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UNITED NATIONS CONCILIATION COMMISSION  
FOR PALESTINE

Letter dated 1 November 1954 addressed to the Chairman of  
the Conciliation Commission for Palestine by the Deputy  
Permanent Representative of Israel to the United Nations

The Government of Israel in its letter of 19 August 1954 informed the Commission of its decision to proceed with the release of Arab blocked accounts held in banks in Israel.

The letter stated:

"Despite its disappointment at the results of the release scheme so far, the Government of Israel has decided nevertheless to proceed with the implementation of the scheme provided that procedures are adopted which will exclude the recurrence of obstructive interference and ensure genuine relief to all those entitled to benefit from the release of funds.

"To achieve this object, the Government of Israel deems it necessary to discuss new suitable procedures with representatives of Arab account holders who are the beneficiaries of the release scheme.

"The Government of Israel, as previously in 1950, is ready to conduct these discussions under the auspices of the Conciliation Commission for Palestine.

"The Government is prepared to enter into these discussions as soon as it is informed by the Commission of the readiness of the representatives of the account holders, to work out together with representatives of Israel adequate procedures for the liquidation of the blocked accounts."

The Government of Israel made public its decision in its announcement of 28 September 1954, which concluded with the following words:

"The Government of Israel has informed the Commission of its readiness to consider the necessary procedural adjustments, including such as may be proposed by the representatives of the depositors themselves, designed to secure a speedy and efficient release to those entitled to benefit from the scheme."

I have the honour on behalf of the Government of Israel to inform the Commission that the General Refugee Congress of Palestine has availed itself of the opportunity to submit proposals to the Government of Israel for the implementation of the release scheme. These proposals were discussed between the representatives of Israel and the members of the Executive Committee of the General Refugee Congress, and as a result of these discussions the Government of Israel has agreed to release the blocked accounts and safe-deposits of the Arab refugees on the basis of the terms and procedures contained in the enclosed Memorandum of Proposals submitted to it by the General Refugee Congress. It being understood that the Government of Israel may in its discretion reserve its right to withhold the release of certain accounts as it sees fit.

The Memorandum includes in its paragraphs eight to thirteen a number of procedural proposals relating to certain functions which the General Refugee Congress of Palestine is prepared to fulfill in the implementation of the scheme. Since these proposals presume co-operation between the Executive Committee of the General Refugee Congress of Palestine and the Banks effecting the payments in Arab countries, it is understood that they are subject to agreement between the Banks and the General Refugee Congress. If such agreement is reached, the proposals contained in paragraphs eight to thirteen are likewise acceptable to Israel.

The Government of Israel is confident that the terms and procedures proposed by the representatives of the depositors and accepted by Israel are designed to secure a speedy and efficient release of the blocked accounts and safe-deposits to those entitled to benefit from the scheme, and to promote the objectives of the scheme as envisaged by the United Nations.

The Government of Israel will forthwith by public announcement advise all concerned of the procedures to be applied to the new release scheme.

(Signed) M.R. Kidron  
Deputy Permanent Representative  
of Israel to the United Nations

Memorandum of Proposals for the Release of  
Blocked Accounts and Safe Deposits belonging  
to Arab Refugees Held in Israel

In its letter of 20 July 1954 addressed to the Conciliation Commission for Palestine and signed by Messrs. Y. Hammoudah, M. Yahya and A. Shihadeh, the General Refugee Congress of Palestine requested the Commission to facilitate negotiations between the parties concerned on the complete release of all accounts and safe-deposits blocked in Israel and belonging to Arab refugees.

On 28 September 1954 the Government of Israel announced publicly its readiness to release these accounts and safe-deposits and to introduce substantive and procedural changes in the practice adopted at the first partial release scheme.

At the same time the Government of Israel invited the representatives of the account-holders and depositors to submit proposals designed to secure a speedy and satisfactory release of the accounts and safe-deposits.

