THE UNITED NATIONS RELIEF AND WORKS AGENCY FOR PALESTINE REFUGEES IN THE NEAR EAST (UNRWA)

HEARING

BEFORE THE

SUBCOMMITTEE ON THE NEAR EAST

OF THE

COMMITTEE ON FOREIGN AFFAIRS

HOUSE OF REPRESENTATIVES

NINETY-SECOND CONGRESS

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WEDNESDAY, APRIL 19, 1972

House of Representatives,
Committee on Foreign Affairs,
Subcommittee on the Near East,
Washington, D.C.

The subcommittee met, at 2 p.m., in room 2200, Rayburn House Office Building, Hon. Lee H. Hamilton (chairman of the subcommittee) presiding.

Mr. Hamilton. This meeting of the Subcommittee on the Near East will come to order.

Today the Subcommittee on the Near East would like to review the activities of the United Nations Relief and Works Agency for Palestine Refugees (UNRWA), and U.S. support of that organization.

For over 20 years now, UNRWA has provided the basic relief services, education, and health services that have meant the difference between life and death for many refugees.

A great deal has happened in the last two decades in the Middle East, but unfortunately very little has changed in the lives of this fragmented community of Palestinians, most of whom are refugees. It has become almost axiomatic that there will be no peace or settlement in the Middle East that does not address the plight of the Palestinian refugees.

If no just future for these refugees is found, another Mideast conflict becomes almost inevitable. The United States, for its part, must redouble its efforts to insure that another generation of Palestinians does not grow up in refugee camps and to find ways and means to provide their lives with hope and dignity, their bodies with sustenance and strength and their vocations with purpose and skills.

Until such a settlement is achieved by the parties to the dispute, the work of UNRWA in dealing with the vital day-to-day needs of the refugees remains crucial. We are fortunate to have with us today two Americans with intimate knowledge of UNRWA and the U.S. involvement with the organization. Mr. Laurence Michelmore is the former Commissioner-General of UNRWA and Mr. John Armitage is Director of the Office of United Nations Political Affairs in the Department of State.

Mr. Michelmore, you have a prepared statement and you may proceed as you wish and then we will follow your statement with Mr. Armitage's statement.

(Biographical sketch of Laurence V. Michelmore follows:)

Mr. Laurence V. Michelmore, former Commissioner-General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), assumed office on January 1, 1964 and retired on May 15, 1971.

Mr. Michelmore was born in 1909 in Philadelphia, Pennsylvania, USA. He attended Pasadena High School (California), the University of California at Los Angeles, where he received the A.B. degree in political science, and Harvard University where he was awarded the M.A. and Ph. D. degrees in government. He is a member of Phi Beta Kappa.

He held positions in local and state government in California and Idaho from 1934 to 1936. From 1936 to 1942 he served on the research staff of the Detroit Bureau of Governmental Research and as an assistant professor at Wayne State University. In the period 1942 to 1946 he was on the staff of the United States Bureau of the Budget, where he was assistant chief of the International Branch. He was assigned to London by the Bureau of the Budget in 1944–45.

Mr. Michelmore joined the United Nations Secretariat in May, 1946, and held the rank of director from January 1952. His first posts were in the Office of the Controller, and he held the post of Deputy Controller when he was transferred to the Technical Assistance Board, in 1955, as Senior Director. In 1959, he became Deputy Director of Personnel. During this period he had several special assignments, including service as a consultant on administrative and budgetary matters to the Executive Director of UNICEF (1959–1960), and to the Managing Director of the Special Fund (1963), and as the Secretary-General's Representative on Malaysia, in August–September 1963.

STATEMENT OF LAURENCE V. MICHELMORE, FORMER COMMISSIONER-GENERAL OF THE UNITED NATIONS RELIEF AND WORKS AGENCY (UNRWA)

Mr. Chairman and members of the subcommittee, I appreciate the opportunity to appear before your subcommittee to testify with respect to the Palestine Refugees and the United Nations Relief and Works Agency.

UNRWA'S ROLE

UNRWA continues to meet the essential needs of over 1¼ million Palestine refugees who depend on it for health and education services, and, in the case of many of these families, for help with shelter and food as well.

As long as the present situation in the Middle East continues, there does not appear to be any viable alternative to the continuation of UNRWA to meet those needs. In the event of a solution of the political problems in the area—including a "just settlement of the refugee problem"—other arrangements might well be made, but even then UNRWA might have a transitional role that could extend for a considerable period.

In the meantime, however, an agency of the United Nations is in a better position than other agencies would be to maintain the integrity of the assistance program, and to cope with the many difficulties that arise out of present circumstances in the area.

The United Nations General Assembly at its last session adopted a resolution, introduced by the United States, to extend UNRWA's mandate until June 30, 1975. There seemed to be widespread agreement that present UNRWA activities should, if possible, be maintained "at least at their present level." The financing of these activities was left, as before, to be met by voluntary contributions.

The principal elements of the UNRWA program are education and training, health services, and relief services.

IMPORTANCE OF EDUCATION

In recent years, the most significant change in the UNRWA program has been the expansion of education and training activities, which now account for 47 percent of the total budget. UNESCO provides the professional guidance for these activities, and donates the services of over 40 international staff members and associate experts.

School enrollment in UNRWA/UNESCO schools has nearly doubled over the last decade, due partly to population growth, but also to the fact that students, both boys and girls, are staying in school longer. There are now over 250,000 students in the nine grades of the UNRWA/UNESCO schools, with more than 7,000 teachers. In addition, some 65,000 students in higher grades, or who live too far from UNRWA/UNESCO schools, attend government or private schools. Some of these students, but not all, receive financial help from UNRWA.

Despite the Agency's chronic financial difficulties, special contributions have made possible many improvements in the schools, including additional classrooms, modest science laboratories in some schools, home economics facilities for girls in Gaza schools, and, perhaps most important of all, an intensive program of in-service training for teachers whose qualifications had been below standard. Some 4,000 teachers have taken part in this program. Experts in education report that improvement in the quality of teaching is clearly noticeable even while the training is still in progress. Incidentally, Jordan is initiating a similar program based on the UNRWA experience.

Many difficulties have faced the education and training activities. The war in 1967 and the fighting in Jordan in 1970 damaged many schools, which had to be repaired. The movement of tens of thousands of refugees from areas where schools and other facilities existed to places where there were none, meant that schools had to operate in tents, and that temporary but solid structures then had to be built. Some schools were unable to operate at times because of curfews, and at other times because of teachers' or students' strikes. These difficulties seem to have abated.

UNESCO'S INVOLVEMENT

UNESCO and its Director-General devoted a great deal of effort to two particularly difficult problems. One involved arrranging for a school-leaving examination for students in Gaza that Arab educational institutions and employers would accept. It was finally agreed that Egyptian authorities would prepare the examination, that UNESCO—with UNRWA's help—would transport the test papers to Gaza, supervise the examination, transport the papers back to Cario for grading, and then publish the results. A second very difficult problem involved text-books that had been used in schools in the West Bank and Gaza—Jordanian and Egyptian books—some of which Israel considered to be objectionable in whole or in part. UNESCO arranged for a review by experts of different nationalities of all the questioned text books, and the Director-General after much negotiation secured agreement that some of the books would be dropped, some

modified, and some used as they were. This enabled nearly 500,000 copies of books to be sent from Jordan and Egypt to the West Bank and Gaza schools. Some questions remain, but great progress has been made toward resolving this problem. Although Syria did not participate in these arrangements, she later undertook to review the content of Syrian textbooks.

There has been a substantial growth in vocational and teacher training, financed by contributions earmarked for this purpose. The capacity of most of the existing training centers has been increased, and a large new center for men and women has been opened in Jordan. If sufficient funds can be found, a total of 4,300 students will be able to attend these centers in the 1972–73 academic year.

HEALTH SERVICES

Health services account for 13 percent of UNRWA's budget.

Despite the crowded and poor living conditions in which many of the refugees live, and despite their dietary deficiencies, the health of the refugees has been maintained over the years at a surprisingly good level. Much credit is due the health program, operated by UNRWA under the technical direction of five international staff members assigned by WHO and paid by that organization. Emphasis is on preventive measures, including health education, school health service, maternal and child health care, and immunization. Curative services are also provided on an outpatient basis. For hospital care, patients are referred to government or private hospitals, UNRWA bearing part of the cost in some cases. Significant improvements have been made in buildings and equipment in many of the 90 UNRWA clinics, including the establishment of many infant rehydration/nutrition centers, all financed by funds contributed specifically for these purposes.

Some indications of the value of the health services include marked reductions in trachoma, conjunctivitis, poliomyelitis, tuberculosis, diarrheal disease of infants, and measles—for which immunization is now given. The health services, cooperating with government health services, dealt effectively with the cholera epidemic of late 1970.

Another aspect of the health program is environmental sanitation in the refugee "camps", which provides for the supply of water and the disposal of refuse and sewage.

RELIEF SERVICES

Once the major part of the UNRWA program, relief services have declined in relative importance, and now account for about 40 percent of the budget. The main elements are basic rations, supplementary feeding and shelter.

Basic rations.—The monthly distribution of "basic rations" is the largest budget items in this group. Foodstuffs distributed—flour, oil, rice, sugar—have a total value of about $13.5 million, and are all contributed in kind, except for sugar.

The total number of rations issued is about 830,000—a reduction of about 50,000 from the number distributed ten years ago. Less than 60 percent of the registered refugees receive rations. The decrease is not a reflection of lesser need, but is a result of the effect of ration ceilings imposed for budgetary reasons. On the contrary, the total number of refugees has steadily increased, and the number of children potentially eligible for rations, if they were available, has grown to 350,000.

The monetary value of each ration is about $1.30 per month. A family of six, for example, might receive four rations of foodstuffs worth $5.20.

Supplementary feeding.—Supplementary feeding is provided in several forms:

(a) Hot meals for children aged 1 to 6, and, on medical certification, older children and sick adults.

(b) Milk for children and expectant and nursing mothers.

(c) Additional dry rations for expectant and nursing mothers, and a corn-soya mixture—1.1 pounds a month—for children aged 6 to 10.

(d) Emergency feeding extended after the fighting and dislocation of 1967 was later curtailed to some extent, but still provides additional food to certain categories of persons in special need in the emergency camps in Jordan and Syria.

SHELTER GIVEN TO SOME

Shelter.—Some 620,000 persons live in 63 UNRWA "camps" including the ten emergency camps established in Jordan and Syria after the 1967 war. Special contributions have made it possible to replace the original tents with solid shelter for the 120,000 inhabitants of these camps, and to build health centers, latrines, food distribution centers, water points, drainage ditches and other essential works similar to those in the older established camps.

After the initial construction, the continuing operating costs in relation to shelter are quite low, but there are expenses for the education, health and food services provided for the inhabitants, and for water supply and refuse disposal.

If all of the relief costs—food, shelter, blankets, clothing, and assistance for special hardship—were averaged over the number of persons eligible for such assistance, the average cost would be about $1.13 per person per month, or less than 4 cents a day. Obviously, this is far short of the minimum required to maintain a person, but it is a great help to families struggling to survive.

UNRWA FINANCES

UNRWA has been under great financial pressure for many years, and has appeared on many occasions to be on the verge of collapse with income falling short of expenditures.

Costs have risen because of higher prices and increased wages of UNRWA staff, because of the continual increase in the number of refugees, because of the consequences of the 1967 war with new and larger refugee needs, and because of the dramatic increase in the demand for education.

UNRWA EXPENDITURES: 1964 AND 1972

[U.S. dollar amounts in millions]

	1964 actual	1972 budget	Increase	
			Amount	Percent
Relief services	$17.7	$20.0	$2.3	13
Health services	5.0	6.7	1.7	34
Education and training	14.5	24.4	9.9	68
Total	37.2	51.1	13.9	

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INCREASES IN COSTS

The increase in the cost of relief services is due to higher prices for relief commodities and higher wages. The increased expenditure for supplementary feeding to families displaced in 1967 has been more than offset by the decrease in the number of food rations and blankets distributed, by stopping the general distribution of soap, by discontinuing burial grants, and by staff reductions related to these activities.

Higher health costs are due to larger numbers of people to be served and to higher costs of supplies and increased wages.

The increase of 68 percent in education costs in these years is almost identical with the increase of 66 percent in school enrollment over the period.

In an effort to stretch available funds to cover vital services, some activities have been curtailed and others eliminated. Economies in staff costs have been sought by improved procedures, higher performance requirements for workers, mechanization, and the replacement of international staff with local staff where possible.

Another measure taken to conserve funds has been the suspension of subsidies which had previously been paid to certain governments for medical and hospital services provided to refugees, and for part of the expenses of educating refugee children in government schools. These subsidies, amounting to $1.4 million a year, have been withheld for the last several years, despite government protests.

The unit cost of UNRWA services continues to be very low. The cost of the monthly food ration is about $1.30. Hot meals for young children are provided at about 10 cents a meal. The cost of educating a child in the elementary grades—1 to 6—is about $50 a year; in grades 7 to 9 the cost is about $75 a year.

POSSIBILITY OF REDUCTIONS

Further reductions in UNRWA services would certainly be strongly resisted by the refugees and would doubtless cause very serious difficulties for the governments concerned. If UNRWA were forced for financial reasons to discontinue any of the education or health services, the governments responsible for the respective areas would somehow have to find the means to continue them. Reductions in the basic ration distribution, apart from causing human hardship and possible disorders, would not ease the financial difficulties appreciably, as all of the commodities except sugar are donated in kind.

Conceivably some further reduction could be made in supplementary feeding, but the impact would be on the most vulnerable groups—children and pregnant and nursing women, sick adults, and persons in emergency camps still suffering special hardship as a result of the 1967 war.

In the hope of avoiding further reductions in UNRWA services, the United Nations General Assembly, the Secretary-General, UNESCO, WHO, the Commissioner-General of UNRWA and many others have made repeated calls for additional contributions. Host governments have added their appeals. The General Assembly in 1970 established a Working Group on the Financing of UNRWA, and the Director-General of UNESCO conducted during 1971 a special campaign on behalf of the UNRWA/UNESCO educational services.

CHANGES IN SOURCES OF UNRWA INCOME

There has been a notable response by many countries, and UNRWA income has increased—although not sufficiently.

