



Treaty Series No. 26 (1950)

# Agreement

between the Government of the United Kingdom  
of Great Britain and Northern Ireland  
and the Government of Israel  
for the settlement of financial matters  
outstanding as a result of the termination  
of the Mandate for Palestine

[With Exchanges of Letters]

London, 30th March, 1950

*Presented by the Secretary of State for Foreign Affairs to Parliament  
by Command of His Majesty*

LONDON  
HIS MAJESTY'S STATIONERY OFFICE  
FOURPENCE NET

**AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF ISRAEL FOR THE SETTLEMENT OF FINANCIAL MATTERS OUTSTANDING AS A RESULT OF THE TERMINATION OF THE MANDATE FOR PALESTINE**

*London, 30th March, 1950*

The Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Israel:

Desiring to reach a full and final settlement of their respective claims and counter-claims regarding the assets and liabilities of the former Palestine Government (hereinafter called "the Mandatory Government") and of other financial matters outstanding between them as a result of the termination of the Mandate for Palestine:

Hereby agree as follows:—

**ARTICLE 1**

For the purposes of this Agreement, the expression "Israel" shall mean the territory administered by the Government of Israel at the date of signature of this Agreement.

**ARTICLE 2**

The Government of Israel shall make or facilitate payments to the Government of the United Kingdom, and make a contribution towards the discharge of the liabilities of the Mandatory Government, as follows:—

(a) Subject to the provisions of Article 9 (b) hereof, the Government of Israel shall, immediately after the signature of this Agreement, permit the remittance to the Government of the United Kingdom, and the conversion into sterling, of a sum of 1,118,000 Israel Pounds in discharge of the following commercial debts:—

- (i) The balance owing by Steel Brothers, Steel Brothers and Company, Ltd., or both, as agents for the Mandatory Government, in respect of food supplies procured by the Government of the United Kingdom on behalf of the Mandatory Government: £669,000.
- (ii) Bank balances standing to the credit of the Mandatory Government in Israel, with the exception of such balances as are standing to the credit of the Custodian of Enemy Property of the Mandatory Government: £381,000.
- (iii) The balance due in respect of telephone exchange equipment supplied by the Crown Agents for the Colonies to the Government of Israel since June, 1949: £68,000.

(b) Subject to the provisions of Article 9 (a) hereof, the Government of Israel shall pay to the Government of the United Kingdom the sum of £5,882,000 in payment of other commercial debts and for the assets to be transferred to the Government of Israel under Article 7 hereof, and, as part of the general settlement, by way of contribution towards the servicing of the 3 per cent. Guaranteed Stock, which liability is being discharged by the Government of the United Kingdom, the claims mentioned in Article 6 hereof, and abolition benefits paid, or to be paid, by the Government of the United Kingdom to former officials of the Mandatory Government resident in Israel.

(c) Subject to the provisions of Article 3 hereof, the Government of Israel shall pay the pensions of former officials of the Mandatory Government resident in Israel, up to an amount not exceeding 200,000 Israel Pounds annually, the capitalised value of which is estimated at £2,400,000.

(d) The Government of Israel shall relinquish their claim to any share in the surplus of the Palestine Currency Board which may be properly allocable to Israel, which share is, for the purposes of this Agreement, assessed at £2,000,000.

ARTICLE 3

Subject to the provisions of Article 9 (a) hereof, the Government of Israel shall reimburse the Government of the United Kingdom for all payments made by them during the period between the 15th day of May, 1948, and the 31st day of May, 1950, both dates inclusive, and in respect of that period or any part thereof, at the rates and in accordance with the conditions approved by His Majesty's Secretary of State for the Colonies under the relevant legislation, in respect of pensions due to former officials of the Mandatory Government, who, at the date of signature of this Agreement, are resident in Israel, up to an amount of 200,000 Israel Pounds annually, and shall assume and meet all payments becoming so payable to such officials on and after the 1st day of June, 1950, up to the said amount.

