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UNITED NATIONS CONCILIATION COMMISSION FOR PALESTINE  
Letter dated 19 March 1951 addressed to the Chairman of the Conciliation Commission  
by the Director General of the Ministry of Foreign Affairs of Israel

Sir,

1. I am directed by the Minister for Foreign Affairs to draw the attention of the Palestine Conciliation Commission to the legislation recently enacted in Iraq for the seizure of the property of Jews registered for emigration to Israel.
2. In March 1950 a decree was promulgated in Iraq with Parliamentary sanction allowing Jews to leave that country on condition that upon the receipt of the exit permit their Iraqi citizenship would automatically lapse. A term of one year was fixed for the registration of Jews desiring to leave. There was no suggestion that such registration would jeopardise the proprietary rights of would-be emigrants. Pursuant to this law, about 104,000 Iraqi Jews registered for emigration during the year, all with the intention of settling in Israel. Of this total, over 40,000 have already arrived.
3. On March 10, 1951, the day after the expiry of the term for registration, the Government of Iraq introduced into the Chamber a bill providing for the freezing of all assets held by or on behalf of Jews who, under the terms of the 1950 decree, had forfeited Iraqi citizenship. The bill applied to immovable and movable property, bank deposits and securities. Under the threat of severe penalties, the owners were precluded from disposing of any of these assets, the right of disposal being vested in a Custodian appointed by the Government. The bill was rushed through in the face of strong opposition on the part of a weighty group of moderate deputies and received the immediate assent of the Council of Regency.
4. In order to carry through the freezing of the accounts affected, the banks were closed for two days. All Jewish shops, including those belonging to people not registered for emigration, were likewise closed and sealed by the police. Extensive searches for merchandise and gold were conducted in Jewish homes. All vehicles owned by Jews were seized. In many cases no receipt was given by the Police in respect of goods and valuables taken away. Many Jews were arrested in the streets on the mere suspicion that they might be engaged in moving their possessions from one place to another. As a result of the ruthless application of the law, large numbers became destitute overnight. The provision embodied in the law empowering the Custodian to release funds for the maintenance of would-be emigrants pending departure has remained inoperative. Moreover, the emigrants are no longer able to cover the cost of their transportation. The cash allowance per adult leaving was reduced from fifty to five dinars; but in practice even this paltry sum has been denied in most cases.
5. The Government of Israel found itself compelled to take steps for the protection of the interests of those Iraqi Jews who by having signified their intention of migrating to Israel, have virtually become outlaws. The Palestine Conciliation Commission is aware that the Government of Israel has undertaken to make its contribution towards the solution of the Arab refugee problem in the Near East. With this object in view it has declared its willingness to support the Reintegration Fund to be established by the United Nations by paying into it funds accruing from compensation for abandoned Arab lands. It will be evident that the Government of Israel cannot fully discharge the obligation thus undertaken if, in addition to all the other burdens it has assumed in regard to the absorption of new immigrants, it now finds itself compelled to provide for the maintenance and rehabilitation of over 100,000 Iraqi Jews who as a result of the action taken by the Iraqi authorities, are arriving in this country in a state of utter poverty. As the Commission may be aware, many of these immigrants were in possession of considerable wealth which, if suitably realised, could have been of great help in financing the transplantation of the Iraqi Jewish community to Israel. As things stand, they now constitute a heavy charge in respect of all their needs on Israel and Jewish public funds from the moment they board the plane in Baghdad. Indeed, the acute distress to which they have been reduced in their tens of thousands while waiting for departure calls for urgent measures of relief inside Iraq. In view of these facts, the Government of Israel has decided that the value of the Jewish property seized in Iraq from emigrants and would-be emigrants to Israel will be taken into account in the settlement of the obligation which it has assumed in respect of compensation for Arab property abandoned in Israel.
6. In conveying to you this decision, I am directed to point out that while the action of the Iraqi Government has compelled the Government of Israel to link up the two accounts in the manner indicated, the two cases can in no way be regarded as comparable. The Palestinian Arabs who left this country and abandoned their property in 1948 had, with the assistance of the neighbouring Arab States, launched, a campaign of violence against their Jewish neighbours, the avowed object of which was to destroy the very existence of the Jewish community and prevent the establishment of the Jewish State. The case of the Iraqi Jews is fundamentally different. They have not engaged in any acts of hostility against the Government or people of Iraq. Deeply perturbed by the growing wave of anti-Jewish agitation in that country, and fearing for their personal safety, they have decided to avail themselves of the opportunity accorded to them by the Iraqi decree of March 1950, for emigration to Israel. That decree contained no provision to the effect that registration for exit would entail the loss of property.
7. The Government of Israel has no desire to add new difficulties to the solution of the Arab refugee problem or to retract from the obligation which it has undertaken in this respect. It cannot, however remain silent in the face of the wholesale outlawing and spoliation of Iraqi Jews who, in full reliance on, and strict observance of, a law of that country, have registered for emigration to Israel. If assurances can be elicited from the Kingdom of Iraq concerning an adequate liquidation and unhampered transfer of the assets of Jewish emigrants to Israel; the necessity for linking the two accounts will disappear.

Yours truly  
(signed) Walter Eytan  
Director General.