UNRWA INCOME: 1964 AND 1971

[In millions of U.S. dollars]

	1964	1971	Increase
Total income	35.2	47.4	12.2
Intergovernmental organizations, nongovernmental sources and miscellaneous	1.2	3.7	2.5
Governmental contributions	34.0	43.7	9.7
United States	24.7	[1] 23.0	(1.7)
United Kingdom	5.4	4.5	(0.9)
Other countries	3.9	16.2	12.3

[1] Includes the basic contribution of $22,200,000 and $800,000 attributed to calendar 1971 from the special additional contribution of $1,000,000 for vocational training.

Until 1964, the United States and the United Kingdom contributed about 88 percent of UNRWA's total governmental revenue. In 1965 these two Governments began to reduce their contributions, the combined reduction at the lowest point amounting to $3.4 million.

OTHER COUNTRIES HELP

Countries other than the United States and the United Kingdom have increased their contributions from $3.9 million to $16.2 million—more than four times the 1964 amount. Some 20 countries—including the United States and the United Kingdom—contribute at a higher level than they would if the United Nations contributions scale were applied. Measured by that same scale of capacity to pay, 10 of the countries in this group contribute more generously than the United States and the United Kingdom—Denmark, Iraq, Kuwait, Libya, Morocco, Norway, Saudi Arabia, Spain, Sweden, and Switzerland.

A number of countries have announced further increases in their contributions for 1972, some in quite substantial amounts. This has improved the outlook for 1972 to some degree, but a deficit of the order of $4.5 million still faces UNRWA this year, and there will be an actual shortage of necessary cash at times. The Secretary-General on March 20, 1972 issued a further appeal for funds. The Chairman of the Working Group on the Financing of UNRWA is visiting various capitals to plead for funds. The Director General of UNESCO is continuing his efforts. UNRWA is, of course, doing all it can in support of these appeals.

THE U.S. CONTRIBUTION

When, in 1965, the United States announced the beginning of the reduction in its contribution, the U.S. representative gave the following explanations:

> The United States was bearing an unduly high proportion of UNRWA's expenses. The United States encouraged other countries to increase their contributions. The United States believed that relief costs could be cut and the number of recipients on the relief rolls reduced. The United States continued to support an increased emphasis on educational and vocational training programs. In the next 2 years, representatives of the United States made similar remarks in the course of announcing further reductions.

The objectives stated by the United States have been achieved to a very considerable extent. Countries other than the United States and the United Kingdom have increased their contributions to more than four times the previous level. The U.S. share in the total has dropped from 70 percent to about 53 percent. Relief services, except for supplementary feeding, have been kept at or below the 1964 level, despite the additional needs resulting from the constant population increase and the new dislocations which followed the hostilities of 1967. Health and sanitation services have been thoroughly reexamined and increasingly tight standards of sanitation workers per thousand population, and strict budgetary control of medicine and other supplies, have been applied. Similar economies have been sought in education and training. The demand of the refugees for education and training for their children, which they see as their hope for the future, has been so great that education has become the largest part of the UNRWA program, and will inevitably continue to grow. But this development is one that the United States said it supported.

SHARING FINANCIAL BURDEN

Since other governments are now sharing the financial burden to a much greater extent, and since it is the growth of education and training that is responsible for UNRWA's financial plight, the United States might well consider increasing its contribution to help meet these additional needs. The inclusion in the authorizing legislation of an additional $1 million for the expansion of vocational training is a constructive step in this direction. But the maintenance of basic general education is also of prime importance, and the need for funds to pay teachers' salaries and to buy textbooks and school supplies is at the heart of the UNRWA financial problem. If, for example, the United States had undertaken in 1964 and 1965, when it was reducing its contribution, to meet in future years 40 percent of the additional costs of education, this would amount by now to an additional $4 million a year.

The United States might also consider compensating to some degree for the changes which have taken place in the value of the dollar in relation to other currencies. Other governments, notably the United Kingdom, have made such an adjustment under similar circumstances.

A substantial increase in U.S. support of UNRWA at this stage would certainly be regarded by the refugees themselves as proof of U.S. concern for their welfare. It would also relieve the pressure on the Arab host governments and on Israel that comes from the present uncertainty. Such a move, which would help assure the maintenance of essential refugee services, would also lessen the risk of instability in the area.

The benefits to the United States should be very worthwhile, not only in the satisfaction of meeting urgent humanitarian needs, but in increased goodwill toward the United States and in the contribution that assistance to the refugees, especially in education, can make toward ultimate peace in the area.

I would be happy to answer any questions, Mr. Chairman.

Thank you very much.

Mr. HAMILTON. Mr. Michelmore, thank you very kindly.

Mr. Armitage.

(Biographical sketch of John A. Armitage follows:)

John A. Armitage was born in Tennessee in 1919; he is a graduate of the University of Tennessee and received an M.A. from Northwestern University. He joined the Department of State in 1947 following service overseas with the Navy during World War II. He was assigned to East Europe, the Soviet Union and Iran. He assumed his present position as Director of the Office of United Nations Political Affairs in the Department of State in January 1970. The office has responsibility for U.S. policy toward UNRWA.

STATEMENT OF JOHN A. ARMITAGE, DIRECTOR, OFFICE OF UNITED NATIONS POLITICAL AFFAIRS, DEPARTMENT OF STATE

Mr. ARMITAGE. Mr. Chairman, thank you very much for the opportunity to discuss with this subcommittee questions relating to the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA).

I think in view of Mr. Michelmore's comprehensive presentation I will skip any remarks about the history and scope of UNRWA.

WHY SUPPORT UNRWA

Questions which often occur to us, and I am sure to you, are: Does UNRWA still serve a useful purpose? How long will such refugee relief continue to be an international concern? Is the United States doing all it can to bring about conditions which would resolve the refugee problem in the long run? In the meantime are other nations being encouraged to help share a greater portion of the financial burden so long borne by the United States?

From the humanitarian point of view alone, the United States investment in UNRWA has been worthwhile. From the humanitarian point of view, the people and Government of the United States could have done no less. I do not believe I need dwell on this.

More broadly, our continued support of UNRWA is an integral part of our overall efforts to maintain political stability in the Middle East and to help bring about a negotiated peace settlement between Israel and her Arab neighbors.

UNRWA HELPS KEEP STABILITY

What do we mean by that well-worn phrase "political stability"? It has several elements. First, it means maintaining a suitable international atmosphere for continuing efforts to reach a peaceful settlement. As you know, after some ups and downs, the cease-fire we worked hard to promote remains tenuously in effect between Egypt and Israel. The parties adhere to it in part because of their hope that their differences can be settled in accordance with Security Council Resolution 242 of November 22, 1967. In recent months Ambassador Jarring has resumed contacts with Egypt, Jordan, and Israel, and Israel has accepted the idea of participating in proximity talks with Egypt through the United States to reach an interim Suez Canal agreement.

Continuing U.S. support of UNRWA is a visible and significant indicator for the Arabs of our continued support for a peaceful settlement that takes into account the legitimate concerns of the Palestinian refugees.

I believe the full committee had a session with Mr. Sisco so you are as fully aware of the current situation in the area and I won't try to amplify on Mr. Sisco's testimony.

Second, stability means avoiding social and economic dissension within countries of the Middle East. UNRWA serves an important function in providing for many of the basic needs of the Arab refugees in the countries in which UNRWA operates. Adequate support of this kind helps to avoid dissatisfaction among refugees and particularly through UNRWA's training programs and educational projects helps to give their children the means to participate constructively in the life that goes on around them.

At the same time, some of the burdens often thrust on host governments are alleviated by the international support granted to these refugees through UNRWA. Moreover, the host governments have benefited in the past and I believe will continue to benefit in the future from some of the techniques and services introduced by UNRWA in the normal administration of its programs. Mr. Michelmore mentioned several of those.

Another element of political stability is the feeling of the refugees about their future. We must recognize that it would be potentially destabilizing if UNRWA were forced to reduce the level of its operations in the absence of an overall Middle East settlement, including a just settlement of the refugee problem as called for in Resolution 242.

U.S. INTERESTS SERVED BY UNRWA

So, the United States sees its significant strategic, political, and economic interests in the Middle East importantly served by the maximum possible degree of political stability in that area and that UNRWA contributes importantly to that stability.

Now one might hold that the United States had other important related interests and that one of these is generally to keep a tight rein on the level of our contributions to international programs to reflect more accurately the increasing ability of others to contribute to such programs.

We have recognized that it is unhealthy for UNRWA and undesirable for the United States to have the agency rely too heavily on the United States. So over the past few years, we have sought to move forward on several fronts to reduce the percentage share of the U.S. contribution to UNRWA while necessarily keeping in mind the direct impact of UNRWA's activities on U.S. interests in the area.

UNRWA'S FINANCIAL PROBLEMS

Like many other organizations, national and international, UNRWA suffers from a shortage of money. And as anybody else, it has the choice of soliciting more income or cutting its expenditures, or some combination of the two.

UNRWA has estimated its 1972 requirements at just over $51 million, an increase of $2.5 million over 1971. This increase stems primarily from the rising costs of materials and services and an increase in the number of refugee children in UNRWA/UNESCO schools.

UNRWA estimates that income for 1972 will be a little over $47 million, or about $2 to $3 million short of requirements after the deduc-

tion of subsidies to host governments ($1.4 million) which UNRWA has no ability to pay.

Confronted by this shortfall, the UNRWA Commissioner-General took a hard look at UNRWA's programs and administrative procedures. In 1971 he pointed out to the United Nations General Assembly that it would be necessary to reduce services to the refugees if additional funds were not made available to cover this deficit. In January of this year he followed up this warning by outlining specifically those activities of the agency where reductions might reasonably be made. However, discussions in the UN and in the UNRWA Advisory Commission about implementing such reductions in services revealed staunch resistance on the part of Arab governments.

PROPOSAL TO REDUCE EXPENDITURES

The Commissioner-General had proposed reducing expenditures in 1972 by about $1.5 million. This would involve a discontinuation of the sugar ration and much of UNRWA's supplementary feeding program. In addition, UNRWA would no longer furnish soap, blankets, and kerosene to the refugees. Subsequently—after he ascertained Congress did not appropriate $1 million in fiscal year 1972 for vocational training—the Commissioner-General determined he would have to close the newly opened Amman Vocational Training Center as well. While the effects of these cuts would have been felt throughout UNRWA's area of operations, the cuts would have fallen particularly heavily on Jordan where almost one-third of UNRWA's total refugee population presently resides. A move by UNRWA to reduce the level of its services to refugees in Jordan would have serious implications for Jordan's stability.

Any cutbacks in UNRWA services would also have to be measured against the King's efforts to achieve reconciliation with his Palestinian subjects. And, as you know, he has just made a major effort in this direction by launching a proposal that his state be made into a federated Kingdom in which the purely Palestinian West Bank would have considerable autonomy—this, of course, after conclusion of a peace agreement with Israel.

Bilaterally, the United States is providing supporting and long-term development assistance to Jordan.

UNRWA's programs supplement our own, and we believe it is desirable to help UNRWA to maintain its present program intact. However, unless UNRWA finds some funds in the near future, it will have to close the Amman Vocational Training Center—built with private American donations, and with operating funds—$305,000 in fiscal year 1971—provided by the special congressional appropriation—after its proposed dedication by King Hussein next month.

FINANCING UNRWA'S NEEDS

We do not wish to rule out further efforts toward greater rationalization of UNRWA's operations in the long run or toward decreasing refugee dependence on UNRWA. But I hope I have made it clear that it will be difficult for UNRWA to cut its programs or transfer them to Jordan in present circumstances, and why, pending a settlement of

the Arab-Israeli dispute, we believe we must exercise a good deal of patience about UNRWA's budgetary problems.

At the present time, the United States contributes about 55 percent of UNRWA's annual budget. The total U.S. contribution in fiscal year 1972 was originally $22.2 million, made up of a cash donation of $13.3 million and $8.9 million in commodities made available under Public Law 480. Because we feel strongly that UNRWA contributes to our overall interests in the Middle East, we have recently reallocated an additional $1 million to UNRWA and are asking for an increase of $1 million in our fiscal year 1973 appropriation for UNRWA to help that Agency maintain its present level of services within a balanced budget.

Other major contributors to UNRWA—in descending order—are Great Britain, West Germany, Sweden, Canada, and France. Noticeable, of course, by their absence from the list of contributors are the Soviet Union and its Eastern European allies who, except for a contribution in 1971 from Romania, have contributed nothing to UNRWA.

GETTING OTHERS TO HELP

As I have said previously, efforts have been and are being made to increase the contributions UNRWA receives from the international community. In 1970, the General Assembly established a working group to study UNRWA's expenditures, to seek additional revenues, and, if necessary, to recommend measures to bring UNRWA's budget into balance. The United States is one of nine countries participating in this working group.

Approaches made to various countries and to some of the specialized agencies by the working group, together with efforts by a special representative on behalf of UNESCO and the UNRWA Commissioner-General, have resulted in additional contributions. So far, over $2 million has been contributed directly to UNRWA and to UNESCO for schools serving the Palestine refugees. Several Arab countries which had hitherto refused to contribute to UNRWA contributed to a special appeal of the Director of UNESCO on behalf of the UNRWA/UNESCO schools.

TOWARD A COOPERATIVE EFFORT

The chairman of the working group is currently in the Middle East to see about the possibility of increasing contributions from certain countries in that area. The Secretary-General has just made an appeal for increased contributions from all U.N. member states and they have had a special session of the working group to see exactly how they can move along with this campaign.

We believe that there should be a cooperative effort to bring the budget of UNRWA into balance. The United States should not assume the full responsibility but we do think that the United States should do its part in order to encourage others to do likewise. The increased funding we have proposed for UNRWA is also designed to this end.

Mr. Chairman, this has been a very brief and general review of how we in the Department of State see UNRWA's significance to the United States and what we are doing to maintain and, if possible, in-

crease its contribution to the well-being of the refugees and to the prospects for peace in the Middle East.

I will be glad to answer any questions.

Mr. HAMILTON. Thank you very much for your kind statements. This subcommittee has not had an opportunity to bring itself up to date on the activities of UNRWA and we appreciate your coming before us.

Mr. Michelmore, we are aware of your very excellent record as Commissioner-General and we are especially pleased to have you with us this afternoon.

COUNTING REFUGEES

One of the things that struck me right off about the two statements is that you don't agree on the number of refugees. I know this has been one of the problems that UNRWA has had. I think you mentioned, Mr. Armitage, 1,487,000 and we have a figure of 1,250,000 from Mr. Michelmore. Could we have an explanation here about how many refugees there are, how you count them and how you keep track of them?

