



Treaty Series No. 62 (1953)

# Exchange of Notes

between the Government of the  
United Kingdom of Great Britain and Northern Ireland  
and the Government of Israel regarding the  
conversion into sterling of the earnings of  
British Overseas Airways Corporation  
and Cyprus Airways

Tel Aviv, May 13, 1953

*Presented by the Secretary of State for Foreign Affairs to Parliament  
by Command of Her Majesty  
September 1953*

LONDON  
HER MAJESTY'S STATIONERY OFFICE  
THREEPENCE NET

**EXCHANGE OF NOTES BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF ISRAEL REGARDING THE CONVERSION INTO STERLING OF THE EARNINGS OF BRITISH OVERSEAS AIRWAYS CORPORATION AND CYPRUS AIRWAYS**

*Tel Aviv, May 13, 1953*

No. 1

*The Director General of the Israel Ministry for Foreign Affairs to Her Majesty's Ambassador at Tel Aviv*

Sir,

*Hakiryra, May 13, 1953.*

I have the honour to inform your Excellency that the Israel Government have had under consideration the currency exchange problems arising out of the operation to Israel of air services by the British Overseas Airways Corporation and Cyprus Airways, the two airlines designated by Her Majesty's Government in the United Kingdom of Great Britain and Northern Ireland under Article 4 of the Civil Air Agreement signed at London on December 6, 1950.<sup>(1)</sup> The Government of Israel now propose that the following arrangements should be adopted for the twelve months from August 1, 1951, to July 31, 1952.

2. The Government of Israel place no restrictions on the sale of passenger tickets by the B.O.A.C. and Cyprus Airways to Israel residents for Israel currency and agree that in principle currency so earned should be freely and fully convertible into foreign currency. For the time being, however, the current position of Israel's balance of payments compels the Government of Israel to limit the convertibility of Israel currency earned from the sale of such tickets by the two airlines. The Government of Israel are prepared to allow the two airlines to convert into sterling transferable abroad the proceeds in Israel currency of sales of tickets to Israel residents made from August 1, 1951, to July 31, 1952, up to a maximum figure of £28,000 sterling. If, when the final accounts of the airlines for this period are made up, good grounds can be shown for the transfer of a larger amount, the Government of Israel will be prepared to give favourable consideration to representations made by your Excellency on behalf of the airlines.

3. The arrangements set out in paragraph 2 shall not affect the right of the two airlines to convert into foreign currency, when the reason for the present restrictions mentioned in paragraph 2 have disappeared, the remainder of their unspent earnings during the year ending July 31, 1952, and previously.

4. The Government of Israel confirm that, in accordance with normal international practice, all expenses incurred in Israel by the two airlines and normally paid in Israel currency shall be payable in Israel currency.

5. The Government of Israel will place no restrictions on the sale of passenger tickets by the B.O.A.C. and Cyprus Airways to persons not resident in Israel either for Israel currency lawfully purchased from an authorised dealer, or for any other currency, and that Israel currency so earned shall continue to be fully and freely convertible into sterling, and fully and freely transferable, subject to application in due form by the Companies to the Israel exchange control authorities being made.

<sup>(1)</sup> "Treaty Series No. 11 (1951)," Cmd. 8148.

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6. The foregoing arrangements shall apply also for the year ending July 31, 1953, subject to any agreed modification of the sum of Israel currency to be converted into sterling under paragraph 2.

7. The Government of Israel suggest that, if the foregoing proposals are acceptable to Her Majesty's Government, this Note and your Excellency's reply shall be regarded as constituting an agreement in this matter between the Government of Israel and Her Majesty's Government, and that this agreement shall, subject to any agreed modifications to the sum of Israel currency to be converted into sterling under paragraph 2, continue in force after July 31, 1953, from year to year unless notice of termination or a request for a review of the agreement shall have been given by either Government to the other not less than sixty days before July 31 of any year.

I avail, &c.  
WALTER EYTAN.

No. 2

*Her Majesty's Ambassador at Tel Aviv to the Director General of the Israel Ministry for Foreign Affairs*

*British Embassy,  
Tel Aviv, May 13, 1953.*

Sir,

I have the honour to acknowledge the receipt of your Note of May 13, 1953, reading as follows:—

[As in No. 1.]

I have the honour to state that the foregoing proposals are acceptable to Her Majesty's Government in the United Kingdom of Great Britain and Northern Ireland and that they will regard your Note and the present reply as constituting an agreement between our two Governments, which shall, subject to any agreed modifications to the sum of Israel currency to be converted into sterling under paragraph 2 of your Note, continue in force after July 31, 1953, from year to year unless notice of termination or a request for review of the agreement shall have been given by either Government to the other not less than sixty days before July 31 of any year.

I avail, &c.  
F. E. EVANS.

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1953

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PRINTED IN GREAT BRITAIN