ARTICLE 4

The assets available for the discharge of all bearer bonds issued by the Mandatory Government and the responsibility for the discharge of liability in respect of those bonds shall be apportioned as follows:—

(a) The Government of Israel shall be entitled to all sums due in respect of loans made to municipal corporations and local councils in Israel from the various issues of the said bonds, which loans are agreed at the figure of £2,914,400.

(b) The Government of Israel shall assume responsibility for the discharge of liability in respect of all such bonds as are held and registered in Israel at the date of signature of this Agreement. The aggregate nominal value of such registered bonds is provisionally assessed at £4,340,000, and when it is finally agreed that bonds to that amount are held and registered in Israel as aforesaid, the Government of Israel shall be entitled to receive from the Government of the United Kingdom, by way of credit in accordance with Article 9 (a) hereof, the sum of £1,425,600, being the difference between the aggregate nominal value of the bonds mentioned in this paragraph, namely, £4,340,000 and the aggregate amount of the loans mentioned in paragraph (a) of this Article, namely, £2,914,400.

(c) The Government of Israel shall, if the aforesaid provisional figure of £4,340,000 is finally agreed upon, be entitled to receive from the Government of the United Kingdom, by way of credit in accordance with Article 9 (a) hereof, the sum of £460,000 representing: (i) a proportionate share in the aggregate amount of the sinking funds for the redemption of the said bonds and interest accrued thereon, agreed at £374,000, and (ii) a proportionate share in the interest accrued on the unspent balance of £2,644,033 from the proceeds of the bonds, agreed at £86,000.

(d) The Government of the United Kingdom shall assume responsibility for the bonds not so held and registered in Israel as aforesaid, and shall be entitled to the remainder of the said interest, sinking funds and unspent balance of £2,644,033:

Provided that, if it is finally agreed that the aggregate nominal value of the bonds so held and registered in Israel as aforesaid is more or less than the said provisional figure of £4,340,000, the figure finally agreed upon shall be substituted for the said figure of £4,340,000 in the preceding paragraphs of this Article and the necessary consequential alterations shall be made in the figure of £1,425,600 appearing in paragraph (b) and the figures appearing in paragraph (c) of this Article.

For the purposes of this Article, the expression "registered" shall mean registered with a bank in Israel in pursuance of a notice published in Israel by the Anglo-Palestine Bank, Ltd., on the 12th day of February, 1950, at the request of the Government of Israel.

#### ARTICLE 5

(a) Subject to the provisions of Article 9 (a) hereof, the Government of the United Kingdom will credit the Government of Israel with the sum of £1,052,000 in respect of monies of residents or nationals of former Allied and other countries, except Germany, which were held by the Custodian of Enemy Property of the Mandatory Government.

(b) The Government of Israel will assume responsibility for dealing with all claims properly brought in respect of any of the aforesaid monies, and should any such claim be brought against the Government of the United Kingdom in circumstances which, in their considered opinion after consultation with the Government of Israel, justify the satisfaction of the claim by the Government of the United Kingdom, the Government of Israel will, on request, repay to the Government of the United Kingdom, as provided in Article 9 (a) hereof, the monies credited to them in respect of such claim.

(c) The Government of Israel will deal with property subjected to the control of the said Custodian and appertaining to residents of the following countries, namely, Belgium, Czechoslovakia, Denmark, France, Greece, Luxembourg, Netherlands and Norway, being countries with which property agreements were made by the Government of the United Kingdom and extended to Palestine before the termination of the Mandate, in accordance with the terms of the said agreements as extended to Palestine.

(d) The Government of Israel will arrange to deal with monies of residents or nationals of countries other than those mentioned in paragraph (c) of this Article which are credited under paragraph (a) of this Article to the Government of Israel by the Government of the United Kingdom, in accordance with the relevant terms of any treaties or agreements made with any of the said countries by the Government of the United Kingdom before the termination of the Mandate, which may be applicable thereto, or of any treaties or agreements which may be made with any of the said countries by the Government of Israel.

