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UNITED NATIONS CONCILIATION COMMISSION FOR PALESTINE

GENERAL COMMITTEE

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SUMMARY RECORD OF THE THIRTEENTH MEETING

held in Lausanne on Wednesday,
8 June 1949, at 11 a.m.

Present: Mr. Yenisey (Turkey) - Chairman
Mr. de la Tour du Pin (France)
Mr. Wilkins (U.S.A.)
Mr. Milner - Committee Secretary

Statistical information concerning refugees and population in Palestine (document Com. Gen./2).

It was agreed, on the Chairman's proposal, to transmit to the Arab and Israeli Delegations respectively the statistical information supplied by the other party in response to the Committee's Questionnaire of 19 May, notifying them that supplementary information would be transmitted subsequently. The Secretariat would also prepare an analytical table of the information received, for the use of the Commission and the Committee.

Mr. de la TOUR DU PIN observed that the information should be made available to members of the Technical Committee before their departure.

Question of blocked Arab accounts (documents AR/8, point 2; W/13, C.1; Com. Gen. ~~SR/27~~, pages 3-4; and W/8).

The CHAIRMAN, in reply to a question from Mr. de la Tour du Pin, as to why no action had been taken on the Note on Palestine Assets blocked by the British Government (document W/8) of April 2, said that it had seemed premature to approach the United Kingdom authorities at that time.

Mr. WILKINS enquired as to the ownership of the frozen sterling assets, which he understood to form the backing for the Palestine currency.

Mr. SERVOISE (Secretariat) said that the assets of the Palestine Currency Board would eventually be divided between the two successor currency authorities, the Anglo-Palestine Bank and the institution which the Hashemite Jordan Kingdom proposed to set up. The distribution of the assets would be

based on a percentage of the Palestinian pounds at the disposal of each.

Mr. de la TOUR DU PIN proposed that the Secretariat should draft a letter asking the Israeli and Arab delegations what was the situation to date and to what extent they considered the matter to be of immediate concern. The Commission would then be in a position to enquire what were the intentions of the British Treasury, either officially or through an informal approach to the United Kingdom Permanent Delegate at Geneva.

Mr. WILKINS agreed that more information was necessary before the United Kingdom Government could be approached.

Mr. SERVOISE (Secretariat) observed that the funds required for backing the new currencies of either Israel or the Hashemite Jordan Kingdom, even if unblocked, could not be drawn upon for the needs of the refugees. The unspent balance of over three million Palestine pounds remaining from bond-issues in Palestine, might be so drawn upon if released by the United Kingdom Treasury. It was desirable to ascertain the exact position in regard to all blocked assets, not only because of its bearing on the position of the refugees but because the Israeli reply to the Commission's request for an assurance in regard to blocked Arab accounts in Israeli banks, as noted in document AR/7, had been couched in vague terms, undertaking the return of funds to their "proper owners on the conclusion of peace, subject to such general currency regulations as may be operative at that time." It was possible that funds now calculated in Palestine pounds would be restored in the form of Israeli pounds, whose recipients would be unable to use them outside Israeli territory.

Mr. de la TOUR DU PIN said the Lebanese delegate had asked the Committee to raise that very point with the Israeli delegation.

The CHAIRMAN drew attention to the importance attached by the Arabs to the unblocking of accounts in banks in Israeli territory. Mr. Sad on 25 May had pointed out that the Ottoman Bank of London had been authorized by the Israeli authorities to unblock monthly allowances to its clients of from £50 to £100, and saw no reason why Barclay's Bank and the Israeli banks should not be allowed to do the same. The Commission had so far received no reply to its suggestion that sufficient

Arab funds should be unblocked to cover the maintenance of the orange groves (document W/13). He proposed that the Israeli authorities should be urged to declare whether the example set in the case of the Ottoman Bank could not be followed in the case of others.

