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UNITED NATIONS CONCILIATION COMMISSION FOR PALESTINE

THIRTEENTH PROGRESS REPORT

(for the period from 28 November 1952 to 31 December 1953)

Note by the Secretary-General: The Secretary-General has the honour to communicate to the Members of the United Nations, in accordance with the provisions of paragraph 6 of General Assembly resolution 512 (VI) of 26 January 1952, the thirteenth progress report of the United Nations Conciliation Commission for Palestine.

General

1. On 28 January 1953, the United Nations Conciliation Commission for Palestine met to consider the situation as it presented itself following the discussion of the Palestine question during the seventh session of the General Assembly. In view of the fact that the Assembly did not take any new decisions bearing upon the work of the Commission, the Commission considered that it was still guided by resolution 512 (VI) adopted by the General Assembly on 26 January 1952. In that resolution the General Assembly expressed the view that the governments concerned had the primary responsibility for reaching a settlement of their outstanding difficulties and that the Conciliation Commission for Palestine should continue its efforts to secure the implementation of the resolutions of the General Assembly on Palestine and accordingly should be available to the parties to assist them in reaching agreement. It urged the governments concerned to seek agreement and for that purpose to make full use of United Nations facilities. After the passage of this resolution the Commission advised the interested parties that it would be available to them to assist them in reaching agreement. In the absence of a specific request from the parties, the Commission has again this year had

no opportunity of exercising its general function of conciliation. In the past, the Commission has successively employed all the procedures which were at its disposal under the relevant General Assembly resolutions, without tangible results. There was no evidence during the past year that the attitude of the parties towards these efforts of the Commission had changed. The Commission decided, therefore, to continue for the present to meet at the Headquarters of the United Nations in New York and to pursue its efforts towards the solution of the concrete questions of compensation for the Palestine refugees and the release of Arab refugee bank accounts blocked in Israel.

The release of Arab refugee bank accounts blocked in Israel

2. Under the agreement reached between the Conciliation Commission and the Government of Israel<sup>1/</sup> for the complete release of Arab accounts blocked in Israel banks, the scheme for payment of the first instalment to Arab refugees came into effect at the beginning of March 1953. The Government of Israel had agreed to release, as a first instalment, the sum of £1 million at the rate of one pound sterling for one pound Israeli.

3. The general scheme and the necessary banking procedures had been worked out in London in discussions between the Government of Israel, Barclay's Bank Limited (Dominion, Colonial and Overseas) and a representative of the Commission. Detailed arrangements were completed on the spot in consultations between the banks concerned and the Government of Israel. Applications for payment were to be received and registered at Barclay's Bank in Nablus, Gaza, Cairo and Alexandria; at the Ottoman Bank in Amman, Nablus, the Old City of Jerusalem, Irbid, Cairo and Baghdad; and at branches of the Banque de Syrie et du Liban in Lebanon and in Syria. Applications were also to be received at the refugee camps of the United Nations Relief and Works Agency for Palestine Refugees in the Near East, which had agreed to assist in the distribution of application forms and to arrange transportation of completed applications to the Old City of Jerusalem, where a representative of the

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<sup>1/</sup> See twelfth progress report of the Commission and supplement thereto (Official Records of the General Assembly, Seventh Session, Annexes, agenda item 67, documents A/2216 and Add.1).

United Nations Truce Supervision Organization would arrange for their transmission across the lines to the Joint Control Office in the New City of Jerusalem. This Office, set up by Barclay's Bank and the Ottoman Bank, would forward the claims to the appropriate bank branches in Israel, where they would be examined and, after verification, would be returned to the Joint Control Office for transmission to the Israel Custodian of Absentees' Property. The latter would authorize payments by the banks on those applications which he approved under the agreed scheme.

4. Shortly after the scheme went into operation, certain difficulties arose from the fact that the Government of Israel had imposed a general 10 per cent levy on bank accounts, including those of refugees, and because balances of current accounts of refugees in excess of five hundred pounds sterling had been transferred to the Israel Custodian of Absentees' Property. Such action, it was alleged, constituted confiscation. Refugees were reluctant to sign the letter contained in the application form for these reasons and because of fears that by so doing they would prejudice their claims to any other unreleased balances and to any other assets they might have in Israel. The Commission was advised that, on 5 April 1953, the Jordan Council of Ministers had issued a communiqué urging the refugees to refrain from filing applications pending an investigation of the implications of the text of the application form, and requesting Barclay's Bank, the Ottoman Bank and UNRWA to refuse to accept any applications filed.