(e) The Government of the United Kingdom will, as regards monies of German nationals, former German nationals and persons deemed to be enemies or enemy subjects because of their German origin or connection which were subjected to the control of the said Custodian, credit the Government of Israel with the sum of £346,000 subject to the provisions of Article 9 (a) hereof, and will arrange for the withdrawal of the claim of the Crown Agents for the Colonies for the sum of £1,793,000 now pending against the Anglo-Palestine Bank, Ltd., and relinquish all claim thereto, and the Government of Israel will relinquish all other claim against the Government of the United Kingdom in respect of such of the said monies, if any, as are not in Israel.

#### ARTICLE 6

The Government of the United Kingdom, while not admitting any liability whatever in respect of claims against the Mandatory Government, will give sympathetic consideration to such claims properly brought by persons who, at the date of signature of this Agreement, are resident in Israel, provided that the decision as to whether any particular claim should be paid, the amount which should be paid in respect thereof, and the manner of payment shall be in the sole discretion of the Government of the United Kingdom.

The Government of Israel will afford to the Government of the United Kingdom all reasonable facilities, including access to any available relevant records, to enable them to examine any claims against the Mandatory Government concerning property situated in Israel, and to elicit information in regard to such claims.

ARTICLE 7

(a) The Government of the United Kingdom shall transfer to the Government of Israel their rights and interests in assets, including land, in Israel, other than those described below, held by, or on behalf of, His Majesty's Secretary of State for War or His Majesty's Secretary of State for Air. The rights and interests of the Government of the United Kingdom in the following assets shall not be transferred to the Government of Israel:—

- (i) Allenby Barracks Married Quarters, Jerusalem, and the land on which they stand;
- (ii) Any asset which the Government of the United Kingdom have already agreed to sell to some other person and in respect of which they have already received a deposit on account of the purchase price;
- (iii) Various temporary structures in Jerusalem.

The exclusion of the above assets shall not imply any admission by the Government of Israel of the title of the Government of the United Kingdom thereto, while the Government of the United Kingdom at the same time maintain their claim to such title.

(b) The Government of the United Kingdom shall remain liable to deal with any claim of any person resident in Israel to reinstatement of land upon which there is a fixed asset, the rights and interests of the Government of the United Kingdom wherein are transferable to the Government of Israel hereunder, to the extent and in so far as they were liable at the time of the evacuation of such land by His Majesty's Forces, if such claim has been submitted to the Government of the United Kingdom before the date of signature of this Agreement or is submitted to them within six months of such date, and such land has been restored to the owner thereof before the date of signature of this Agreement or is restored to the owner thereof within six months of such date. The Government of Israel shall deal with any such claim for reinstatement of land upon which they retain such a fixed asset for more than six months after the date of signature of this Agreement.

ARTICLE 8

Save as herein provided, the Government of Israel shall make no claim to any property of the Mandatory Government outside Israel, and the Government of the United Kingdom shall make no claim to any property of the Mandatory Government in Israel.

ARTICLE 9

(a) The obligation of the Government of Israel under Article 2 (b) hereof to pay to the Government of the United Kingdom the sum of £5,882,000 and the obligation of the Government of Israel under Article 3 hereof to reimburse the Government of the United Kingdom shall be discharged as follows:—

- (i) £3,283,600 shall be deemed to have been paid by setting off that amount against the amounts due to the Government of Israel by the Government of the United Kingdom under Article 4 hereof (£1,885,600) and Article 5 hereof (£1,052,000 and £346,000).
- (ii) The remaining £2,598,400 and the amount payable to the Government of the United Kingdom under Article 3 hereof shall be funded, interest being chargeable at the rate of one per centum per annum

on all outstanding amounts, and the said sums and interest shall be payable in sterling by the Government of Israel over a period of 15 years beginning on the date of signature of this Agreement, by thirty equal half-yearly instalments, the first instalment to be paid on a date six months from the said date:

Provided that the amount to be funded shall be increased or decreased, as the case may be, by the amount, if any, by which the figure of £1,885,600 mentioned in sub-paragraph (i) of this paragraph is decreased or increased pursuant to the provisions of Article 4 hereof, and increased by the amount, if any, which the Government of Israel may be required to repay to the Government of the United Kingdom under the provisions of Article 5 (b) hereof, and the amount to be set off under sub-paragraph (i) of this paragraph shall be adjusted accordingly.