Mr. MICHELMORE. Mr. Chairman, the reconciliation is, I think, quite simple. The figure Mr. Armitage gave is the total number registered with UNRWA and who so far as is known are still alive.

Some 200,000 or more are not eligible for any UNRWA services and the figure I used, 1,250,000, were those eligble for UNRWA services.

Mr. HAMILTON. Your figure of 1,250,000 is a precise figure, is it, of those receiving UNRWA services?

Mr. MICHELMORE. No; it is an approximate figure, Mr. Chairman, because actually there are different numbers of refugees receiving different services. The 1,250,000 eligible for UNRWA services, almost all of those are eligible for health care if they wish to go to an UNRWA clinic and ask for it. Almost all of the children of those families are eligible for education in UNRWA schools if they live near enough and wish to go to those schools.

WHO RECEIVES RATIONS

Mr. HAMILTON. Do all the refugees in a camp receive rations, for example?

Mr. MICHELMORE. No; they do not all receive rations because of this limitation on the total number of rations to be issued. If a family living in a camp is found to have acquired sufficient income that it brings it above the line where it needs food assistance, rations would be discontinued but the family might continue to live in that camp having no other place to go.

Mr. HAMILTON. Are there any refugees seeking rations that can't get them because of the budgetary limitations?

Mr. MICHELMORE. Yes; there are.

Mr. HAMILTON. Could you give us an estimate of the number?

Mr. MICHELMORE. Well, I did mention that there are some 350,000 children who are potentially eligible if there were rations available. If those children were to be added there would first have to be an examination to verify that the child is still alive and that the family is still in need and so on, but on the UNRWA lists there are 350,000 children not receiving rations who are potentially eligible.

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I should mention, however, that of that number, 350,000, the Government of Jordan pays for rations to go to 40,000 of that group—40,000 who were dislocated again in 1967 and for whom the Government of Jordan felt that additional assistance was necessary. But that is paid by the Government of Jordan.

GETTING ON UNRWA'S ROLLS

Mr. HAMILTON. How does a refugee get on and off the roll? Is there a continuing screening process?

Mr. MICHELMORE. Yes, indeed. It is similar to the eligibility apparatus for any public relief or public assistance program except that in this case what is being sought or what is being granted if relief is approved is so small that the amount of funds that could be expended in an investigation is limited. That is, if a family should apply for assistance and receive it, let's say, to the extent of $5 a month, well, you can't really afford to spend much money for investigation but the procedure is roughly similar to that of any public health program.

Mr. ARMITAGE. With this exception: that in order to establish eligibility, Mr. Chairman, it has to stem from a resident in the old area of Palestine. In other words, the additions come from increases in families of those people. Now you don't wander in from South Yemen and get put on the roll.

Mr. MICHELMORE. I am glad you emphasized that point because there have been virtually no new entrants on the lists for 15 or 18 years.

Mr. ARMITAGE. Except for children.

Mr. MICHELMORE. Except for children born into registered families.

ISRAELI ATTITUDE TOWARD UNRWA

Mr. HAMILTON. Have you noticed in recent years any change in the attitude of the Israeli Government toward the operation of UNRWA?

Mr. MICHELMORE. I believe so, Mr. Chairman. The attitude of the Israeli Government, officially and formally, was never against UNRWA. Even before 1967 the attitude as expressed in the United Nations and elsewhere was not hostile. However, since 1967 when the authorities of the Government of Israel have had not only the opportunity but the necessity to find out what UNRWA schools are like and what UNRWA training centers are like and what the UNRWA health program is like and how the UNRWA food distribution program is carried on, I am quite sure that the opinion of the whole UNRWA program has been raised very, very much.

Mr. HAMILTON. The opinion of the Israeli Government toward UNRWA?

Mr. MICHELMORE. Yes; and I have certainly been told by officials in the Ministry of Foreign Affairs at all levels to the highest that the program of UNRWA is appreciated by many of those persons and those also who are working with the UNRWA program in the occupied territories that they have quite a high opinion of the UNRWA services.

ARAB VIEW OF UNRWA

Mr. HAMILTON. Now what about the attitudes of the Arab countries? Could you describe them to us and have they changed in recent years?

Mr. MICHELMORE. I think the attitude of the Arab countries has always been that the UNRWA services were a minimum of service that could be offered to the refugees.

Mr. HAMILTON. Are they increasing their contributions?

Mr. MICHELMORE. Yes; quite definitely. The Arab governments as a whole contribute either directly to UNRWA or through this UNESCO appear on behalf of UNRWA. The Arab countries other than the host countries contribute something like $1,400,000 which in relation to their capacity to pay is quite high. Kuwait, for example, in contributing as it did last year $400,000 for a country with something like 500,000 to 600,000 people, and in relation to its capacity as mentioned in the U.N. contribution scale has contributed perhaps 10 times the level that it would as measured by that scale.

Mr. HAMILTON. Is the United States urging these Arab countries to increase their contributions at all?

Mr. ARMITAGE. Yes; as part of this general effort to get additional support, the chairman of the working group was in that area again last year.

Mr. HAMILTON. He is talking to the Arab nations now about the increase?

Mr. ARMITAGE. Yes, sir.

Mr. HAMILTON. Do you have any report on how he is doing?

Mr. ARMITAGE. He just left last Friday, I believe.

Mr. HAMILTON. Not there yet?

Mr. ARMITAGE. No.

Mr. HAMILTON. Who is he?

Mr. ARMITAGE. He is Ambassador Nuri Eren, the No. 2 man in the Turkish delegation in New York.

Mr. HAMILTON. I see.

Mr. ARMITAGE. There is a figure I think that may be relevant to your last question, Mr. Chairman. You asked about the Arab countries' contributions. They list themselves, as direct contributions to Arab refugees—that is, not contributions through UNRWA—a rather substantial increase in the last 2 years or so, from something on the order, I believe I am right, of $13 million to over $27 million. This is what they report as their support for refugees in their own programs.

Mr. HAMILTON. I have some more questions but I will let Mr. Frelinghuysen ask a few before I come back to you.

Mr. FRELINGHUYSEN. I hope you are not interrupting yourself because you think I am restive, Mr. Chairman.

Mr. HAMILTON. Go right ahead.

WORKING ON UNRWA'S MANDATE

Mr. FRELINGHUYSEN. I recognize I am not a member of this subcommittee but when I saw Mr. Michelmore's name as a witness this afternoon I could not resist coming here. I am particularly pleased to see you. Of course, I am pleased to see Mr. Armitage, too. But it takes me back almost 7 years now when I was a delegate at the 20th General Assembly. I had a real baptism of fire after the United States introduced a resolution to continue the mandate of UNRWA. We had to work 6 weeks behind the scenes to get it in language that would be acceptable to the United States. I had not realized until that

experience how real the situation is out there. I have taken a very real though vicarious interest in UNRWA as part of this whole picture ever since. I am pleased to see that the mandate has been extended again until June 30, 1975.

Both of you gentlemen have, I think, orchestrated very well. You have given us an up-to-date picture of the continuing financial problems of the agency and the relationships of the various donor countries to the refugees, the money never seems to be sufficient to meet the needs. My reaction to it is very simple. I am not sure, Mr. Michelmore, whether I was the one whom you quoted as a spokesman in 1965 regarding the appropriate role of the United States. I cannot remember whether I was the one who actually said that or not.

HELPING UNRWA

On page 13, you point out we said that there should be a cutback in the percentage contribution but that we are continuing to support educational and vocational training programs. The Foreign Affairs Committee has been particularly interested in this. One of the key figures, I am sorry to say, is no longer with us—Congressman Jim Fulton of Pennsylvania.

I would think that a good case could be made—I hope maybe it will be made—for calling attention to the fact that the nature of the need of the agency has changed. This could be a justification for an increase in the U.S. financial support. Our committee has no immediate necessary role, it is primarily an Appropriations Committee responsibility, but I would hope that this discussion today would lead us to take thought as to what might be done.

Mr. Armitage may want to discuss what an appropriate role should be, but it does seem to me if an activity within the UN family is making sense and in the U.S. interests that we should be openminded about how much we should contribute. Our attitude should not always be that we must cut back, that it is not in our interest to contribute more.

It does seem to me that this has reached the stage where the problem is real enough, where the donations of others have gone up substantially. But a real gap continues where perhaps the United States in a modest way would be useful. I assume we would not foot the entire difference between your anticipated revenues and outgo, but it does seem to me we might at least continue to support vocational training. As Mr. Michelmore points out we should be concerned with the general educational problems undertaken by the agency.

SUPPORT FOR VOCATIONAL TRAINING

So, I would hope that we might develop something that would be a practical expression of our views. Perhaps we might encourage the Appropriations Committee to take a sympathetic look at the nature of the problem that we are discussing today.

Mr. ARMITAGE. I have no difficulty in speaking to that, sir. As you know, the initiative for this vocational training program did, as you say, come from Congress, and Congressman Fulton was both very active and kept himself very intimately informed as to the progress of this program. I think the administration has tended to regard this

as a congressional initiative which there was a will in Congress to retain as such. I have no problem whatsoever in saying that the vocational training program certainly fits into the idea of trying to do what we can to equip refugees to stand on their own feet and to be able to take their place as independent citizens self-sustaining and constructive and oriented in a positive way. I think the vocational training program has been successful both in its inception and in its efforts to raise the level of the quality of its instruction.

Mr. FRELINGHUYSEN. Calling attention to education generally and vocational training in particular, might strike a responsive chord here on the Hill. I see no reason why it should not, regardless of whether the basic problem can be resolved, which, of course, is what everyone hopes for. We do have the problems of what is going to happen to these young people and Congress might legitimately respond to this kind of a problem if it is put right.

Mr. Armitage, you seem to be hinting at a possible solution. On page 8 you point out that bilaterally the United States is providing supporting and long-term development assistance to Jordan.

BILATERAL AID

Might our expression of interest in, say, vocational training come by way of a bilateral arrangement with one of the host countries as well as through UNRWA? Is that what you had in mind or were you——

Mr. ARMITAGE. Yes. This has been an item on the agenda for long years as you know. It is a politically loaded kind of problem because I think the Arab countries are in general unwilling to appear to cooperate or acquiesce in any kind of program which seems to be solving the refugee problem outside of the context of a solution of the whole Arab-Israeli problem itself.

The Jordanians economically have been pretty badly set back by the disorders over the last 18 months or so and as you know we are giving them some bilateral assistance. It is my impression that the bilateral assistance does not give them enough resources to reach over into another area. They are trying really to get their own budget balanced and meet a rather acute financial situation, and that is about the limit of where they can go with the present help they are getting. We do hope that as a long-range program in the development of Jordan this will lift their economic situation so that they could more easily absorb both individual refugees and, hopefully, if it gets politically acceptable, some part of the program activities of UNRWA.

HELPING JORDAN

Mr. FRELINGHUYSEN. You say we are taking a direct interest in Jordan's problems, including educational problems, but you also say at the bottom of page 8, "* * * it will be difficult for UNRWA to cut its programs or transfer them to Jordan in present circumstances."

Mr. ARMITAGE. I am speaking of both their budgetary difficulties and the political difficulties that they have in moving directly into a program that takes over from UNRWA. As I was trying to indicate in those figures, Jordan is reflected in that increase in the Arab host country assistance to refugees which rose from their evaluation of about $10 million in 1969 to about $23 million this last year. That is,

their attention to the refugee problem has certainly increased considerably over the last couple years.

Mr. FRELINGHUYSEN. A significant and encouraging development, I think.

Is it easier to have UNRWA run a vocational training center in Amman than it would be to have Jordan run such a center? I would think it might be important to have a UN agency run and finance it. Is it easier or harder?

Mr. ARMITAGE. Politically it is easier.

Mr. FRELINGHUYSEN. It is easier to have UNRWA run it?

Mr. ARMITAGE. Yes.

Mr. FRELINGHUYSEN. I don't have any further questions, Mr. Chairman. I congratulate both of these gentlemen on their presentations and wish them well.

DEALING WITH UNRWA'S DEFICIT

Mr. HAMILTON. Is the United States going to do anything about this UNRWA deficit other than what you mentioned in your statement? Are we considering helping?

Mr. ARMITAGE. Well, we have reallocated this $1 million for this year and have asked for——

Mr. HAMILTON. Is that specified for vocational education or is that just general support?

Mr. ARMITAGE. No, sir; that is not specified. Anything that was specified for the vocational training by Congress would be additional to that, sir. This is not UNRWA earmarked nor is the $1 million for next year earmarked.

Mr. HAMILTON. And that is all you are doing at this moment to help meet the deficit they face?

Mr. ARMITAGE. Yes.

Mr. HAMILTON. I think you had different figures as to that different deficit in your statements. Am I correct in that?

Mr. ARMITAGE. I think the difference is principally in the deduction of the subsidies to Arab governments.

Mr. HAMILTON. You said if we did have a reduction in services it would be the sugar ration and the Amman school.

Mr. ARMITAGE. And supplementary feeding—correct me, Mr. Michelmore, if I stray—this supplementary feeding is some additional new assistance that was given to the people displaced in the 1967 war. The essential part of their diet is met by the host government, those who are not on UNRWA rolls but there was an effort at a time when they were living out of tents and temporary shelters to try to put some supplement into the diet.

Mr. HAMILTON. Why does UNRWA pick this Amman school out if they must cut back?

Mr. ARMITAGE. It is a new school, constructed with funds donated by private American corporations and individuals, which was opened last fall. It was just about to be enlarged in its capacities. Unless special contributions to vocational training are forthcoming, UNRWA will simply be unable to meet operating costs.

WHY NO SOVIET SUPPORT

Mr. HAMILTON. Why have the Soviet Union and the Eastern European countries not contributed anything?

Mr. ARMITAGE. The Soviets have been chary about contributing on the voluntary level to any United Nations multilateral operation since its inception.

Mr. HAMILTON. Any indication of change?

Mr. ARMITAGE. Not an iota that I have seen, sir. They have not done it, for instance, in the whole question of Bangladesh; their assistance is all bilateral. Anything they do they have kept on a bilateral basis and when they have made contributions on the voluntary basis, for instance, in the United Nations Development Program (UNDP) they do it in tied rubles which makes it difficult to get them spent. So we can beat on their door but I would not get overconfident about the results.

Mr. FRELINGHUYSEN. The financial crisis at the UN was very real back in 1965 and it still continues, primarily because of this reluctance on the part of the Soviet Union.