The proposals put forward by the Executive Committee of the General Refugee Congress of Palestine for the benefit of the account holders and depositors are set forth hereunder:

1. Contrary to the restrictions presently maintained by Israel on the release of blocked accounts belonging to Arab refugees, the Government of Israel should now agree irrevocably to release all Arab blocked accounts held in banks operating in territory under Israeli control.
2. The released funds should be paid out in full and in a single payment to the account holders, and not, as was the practice under the first release scheme in monthly instalments not exceeding 50 pounds sterling and up to a total of 500 pounds sterling.
3. The present ~~over-all~~ release should apply to the accounts of companies, public and corporate bodies and associations, and should not be restricted to accounts of individuals as in the previous release.

4. The funds should be paid out in pounds sterling on the basis on one Pound Sterling for each LP.1 deposited in the Banks.
5. No deduction should be made from the accounts and deposits to be released for the payment of taxes, compulsory loans and other charges that may be claimed by the Government of Israel.
6. The Government of Israel should release all contents of safe-deposit lockers and articles deposited for safe custody with the said Banks belonging to Arab refugees.
7. The holder of an account to be released should sign a form similar in general content to that used in the previous release with amendments to fit the requirements of the present release, which will be agreed upon.
8. All forms should be submitted to the Executive Committee of the General Refugee Congress of Palestine, Ramallah, through refugee committees which will operate under the supervision of the Congress.
9. The applications will be transmitted by the Congress through the good offices of the United Nations Organization to the Government of Israel.
10. The Government of Israel, after verification and confirmation of the claims by the banks concerned, should give its decision on the release within 14 working days and complete the necessary formalities for the release within this period. On the applications returned to the Congress there will be included an authorization to the banks to make available the amounts released.
11. Upon receipt from the Government of Israel of the said applications, the Congress will forward them to the account holders in a manner to be indicated by them, or will deposit them with the banks and notify the account holders accordingly.
12. The owners of articles deposited for safe custody and hirers of safe-deposit lockers should submit similar applications as laid down in respect of blocked accounts. These applications should likewise be addressed to the Executive Committee of the General Refugee Congress of Palestine, and should be forwarded to it through the committees which will operate under its supervision.

13. Upon receipt of the applications, the Executive Committee of the Congress will transmit them to the banks concerned. After the veracity and validity of the applications have been established, representatives of the General Refugee Congress and representatives of the Government of Israel will fix by mutual agreement, under supervision of the United Nations, the time and the place of the handing over of the deposits to their owners.
14. At the appointed date, the owner or his legal representative, a representative of the General Refugee Congress of Palestine, a representative of the Government of Israel and a representative of the United Nations Organization will meet at the place where the deposits are held. The safe-deposit locker will be opened in their presence and the contents will be taken over by the owner or his legal representative.
15. The deposit should then be transferred to Arab territory under escort in the form and manner to be agreed upon by the parties.
16. The Government of Israel should be responsible for the security of the safe-deposits as long as they are in territory under its control and should continue to be so responsible until their transfer to Arab territory.
17. The Government of Israel will in its sole discretion have the right to refuse the entry into Israel of any person. It will also have the right to determine the route by which people whose entry has been authorized shall travel.
18. Nothing in these proposals should prejudice the rights of owners of funds and deposits to claim damages and losses or to make any other claim in accordance with the law and the principles of justice, arising out of the failure to make payment or from the non-delivery of deposits and/or delay in payment or delivery or otherwise. Nothing in these proposals should be interpreted as a waiver, express or implied, of any of the rights mentioned above or any part thereof.
19. Any of these proposed procedures may be reviewed in the course of implementation if and when this should be deemed advantageous for the purpose of the release and delivery of the property to their owners.

20. The procedures proposed in this memorandum should not prevent any person from applying for attachment in accordance with the law against an owner of a blocked account or deposit. In such case the payment of the funds or delivery of the deposit will be delayed until final judgment by a competent court.

14 October 1954

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