(b) The Government of the United Kingdom shall make special releases of sterling in respect of the sum of 1,118,000 Israel Pounds mentioned in Article 2 (a) hereof and the half yearly instalments due under this Article so long as there are unreleased Israel sterling balances, and the Contracting Governments shall give all such instructions and authorisations as may be necessary to give effect to the provisions of Article 2 (a) hereof in respect of all balances standing to the credit, or at the disposal, of the Mandatory Government in banks in Israel.

#### ARTICLE 10

The Government of the United Kingdom shall, within the terms of the bequest of the late Sir Ellis Kadoorie, make available to the Government of Israel one half of the balance of that bequest, which balance amounts to £86,237, to be used for the purposes of the Kadoorie Agricultural School near Mount Tabor, Israel.

#### ARTICLE 11

Each of the Contracting Governments will provide the other with such available information and reasonable facilities, including access to any available relevant records, as may be required to enable them to carry out their obligations under this Agreement.

#### ARTICLE 12

The present Agreement shall enter into force on the date of signature.

In witness whereof, the undersigned, duly authorised for the purpose by their respective Governments, have signed the present Agreement.

Done in London in duplicate this thirtieth day of March, 1950.

(Sd.) J. I. C. CROMBIE.

(Sd.) D. HOROWITZ.

EXCHANGES OF NOTES

No. 1

Sir J. I. C. Crombie to Mr. D. Horowitz

London,  
30th March, 1950.

Dear Mr. Horowitz,

In connection with the Financial Agreement signed to-day, I have the honour to confirm the understanding of the Government of the United Kingdom that, because of the confused position which arose on the termination of the Mandate in regard to the various bank accounts of the Mandatory Government, the amount of bank balances stated in Article 2 (a) (ii) may be liable to correction when further information becomes available, particularly in regard to certain items thought to amount to some £330,000, which may be held on behalf of the Mandatory Government but have not been shown in any bank statement received up to now, possibly because they were in transit at the termination of the Mandate.

In that event the Agreement will be applied as if the corrected figure were substituted for the figure of £381,000 where it appears in the Agreement and the alterations consequent upon that correction will be made in the figure of 1,118,000 Israel Pounds which appears in Articles 2 (a) and 9 (b) of the Agreement, and the amount of £5,882,000, which is mentioned in Articles 2 (b) and 9 (a) thereof, while the amount of £2,598,400, which is to be funded under Article 9 (a) (ii) thereof, will be increased or decreased, as the case may be, by the amount by which the corrected figure falls short of, or exceeds, the figure of £381,000.

Believe me, &c.  
(Sd.) J. I. C. CROMBIE.

No. 2

Mr. D. Horowitz to Sir J. I. C. Crombie

London,  
30th March, 1950.

Dear Sir James,

I have the honour to acknowledge receipt of your letter of to-day's date, which reads as follows:—

[As in No. 1.]

I have the honour to inform you that the Israel Government confirms the understanding therein set out.

Believe me, &c.  
(Sd.) D. HOROWITZ.

No. 3

Sir J. I. C. Crombie to Mr. D. Horowitz

London,  
30th March, 1950.

Dear Mr. Horowitz,

In connection with Article 3 of the Financial Agreement signed to-day, I have the honour to propose that, should the amount payable under that Article in respect of pensions exceed 200,000 Israel Pounds in any year, then,

notwithstanding the fact that the Government of the United Kingdom and not the Government of Israel are responsible for the payment of that excess, the Government of Israel should pay it and deduct the amount thereof from the next half-yearly instalment due from them under Article 9 (a) (ii) of the said Agreement.

Believe me, &c.

(Sd.) J. I. C. CROMBIE.

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No 4

*Mr. D. Horowitz to Sir J. I. C. Crombie*

*London,*

Dear Mr. Horowitz,

*30th March, 1950.*

I have the honour to acknowledge receipt of your letter of to-day's date, which reads as follows:—

[As in No. 3.]