REFUGEES AND GUERRILLAS

Mr. HAMILTON. How about the guerrilla organizations? That will be a matter of considerable interest. I would like each of you to comment on this issue if you would. What is the degree of support for these organizations among the Palestinian refugees and how has it changed in recent months?

Mr. ARMITAGE. Well, this is a matter of continuing concern to us as it certainly has been to Congress, and as you know the reservation in the Foreign Assistance Act is a regular part of the conditions under which our pledge is made. In more practical terms I think the central area of concern over this problem has been very much alleviated over the past 2 years, after the sharp confrontations in the fall of 1970, between Jordan and the Fedayeen.

The control of the Jordan Government has been reestablished quite firmly over all of the camp areas and I think now it would not be an exaggeration to say that the UNRWA administrative apparatus in the camp areas is now completely intact and in control of its operations there. So, I think that problem in Jordan has been—one hesitates to use the word "solved" on any of these questions, but I think it would not be too much of an exaggeration.

LEBANESE SITUATION

I would not try to suggest that there is no problem in the area of Lebanon because the Lebanese Government does not have full official control over some camp areas in southern Lebanon. We have been informed that all military training of the commandos in camp areas was stopped in Lebanon some 18 months ago and that in general the camp areas are distinct from the military training areas, and that the guerrilla organizations handle their own feeding and support of the people that are undergoing training.

There has been no attempt to interfere directly with UNRWA operations, or the administration of UNRWA provisions in those areas but you do not have full government control in those areas now and I could not give the same assurance with regard to Lebanon as I do with Jordan.

Mr. MICHELMORE. I would like to emphasize the last point that Mr. Armitage made that despite the fact that the Government of Lebanon does not exercise its police authority within these camp perimeters that I as Commissioner-General had no doubt of the integrity of the UNRWA operation. UNRWA supplies were being kept under UNRWA control, they were distributed as determined by UNWRA. The UNRWA staff was not being intimidated in carrying out their functions.

Mr. HAMILTON. Is there any recruiting going on in the camps at this time?

Mr. MICHELMORE. Well, that would be very hard to say. These camps are places where people live. You might say they are low, low, low cost housing areas and the entrance into the camps is not controlled. People can enter, they can talk about anything, they can talk with anyone they wish, leave again and the UNRWA authorities—well, they would not be aware of whether it was going on or not, but I would not question that some of it probably took place.

Mr. ARMITAGE. I would like to make a couple more comments, if I might.

With regard to the concern about diversion I think it is useful to bear in mind that something like two-thirds of UNRWA's services are of a nature that an individual recipient receives the service so that the possibility of diversion in practical terms is not there. This would refer to the fields of education, health, the supplementary feeding. With regard to the bulk items the UNRWA inventory and distribution controls are really quite effective and I think we can accept their assurance that no diversion of these commodities could take place without its immediate detection.

The second comment might refer to the Lebanese item and this gets into a little speculative ground. But as you know the Security Council has now agreed that the UN Truce Supervision Organization is to be augmented in Lebanon by some 14 additional UN observers. Some posts there will be reactivated and this may give us some grounds to hope that there will be a greater possibility for the reassertion of Lebanese control in these areas.

POLITICAL CONSCIOUSNESS OF PALESTINIANS

Mr. HAMILTON. Mr. Michelmore, I would like to ask you about the emerging political consciousness of the Palestinians since you have had some considerable experience with them. Do you think they are moving toward some kind of a cohesive political community?

Mr. MICHELMORE. Well, Mr. Chairman, I think the experience of the UNRWA international staff is that the Palestinians are quite careful about their expression of their other political opinions to others and perhaps even to each other and I don't think I would have a valuable judgment on the question that you asked. I really don't know. I think it may be hard for them to make a judgment.

Mr. HAMILTON. It is pretty hard for the rest of us to make a judgment if you cannot make a judgment, Mr. Michelmore.

Mr. MICHELMORE. Well, I don't know. There are no public opinion polls that I know of in that area and certainly a number of the Palestinians hold a variety of different views. Now whether these views

are beginning to converge to one coherent system I just don't know. I don't know whether the Department has any view on this.

U.S. VOCATIONAL TRAINING SUPPORT

Mr. HAMILTON. Mr. Armitage, is it correct to say that if we don't get this million dollars appropriated for the Fulton amendment authorization the Amman school will be closed? Is it a direct result?

Mr. ARMITAGE. I think it would be highly probable; yes, sir. The reason I hesitate to give you a direct answer is one is not quite sure what is going to be the result of the campaign to get other moneys.

Mr. HAMILTON. The thought is that it would close?

Mr. ARMITAGE. I believe it would have to, sir, because it is not just the Amman school that is in trouble. There were plans for moving ahead with the projected development of the other schools that have been established with previous special contributions.

Mr. HAMILTON. The vocational programs cannot be financed through UNRWA's regular budget?

Mr. ARMITAGE. There is not money.

Mr. HAMILTON. There is not money?

Mr. ARMITAGE. There is not the money and a great deal of the contributions to UNRWA of course come in—I don't know what proportion, Mr. Michelmore may have a proportion—but a good part of it comes in in kind or earmarked.

Mr. HAMILTON. How much importance do you attach to the vocational programs?

Mr. ARMITAGE. I think a high degree of importance, sir, because as we pointed out their nature is to train the younger upcoming refugees for an independent personal existence.

Mr. HAMILTON. Do you agree with that, Mr. Michelmore?

Mr. MICHELMORE. Very much so. There is no doubt that the whole educational program is of great value and the vocational and technical teacher training especially so because it rehabilitates that individual, it rehabilitates his family because as he earns he helps pay for the further training of other members of his family and it helps to prepare the whole community for the role in the development of the area that we all hope will take place when peace finally comes.

SYRIA, TEXTBOOKS, AND UNRWA

Mr. HAMILTON. You mentioned in your statement, Mr. Michelmore, the textbook problem which you said was 85 percent solved. Has the attitude of the Syrian Government changed at all with regard to UNRWA in general and the textbook problem in particular?

Mr. MICHELMORE. Yes. Of course this issue was worked out through UNESCO and through the UNESCO meetings in Paris and UNRWA took the position that another international authority was competent to deal with this question but that until it was resolved that UNRWA in its schools had to follow the advice of the UNESCO Director-General which was not to use questioned textbooks while this issue was pending. So it meant that UNRWA did withhold from use in Syrian schools some 30, 33, 34 textbooks.

The Syrian authorities expressed very strong opinions about this as interfering with their sovereignty and something that they could not

accept, and they took that same position in the UNESCO meetings in saying that they did not recognize the authority of anyone else in this field. However, their attitude in that respect has changed in that after several appeals by the UNESCO Executive Board to Syria to cooperate in that undertaking Syria did inform the Director General of UNESCO that they did recognize the principles on which the UNESCO legislation in this regard was based and later that they had established a committee of Syrian teachers to reexamine all of their own textbooks in light of these principles.

Now I have not heard that they have sent a report to the UNESCO as yet but there has been that much of a change and it represents in my view a rather significant change in their attitude.

CONSEQUENCES OF UNRWA REDUCTIONS

Mr. HAMILTON. I would like each of you to state, if you would, what the consequences would be of sharp reductions in UNRWA's budget on the stability of the area.

Mr. MICHELMORE. Well, Mr. Hamilton, I have no hesitation in saying that any reduction would have very serious consequences in all of the countries in the area. It would differ, I think, somewhat from country to country but in the first place you must recall that three-quarters of the refugees live either in Jordan or in the occupied areas administered by Israel.

The elimination or the reduction of any service in those areas I think would greatly affect the stability in Jordan and, in the case of the two occupied areas, would create a great deal of resentment and reaction by the refugees in the occupied areas and increase the difficulties there.

I might say at this point that you asked earlier what the attitude of UNRWA was to the Israel program. The representatives of Israel have told me and the present Commissioner-General has recently mentioned to me that the representative of the foreign office said to him recently that one thing on which the Arabs and Israeli agree is on the necessity for continuing the UNRWA programs. The Israeli representative in the General Assembly referred to the UNRWA programs—I think he was speaking mainly of the education and health programs—as indispensable.

Ambassador Comay, when he was head of this activity in the foreign office, told me that his government hoped that no services to refugees would be reduced but that if for budgetary reasons there had to be a reduction he would feel that it would be very unfortunate and very harmful if there were a reduction of any services in the occupied areas that did not take place elsewhere.

The effect of reductions in Lebanon I am afraid would also be very unfortunate because there still is a very—I don't know if "tenuous" is the word—situation.

WHY "VERY UNFORTUNATE"

Mr. HAMILTON. What I am trying to get at again is what you mean by "very unfortunate." What is going to happen? Suppose you don't get the money? Suppose you have a sharp reduction? What is going to happen?

Mr. MICHELMORE. Well, I certainly would not exclude the possibility in Lebanon and in Jordan of there being demonstrations and those demonstrations perhaps going to quite extreme lengths and to the point of actual disorder. Certainly the authorities in both countries have said on many occasions that for security reasons in addition to the humanitarian reasons they hope that no further reductions—or they insist, they don't hope—they insist that no further reductions take place.

Mr. HAMILTON. Is the analysis the same in the State Department?

Mr. ARMITAGE. Mr. Chairman, I believe that a sharp cutback in UNRWA services would create a major political issue in the area; that this major——

Mr. HAMILTON. What do you mean by "major"?

Mr. ARMITAGE. How much of a cutback before it became a major issue? That is a tough one.

Mr. HAMILTON. Mr. Michelmore said any cutback.

ANY UNRWA CUTBACK COULD BE UNFORTUNATE

Mr. ARMITAGE. Well, it is hard to be so absolute, but UNRWA is already a minimal service which helps to maintain a minimal level of life for these refugees. I think a reduction that was deemed significant, if I can beg the question, by the refugees would not have to be a very big one from this minimal program and that any noticeable reduction would create a significant political issue in the Arab host countries and quite possibly in the occupied area. The governments would perforce have to take a position on this issue and that this could very substantially reduce the possibilities for getting a negotiated settlement in the area.

Mr. HAMILTON. It took a while to get that but I appreciate it finally coming out.

Thank both of you gentlemen for your contributions this afternoon; you have helped us a great deal.

Mr. MICHELMORE. Thank you for the opportunity of our being here. Thank you for your kind remarks.

Mr. ARMITAGE. Thank you.

Mr. HAMILTON. The subcommittee stands adjourned.

(Whereupon, at 3:25 p.m., the subcommittee adjourned.)

APPENDIX A

Palestinian Refugees

(Statement of Hon. Lee H. Hamilton, from Congressional Record, July 7, 1971)

The Speaker pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. Hamilton) is recognized for 20 minutes.

Mr. Hamilton. Mr. Speaker, one important problem that a settlement of the Arab-Israeli conflict must address is the plight of the Palestinian refugees. The United Nations Security Council Resolution No. 242 of November 1967, which provides a framework for the settlement of the conflict, calls for "a just settlement of the refugee problem." If no just solution for these people without hope is found, another round of fighting becomes almost inevitable. The United States must redouble its efforts to insure that another generation of Palestinians does not grow up in refugee camps, and to find ways and means to provide their lives with hope and dignity, their bodies with sustenance and strength, and their vocations with purpose and skills.

GENERAL BACKGROUND

The Israeli war of independence or the Palestinian war of 1948 uprooted almost 1 million Palestinian Arabs, Christians as well as Moslems, and some half-million Jewish citizens of Arab countries. Israel was able to absorb the Jewish refugees from North Africa, the Fertile Crescent and Yemen, primarily because she has had the desire, the money, and the capacity to train them. However, for political, financial, and manpower reasons, the poorer countries around Israel—Egypt, Lebanon, Syria, and Jordan—have had little success in helping the Palestinian refugees. The refugees have not been allowed to return home, and they have not received compensation for the property they lost. As part of any settlement in the Middle East, efforts must be made to deal with the 1943 claims of both Arab and Jewish refugees.

After 1948, an educated minority and a few Palestinians who had funds available found work in other Arab countries. They were, for the most part, hard-working and intelligent people who have played an important role, for example, in the development of Kuwait and the tiny states of the Persian Gulf.

Unfortunately, the overwhelming majority of Palestinians—the aged, the very young, and the unskilled—became dependent refugees. For them, life was hard and uncertain, and many became bitter and resentful refugees hovering in overcrowded camps near Israel's borders. Since 1948, these refugees have become increasingly embittered and frustrated by the failure of their Arab neighbors, the United Nations and the big powers to help them regain the land they claimed was theirs. In the 1960's many refugees found solace in the extreme, radical national movements manifested in the plethora of commando organizations that sprang up before and after the June 1967 war.

The political frustrations of these refugees have been matched by the human trials of a large number of people living on the borderline of destitution, rampant disease and undernourishment. Ten cents a day for each refugee in a camp provides just enough basic medical services, education, food and lodging facilities for survival. The June war in 1967 radically altered, but did not change, the plight of the refugees who for the most part continue to live on an international dole of about $40 per capita a year.

Today there are nearly one and a half million Palestinian refugees registered with the United Nations refugee agency. Of these, about 830,000 or roughly 60 percent, receive rations, and of whom some 40 percent live in camps. Half a million refugees live in East Jordan and about 580,000 live in Israeli Occupied Territories—the West Bank and Gaza. These figures do not include the nearly 1 million displaced Egyptians and Palestinians who have moved from occupied territories and the Suez Canal area since 1967. They still fervently claim a piece

of land in the area from which they were dislodged, even while many have found new homes and jobs in other areas.

These refugees have suffered long, and their sufferings continue. There will be no peace in the Middle East until the parties to the Arab-Israeli dispute and the international community lay aside political considerations and focus on the necessity for justice for all the refugees. This is the root of the whole Middle East problem and to deal with other aspects of the Middle East conflict without solving the refugee issues caused by the 1948 fighting is to treat symptoms without eradicating the cause.

ATTITUDES OF GOVERNMENTS IN THE MIDDLE EAST

The difficulties of finding a "just solution" for the refugees are exacerbated by the parties to the dispute. Each side claims the other is responsible for the refugee problem. In fact, it is fruitless to debate who is responsible as there is evidence to support the allegations of both sides.