5. On 10 April 1953, the Commission issued a statement to the effect that by submitting their applications the refugees would not, in the opinion of the Commission, prejudice whatever other claims they might have, nor would payment of the first instalment in any way prejudice the claims of the owners of accounts to the balance of their accounts. In its statement the Commission also pointed out once more that it regarded the release of the blocked accounts as an important step towards the settlement of differences existing between Israel and her neighbours and that it believed that speedy implementation of the release and payment would have the immediate effect of alleviating the condition of a number of refugees.

6. At the same time, the Commission addressed a letter to the Governments of Egypt, Iraq, Jordan, Lebanon, Saudi Arabia, Syria and Yemen, requesting them to facilitate wherever possible the prompt submission of applications by refugees owning accounts.
7. As a result of the suspension of the release operation following the action of the Jordan Government, the Commission decided to send Mr. John Reedman to the area as its special representative to observe the situation and to assist in bringing about an early resumption of the scheme.
8. Following several weeks of negotiations between the Commission's representative and representatives of the banks and the Governments concerned, and in view of the assent of the Government of Israel to a revised form of application recording certain assurances given to the Conciliation Commission by that Government, the Council of Ministers in Jordan on 3 June 1953 passed a resolution permitting Jordan citizens to sign revised forms. Arrangements for issuance of new forms under the authority of the Commission were completed on 18 June.
9. The forms involved an additional sheet, to be attached to the original application form, setting out the terms of the release, and stating the firm assurance given by the Government of Israel to the Conciliation Commission (a) that the 10 per cent compulsory loan would be refunded in full on all accounts when they were paid; and (b) that the availability and payment of amounts over five hundred pounds sterling would in no way be affected by their transfer to the Custodian of Absentees' Property. Those amounts would be fully available in such future instalments as were released.
10. Also included in the additional sheet was a revised letter of application addressed to the branch of the bank in which the account was deposited. That letter omitted certain clauses which, in the letter incorporated in the original forms, had given rise to misgivings on the part of the applicants.
11. Before the suspension of the scheme and up to the end of May, 1953 applications had been received by the banks, of which more than 600 had

already been approved for payment by the Custodian of Absentees' Property. In addition, some 1,000 forms had been filed by refugees in Lebanon, Syria and Egypt. When the scheme was suspended, those forms had been held up by administrative action, although no official action similar to that of the Jordan Government had been taken by the Governments concerned.

12. In order to give applicants time to receive and file the revised forms, the time limit for the submission of applications was extended to 31 July and subsequently extended once more to 31 August 1953. In mid-August, a liaison officer, Mr. John Gaillard, was sent by the Commission to the area to observe and report on the operation and lend his assistance wherever necessary.

13. By the end of September, the total number of applications filed before the deadline date of 31 August had reached approximately 3,200, of which some 1,590 have been approved for payment. It is estimated that when all the applications have been processed, the total value of the payments approved will amount to approximately £750,000.

14. The Conciliation Commission is gratified that a solution of the difficulties encountered was apparently reached, and that payments from the first instalment of funds allocated to the release of blocked accounts have been resumed. It is hoped that the procedures adopted will permit payments to all eligible applicants without further complications. The Commission considers that progress to date on the release of the blocked accounts has been reasonably successful in view of the complex and unique nature of the operation. The Commission is convinced that the final liquidation of this question will remove a constant irritant in the relations between Israel and the Arab States. The Commission has therefore decided to pursue with the Government of Israel the matter of carrying out the plan for the total release to their legitimate owners of all blocked accounts, regardless of amounts, belonging to former residents of Palestine.

Identification and evaluation of Arab property

15. The special staff set up at the end of last year by the Secretary-General, at the request of the Conciliation Commission, to undertake the identification and evaluation of Arab property holdings in Israel for which compensation might be claimed, was strengthened at the beginning of the current year by the addition of a former officer of the Mandatory Administration, Mr. Sami Hadawi, who has spent his lifetime in Palestine and is a recognized authority on land values in that country. The task at present occupying this staff consists in examining microfilms of the Palestine Land Registers and extracting information regarding ownership, area, description and value of the hundreds of thousands of parcels of land involved. Additional information will be secured from the taxation records of the former Mandatory Administration which the Government of Israel has promised to make available to the Commission, as well as from other sources. When the Commission decided last year to undertake this work, it had considered it desirable to start a kind of pilot project on a small scale to examine the microfilms in its possession, with the possibility of accelerating the work at the proper time. The Commission adopted this attitude because it did not wish to commit the United Nations to the heavy expenditure of transporting to New York the vast quantity of material involved, unless it were proved that the information required could not be extracted from the microfilm of the Land Registers alone and before a system could be worked out which would ensure the practical utilization of the supplementary material in question.