I have the honour to inform you that the Government of Israel agree to the proposal made therein.

Believe me, &c.

(Sd.) D. HOROWITZ.

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No. 5

*Mr. D. Horowitz to Sir J. I. C. Crombie*

*London,*

Dear Sir James,

*30th March, 1950.*

In connection with Article 4 of the Financial Agreement signed to-day, I have the honour to inform you that the Government of Israel are prepared to authorise the payment in sterling of current interest and principal on the date of redemption due on bearer bonds issued by the Mandatory Government, and held and registered in Israel on behalf of British subjects who are now resident outside Israel, so long as they remain so resident. This facility will not, however, be granted in respect of any premium which may become payable if any such bond is drawn for redemption before maturity; such premium will be dealt with in accordance with the Exchange Control Regulations for the time being in force in Israel. The Government of Israel are also prepared to permit any British subject who is now resident outside Israel to take out of Israel any such bonds held by him which have not been registered in Israel.

Believe me, &c.

(Sd.) D. HOROWITZ.

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No. 6

*Sir J. I. C. Crombie to Mr. D. Horowitz*

*London,*

Dear Mr. Horowitz,

*30th March, 1950.*

I have the honour to acknowledge the receipt of your letter of to-day's date, which reads as follows:—

[As in No. 5.]

Believe me, &c.

(Sd.) J. I. C. CROMBIE.

No. 7

*Sir J. I. C. Crombie to Mr. D. Horowitz*

*London,*

*30th March, 1950.*

Dear Mr. Horowitz,

In connection with the Financial Agreement signed to-day, I have the honour to confirm the understanding of the Government of the United Kingdom that should any disequilibrium of the distribution of Bearer Bonds as settled by the provisions of Article 4 of the Agreement occur or be likely to occur through the transfer or attempted transfer of the Bonds to or from Israel, the Government of Israel and the Government of the United Kingdom shall consult together on the measures necessary to meet the situation.

Believe me, &c.

(Sd.) J. I. C. CROMBIE.

No. 8

*Mr. D. Horowitz to Sir J. I. C. Crombie*

*London,*

*30th March, 1950.*

Dear Sir James,

I have the honour to acknowledge receipt of your letter of to-day's date, which reads as follows:—

[As in No. 7.]

Believe me, &c.

(Sd.) D. HOROWITZ.

No. 9

*Sir J. I. C. Crombie to Mr. D. Horowitz*

*London,*

*30th March, 1950.*

Dear Mr. Horowitz,

In connection with Article 5 (a) of the Financial Agreement signed to-day, I have the honour to inform you that it is not the intention of the Government of the United Kingdom that the sum of £1,052,000 to be credited to the Government of Israel in respect of monies of residents or nationals of former Allied or other countries, except Germany, which were held by the Custodian of Enemy Property of the Mandatory Government, should include any figure in respect of monies which can be shown to relate to property in the territory outside Israel, as defined in Article 1 of the said Agreement, which was formerly administered by the Mandatory Government. Should there be any such monies owing by the said Custodian to residents or nationals of former Allied or other countries, except Germany, it is the intention of the Government of the United Kingdom to deal with those monies themselves, and they understand that the Government of Israel will agree that such monies should, on the request of the Government of the United Kingdom, be deducted from the sum of £1,052,000 referred to above and that the necessary alterations should be made in the terms of the said Agreement, including the figures in Article 9.

2. I am also glad to inform you that the Government of the United Kingdom will supply the Government of Israel with the General Ledger of the said Custodian or a copy thereof, and with such other records, documents and information as may be required for dealing with Custodian property and are available to, or can be obtained by, the Government of the United

Kingdom. The Government of the United Kingdom will also take all the necessary steps to enable the Israel Custodian to obtain—

- (a) the securities deposited with Barclay's Bank (Dominion, Colonial and Overseas), Jerusalem, by the Custodian of Enemy Property of the Mandatory Government ;
- (b) the contents of safe No. 160 in Barclay's Bank (Dominion, Colonial and Overseas), Allenby Square, Jerusalem ;
- (c) monies standing to the credit of the said Custodian in banks in Israel.