Israel has usually contended that: First, the Arabs alone caused the problem and thus have major responsibility for it; second, instead of helping the refugees, the Arab Governments are consciously using the refugees for political objectives. They keep the refugee issue boiling in an effort to decrease the permanence of the State of Israel and force the return of refugees to Palestine; third, the Arab States have enough jobs, space and materiel to resettle these refugees; fourth, the Israelis cannot, for important political, security and social reasons, accept large-scale repatriation—no country will willingly create a hostile fifth column within its borders; fifth, Israel will consider compensation if the international community will help and if Jewish refugees from Arab countries are compensated for their loss of property; and finally, the Palestinians would be far happier if they lived in the Arab world.

The Arabs, on the other hand, have contended that: First, the major Western powers, the Israelis, and the U.N. are primarily responsible for the refugees and they must solve the problem; second, an attempt to solve the Arab-Israeli issue must deal with the refugee issue if there is to be any progress on other aspects of the problem; third, the refugee problem is more than an economic issue; political and humanitarian considerations are equally important; fourth, unlimited Jewish immigration into Israel must be stopped because it only hardens Israeli opposition to repatriation; and fifth, the just solution to the refugee problem must include the choice of compensation or repatriation as U.N. resolutions on the refugees have repeatedly stated.

Some of these attitudes have undergone changes in emphasis in recent years and others have not changed. Two constants remain, and they should provide a basis for settlement. First, there should be an appreciation of the Israelis' very real concern that any large-scale repatriation of refugees inside Israel could necessarily create a fifth column; and second, there must be political and humanitarian, as well as economic, justice for the Palestinians. Specifically, this can mean some form of compensation and the right of self-determination.

UNITED NATIONS RELIEF AND WORKS AGENCY

The community of nations also has not been able to deal successfully with the refugee problem. Over the years, many international, national, and religious organizations have sought to meet the physical and social needs of the refugees. These efforts, however ecumenical or international in origin, have only reduced the human suffering.

The United Nations Relief and Works Agency for Palestine Refugees (UNRWA) has had primary responsibility for providing and administering relief and educational services. For over 20 years now, the United States has supported, despite its deficiencies, the UNRWA program because of the human needs of the refugees and because UNRWA's services, especially vocational training, can contribute to political stability at a time when our overriding interest in the Middle East is peace.

UNRWA continues to provide education and relief services for those refugees of 1948 and their offspring. Its 14,000-man staff is about half teachers who now administer some 46 percent of UNRWA's budget. UNRWA's efforts to meet the challenges of educating increased numbers without increasing its budget have not been entirely successful because of budgetary limitations.

UNRWA'S FINANCES

The U.S. voluntary contribution to UNRWA has varied from as high as 70 percent of UNRWA's budget to the present 54 percent of a budget between $45 and $50 million.

One of the more encouraging aspects of the financial situation of UNRWA in recent years is the increased diversity of financial support for the budget and of special contributions to meet the deficit. Even Arab governments, long reluctant to support UNRWA, are now contributing to certain educational services UNRWA provides in cooperation with UNESCO. There have also been hints that certain East European countries might reconsider their opposition to UNRWA. Still, as we enter the 1970's, only 48 of the 127 U.N. members are making donations with Britain, the United States, Canada, the Scandinavian countries and West Germany providing the vast majority of funds. More important, UNRWA is beginning to run a large deficit, estimated to be around $6 to $7 million in the next fiscal year.

UNRWA EDUCATION

The most significant work that UNRWA does in dealing with the needs of these refugees is its education of some 250,000 students each year. In the last two decades, however, only a small minority of the over half a million refugees who have reached maturity have found meaningful jobs. Palestine was traditionally an agricultural society and the vast majority of refugees were primarily in farming.

The crucial issue confronting UNRWA is how to maximize the number of refugees receiving nonagricultural job training in an area suffering from overcrowding on agricultural lands.

Of the 30,000 refugees who complete the basic 9-year education sponsored by UNRWA and UNESCO, only a few more than 4,000 go on to high school and university or vocational schooling. The greater the percentage of the 30,000 refugees that receive vocational training each year, the greater the hope for the refugees having a rewarding life outside the camps and the less the attraction of the councils of despair who see Palestinians gaining dignity only through the barrel of a gun.

Fortunately, increased attention has been given to vocational training in recent years. After the June war, the Israeli Government trained some 16,000 Palestinians, many of them refugees, for semi-skilled jobs in Israel's construction industry. These jobs gave an economic alternative to the lonely and unrewarding void of a refugee existence.

The United States has also helped this vocational training effort. The 2-year supplemental $2 million U.S. appropriation for vocational training enabled UNRWA to expand some of its vocational training facilities to train over 1,000 men. Such efforts must be continued so that more refugees have the opportunity to see life in terms of a choice. Without such training, becoming a guerrilla remains the only chance to improve their lot. And that choice by sufficient numbers will lead to violence.

PALESTINIAN POLITICS

As their numbers have increased, so also has the Palestinian political consciousness. For two decades, refugees placed their fate in the hands of the international community in general and their Arab neighbors in particular; there was much talk, mostly inflamed rhetoric, and little purposeful action.

It was only after some 20 frustrating years that the Palestinian guerrilla movement started to gain support in the camp communities. The desperate tactics of some guerrillas in the last couple years reflect their deepest fear that others—Jordan, Israel, and the United States in particular—were trying to negotiate or decree their national being out of existence. The 4 years since 1967 have emphasized that any peace in the Middle East must implement the U.N. Resolution 242's call for "a just settlement of the refugee problem."

The disruptive capacity of the Palestinian guerrillas should be judged solely on the basis of actions against Israel or the United States precisely because those actions have largely failed. Rather it is the ability of the guerrillas to veto moves toward peace, to influence Arab politics and to reduce the effectiveness of the Governments of Lebanon and Jordan, in particular, that the guerrillas have had limited success.

HOPEFUL SIGNS

Recently, there have been some hopeful signs that the parties may be moving closer to the realization that a political settlement is essential and that a military solution to the Arab-Israeli problem will never work. For a time the guerrillas controlled many refugee camps in Jordan but the Jordanian Government in the last several months has been able to reassert most of its authority. Other Arab Governments are also trying to improve the climate for peace, and the proposed Arab federation of Syria, Libya, and Egypt could provide a basis for Syria to become a party to Resolution 242. Many Arab Governments have also cooperated with UNESCO officials in trying to remove inflammatory rhetoric from textbooks used in UNRWA schools, and Israeli authorities now permit almost all books into the occupied territories. Although such acts do increase political stability and help maintain the momentum for peace, they alone cannot drive asunder the ambitions of the guerrillas.

While the guerrilla movement may represent one alternative, certain developments in the West Bank represent another. Since the June war, an independent West Bank Palestinian political consciousness has burgeoned. Like the guerrillas, this group is thinking about the future of Palestinianism, but unlike the guerrillas, members of the community have supported the Rogers Peace Plan and the Security Council Resolution 242. The "National Pact of the West Bank" is also a constructive sign of a new political community among some Palestinians.

Another important sign of hope can be seen in the statements of some Israelis. For instance, the Secretary General of Israel's Labour Party, Arie L. Eliav, recently wrote that—

"We owe them (the Palestinians) . . . the option of self-determination."

He added—

"Let the Arab States know that we shall never deny the Palestinians' right to self-determination."

The only way to curb the guerrilla movement and the many paramilitary youth groups that feed it is to give the Palestinians a viable alternative. Vocational training for productive jobs is part of the answer, but not all of it because, while the refugee's alienation is visibly economic and social, it is also political. To solve the Palestinian refugee problem is to give the refugees the Palestinian political alternative.

PALESTINIANS, ISRAELIS AND THE FUTURE

Any solution of the refugee issue will have many components and involve social problems. Five elements that a just settlement should include are:

First, there should be limited repatriation of Palestinians with a recognition of Irsaeli concerns that unlimited repatriation would create political problems and would make it difficult to preserve the Jewish identity of the state. In such a move it may be very difficult to determine which refugees are repatriated.

Second, compensation must be made to all refugees. Jewish refugees from Arab countries and Palestinian refugees from Israel must be compensated for loss of property. Only last week, Israel reexpressed its willingness to compensate 1943 Arab refugees. The international community also should play a role in this phase of a settlement by helping to pay the bill and to determine the amount of compensation and to whom it goes.

Third, education and health programs of Palestinian refugees should be expanded and intensified. More Palestinians must have a choice in life, and education and sound health offer part of a choice.

Fourth, a political alternative should be given to the Palestinians. Self-determination would help break the present impasse on one of the more troublesome aspects of the dispute. The international community should not try to impose the form that self-determination might take. In an internationally sponsored election held in the West Bank with Palestinians from all countries voting, the Palestinians might choose one of a variety of courses. They may opt for a new independent Palestine. They might, however, prefer some semi-autonomous status in some connection to Jordan. Or, the Palestinians may desire to return to Jordan. Guerrilla organizations control of their community or such an election is not a foregone conclusion, nor can the guerrilla organizations be considered a monolith. To give the Palestinians the right of self-determination is to cut out the very strength of the guerrillas who see self-determination coming only with guns. Indeed it would be risky to predict any non-Palestinian group who would be able to predetermine the outcome of such

an election. The past quarter of a century has only made the Palestinians more anxious to determine their own future. They feel that they have left their problems to others too long with too few results.

Finally, there are many problems and tensions involved in each of the four essential courses of action listed above. The international community must be responsible for and the handler of the execution of such plans. This means that the international community must pay a good part of the costs involved. Both these bills are small compared to the potential human costs of another war in the Middle East that could involve both Russia and the United States.

Throughout the world community and the Middle East, there is emerging an increasing concern for and understanding of the Palestinians, their various spokesmen and the need for a just solution of the refugee problem. Recent events have produced a dialog between some Israelis and some Arabs. And in the Arab recognition of a range of political opinion in Israel and Israeli recognition of many Arab and Palestinian viewpoints is an assumption that there is some segment of the opponent's camp with whom a dialog is possible. That is one small result of more than 20 years of violence in the Middle East.

APPENDIX B

The Efficient UNRWA—An Israeli Research Team Arrived to a Positive Conclusion Concerning the Activities of UNRWA

(By Arnon Magen)

Under the above headline "Davar" Daily Newspaper, in its issue dated December 10, 1971 page 13, writes the following:

The ordinary Israeli citizen does not have a good impression about UNRWA. After the Six Day War, he read the press articles, regarding the text-books taught in UNRWA schools. The text-books contain clauses of abuse and agitation against Israel. He also knows that most of the UNRWA employees are Arabs. In fact, UNRWA belongs to the UN and we, in particular, do not like this Organization and its subsidiary organs in the area, including the UN Truce Observers and UNRWA.

As usually known, an impression does not necessarily depend on facts. Be it what it may, a research team representing the school of Social work at the Hebrew University in Jerusalem, have conducted a research on the activities of UNRWA in the West Bank and in particular, in the Gaza Strip. The team arrived to various positive conclusions about this organization.

It is understood, that the appreciation for quality was not the aim of the team composed of Dr. Yonah Rosenfeld, Dr. Abraham Doron, Dr. Rafael Moses, assisted by Michael Atger and Ozi Barlinski. Their announced aim was to examine the organizational structure of UNRWA, the economic aspects of its activities and the co-operation between the Refugees and UNRWA. In an interview with Drs. Rosenfeld and Doron, there appeared a warm appreciation for the assistance rendered by UNRWA to the Refugees, as well as a criticism to what Israel has done to them.

When I asked about the most surprising conclusion of the research, Dr. Rosenfeld replied, it is "the administrative efficiency of UNRWA."

Drs. Rosenfeld and Doron mention in detail that about 3,000 UNRWA employees work in the Gaza Strip. "As a matter of fact, the essential part of the research was particularly dedicated to the Gaza Strip, where the Refugees' problem is most acute". Most of the employees are teachers, nurses, physicians, etc., who take care of about 200,000 refugees, while the administrative employees form the minority. Furthermore, all the staff are locals save for some ten senior staff members who are Internationals including the Director of Operations, who is an American and his Deputy who is of Dutch origin. The budget under their disposal amounts to less than $10m per annum, or around $4 per capita per month. Nevertheless, UNRWA with this so meagre a budget and with so limited a number of employees, achieved a considerable success in the fields of rations, medical services, education and welfare services to hundreds of thousands of refugees. "If Israeli institutions were to take care of the above fields, perhaps the cost would be twenty times double. The efficiency of UNRWA is perhaps not as high as understood by American terms, but is definitely high as far as the Middle East is concerned, including Israel. For example, the Israeli Ministry of Welfare is a parallel to UNRWA."

It is certain, that there are objective factors which help UNRWA to carry out its mission. For example, the greater part of the distributed rations to the refugees come from the US food surplus, as part of its contribution to UNRWA and at a low rate. The distributed rations provide 1,500 calories per day, i.e., just more than half the actual basic need. Medical and educational services are at a low standard. For example, UNRWA educational system in the Gaza Strip is based on the Egyptian curriculum and in the West Bank it is based on the Jordanian programmes. This means, much repetition and very little practical work which needs expensive facilities as laboratories and workshops. Moreover, the wages paid to the local employees are very insignificant.

Nevertheless, Drs. Rosenfeld and Doron emphasize the great scope of services rendered by UNRWA. These services are "groat" not only because of the big number of beneficiaries, but also because they are extended to 80%–90% of the refugee children at the age of 6–14 years, "although and as aforesaid the standard of education at UNRWA schools is low". The results of the Refugee students in the matriculation examinations were higher than those of the children of the Gaza Strip inhabitants. In fact UNRWA does not have secondary schools, but the research team is of the opinion that the preparation which the Refugee children received in UNRWA Preparatory Schools has contributed much to their success in continuing their educational career".

The health services stand at a suitable level. In brief, the necessity of medicines among the Refugees, is closely related to that of our brethren the Israelis and is higher than the normal average in most countries of the world.

The secret of UNRWA's success in the Gaza Strip and certainly elsewhere, lies in the consciousness of its senior officers to their mission. Only on this basis, it would be possible to understand why the Director of Operations in the Gaza Strip and his Deputy were not replaced for several years, notwithstanding the fact that the USA and Holland have certainly more enjoyable towns than Gaza.

When I pointed out that it was rather a miracle that UNRWA was efficient while the approximate majority of the staff are locals. Dr. Rosenfeld interrupted and asked. "Have you anything to say against the efficient and capable organization of the Arabs?" He continued in praising UNRWA's efficiency in carrying out its continuous mission in the Gaza Strip despite all Government changes since 1949. He also appreciated UNRWA's efficiency and promptness in rendering assistance to the Refugees who fled from the West Bank to Jordan during the Six Day War.