16. During the current year, the foundations of the work have been laid and solutions have been worked out for the problems met or likely to be met in the future. The principal experience gained from this year's work - other than the processing of considerable numbers of property units - has been that the work cannot be completed exclusively on the basis of the microfilmed documents available in New York and that a sub-office must be set up in the area. It has emerged clearly that the information contained in the microfilm is by itself

insufficient for the identification and valuation of the property, both because of certain basic omissions in the documents photographed and because of the considerable number of illegible prints. These lacunae have therefore to be filled by cross reference to the land taxation records in possession of the Governments of Egypt, Israel and Jordan. It is believed that the best method of securing the necessary information from those documents is not to transport them bodily to New York, a costly and complex undertaking and one which might encounter opposition from the Governments concerned, but to station a competent person in the area who would be able to consult the documents or request specific information from the authorities concerned as the need arises. The presence of a qualified man on the spot is expected not only to permit the accurate checking of results arrived at in New York, but also to accelerate the latter office's progress very considerably. It is in fact estimated that, with the slightly expanded staff which will be required, it will be possible by the end of 1954 to complete the work of identification for the Gaza sub-district. Once this larger project has been finished and the methods of procedure clearly understood and perfected, it should be possible to view the undertaking of the complete operation, when the need for it arises, with much greater confidence that it can be fulfilled efficiently within a reasonable period of time.

17. The Commission has therefore decided that it can speed up the programme by a modest expansion of personnel in New York and the establishment of a sub-office in Jerusalem. The Commission's Land Specialist will proceed to Palestine early in the year for a short period to set up the sub-office in co-operation with the Commission's Liaison Representative (see paragraph 26 below).

#### Arab property in Israel

18. On 23 March 1953, the Conciliation Commission received a memorandum from the Permanent Representatives to the United Nations of the Governments of Egypt,

24. On 9 October, the Commission received a letter from Ambassador Eban in reply to its letter of 29 August. In the letter it was stated (a) that the disposal of property had been authorized by the Government of Israel and effected in accordance with the provisions of the Absentees' Property Law 5710-1950; (b) under the above law this property became vested in the Custodian of Absentees' Property and had been transferred to the Development Authority which was set up under the terms of the Development Authority Law, 5710-1950; (c) funds realized in consideration for the property were treated in accordance with the provisions of section 4(d) of the Absentees' Property Law and the countervalue was credited to the property for which it has been received; and (d) the policy of the Government of Israel was to ensure the integration of those refugees who were legally authorized to enter Israel. On the other hand, the letter continued, the views of the Israel Government "with respect to the over-all solution of the refugee problem are sufficiently well known and have been presented to the Commission as well as in authorized statements by representatives of the Government of Israel in the United Nations and elsewhere". The letter concluded by stating that the Government of Israel was "actually engaged in preparatory work in implementation of its declared policy to offer compensation for abandoned Arab lands in Israel" and that, once the work was completed, it would be prepared to state its views on the subject in concrete terms.

Transfer to Jerusalem of the Ministry for Foreign Affairs of Israel

25. On 16 July 1953, the Secretary-General received identical letters from the Permanent Representatives of Egypt, Iraq, Lebanon, Saudi Arabia, Syria and Yemen protesting against the decision of Israel to transfer its Ministry for Foreign Affairs to Jerusalem. The text of this letter was transmitted by the Secretary-General to the Chairman of the Conciliation Commission in accordance with a wish expressed by the above-mentioned representatives. In its reply to the Secretary-General, dated 2 September, the Commission recalled



the position adopted by it in the past on the question of the transfer of Ministries of the Israel Government to Jerusalem, in the light of the special status accorded that city by the relevant decisions of the General Assembly. It pointed out that, during the course of the Commission's work in 1949 on the preparation of a draft instrument establishing an international regime for the Jerusalem area, it was informed that the Government of Israel proposed to transfer certain Ministries and Departments to Jerusalem. On 30 March 1949, the Commission had addressed a letter to the Prime Minister of Israel pointing out that such a measure would be incompatible with paragraph 8 of General Assembly resolution 194 (III) of 11 December 1948 which had resolved that the Jerusalem area should be accorded special and separate treatment from the rest of Palestine and should be placed under effective United Nations control. The Commission had then assumed the position that, with the presentation to the General Assembly of its proposals for an international regime for Jerusalem, the Commission's responsibilities under paragraph 8 of resolution 194 (III) were fulfilled. With regard to the situation created by the transfer of the Israel Ministry for Foreign Affairs, the Commission could only recall the position already adopted by it in March 1949.

Liaison Representative of the Commission in Jerusalem

26. The Commission has decided to send Mr. Alexis Ladas to Jerusalem early in January 1954 to serve as its Liaison Representative in the area. He will carry out the Commission's instructions with regard to the questions of compensation and blocked accounts and will keep the United Nations Truce Supervision Organization and the Conciliation Commission mutually informed with regard to those activities which each might consider of interest to the other.