.

Mr. Kidron concluded by saying that he had been instructed to inform the Commission that certain procedural difficulties having deposited themselves, the Government of Israel would find it difficult, if not impossible, to carry on with the scheme if those procedural difficulties were not set aside. The best way to set them aside in the view of the Israel Government would be to consult with the representatives of the depositors and of Israel. Mr. Kidron added that he did not know what the difficulties were but he was assured that they existed. He was instructed to say that Israel would find it extremely difficult to proceed with the scheme unless it were given an opportunity to resolve those difficulties which had appeared in the course of the past two weeks.

Mr. BARCO (United States of America) stated that he had listened to the statement of the representative of Israel with interest, with very great interest and had found it to be most extraordinary. Although he was without new instructions, he would convey the full text of Mr. Kidron's remarks to his Government which, he was sure, would also find Mr. Kidron's statement most interesting.

Mr. Barco then moved the adjournment of the meeting.

Mr. ORDONNEAU (France) stated that he did not know whether, under the rules of procedure, he was permitted to speak after a motion for adjournment had been made, but he did want to express his surprise at the tone of the statement which the representative of Israel had just made. He also wished to reply at once to one point of criticism raised by Mr. Kidron in connexion with the Commission's Note of 11 October. Mr. Kidron had said that the Commission had not given sufficient credit to the Government of Israel in referring to the funds which had been made available by one of the banks concerned. Mr. Ordonneau pointed out that he had already had occasion to inform Mr. Kidron unofficially that on this point the Commission had, in fact, followed exactly the text of the [Israeli communiqué of 27 September](#), so he did not see how the Commission could be accused of altering the facts. Mr. Ordonneau then read out the text of paragraph four of the [Israeli text](#) and reiterated that the corresponding sentence of the Commission's text meant exactly the same thing. He was sorry if the Commission had not sufficiently taken into account the feelings of modesty of the Government of Israel; it had wanted to follow the Israeli text exactly.

With regard to the substance of Mr. Kidron's statement, Mr. Ordonneau stated that he was in complete agreement with the view expressed by the representative of the United States. The difficulties mentioned by the representative of Israel justified the fears expressed earlier by the Commission as to the placing of a new condition and his delegation hoped that the discussion would not remain on its present level. The Commission hoped to know what the difficulties were and further hoped that they would not hinder progress towards the common goal,

Mr. Ordonneau went on to say that on [27 September](#) he had openly put the question as to whether the Government of Israel would pursue the release operation if no negotiations were to take place. The representative of Israel had replied that the scheme would go forward.

In conclusion, Mr. Ordonneau wished to add one further point. When the representative of Israel stated that the Commission had not followed up a request — and this was only a surmise on his part — Mr. Ordonneau would reply that it was a group of refugees and not one of the parties which had made the request. The sense of the relevant resolutions of the General Assembly was not that the Commission should deal with private groups. It was a Commission composed of representatives of Governments and it dealt, therefore, only with Governments. It was in no way obliged to maintain contact with private individuals, which was why it had communicated its note of 11 October to the Governments concerned. That was a matter of principle which the Commission must uphold.

Mr. Ordonneau fully reserved the position of the Government of France to elaborate upon and add to the points he had raised.

The CHAIRMAN observed that many points had been raised by the representative of Israel in his statement. The original agreement between the Commission and the Government of Israel mentioned only one condition, namely, the availability of foreign exchange. The operation itself was to be a purely banking operation. This had been repeated several times. The Chairman then expressed considerable surprise over Mr. Kidron's reference to a connexion between an affinity of language, culture and religion and technical banking procedures. There was no question of there being any connexion. He did not, he continued, understand the representative of Israel to have wished to tell the Commission what it should have done, in view of the fact that the Commission had done its utmost to make its services available to the parties. The representative of Israel had spoken feelingly and eloquently and the Commission appreciated it. But the Commission was entitled to consider that it had done its duty.

Mr. BARCO (United States of America) proposed again that the meeting be adjourned.

The CHAIRMAN then adjourned the meeting which *rose* at 5:00 p.m.

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