Drs. Rosenfeld and Doron have enumerated several shortcomings in UNRWA's administration which they attribute to the special circumstances under which UNRWA operates. They add that UNRWA is a static body and fails to accommodate itself to the changeable circumstances. For example, the thousands of Refugees working nowadays in Israel together with their children still receive rations from UNRWA, though they do not lack the funds to buy the commodities. UNRWA argues that labour in Israel may be of a temporary nature. I pointed out that "the Israeli Authorities can provide UNRWA with the lists of refugess working on monthly or weekly basis etc., in the light of which UNRWA may arrange the distribution of rations". Drs. Rosenfeld and Doron approved my idea, but added that this necessitates the co-operation between UNRWA and Israel, a thing that UNRWA avoids exactly as it avoids fire, lest it lose its neutral image amongst those she serves. For the same reason, UNRWA refuses to accept Israel's suggestion, aiming at sending its nurses to continue their studies in Israeli hospitals.

Drs. Rosenfeld and Doron have completed their research on Refugees guided not only by the intellectual curiosity but also with clear feeling that Israel is bound to contribute its share towards the solution of the Refugees problem. The solution need not be a comprehensive one, as such a solution is subject to an overall peace settlement in the area. There may be a series of interim settlements in the scopes where political conflicts do not exist, such a medical services and social welfare assistance. As a result the refugees may cease to remain refugees, at least from an economic and social points of view. The political aspect of their problem and their personal feelings as refugees remain untouched.

The team tried to examine the prospects of establishing projects with the intention of promoting the conditions of the Refugees, namely extending the vocational training, granting a bigger number of scholarships at Egyptian universities and giving constructive loans for the establishment of workshops and other similar enterprises. Establishment of shared projects organized by UNRWA and financed by Israel. The team adds that "they have approached various Israeli institutions and personalities in this regard, as Minister Peres, when was i/c of the Refugee Problem and Brigadeer Gazit, i/c of coordination in the occupied territories. The team's proposals were rejected on the basis that Israel has determined not to co-operate with a relief agency operating in this manner".

The research was "officially" over approximately a year and a half ago. The team is still visiting the Gaza Strip and the West Bank to meet UNRWA staff and acquaint itself with what has been done in the scope of care to the Refugees.

Since then much has been changed. Some of the changes indicate that tens of thousands of Arabs, amongst them are thousands of Refugees, cross daily the former "Green Line" and work in Israel. The working Refugees, together with the members of their families number tens of thousands of persons. When I asked, "Is this not enough to bring about an extensive influence on the conditions of the Refugees?" the team answered, "Yes and No"; the team argues that the rising of the standard of living amongst one group of the Refugees causes the deepening of the image of poverty among others and increases hatred. The team continues, "We feel that the hatred to Israel in the Gaza Strip is increasing gradually." They also enumerate what Israel has done for the Refugees in the Gaza Strip: little vocational training for the persons working in Israel and the establishment of a hospital in El-Arish. That's nearly all. "This is little. Very little".

The interview was over, the team referred to a very actual incident, viz the widening of streets in the Jabalya and other camps and the transfer of part of the evacuees to new premises in El-Arish. The team bitterly criticized these actions. First of all, the evacuation was done instantly with few hours notice. Secondly, the transfer to El-Arish disassociates the evacuees from their previous source of income. Thirdly, the Arabs are not accustomed to live in many storeyed houses. The result was, they continued, not only a big group of evacuees have never arrived in El-Arish since they could find their way to their relatives and friends in the Gaza Strip and elsewhere, but also many of those who actually arrived have already left.

The team sums up: the policy of Israel towards the Refugees and in particular, towards the Refugees of Gaza, is a combination of shortcomings: very few actions alongside very few misleading measures.

APPENDIX C

United Nations Relief and Works Agency for Palestine Refugees in the Near East

(Letter dated March 20, 1972, from the Secretary-General to all States Members of the United Nations or members of specialized agencies)

Once again I must approach your Government for urgent help to the Palestine refugees. You will recall that the General Assembly at its last session demonstrated its grave concern over the financial plight of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) by unanimously requesting the Working Group on the financing of the Agency to continue its efforts in seeking ways and means to overcome the Agency's chronic deficit. The Group is now actively engaged in working out measures for short- and long-term financial support and, in particular, has launched a campaign for obtaining urgent contributions in cash and in kind. I fully endorse the efforts of the Working Group. While these efforts continue, UNRWA must receive adequate contributions in order to avert a crisis this year.

The Commissioner-General of UNRWA has informed me that, despite a generous response from some contributors, the Agency is still faced with a deficit of the order of $4.5 million this year, including subsidies to Governments for health and education services to refugees. Because the Agency's cash position is now precarious as a result of a diminution of the working capital and there is a risk of financial collapse in the course of the year, the Commissioner-General has been obliged to propose that some reductions in services should be made at the earliest practicable date. The Governments that are hosts to the refugees are rightly alarmed at the prospect of reductions and are opposed to them. There can be no doubt that any reduction in the services of UNRWA, which are already at the bare minimum, would not only add to the hardships of the refugees but also contribute to instability in the area. In view of this danger, and confident that the international community will assume its responsibility for the support of the refugees, I have asked the Commissioner-General to postpone the proposed reductions for a little longer.

The education and health services together amount to nearly two thirds of the Agency's current budget of $50.5 million and expenditure on them is almost entirely in cash. The major part of the assistance required must therefore be in cash, but contributions in kind of sugar, flour, rice, cooking oil and canned meat will also be welcome.

The General Assembly emphasized "the urgent need for extraordinary efforts and exceptional measures in order to maintain, at least at their present level, the activities of the United Nations Relief and Works Agency for Palestine Refugees in the Near East." Therefore, after consultations with the Working Group and the Commissioner-General and with the support of the Advisory Commission of UNRWA, I address this appeal to Governments, as well as intergovernmental and non-governmental organizations and private sources, for urgent voluntary contributions. A decision on reductions of services cannot safely be delayed beyond May 31, 1972 and pledges of contributions are required before that date.

I very much hope that your Government will give urgent consideration to this important matter and will find it possible to respond generously.

Kurt Waldheim, *Secretary-General.*

APPENDIX D

Statement by the Commissioner-General on Possible Cuts in UNRWA's Program

Beirut, Lebanon, *May 4, 1972.*

The United Nations Working Group on the Financing of UNRWA was informed in February 1972 that the Commissioner-General had communicated to host governments his specific proposals for the first installment of reductions amounting to $1.5 million in 1972 at the earliest practicable date, specifically the elimination of sugar (if none were donated), of the emergency supplementary feeding program, of school milk and soap, of kerosene (with effect from the beginning of next winter), and the restriction of the normal program of hot meals and blanket issue. These proposals were made before the news that the United States special contribution for vocational training had not been appropriated for U.S. FY 1972, which poses a further threat to the education program. Further action on proposals of reductions has been deferred by the Commissioner-General in consultation with the Secretary General pending results of current fund-raising efforts.

Annex III.—Paper Prepared by the Commissioner-General of UNRWA Showing the Financial Effects and Other Implications of Reductions in UNRWA Services

1. On the basis of present (August 1971) estimates of income and expenditure for 1972 UNRWA will incur a deficit of $6.5 million.[1] The estimate of income assumes that government contributions in 1972 including special contributions, will provide the same financial support for operating expenditure as in 1971. The estimate of expenditure includes $1.4 million for subsidies to governments withheld in 1971 and assumes that flour will cost $1.1 million more than in 1971. This paper considers the possible reductions in Agency expenditure among which a choice must be made if income cannot be increased to bridge the budgetary gap. It should be borne in mind that, assuming the estimate of income in 1971 is fully realized and that services continue at their present level until the end of 1971, the Agency's working capital[2] will have fallen to little more than $3 million on 31 December 1971.

2. Features of UNRWA's income that are relevant to any consideration of programme reductions are that in 1972 no less than $13.6 million is expected to take the form of donations of services or of commodities, mainly flour, oil and rice, and that of the cash contributions $4.1 million will be earmarked by donors for specific items.

3. The Agency operates three main programmes: relief, health and education, each subdivided into a number of activities. Common costs such as supply and

[1] All figures in this paper are given on the basis of estimates included in Part II of the Commissioner-General's annual report for 1970–71.

[2] The Agency has no working capital fund as such, but the excess (if any) of its assets over its liabilities in effect provides a form of working capital or operating reserve.

In the early years of the Agency's existence contributions for schemes of rehabilitation, including resettlement, were in excess of expenditure, resulting in the accumulation of an excess of assets over liabilities.

This excess (i.e. working capital or operating reserve) was drawn on to finance the expansion of the Agency's programme of education and training, regarded as a means of rehabilitation, and successive deficits have reduced the working capital (operating reserve) to $5.6 million only on December 31, 1970.

As a minimum the working capital (operating reserve) should be sufficient to finance the Agency's "pipeline" of supplies (some $6 million) and, in addition, a month or two of Agency operations in the event of delays in the receipt of contributions (say another $6 million). To the extent that working capital is less than $12 million, the Agency is dependent on prompt payment of contributions (or future recourse to borrowing from the United Nations Working Capital Fund as authorized by General Assembly resolution 2728 (XXV)). To the extent that working capital is less than $6 million the Agency is effectively using to finance its "pipeline" of supplies funds which will eventually be needed to meet its liabilities. Whether any supplies remaining on hand upon dissolution of the Agency can be converted back into cash to pay off liabilities is, of course, highly speculative.

transport, personnel, legal, finance, data processing, public information and contributions, and other internal services are allocated under the Agency's accounting system to each programme.

RELIEF SERVICES

4. *Basic rations.*—The main activity of the relief programme is the provision of basic rations to about 840,000 Palestine refugees out of more than 1,450,000 registered with the Agency (because of the imposition of ration "ceilings", over 300,000 children over the age of one year receive no rations from the Agency). The established monthly basic ration consists of 10 kg. flour, 600 grammes of sugar, 600 grammes of pulses, 500 grammes of rice and 375 grammes of edible oil or fat, providing about 1,500 calories a day. In winter the ration is increased by an additional 400 grammes of flour and 300 grammes of pulses, bringing the number of calories to about 1,600. In order to make the most economical use of the Agency's cash and commodity income rice or flour is now substituted for pulses. One piece of soap (150 grammes) is distributed monthly to each ration beneficiary in the emergency camps in east Jordan and Syria. (Distribution of soap to other ration beneficiaries was discontinued in March 1970 as an economy measure.)

5. The cost of the basic rations activity is estimated at $13.2 million in 1972, of which about $12.4 million represents the value of commodities, $0.6 million distribution and other ancillary costs (excluding transport), and $0.262 million the amount of a subsidy to the Government of the UAR now withheld. Flour, oil and rice are donated in kind, and the only commodities now purchased are sugar, in the amount of 6,000 tons per annum at an estimated cost of about $0.8 million in 1972 (subject, of course, to fluctuations in sugar prices), and soap, at an estimated cost of $18,000.

6. Except for sugar, a reduction in the number of content of basic rations would result in material budget savings only if food commodities (flour, oil and rice) which the Agency receives as contributions in kind were either replaced by cash contributions or were sold or otherwise converted into cash which could be used to pay salaries and other outgoings. But if the elimination of basic rations resulted only in a loss of contributions in kind to the Agency, then the Agency's programme of assistance to the refugees would be reduced by $13.2 million for the sake of a reduction of only $1.7 million in the estimated deficit for 1972. Such a drastic step would appear difficult to justify in view of the implications for the health and economic status of the refugees.

7. If sugar were eliminated, the nutritional value of the ration would be reduced to about 1,420 calories daily in summer and about 1,520 calories daily in winter, and the effect would be a loss of high quality carbohydrate and a consequent worsening of the refugees' already inadequate diet.

8. *Supplementary Feeding.*—UNRWA operates both a "normal" programme of supplementary feeding for vulnerable groups and an "emergency" programme introduced after June 1967. The normal programme has three elements:

(*a*) *Hot meals.*—Nutritionally balanced hot meals are provided on six days a week to children from 1–6 years of age who attend Agency supplementary feeding centres and the older children and sick adults on medical recommendation (ceiling for all categories 49,000). The estimated cost of the normal hot meal programme in 1972 is approximately 1.2 million (excluding supervisory administration). The result of cessation of hot meals might well be an increase in the incidence of serious malnutrition leading to higher rates of sickness.

(*b*) *Milk distribution.*—Issues of reconstituted whole/skim or skim milk mixture are made to various categories of refugee children, expectant and nursing mothers and sick refugees. The amount budgeted for the normal milk distribution programme in 1972 is $340,000, of which $90,000 represents donated whole milk powder. The potential annual saving from elimination of the item is therefore $250,000.

(*c*) *Extra dry rations.*—Additional amounts of flour and oil are issued to pregnant women from the fifth month of pregnancy, nursing mothers for one year after delivery, and tuberculosis outpatients (who also receive extra sugar and rice) and all children in the age group 6 to 10 years receive monthly 500 grams of CSM. The cost of extra dry rations budgeted for 1972 is $200,000.

9. *Emergency supplementary feeding.*—This programme was introduced after the 1967 hostilities for categories of refugees most directly affected by their aftermath.

(*a*) *Hot meals.*—Entitlement to hot meals was extended to displaced children aged 6–15 years in east Jordan and Syria, with a ceiling of 11,500 beneficiaries. The cost of emergency hot meals budgeted for 1972 is $192,000.

(*b*) *Milk distribution.*—Entitlement was extended to additional categories at a cost estimated at $31,000 for 1972.

(*c*) *Extra rations.*—A protein supplement consisting of one 12 oz. tin of meat and 500 grams of CSM monthly is provided to certain categories at an estimated cost in 1972 of $285,000.

10. If the entire emergency supplementary feeding programme were eliminated, there would be an annual saving of about $510,000.

11. *Shelter.*—With the minor exception of assistance towards repair in cases of extreme hardship the provision of shelter is regarded as a "one time" service. The task of replacing tents in the emergency camps in east Jordan and Syria will be completed from funds specially donated in 1971 and no further shelter construction is contemplated. Similarly no capital expenditure on improvements to roads in camps is contemplated unless the expenditure appears inescapable and special funds are available. The amount allocated for road maintenance in 1972 is $30,000 only.

12. *Camp retreats.*—$231,000 is provided in the 1972 budget for camp rentals but of this amount only $19,000 represents cash expenditure by the Agency (the remainder being a contribution in kind by host governments). This amount consists of rental paid by the Agency to private landowners in Lebanon.