Believe me, &c.

(Sd.) J. I. C. CROMBIE.

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No. 10

*Mr. D. Horowitz to Sir J. I. C. Crombie*

*London,*

Dear Sir James,

*30th March, 1950.*

I have the honour to acknowledge receipt of your letter of to-day's date, which reads as follows:—

[As in No. 9.]

I have the honour to inform you that the Government of Israel agree to the proposals made in the first paragraph thereof.

Believe me, &c.

(Sd.) D. HOROWITZ.

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No. 11

*Sir J. I. C. Crombie to Mr. D. Horowitz*

*London,*

Dear Mr. Horowitz,

*30th March, 1950.*

In connection with the Financial Agreement signed to-day, I have the honour to inform you that the Government of the United Kingdom hope that, should they have occasion to deal with any claim against the Mandatory Government which does not concern property situated in Israel, the Israel Government will nevertheless afford them, in connection with that claim, facilities similar to those which they will afford under Article 6 of the said Agreement.

Believe me, &c.

(Sd.) J. I. C. CROMBIE.

---

No. 12

*Mr. D. Horowitz to Sir J. I. C. Crombie*

*London,*

Dear Sir James,

*30th March, 1950.*

I have the honour to acknowledge receipt of your letter of to-day's date which reads as follows:—

[As in No. 11.]

I am glad to inform you that the Israel Government are agreeable to the suggestion contained therein.

Believe me, &c.

(Sd.) D. HOROWITZ.

Sir J. I. C. Crombie to Mr. D. Horowitz

London,

30th March, 1950.

Dear Mr. Horowitz,

In connection with Article 7 of the Financial Agreement signed to-day, I have the honour to inform you that the assets referred to in Item (ii) of paragraph (a) of that Article are as follows:—

- (i) Temporary Structures—Camps 406/7 (Alamein) Jerusalem ;
- (ii) Temporary Structures—Highland Light Infantry Camp, Mount Scopus, Jerusalem ;
- (iii) Temporary Structures—Allenby Barracks, Jerusalem ;
- (iv) Royal Air Force Married Quarters, Qatamon, Jerusalem ;
- (v) Carmelite property on French Carmel, Haifa.

2. The assets referred to in Item (iii) of the said paragraph are as follows:—

- (i) Minor temporary structures on land belonging to Leigh and Tippert, Mount of Olives, Jerusalem ;
- (ii) Minor temporary structures on land at German School, Jerusalem ;
- (iii) Minor temporary structures on land adjoining Railway Station, Jerusalem ;
- (iv) Minor temporary structures at Railway Station, Jerusalem ;
- (v) Minor temporary structures at Tannous Car Park, Jerusalem ;
- (vi) Minor temporary structures on Faig's land, German Colony, Jerusalem ;
- (vii) Minor temporary structures at Shell Company's Car Park, Jerusalem ;
- (viii) Minor temporary structures at Public Works Department Station, Talpioth, Jerusalem ;
- (ix) Temporary structures at Transit Camp, Jerusalem ;
- (x) Temporary structures at No. 11 Stationery Depot, Jerusalem.

3. I also have the honour to confirm the intimation made in the course of the negotiations for the said Agreement that the land known as the Navy, Army and Air Force Institutes' Compound, Sarafand, comprising 25,137 square metres, was let under a lease for twenty-five years from the 1st September, 1945, to the Navy, Army and Air Force Institutes, a registered company limited by guarantee. The Government of the United Kingdom do not purport to agree to transfer any part of the lessees' interest in this lease, and the land described above will be transferred on the understanding that the Government of Israel will negotiate with the Navy, Army and Air Force Institutes on the basis of the terms of this lease.

Believe me, &c.

(Sd.) J. I. C. CROMBIE

Mr. D. Horowitz to Sir J. I. C. Crombie

London,

30th March, 1950.

