

UNITED NATIONS CONCILIATION COMMISSION FOR PALESTINE

GENERAL COMMITTEE

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28 July 1949  
ORIGINAL: ENGLISH

SUMMARY RECORD OF A MEETING BETWEEN  
THE GENERAL COMMITTEE  
AND THE DELEGATION OF ISRAEL

held in Lausanne on Thursday,  
28 July 1949,  
at 11:30 a.m.

Present : Mr. de la Tour du Pin (France) - Chairman  
          Mr. Yenisey (Turkey)  
          Mr. Rockwell (U.S.A.)  
          Mr. Milner - Committee Secretary  
          Mr. Sasson } - Representatives  
          Mr. Hirsch } of Israel  
          Mr. Arazi }

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Reunion of separated refugee families

The CHAIRMAN informed the Israeli delegation that, at the Committee's meeting with the delegations of the Arab States the previous day, he had raised in particular the question of setting up mixed frontier posts to deal with administrative details of the repatriation of members of separated families. The Arab delegations had all agreed to cable their Governments pressing for the immediate appointment of representatives for those frontier posts. The representative of the Hashemite Jordan Kingdom had indeed informed the Committee that a special office with representatives of both sides had already been set up in Jerusalem to deal with the problem. As soon as the Committee was in possession of further information, it would advise the Israeli delegation.

He wished to make it clear that, although the Arab delegations were ready to co-operate fully in taking those humanitarian measures simultaneously with continued discussion of the matter

with the Committee, they had nevertheless made definite reservations that such steps would not in any way prejudice their position on the principle concerning the general return of refugees and their request for a widening of the definition of the family.

He wished also at that stage to express his appreciation of the Israeli delegation's efforts in achieving some practical progress.

Mr. ROCKWELL thought it would be desirable if the Israeli delegation could, at the same time as it informed its Government of those positive results, press for an extension of the concept of the family.

Mr. SASSON also expressed his satisfaction at the results achieved and hoped progress would continue. He pointed out that Mr. Yenisey's suggestion with regard to the definition of the family had been sent to his Government for further study and that his delegation had given that proposal its full support.

Unfreezing of Arab accounts ( document IS/31, point 2 )

The CHAIRMAN informed the Israeli delegation that, with the exception of the representative of Egypt who had not yet received instructions from his Government but was expecting them very shortly, the Arab delegations had, after consultations with their respective Governments, accepted the principle of reciprocity. They wished, however, to have further elucidation from the Israeli delegation as to whether unfreezing would mean a total unfreezing of all Arab Palestinian accounts at present blocked in Israel and the Arab States, or whether it would be based on a system of compensation and would only therefore release equal amounts. He added that it had been observed by one of the Arab representatives that since Lebanon, for instance, had no frozen assets which could be released on an exchange basis, such a proposal of reciprocity might, in some cases, be merely illusory.

Mr. SASSON replied that, naturally, if Lebanon had no frozen assets, there could be no question of any unfreezing by the State of Israel, and he emphasized the fact that his Government envisaged reciprocity according to an exchange ratio of one for one.

In that connection, although he lacked the necessary data, he wondered whether it would not be opportune, in the interests of all concerned, to envisage a plan whereby the value of any merchandise belonging to Arab Israelis and blocked by the Arab States might be taken in exchange for the release of frozen funds in Israel, if the Arab State concerned had none or insufficient assets to enable the State of Israel to undertake an exchange under the scheme it had already suggested. Mr. Sasson did not have any precise indications as to the quantity or nature of the merchandise blocked by the Arab States, and he had not as yet consulted his Government in the matter. He thought, however, that that would be a practical suggestion which the Committee might well consider and which would moreover be evidence of the State of Israel's readiness to co-operate in the matter of unfreezing of Arab assets.

In reply to Mr. YENISEY and to Mr. ROCKWELL who raised the point that the unfreezing of assets was at the present stage being considered as a humanitarian measure to assist the refugees, he explained that to unblock merchandise would help the Arab merchants resident in Israel.

The CHAIRMAN informed the Israeli delegation that the Committee had already requested the Arab delegations to supply statistics as to the approximate totals of the frozen assets in their respective countries. He thought it would be most useful, in order to facilitate further discussion of reciprocal arrangements, if the Israeli delegation could also obtain some indications of the sums blocked in Israel, as well as all possible information from owners of merchandise and funds blocked in Arab countries.

He added that if the sums held by the parties concerned differed very widely, it would then be apparent that, in order to reconcile opposing interests, some compromise solution would have to be arrived at.

Mr. SASSON explained that it was precisely with that in view that he had proposed that the value of blocked merchandise be used in order to balance the amounts to be unfrozen by the parties concerned. In any case the question of blocked merchandise

would be brought up for study separately by his delegation.

He wished also to draw the Committee's attention to technical details in the scheme for the reciprocal release of frozen assets. In the first place, it would have to be ascertained whether there were not some accounts existing in Arab States which, even though not blocked, were not at the disposal of their owners since the owners themselves were in Israel and did not have the material possibility of negotiating for the release of their assets. That matter would have to be gone into by experts.

There was also the question of obtaining confirmation from the holder of the account, who was outside Israel, to the effect that he did indeed wish for part of the total of his assets to be unfrozen since it was possible that some refugees might wish to leave part of their account in Israel in case they should be able to return. It would be desirable therefore to ask the Arab delegations to provide a list of persons who wished for the unfreezing of their accounts as there was, in addition, the question of priorities to be established according to varying needs.

In reply to the Chairman's request for approximate indications of the total amounts of blocked assets, he said that it would be difficult for either the Arab delegations or his own to give an accurate idea of the sums involved on the other side.

Referring to a question by the Chairman who had asked whether the State of Israel would agree to a partial unfreezing of assets on a basis of equal exchange with Egypt for example, he stated that there would of course be no objection to such a procedure since his Government had already accepted that principle.

He urged the Committee to deal with the question of the unfreezing of assets in the same way as the refugee problem, namely to press for some practical results, even on a restricted basis, whilst continuing to discuss the matter as a whole.

Mr. HIRSCH informed the Committee that his Government was in possession of figures on Arab assets frozen in Israel, but did not have any indication as to the amounts belonging to Israeli citizens which were blocked in the Arab States.

The CHAIRMAN pointed out that there might be some difficulty in obtaining a full and accurate estimate from Arabs resident in Israel as to the sums they possessed outside Israel.

He assured the Israeli delegation that the Committee would transmit their replies to the Arab delegations and would endeavour to press them to accept negotiations on a limited basis for the time being while continuing to discuss the question of a complete unfreezing.

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