13. *Special hardship assistance.*—This assistance takes the form of small cash grants and special issues of used clothing, kerosene and blankets. In 1971 about 22,500 persons were assisted in this way and the sum allocated for this purpose in 1972 will be $49,500. This assistance is essential and, indeed, in conditions of rising prices more should be spent on it, especially if other services are reduced. In addition, UNRWA expects to spend about $37,000 in 1972 on institutional and other care for the aged, the chronically ill, orphans, and other hardship cases. Used clothing donated by voluntary agencies and valued at over $1 million is expected to be distributed by UNRWA in 1972 to registered refugees at a cost to the Agency of about $35,000 for freight and distribution.

14. In camps in east Jordan, West Bank, Lebanon and Syria one-and-a-half litres of kerosene are provided monthly to ration beneficiaries and to babies and children registered for services during five winter months. In Gaza ration beneficiaries and babies and children registered for services, whether in or outside of camps, receive one litre of kerosene monthly during five winter months. The amount included in the 1972 budget for kerosene is $110,000.

15. Blankets are issued to hardship cases at three-year intervals and to ration beneficiaries and children registered for services in Gaza on a nine-year cycle. The cost of blanket distribution in 1972 on this basis is estimated to be $89,000. (A reserve of blankets is maintained to meet emergencies.)

16. The cost of the welfare branch which administers this assistance, undertakes other case work, and is responsible for sewing courses, other women's work and youth activities, is expected to be $200,000 in 1972.

HEALTH SERVICES

17. The Agency's health programme is conducted under the professional advice of WHO, from which the Director and four other senior staff are seconded on a non-reimbursable basis. The estimated cost of the programme in 1972, excluding common costs, is $5.6 million, of which $446,000 represents subsidies to governments for medical services provided to refugees payment of which is at present withheld. The programme comprises medical services, both curative and preventive, and environmental sanitation in refugee camps.

18. *Medical services.*—Medical, dental, and maternity and child welfare services are available to Palestine refugees registered for services in 90 UNRWA health centres, of which 65 are staffed full time by medical officers, nurses, dispensers, clerks and cleaners, and 25 operate on a mobile basis. As part of the maternity and child welfare service 21 of the clinics include a day-time rehydration/nutrition centre.

19. As regards hospitals, UNRWA has the use of about 1,700 beds in private or government hospitals, and itself runs one cottage hospital in the West Bank. Subsidies to governments for the use of hospital beds are being withheld, and while the facilities have not yet been withdrawn, the prime Minister of Jordan has told the Commissioner-General that the Government of Jordan cannot afford to continue to provide services without reimbursement. If subsidies for beds in private hospitals were also withheld, an immediate crisis could be expected. The cost of general hospital care to UNRWA in 1972, exclusive of subsidies to Governments amounting to $382,000, is estimated to be $776,000. Other items under

medical services are tuberculosis control, mental health care, dental care, school health services and health education.

20. *Environmental sanitation.*—Environmental sanitation is provided by the Agency in refugee camps and is estimated to cost $1.6 million in 1972. The main items are refuse and sewage disposal ($1.1 million) and water supply ($235,000). These are essential services which it would be impossible for the Agency to abandon, unless some other authority were prepared to take them over, without creating a serious risk both to refugee health and to the health of the public at large, especially with the threat of cholera present in the area. Because of his responsibility as the Agency's adviser in public health, and also because of his general responsibility, the Director-General of WHO would have to be satisfied that adequate alternative arrangements had been made. The main element in the cost of environmental sanitation is labour: over 1,100 of the Agency's staff are employed in sanitation and the wage bill has risen in recent years because of increases in the camp population, as a result of the events of 1967 and of natural growth, and of increases in the cost of living.

EDUCATION SERVICES

21. The largest and fastest growing programme is education, a major cause of the Agency's financial difficulties. In 1972 it is estimated to cost $24.4 million, over 47 per cent of the budget. The programme falls into two main parts: general education and vocational and professional training.

22. *General education.*—Nine years of education, six years elementary and three years preparatory,[3] are available for all eligible refugee children, either in UNRWA/UNESCO schools or in government and private schools. The UNRWA/UNESCO Institute of Education is concerned with improving the quality of education, mainly by a large scale programme of in-service courses for teachers and other means. In the decade 1960–61/1970–71 the estimated refugee population of school age (6 to 18) had risen from 380,000 to 452,000, and refugee children in UNRWA/UNESCO schools have risen from 132,000 to 245,000 (and a further 64,681 were in government and private schools in 1970–71). Inevitably, as in any education system, most (85 per cent) of the direct recurrent cost of schools (excluding "common costs"—see paragraph 36 below) is accounted for by staff costs.

GENERAL EDUCATION IN UNRWA/UNESCO SCHOOLS

23. *Elementary education.*—There are expected to be 197,760 children, with 4,935 teachers, in the elementary cycle in the school year 1971–72, and 209,730 children, with 5,210 teachers, in 1972–73. The cost is expected to be $10.25 million in the budget year 1972. Unless the whole education programme were to be abandoned, it is assumed the elementary cycle would continue.

24. *Preparatory education.*—The three years of preparatory education following on six years of elementary education complete the normal course of nine years in the host countries.[4] Preparatory education is therefore an integral part of the host country and of the UNRWA/UNESCO system. There are expected to be 62,240 children, with 2,155 teachers, in UNRWA/UNESCO schools in this cycle in the school year 1971–72, and 64,440 children, with 2,280 teachers, in 1972–73. The costs in budget year 1972 is expected to be $5.1 million.

25. If UNRWA has not the funds to continue general education on the present scale it will be necessary for some other authority to take over both schools and teachers, since neither buildings nor qualified staff will otherwise be available. The only alternative authorities in the host countries are the host Governments, but the undertaking would present them with serious administrative, financial, and political problems, and the position in the occupied territories would require special consideration.

GENERAL EDUCATION IN GOVERNMENT AND PRIVATE SCHOOLS

26. *Elementary and preparatory education.* In 1970–71, 36,150 registered refugee children were in elementary and preparatory classes in government schools. Subsidies in respect of refugee children in government schools were withheld in 1971, though provision continued to be made in the budget. These subsidies do not cover the full cost to the Governments but the amount involved in 1972 would

[3] Ten years in Lebanon, where the preparatory cycle covers four years.
[4] Ibid.

be about $351,000. There is also an amount, estimated at $50,000 in 1972, for book allowances for refugee children in government schools in Lebanon and Syria.

27. In 1970–71, 8,120 registered refugee children were in elementary and preparatory classes in private schools and the cost to the Agency of this item in 1972 is expected to be $186,000. Most of the children concerned are in private schools in Lebanon where the government system is supplemented on a large scale by private schools. As a rule, UNRWA subsidizes elementary and preparatory education in private schools only where there is no place for the child in an Agency or a government school within reasonable distance.

28. *Secondary education.*—Most refugee children following secondary education are in government schools (18,172 in 1970–71) but some, especially in Lebanon where the government system is small, are in private schools (2,239 in 1970–71). Where UNRWA formerly subsidized secondary education in government schools the subsidies have been withheld, though provision has been maintained in the budget ($318,000 in 1972). There is also an amount, estimated at $40,000, for book allowances for children in government schools in Lebanon and Syria. The only further saving that could be made would be to stop subsidizing secondary education in private schools would be willing to accept refugee children as before without fees and the result would be to deprive many refugee children of secondary education and therefore of the hope of post-secondary education, training and rehabilitation. The cost of subsidized places in private schools in 1971 is expected to be $105,000.

INSTITUTE OF EDUCATION

29. The cost of the UNRWA/UNESCO Institute of Education in 1972 is expected to be $400,000 of which $70,000 will come from UNESCO and $82,000 from Swiss technical assistance. As the Institute is of developmental interest, an approach has been made to UNDP for financial assistance. If this approach fails, the Institute's scope will have to be reduced to what can be supported from the special contributions mentioned. The saving in a full year, on the basis of the 1972 budget, would be $292,000, assuming funds to meet other expenditure could be released by switching UNESCO staff support, except for the Director, to another activity (e.g. vocational training).

VOCATIONAL AND PROFESSIONAL TRAINING

30. *Agency training centres.*—The Agency expects to operate eight training centres in 1972. The cost of these centres in 1972 (including international specialists) is expected to be $3.25 million, of which no less than $2.3 million will be met from special contributions earmarked for or identified with particular centres. Most of these contributions cannot be diverted to meet other expenditure. Nevertheless, assuming the maximum flexibility the Agency considers conceivable, savings of $1,100,000 in a full year, on the basis of the 1972 budget, could be made by eliminating some training centres and concentrating on the remainder. (Mere reduction in numbers in centres without eliminating any centres would not produce significant savings on the scale required.) The effect would be to reduce the number of training places from planned capacities of 3,854 in 1971–72, 4,358 in 1972–73, and 4,625 in 1973–74 and thus to curtail severely the most constructive aspect of the Agency's work.

31. *Adult craft training.*—UNRWA runs one-year carpentry courses on a small scale for adults lacking the qualifications for entry to vocational training centres, and also six-month sewing and domestic science courses on a much larger scale for young women. The cost of these courses in 1972 is expected to be $90,000, largely financed by special contributions.

32. *Vocational training outside Agency centres.*—UNRWA has provided $136,000 in the 1972 budget for training outside UNRWA centres, other than in universities, of which $70,000 is expected to be met from special contributions. The scope for savings is not large.

33. *University scholarships.*—In 1972 the university scholarship programme will cost $285,000, of which $195,000 is expected to be met from special contributions. The amount provided in 1972 for new scholarships, not financed from special contributions, has been limited to $27,000. If all provision for new scholarships were eliminated, and all contributions could be switched, the savings in the programme would amount annually to a maximum of $285,000 when existing scholarships ceased. (In 1972–73 the annual rate will drop to about $175,000 as a programme financed from the special contribution of the Federal Republic of

Germany is completed, and $40,000 of the $175,000 will be met by another special contribution.)

COMMON COSTS

34. Common costs comprise supply and transport services for the three programmes—relief, health and education—and such other internal services as eligibility and registration, personnel, administration (including both HQ and field office staff), translation, legal, finance, data processing, internal and external auditors and protective and technical services. There would be some reduction in the cost of these services if reductions were made in programmes, but it would not be proportionate and it is impossible to give any realistic figure in advance of specific programme reductions. In all, 2,150 staff are employed in the services giving rise to "common costs", of whom 2,078 are local staff, almost all of them Palestine refugees, and 72 are international staff. (Reduction of programmes, of course, means terminating the contracts of staff employed in the programmes themselves, the overwhelming number of whom, again, are Palestine refugees.) It is relevant to point out that the number of international staff employed in the common services and comprising virtually all of the Agency's own staff (i.e., excluding health and education staff loaned without charge by WHO and UNESCO) save for a number of vocational training specialists (some of whom are financed by special contributions) was reduced from a peak of 112 posts in 1963 to only 62 posts in June 1967. Despite the additional burden thrown on the Agency by the aftermath of the 1967 hostilities, which involved the opening of an extra Field Office and other complications, the number has since then risen to only 72. In the Commissioner-General's view, the present cadre of staff at the international level, given the magnitude of the Agency's operating problems, is dangerously low and provides an insufficient margin for leaves, sickness and the unexpected. Be that as it may, it is quite illusory to think the Agency's financial problem can be solved by retrenchment in international staff.

35. As the working capital balance will be no more on 31 December 1971 than about $3 million, much less than the value of the "pipe-line" of supplies,[5] a further deficit in 1972 cannot be accepted (and even with the deficit eliminated, there will be a cash problem). Given that changes in programmes take time to have effect, decisions in principle, leading to preparatory action, cannot be deferred beyond the end of the General Assembly. Even if the necessary decisions are taken then, the yield of reductions in 1972 will be less than in a full year. These reductions will not necessarily be more severe than the financial situation requires, since expenditure rises annually under the pressure of inflation and population growth and, if there were no reductions in 1972, the gap to be bridged in 1973 would widen by at least $1.5 million.

36. The choice to be made among services will depend on the total amount of reductions required, or the extent to which one service or another may more easily be transferred to another authority, and on the views of the host Governments and the refugees themselves on priorities. The range of choice can be seen from the following recapitulation of programme activities.

RELIEF SERVICES

37. As explained in paragraph 6 above, unless donated commodities can be replaced by or turned into cash, only the following items can offer effective economies in relief services:

(*a*) Subsidy to Government of Egypt	$262,000
(*b*) Sugar	800,000
(*c*) Soap	18,000
(*d*) Supplementary feeding, regular	1,740,000
(*e*) Supplementary feeding, emergency	510,000
(*f*) Cash camp rentals	19,000
(*g*) Kerosene	110,000
(*h*) Blankets	89,000
Total	3,548,000

[5] In order to ensure the availability of supplies at the time needed, the Agency must at all times have on hand or on order approximately $6 million of supplies, or roughly four months' consumption.

(Special hardship assistance to the most needy cases has been excluded from this list, and the figures against kerosene and blankets would have to be reduced by the amount required to continue issues to this category.) If all supplementary feeding were eliminated, the vulnerable groups detailed in paragraphs 9 and 10 above would have no more than the basic ration, which is less than a minimum diet, and the extension of the basic ration to children at present excluded would have to be contemplated—see paragraph 4 above.

38. The figures shown above represent the savings possible in a *full* year. For 1972, even assuming decisions were taken before the end of 1971, all the reductions could not become effective on 1 January for administrative and other practical reasons. If they were nevertheless all put into effect as soon as possible, the yield in 1972 would be about $3 million.

HEALTH SERVICES

39. The following is a list of the major elements of the Agency's health services, showing full annual costs, from which possible reductions would have to be selected:

(*a*) Subsidies to governments	$446,000
(*b*) Health centres, etc	1,856,000
(*c*) Hospital beds	776,000
(*d*) Tuberculosis control	120,000
(*e*) Mental health care	62,000
(*f*) Dental care	49,000
(*g*) School health services	47,000
(*h*) Health education	58,000
(*i*) Refuse and sewage disposal	1,075,000
(*j*) Water supply	236,000

40. Leaving aside the assumption of responsibility by some other authority for refuse and sewage disposal and for water supply, it is impossible for the Agency to reduce the health programme substantially without abandoning a fundamental duty deriving from its earliest mandate. In such desperate financial circumstances as confront the Agency items such as dental care, school health services and health education might be described as marginal (the economies resulting from their elimination might also be described as false). These reductions, if made, would yield about $150,000 in a full year and $125,000 in 1972. The Government subsidies, amounting to $446,000 in 1972, would also have to be discontinued. The Director-General of WHO would have to be consulted on any significant reductions in the health programme.

