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UNITED NATIONS CONCILIATION COMMISSION FOR PALESTINE

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7 May 1949
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Letter dated 6 May 1949 from Dr. Walter Eytan, Head
of the Israeli Delegation, to the Chairman of the
Conciliation Commission

I am writing to you with further reference to my letter of 2nd May, concerning the Government of Israel's policy on the points raised in the Conciliation Commission's memorandum of 11th April.

You will recall that in my previous letter I was able to give the Commission assurances as regards the first and third of the points adumbrated in the memorandum. I am now authorized to reply to you further on most of the remaining points.

Point 4. The Government of Israel declares that it has no intention of confiscating blocked Arab accounts in Israeli banks and that these funds will be available to the proper owners on the conclusion of peace, subject to such general currency regulations as may be operative at the time.

Point 5. The law at present in force in Israel contains precisely the provisions here referred to, namely, the placing of refugee property in the category of "enemy property" under a custodian. The custodian acts as trustee for the absentee owners, whose property is administered in their interest and as far as possible preserved against deterioration, after the manner of similar custodianships in other countries. This largely covers the measures suggested under

Point 6, at least as far as immovable property is concerned.

/Point 2.

Point 2. The fact that absentee property has been placed under a custodian, as described in the previous paragraph, indicates the Government of Israel's general attitude to the proprietary rights of the refugees. As I have already had an opportunity of informing the Commission, the Government accepts the principle of compensation for land abandoned and previously cultivated. I should perhaps make it clear that the proprietary rights of the refugees are recognized by the Government for the purposes of such compensation, but that this recognition does not bind the Government as far as concerns the use or restitution of the lands involved. The Government reserves the right to enact legislation for the more rational use of absentee property and for the purpose of guarding against speculation in such property, of course without prejudice to the payment of compensation or to such limited measure of repatriation as may be agreed upon.

I am confident that the Commission will agree that the Government of Israel in making these declarations, together with the assurances contained in my letter of 2nd May, has gone far, to quote the terms of your memorandum, towards "creating an atmosphere favourable to the success" of the Lausanne Conference.

Yours sincerely,

s/ Walter Eytan

Walter Eytan
Head of Israeli Delegation