Dear Sir James,

I have the honour to acknowledge receipt of your letter of to-day's date, which reads as follows:—

[As in No. 13.]

Believe me, &c.

(Sd.) D. HOROWITZ.

No. 15

*Sir J. I. C. Crombie to Mr. D. Horowitz*

*London,*

*30th March, 1950.*

Dear Mr. Horowitz,

In connection with the Financial Agreement signed to-day, I have the honour to confirm our understanding that, save where otherwise expressly provided in the Agreement, nothing therein shall be deemed to relieve the Government of the United Kingdom of any contractual or statutory obligation towards any person resident in Israel in so far as, and to the extent, if any, to which, such obligation existed at the date of the termination of the Mandate.

Believe me, &c.

(Sd.) J. I. C. CROMBIE.

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No. 16

*Mr. D. Horowitz to Sir J. I. C. Crombie*

*London,*

*30th March, 1950.*

Dear Sir James,

I have the honour to acknowledge receipt of your letter of to-day's date, which reads as follows:—

[As in No. 15.]

Believe me, &c.

(Sd.) D. HOROWITZ.

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No. 17

*Sir J. I. C. Crombie to Mr. D. Horowitz*

*London,*

*30th March, 1950.*

Dear Mr. Horowitz,

In connection with the Financial Agreement signed to-day, for the purpose of removing any doubt that might exist, I have the honour to confirm the understanding of the Government of the United Kingdom that both Governments waive any claim which they might have had against the other in respect of Income Tax or Company Profits Tax due to the Mandatory Government.

Believe me, &c.

(Sd.) J. I. C. CROMBIE.

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No. 18

*Mr. D. Horowitz to Sir J. I. C. Crombie*

*London,*

*30th March, 1950.*

Dear Sir James,

I have the honour to acknowledge receipt of your letter of to-day's date, which reads as follows:—

[As in No. 17.]

I have the honour to inform you that the Israel Government confirm the understanding therein set out.

Believe me, &c.

(Sd.) D. HOROWITZ.

*Sir J. I. C. Crombie to Mr. D. Horowitz**London,*

Dear Mr. Horowitz,

*30th March, 1950.*

In connection with the Financial Agreement signed to-day, I have the honour to inform you that the Government of the United Kingdom take note of the representations made by the Government of Israel in the course of the negotiations for this Agreement, to the effect that the termination of the Mandate and subsequent events would appear to necessitate new arrangements to attain the objects of the Rockefeller Endowment Fund. The Government of the United Kingdom are prepared to consider the matter and to see whether new arrangements along the lines proposed by the Government of Israel may be feasible and properly capable of implementation.

Believe me, &amp;c.

(Sd.) J. I. C. CROMBIE.

No. 20

*Mr. D. Horowitz to Sir J. I. C. Crombie**London,*

Dear Sir James,

*30th March, 1950.*

I have the honour to acknowledge receipt of your letter of to-day's date, which reads as follows:—

[As in No. 19.]

Believe me, &amp;c.

(Sd.) D. HOROWITZ.

No. 21

*Sir J. I. C. Crombie to Mr. D. Horowitz**London,*

Dear Mr. Horowitz,

*30th March, 1950.*

In connection with the Financial Agreement signed to-day, I have the honour to inform you that the Government of the United Kingdom take note of the representations made by the Government of Israel in the course of the negotiations for this Agreement, in regard to the balance of the Jerusalem Water Supply Renewals Fund, which amounts to £162,660. It is the intention of the Government of the United Kingdom to apply the Fund for the purposes for which it was intended within the limits of any arrangements and claims properly applicable thereto, and they will in due course take appropriate steps to that end.

Believe me, &amp;c.

(Sd.) J. I. C. CROMBIE.

No. 22

*Mr. D. Horowitz to Sir J. I. C. Crombie*

*London,*

*30th March, 1950.*

Dear Sir James,

I have the honour to acknowledge receipt of your letter of to-day's date, which reads as follows:—

[As in No. 21.]

Believe me, &c.

(Sd.) D. HOROWITZ.

LONDON

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