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LETTER DATED 12 JULY 1967 FROM THE PERMANENT REPRESENTATIVE OF ISRAEL
ADDRESSED TO THE SECRETARY-GENERAL

On instructions from my Government, I have the honour to refer to the letter from the Permanent Representative of Jordan, of 5 July 1967, circulated as documents A/6747 and S/8033.

The allegations contained in that letter are unfounded.

The banks in the West Bank of the Jordan had in fact averaged a 10 per cent liquidity, and had they been permitted to open for normal banking business, they would have automatically become bankrupt. It has been established that the two main reasons for this low level of liquidity were:

- (a) An extremely high ratio of loans to deposits;
- (b) Substantial transference of deposits to the banks' head offices in Amman.

Immediate resumption of normal banking activities is conditional upon the authorization by the Jordanian Government of the transfer of deposits back to branches on the West Bank. Alternatively, resumption of Jordanian banking activities will depend on the rate of maturity and collection of outstanding loans.

Far from affecting any withdrawals from the West Bank, the Government of Israel has authorized the opening of branches of Israel banks in eight townships on the West Bank, with a view to encouraging a flow of capital designed to stimulate economic activity.

Most commercial shops are open. They have ample stocks. A number of owners who closed their shops and crossed to the east of the Jordan had previously transferred their stocks to others.

It is evident from the facts stated above that there are no grounds to the Jordanian letter.

* Also issued under the symbol A/6756/Rev.1.

I have the honour to request that this letter be circulated as General Assembly and Security Council documents.

Please accept, etc.

(Signed) Gideon RAFAEL
Permanent Representative of Israel
to the United Nations

