

RESTRICTED
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12 April 1948

UNITED NATIONS PALESTINE COMMISSION

Communication Received from the Advance Party
Concerning Posts and Telegraphs.

The attached memorandum by Mr. D. Ghosh was received
in Air Pouch No. 4 and 5 on 12 April 1948.

29 March 1948

UNITED NATIONS ADVANCE PARTY

Posts and Telegraphs

(Interview with Postmaster General on
24 March 1948)

(Memorandum by D. Ghosh)

1. The Department of Posts and Telegraphs is not only a public utility in the ordinary sense of the term, but also a banker to a large number of small scale depositors in the country. The Savings Bank operated through 76 Post Offices and Agencies, and had LP.828,301 standing to the credit of depositors on 31 March 1947. Since then, however, withdrawals have exceeded deposits, and net deposits declined to LP.571,572 on December 31, 1947 and to about LP.250,000 in the current month. The fall is ascribed by the Postmaster General to the increasing insecurity in the present and uncertainty regarding the future. A similar change has taken place in the holding by the public of Postal Saving Certificates and Savings Stamps which were issued through the Post Office.

The demand for cash on the part of depositors and holders of Savings Certificates and stamps has been met by transfer of a portion of the assets of the Posts and Telegraphs Department to the general account of the Palestine Government which provides the necessary fund. (It is necessary to note that the liabilities of the Posts and Telegraphs Department constitute a "special fund" in the accounts of the Government against which specific assets are held.) It is probable that the draft upon the Post Office contributed, in some measure, to the increase of cash in circulation in the country.

A communique recently issued by the Posts & Telegraphs Department in connection with its international services is appended. As regards its physical assets, the Post Master General was of the opinion that they should be left in situ under the protection of local authorities, and stamps and other ^{valuable} property which can be easily transported should be moved to a central store. This arrangement, though not quite satisfactory from the point of view of security, would enable the successor administration to resume the services with the least loss of time.

Excerpt from "The Palestine Post" dated Friday, 26 March 1948

"Official Communiqué No. 148, March 25.

The Palestine Postal Administration has been faced with the difficulty that on 15 May there would be valuable mail in post offices and en route for which the present Government would be financially responsible but over which it would have no control. The difficulty could only be overcome by another authority accepting or the Government terminating the responsibility. The position was brought to the attention of the United Nations Commission on January 31.

On the suggestion of the Commission the Universal Postal Union were informed on 25 February that the present Postal Administration in Palestine would cease to be responsible for the maintenance of Postal Services after 15 May; it was added that the Administration could not undertake responsibility for mails reaching Palestine in the case of letters by surface mail after 15 April.

It is understood that the Commission have been in communication with the Universal Postal Union but the Government is not yet aware of what arrangements are proposed; if the Commission can make adequate arrangements with the Union there need be no suspension of services.

Unless, however, some special arrangement is reached other postal administrations will probably decide to suspend services with effect from the termination of this Government's responsibility. So far as this Government is concerned, it will do everything possible to deal with incoming mail and to despatch outward mail up to as late a date as possible."