

GENERAL COMMITTEE

RESTRICTED
Com. Gen/7
2 July 1949
ORIGINAL: ENGLISH

MEMORANDUM

DATED 2 JULY 1949 ADDRESSED BY THE GENERAL
COMMITTEE TO THE DELEGATIONS OF THE ARAB STATES

In accordance with the terms of the Conciliation Commission's letter of 21 May 1949 addressed to the Heads of the Arab delegations, the General Committee of the Commission herewith transmits to the delegations of the Arab States the views of the Israeli delegation concerning the memorandum of the Arab delegations of 18 May addressed to the General Committee.

Point 1: In regard to the situation in the Arab-owned orange groves in Israel, the Israeli delegation has given an assurance that every facility will be accorded by the Government of Israel to enable the Conciliation Commission's Technical Committee to examine actual conditions and thus provide the Commission with complete information.

The Israeli delegation points out, however, that present information available to its Government indicates that most of the orange groves have been ruined as a result of the war. Prolonged neglect in the absence of their owners has brought them to a state of dereliction beyond any hope of recovery. It would take more than personal care by their owners and an adequate supply of labour and technical personnel to preserve them. Severe damage has been suffered by the irrigation works. As a general result only a small proportion of the groves has been saved and is now under cultivation. The Government of Israel is, however, still studying and examining the general situation regarding orange groves for the purpose of determining whether additional groves may not be saved.

Meanwhile, Arab labourers within Israel as well as Jewish labourers are being employed to cultivate the orange groves. Cultivation of the groves which have been saved does not require the introduction of labour from outside Israel. While unemployment exists to a certain extent within Israel, the Government of Israel, nevertheless, plans to continue to employ Arab labourers now in Israeli territory for work in the orange groves.

Point 2: The Israeli delegation declares that as far as the lawful Arab residents in Israel are concerned, their bank accounts are not frozen but at the unrestricted disposal of their owners. The Israeli authorities also entertain applications from Arabs resident outside Israel for the disbursement of their deposits in Israeli banks to Arabs lawfully resident in Israel or to any other beneficiaries who may be designated. Each such application is considered on its merits in accordance with the generally adopted principles designed to ensure the bona fide use of these monies and entail no discrimination as to race or creed.

As regards the question of releasing frozen deposits for payment of Arabs resident abroad, the Israeli Government wishes to know whether the Governments of the Arab States would grant reciprocity. It is understood that there is a considerable number of Arabs in Israel who own deposits in the banks of the neighbouring Arab States. The Israeli Government would be glad to know whether the Arab States would be ready to allow the release and transfer of such deposits to persons in Israel if the Government of Israel agreed to release and transfer Arab deposits in Israel to persons in the Arab States. If the Arab Governments were willing to allow this, clearing arrangements would become possible and would go a long way towards solving the currency problem. The question is thought to affect particularly those Arabs now in Israel who have deposits with the Arab Bank and the Al-Umma Bank, both of which are understood to have transferred their funds to Arab States before the end of the mandatory regime.

The Israeli delegation has undertaken to study a proposal submitted to the Commission by a representative of the Arab Refugee Congress concerning the unblocking of Arab funds in Israeli controlled banks. This proposal draws attention to the fact that the Arabs of Palestine have large sterling balances to their credit in London. It is therefore thought possible, subject to agreement by the British Government, to secure a favourable reply from the Israeli authorities, if in return for the release of the whole or part of Arab frozen assets, they could have the benefit of a sterling release by the British Government. The proposal thus envisages a double agreement:

first, an agreement by the British Government to release sterling for the use of Israel, and, secondly, a further release of sterling equivalent to such part or the whole of the Arab frozen assets as may be released by Israel, to make it possible for Arab refugees wherever they may be, to draw on their deposits at present frozen in Israel.

Point 3: The Israeli Government regards the maintenance of the present legislative position and administrative practices as essential for the proper regulation of the conservation and use of the property in question. In view of the recent developments in the country, the Government of Israel is not in a position to accede to the suggestion contained in the memorandum of the Arab delegations. In regard to the application of existing legislation to such refugees as may return to Israeli territory, however, the Israeli delegation affirms that, as citizens of Israel, they would enjoy equal rights with all other Israeli citizens.

Point 4: The Government of Israel considers that the use of abandoned lands and properties has been made necessary by the recent developments in the country, of which the present position is the direct outcome. It may be added that in many cases Jewish-owned property in Israel has also been requisitioned and not yet released.

Point 5: The Government of Israel is ready to consider favourably the application of Arab breadwinners lawfully resident in Israel for the re-admission of their wives and minor children. In other cases of a compassionate nature applications for admission would be sympathetically considered, each on its merits. It is understood that refugees thus returning to Israel would be reunited with their relative in the place where the latter now resides.

The Israeli delegation wishes to make it clear that the return of refugees coming within this category is a humanitarian measure, the implementation of which does not necessarily depend upon the conclusion of peace. The Government of Israel will make an announcement in the near future concerning the necessary administrative arrangements.

Point 6: The Israeli delegation declares that freedom of worship and respect for churches and mosques is guaranteed throughout Israel. Liberty of conscience, worship and profession is assured to the members of all faiths, as is the sanctity of churches, synagogues and mosques.

Point 7: The Israeli delegation states that the measures proposed in the Arab memorandum have already been effected in a number of cases and that the Government of Israel is always ready to consider on their individual merits further such applications with a view to satisfying essential religious needs.

Regarding the freedom of movement of persons engaged in religious duties, the Israeli delegation states that sympathetic consideration would be given to requests for special facilities, including priority in gasoline allocations, provision of motor car tyres, etc..

Point 8: The Israeli delegation declares that intact Wakf property in Israel is administered by the State in accordance with its designation. Where the beneficiary institution is in existence, the monies are allocated to its maintenance in accordance with the terms of the Wakf. In practice, where such procedures are inadequate to ensure maintenance of the religious institution in question, supplementary grants are made for that purpose out of public revenues of the State. Where the institution is not in existence or exists outside Israel, the monies are paid into a frozen account, which is not appropriated for any other purpose. All these transactions are controlled by the State direct, which ensures that no Wakf funds are diverted to any other end. Conditions resulting from the war and present economic circumstances make it premature to give full powers to the custodians to manage Wakf property at will.

Point 9: The Israeli delegation declares that all Arabs resident in Israel, and the refugees whose return to Israel is authorized, enjoy full personal security equally with all other residents of the country. Freedom of movement is restricted only insofar as national security considerations require. Moreover, any Arab having acquired or acquiring Israeli citizenship shall be

equal before the law and shall enjoy the same civil and political rights and the same treatment in law and in fact as other Israeli citizens, except for such security measures as arise from the present state of emergency.