



UNITED NATIONS CONCILIATION COMMISSION FOR PALESTINE
MIXED TECHNICAL COMMITTEE FOR BLOCKED ASSETS
SUMMARY RECORD OF THE SECOND MEETING
held at Lausanne, on Friday,
26 August 1949, at 4 p.m.

Present:	Dr. Azcàrate	-Chairman
	Mr. Labbane	-Arab member
	Mr. Befdas	-Adviser
	Mr. Lifshitz	-Israeli member
	Mr. Arazi	-Adviser

Corrigendum to Terms of Reference of the Committee

Mr. LABBANE pointed out that subsequent to the decision taken at the first meeting that the Committee's activities should concern only blocked Arab accounts, the word "Arab" had been added in the text of the press communique, but that it had not been added in the text of the terms of reference.

It was agreed that the terms of reference would be corrected accordingly.

Summary Record of the first meeting

Mr. LIFSHITZ felt that the record of the first meeting was too condensed, and that the remarks of both delegations at that meeting should be given in full. He agreed to submit a statement of his own remarks for purposes of correction of the record.

Mr. LABBANE expressed himself as satisfied with the recording of his own statement.

General discussion

Mr. LIFSHITZ thought there were certain questions that the Committee could perhaps discuss even before the arrival of the experts. He had information from his Government that the total amount of the assets blocked in Israeli banks was about 1,900,000 Palestine pounds. He was interested in hearing corresponding figures from the Egyptian member, since Egypt was the principal country in which blocked Arab accounts existed. If the two amounts were approximately equal, procedures could be set in motion at once for a collective unfreezing operation between the Governments. If not, it would be useful to examine a procedure on an individual basis, each owner receiving his assets personally against an equal amount released to an individual on the other side. In that event, procedures must be worked out for receiving applications, verifying ownership of the accounts, establishing priorities if necessary, and deciding on methods of unfreezing. The persons concerned must be approached and informed that they were entitled to submit applications, and a uniform application form should be evolved for use by both sides. Mr. Lifshitz hoped that some of these questions could be taken up at once, as he was leaving Lausanne at the beginning of the following week and would have to appoint a substitute to serve on the Committee in his place.

Mr. LABBANE regretted that he had as yet no information regarding the total amount of the assets blocked in Egyptian banks. He agreed that the entire operation could be greatly simplified if the amounts in Egypt and in Israel were found to be approximately equal; he therefore preferred in general to postpone the discussion until the arrival of the experts.

He agreed, however, that time could be saved in the meantime by a discussion of procedures to be adopted in case it were necessary to receive individual applications.

Mr. LIFSHITZ pointed out that certain information must be gathered from the owners of the accounts concerning the nature of the assets in the Arab States. It might also be necessary to establish a proportionate basis for unfreezing individual assets, and the owners would have to be informed that they might receive at present only a part of their funds.

Mr. LABBANE felt that the information referred to by Mr. Lifshitz concerning the nature of the assets could be obtained without difficulty from the banks. He agreed, however, with a suggestion by Mr. Lifshitz that a statement should be released to the press, radio, etc. in Israel and in the Arab States, inviting owners of blocked accounts to submit full details regarding the nature of those accounts.

Mr. SERVOISE (Secretariat) pointed out that such a public communique must logically come at the end of the Committee's work, giving the essentials of the procedure decided upon.

This statement should therefore set forth the general conditions which would govern the unfreezing operation, in order that the persons concerned might weigh the advantages and disadvantages and take a decision; otherwise he thought it probable that they would be reluctant to disclose the details of their accounts.

It was agreed that the Secretariat would prepare a draft text of such a communique, which the Committee would study at a meeting the following afternoon, and which would then be held until the arrival of the experts.

With regard to the definition of "interested persons", Mr. SERVOISE (Secretariat) asked whether the definition would include nationals of the Arab States, who had resided in Palestine before the war, and had been obliged to leave as a result of the war.

Mr. LIFSHITZ preferred that for the time being, at least, the operation should be considered as applying only to Arabs who were actually refugees. He pointed out

that if a larger view of the question were taken, it would be logical to extend the definition to include certain Jews who were now, as a result of the war, refugees from the Arab States.

Mr. LABBANE thought that eventually he would be willing to extend the definition to include the category mentioned by Mr. Lifshitz. For the time being he suggested that no decision be taken regarding the definition.

Mr. SERVOISE (Secretariat) requested from Mr. Lifshitz a breakdown showing the composition of the total sum he had mentioned which was blocked in Israeli banks.

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