EDUCATION SERVICES

41. The preceding analysis of the relief and health programmes confirms that even with drastic cuts in the relief programme, the budgetary gap cannot be closed without equally drastic cuts in the education programme. It is necessary to state here that there has been no opportunity yet to discuss this paper with the Director-General of UNESCO. His views will be sought and will obviously have to be taken fully into account if a choice must be made between alternative reductions in the education programme. What follows is purely illustrative of the dimensions, complexities and gravity of the problem.

42. The following is a list of those components of the Agency's education services which might have to be reduced first in reductions must be made:

(*a*) Subsidies to governments	$670,000
(*b*) Subsidies to private schools and book allowances	381,000
(*c*) Preparatory education	5,160,000
(*d*) Vocational and teacher training	2,700,000
(*e*) University scholarships	283,000
(*f*) Institute of education	292,000

43. If the Institute of Education and the university scholarships programme were reduced on the lines indicated in paragraphs 29 and 33, savings of about $460,000 would be produced in the full year 1973 (though the effect on the Institute would be crippling). In 1972, the yield would be perhaps $175,000.

44. It would therefore be necessary to turn to the vocational and teacher training programme and here the position is complicated by the financing of

more than two-thirds of the cost from funds earmarked for or identified with particular centres and from individual scholarships. For the purpose of this paper it has been assumed that some (but only some) of these contributions could be switched to other programmes or from one training centre to another. On this assumption and having regard to the distribution of the refugee population between host countries and to practical considerations relating to courses, it would appear possible to reduce expenditure by about $1,100,000 in a full year. The cost in terms of opportunities offered to young refugees to become self-supporting would be heavy: the number of places would drop from the planned capacities shown in paragraph 30 above to only about 3,300 and two centres would be closed (and possibly a third). To produce further savings it would be necessary to reduce the number of places, in the remaining centres, by reducing courses, an uneconomic measure. The savings in 1972 would be only about $400,000 if reductions were implemented at the beginning of school year 1972/73.

45. It seems likely that in the absence of additional income the specific reductions indicated, in illustration, in the preceding paragraphs would still leave a budgetary gap in 1972 (they would produce only a little over $4 million in that year); and, as pointed out in paragraph 35, expenditure may be expected to rise again in 1973. Any shortfall remaining after the full benefit of these reductions had been reaped in common costs would have to be found from general education, possibly beginning, for instance, with the valuable but supplementary handicraft and domestic science courses in the schools in the Gaza Strip (which are not provided in other fields) and then proceeding, if need be, to some reductions elsewhere in preparatory education. This would be a grim prospect.

APPENDIX E

U.S CONTRIBUTION TO UNRWA AND TO UNITED NATIONS RELIEF FOR PALESTINE REFUGEES (1948 TO DATE)

[Amounts in thousands of U.S. dollars]

Period	U.S. contribution	Total government contributions	U.S. percentage of total
Dec. 1, 1948 to Apr. 30, 1950 [1]	$16,000	$26,637	60.07
May 1, 1950 to Dec. 31, 1950 [2]	19,200	24,314	78.97
Jan. 1, 1951 to June 30, 1952 (18 months)	30,000	55,609	53.95
July 1, 1952 to June 30, 1953	36,000	49,087	73.34
July 1, 1953 to June 30, 1954	15,000	23,145	64.81
July 1, 1954 to June 30, 1955	16,700	24,555	68.01
July 1, 1955 to June 30, 1956	16,700	23,646	70.63
July 1, 1956 to Dec. 31, 1957 (18 months)	31,372	42,453	73.90
Calendar year—			
1958	22,996	33,928	67.78
1959	23,000	32,554	70.65
1960	23,000	32,853	70.01
1961	24,700	34,693	71.20
1962	24,700	34,309	71.99
1963	24,700	34,444	71.71
1964	24,700	33,964	72.72
1965	23,800	34,000	70.00
1966	22,550	34,969	64.49
1967	24,200	40,336	60.00
1968	22,200	37,561	59.10
1969	22,200	39,792	55.79
1970	[3] 22,750	40,801	55.76
1971	[4] 23,650	[5] 43,057	54.93
1972	[6] 23,200	[5] 43,650	53.15

[1] Contribution to United Nations relief for Palestine refugees.
[2] This and all following contributions to UNRWA.
[3] Includes $550,000 of U.S. special contribution for vocational training for fiscal year 1970.
[4] Includes $450,000 (the balance of our special contribution for fiscal year 1970) as well as $1,000,000 representing full amount of special contributions for fiscal year 1971.
[5] Provisional.
[6] Preliminary estimate.

Source: UNRWA reports and accounts.

APPENDIX F

CONTRIBUTIONS TO UNRWA, 1969–71

	Calendar year 1969		Calendar year 1970		Calendar year 1971 [1]	
	Percent [2]	Amount	Percent [2]	Amount	Percent [2]	Amount
Pledges and contributions by governments:						
Abu Dhabi	0.03	$10,000	0.02	$10,000	0.02	$10,000
Argentina		2,000			.29	125,000
Australia	.92	364,934	.49	201,600	.49	213,014
Austria	.04	15,000	.05	20,000	.05	20,000
Belgium	.19	74,771	.19	76,650	1.18	506,562
Canada	3.95	1,574,074	3.09	1,261,723	3.09	330,150
Central African Republic		1,800				
Ceylon		800		800	(3)	1,000
Chile		1,000			(3)	2,000
China, Republic of	.08	30,000	.07	30,000	.07	30,000
Cyprus		480		240	(3)	482
Denmark	1.44	572,882	1.58	643,347	1.66	714,612
Finland	.15	60,000	.15	60,000	.35	150,000
France	1.72	683,959	3.39	1,382,913	3.36	1,445,348
Gaza Authorities	.23	93,414	.26	106,020	.21	88,728
Germany, Federal Republic of	7.72	3,073,055	7.37	3,008,931	7.86	3,384,146
Ghana		3,000		3,000	(3)	3,500
Greece	.04	15,000	.04	16,000	.04	16,000
Holy See (Vatican City)	.03	12,500	.02	7,500	(3)	2,500
Iceland			.02	9,939	.02	10,000
India	.03	13,333	.03	13,333	.03	13,333
Indonesia			.01	5,268		
Iran	.01	6,000	.04	16,049	.03	13,030
Iraq	.25	100,000	.24	100,000	.23	100,000
Ireland	.13	50,000	.12	50,000	.14	60,000
Israel	2.37	943,103	1.46	593,812	1.05	453,031
Italy	.60	238,619	1.18	481,285	.44	187 921
Jamaica		3,250				
Japan	.13	50,000	.86	350,000	1.28	550,000
Jordan	.38	151,854	.44	178,951	.45	194,608
Kuwait	.55	220,000	.54	220,000	.51	220,000
Lebanon	.13	51,222	.13	51,814	.12	50,811
Liberia	.01	5,500	.01	6,000	.01	5,000
Libya	.25	100,000	.24	100,000		
Luxembourg		3,000		3,000	.01	4,000
Malaysia		1,500		1,500	(3)	1,500
Mexico					(3)	180
Monaco		204		180	(3)	180
Morocco	.10	40,000	.10	39,705	.10	45,083
Netherlands	.28	111,189	.41	166,903	.41	176,471
New Zealand	.17	67,200	.16	67,200	.16	69,172
Niger		450		500	(3)	450
Nigeria	.10	5,000	.01	5,000	.01	5,600
Norway	.28	111,810	.45	181,818	.95	409,733
Oman					.02	10,000
Pakistan	.05	20,968	.05	20,969	.05	20,969
Philippines		3,750		1,250		
Qatar	.03	12,000	.03	12,000	.03	12,000
Saudi Arabia	.75	297,778	.73	297,778	.69	297,000
Sierra Leone			.02	6,666		
Singapore		1,000		1,000	(3)	1,000
Spain	1.77	704,734	1.73	704,787	1.82	782,513
Sudan				554	(3)	2,870
Sweden	5.51	2,194,018	5.38	2,193,081	5.69	2,449,865
Switzerland	2.18	869,056	1.26	513,455	1.37	588,358
Syria	.22	88,642	.23	92,105	.20	88,145
Trinidad and Tobago		1,500		1,500	(3)	1,500
Tunisia	.01	4,000	.01	5,000	.01	5,000
Turkey	.03	10,000	.04	15,000	.03	15,000
United Arab Republic		400				
United Kingdom	11.31	4,500,000	11.50	4,692,000	10.45	4,500,000
United States of America	55.79	22,200,000	54.41	22,200,000	51.56	22,200,000
United States of America: Portion of vocation training special contribution received in 1970 and 1971			1.35	550,000	3.37	1,450,000
Vietnam, Republic of		3,000		3,000		
Yugoslavia	.05	20,000	.05	20,000	.05	20,000
Subtotal	100.00	39,791,249	100.00	40,801,131	100.00	43,057,134

See footnotes at end of table, p. 44.

Appendix F—Continued

CONTRIBUTIONS TO UNRWA, 1969–71—Continued

	Calendar year 1969		Calendar year 1970		Calendar year 1971 [1]	
	Percent [2]	Amount	Percent [2]	Amount	Percent [2]	Amount
Contributions to UNRWA/UNESCO special appeal, 1971						1,136,707
Contributions by private and international agencies direct to UNRWA		1,773,160		1,508,573		[3] 2,068,204
Private contributions						969,638
Total		41,564,409		42,309,704		47,231,683

[1] Estimated in UNRWA accounts, Dec. 31, 1971.
[2] No percentage shown for amounts of less than 0.01.
[3] International agencies.

Source: UNRWA annual reports.

APPENDIX G

U.S. Special Contributions to UNRWA for Vocational Training

I. FISCAL YEARS 1970 AND 1971

In 1969 Representative James G. Fulton (R-Pa.) initiated an amendment which authorized the appropriation of $1 million in FY 1970 and $1 million in FY 1971 to provide added contributions to UNRWA "for expansion of technical and vocational training of Arab refugees."

On the basis of UNRWA's proposals to continue and expand the vocational training programs for refugees located in Amman, in Gaza, and at Kalandia on the West Bank of the Jordan near Jerusalem, the U.S. pledged $1 million to UNRWA in July 1970 (for FY 1970), and in April 1971 (for FY 1971).

UNRWA used the special contribution of $1 million for vocational training for FY 1970 as follows:

Gaza Vocational Training Center, $139,000

One hundred and twenty-two additional places were provided under UNRWA's expanded program at the Gaza center in 1970–71, at a cost of $50,000. An additional contribution of $69,000 was made to the operating costs of the center for 1970–71.

Kalandia Vocational Training Center, $550,000

The Kalandia Vocational Training Center was expanded by 120 additional places in 1969–70 for the training of mechanics, carpenters and builders, and metal workers. Construction to accommodate this expansion, including new workshops, classrooms, and dining room facilities cost $456,000, made possible by our contribution. In addition, about $94,000 was allotted to the center for recurrent costs.

Training Centers in Jordan, $182,000

In Jordan, following the disturbances in September 1970, UNRWA reactivated two temporary training centers which had been scheduled to be closed, but were kept open because it was not possible to start the program in the Amman Training Center (see 1971 contribution). These temporary centers were kept open until the end of the 1970–71 school year by the use of $165,000 of the U.S. contribution; $17,000 was used to provide facilities for some of the young women who would have enrolled in the Training Center—if it could have been opened.

Special training programs, $129,000

The remainder of the U.S. contribution went to subsidize training for adults, youth, nurses, and handicapped children in Bethlehem, Jerusalem, Beirut, and other locations in the area.

(*Total: $1,000,000.*)

The U.S. special contribution for FY 1971 built on the uses made of the FY 1970 contribution as follows:

Kalandia (West Bank of Jordan) Vocational Training Center, $225,000

In 1968 Kalandia accommodated 376 students. Under its current expansion program, enrollment has been brought to 456 in the 1971–72 school year, and will be increased to 496 in time for the 1972–73 academic year, when the planned expansion program will be completed.

Gaza Vocational Training Center, $174,000

UNRWA used our contribution to pay $174,000 of the total operating budget of $225,000 for 1971–72. It is hoped that this will enable the Center to accommodate its full capacity of 556 resident trainees.

Amman Training Center, $305,000

This new center near Amman opened in September 1971 with 385 (200 men, 185 women) enrolled in teacher training and vocational training. When expanded to full capacity in 1972–73, the school will train 550 men and women. The Amman Training Center was constructed through a contribution of $1.5 million from Near East Emergency Donations, Inc., an American organization which also contributed to the Gaza VTC. Present plans call for King Hussein to dedicate the Amman Training Center next month.

Other vocational training programs, $296,000

The balance of the United States special contribution was used to continue training programs which, in the absence of the U.S. or other special contribution, would probably have been terminated.

(*Total: $1,000,000.*)

The U.S. pledges for vocational training stated that conditions governing the regular U.S. pledge to UNRWA would also be applicable to these special contributions, i.e., that UNRWA "take all possible measures to assure that no part of the United States contribution shall be used to furnish assistance to any refugee who is receiving military training as a member of the so-called Palestine Liberation Army or any other Guerrilla-type organization, or who has engaged in any act of terrorism."

II. HOW UNRWA WOULD HAVE USED FY 72 CONTRIBUTION

Had the United States made a special contribution of $1 million in FY 1972 funds for vocational training, the Agency intended to propose that it be used to finance the following projects:

1. 1972–73 operating costs of Amman Training Center	375,000
2. Part of 1972–73 operating costs of Gaza Vocational Training Center	175,000
3. (*a*) Part of 1972–73 operating costs of Kalandia Training Center in the West Bank	225,000
(*b*) Additional funds required for construction costs of the extension at Kalandia Center	50,000
Subtotal	825,000
4. Other projects in education and training for school year 1972–73 or 1973	175,000
Total	1,000,000

The number of students currently enrolled in the three training centers affected by the reduction in our contribution for vocational training is 1,230. If the three centers were to operate at full capacity in the 1972/73 school year, enrollment would rise to nearly 1,600. Teaching staff currently employed at the three centers number 120. As many as 1,500 more refugees may be affected if the Agency is unable to finance the other projects (item 4 above), including adult craft training courses, and training outside UNRWA centers for nurses, handicapped children, and university students.

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