Mr. de la TOUR DU PIN pointed out that document ORG/16 of 18 May referred to a statement on behalf of the Jaffa and District Inhabitants Committee to the effect that Arab assets owned by inhabitants of Jaffa in branches of the Ottoman and Barclay's Bank amounted in the one case to £850,000, in the other to £1,000,000. Those sums should be added to the £7,000,000 quoted by Mr. Sad (Com. Gen. SR.7) as representing the total amount of blocked Arab accounts in Israel. Israel should be requested to supply further information.

The CHAIRMAN noted that in regard to blocked assets outside Palestine, it had been agreed that the Secretariat should try to obtain fuller information before steps were taken. In regard to Arab assets in banks in Israeli territory, the Committee might write to the Israeli delegation enquiring as to its present attitude, relating the question to that of Arab assets outside Palestine and requesting that some arrangement should be made in respect of such assets in Israel.

Mr. WILKINS thought such questions should be put orally to Dr. Eytan rather than by letter. He feared that concentration on the particular point of authorised monthly allowances, which could be taken up by the banks concerned through the United Kingdom authorities, might involve the Committee in administrative questions outside its province and obscure the question of principle on which an answer was required, i.e. what was the exact position and what were the intentions of the Israeli Government in regard to blocked Arab assets in general.

The CHAIRMAN thought that the precise question should be put, on humanitarian grounds, as to whether the system already admitted not only in the case of the Ottoman Bank of London but also, as he had learned, in Jerusalem - where banks were authorized to make certain payments to Arab depositors - could be made general. The matter had urgency, since persons who had considerable banking accounts were starving. To a question from the Committee Secretary as to whether

such a request would not take the Committee into the field of policy, and exceed the more limited suggestions made by the Commission on that matter, he replied that the measure proposed, involving as it did very small sums, would be merely provisional, pending a solution of the question of principle.

Mr. de la TOUR DU PIN was of the same opinion.

Mr. WILKINS, while agreeing on the question of substance, thought that whereas a letter to the Israeli delegation on the matter would involve delays, the Commission could raise it with Dr. Eytan in connection with his replies to the Arab Nine Point Memorandum (document AR/8). He proposed that a note should be prepared for the Commission, pointing out the urgency of the question.

Mr. de la TOUR DU PIN agreed, adding that the Committee should prepare questions to be asked of Dr. Eytan. A letter could be sent subsequently if necessary.

The CHAIRMAN noted that the Committee had agreed to ask the Commission, to raise with Dr. Eytan the question of monthly allowances, reserving the possibility of a written communication if his reply was not satisfactory.

Mr. SERVOISE (Secretariat) observed that the Israelis might raise the question of residence. While the unfreezing of accounts for Arabs in Israeli territory should offer little difficulty, it would be otherwise if it implied transfers of funds to enemy territory. It would therefore be important to emphasize the humanitarian character of the concession proposed.

Mr. WILKINS said that even during hostilities, similar agreements were often made; a fortiori under an Armistice.

Consideration of the Absentee Property Act. Discussion was deferred pending a statement by the Legal Adviser on relevant sections of the Act.

Plan of Work of the Committee

The CHAIRMAN said that Mr. Zeineddine (Syria) had asked for further discussion of the Arab Memorandum of 21 May (document AR/11). He thought that the only item in it which called for further study was that concerning guarantees of the rights of Arabs in Israeli territory. The Israeli

delegation might be asked on what basis compensation for Arabs who had left Israeli territory was envisaged.

The COMMITTEE SECRETARY pointed out that it had been agreed that the territorial aspects of the Memorandum of 21 May were to be discussed in a meeting with the Commission. The question of safeguards for returning refugees could also be discussed in more detail with the Arabs and raised with the Israelis.

Mr. WILKINS agreed. He suggested that Dr. Eytan's statement should be heard before a final plan of work was adopted. There was an outstanding Memorandum on the question of compensation.

Mr. de la TOUR DU PIN thought it important to study the Memorandum of 21 May, as offering a possibility of eliciting some indications of Arab views on boundaries.

The Committee agreed to invite the Arab delegations to give their opinions on the Memorandum of 21 May, on the basis of a questionnaire circulated by the Secretary.