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To cite this article: Sreemati Mitter (2021): Pensioners, Orphans, and Widows versus Banks: Palestinian Financial History, Journal of Palestine Studies, DOI: [10.1080/0377919X.2021.1938482](https://doi.org/10.1080/0377919X.2021.1938482)

To link to this article: <https://doi.org/10.1080/0377919X.2021.1938482>



Published online: 13 Jul 2021.



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### ABSTRACT

This essay attempts to rectify the silence about the willful expropriation, by British and Israeli forces, of private Palestinian financial assets. Placing at its core the stories of ordinary Palestinians, it explores how they were robbed of their bank accounts, bonds, stocks, pensions, salaries, and safety deposit boxes during the creation and termination of the Palestine Mandate (in both 1917 and 1948). The essay argues that the basic financial structure of colonization, which deprives the colonized of the protection of sovereign banking institutions, facilitated these thefts. It also argues that the supposedly neutral rules of finance acted as a fig leaf to such dispossessions. Based on archival research and oral histories, it presents a new social history of finance that centers the experiences and subjectivities of non-elite Palestinians who strove to defend themselves and assert their rights, individually and collectively, during pivotal moments of violent upheaval and rupture.

### KEYWORDS

Palestine Mandate;  
bank accounts; bonds;  
pensions; expropriation;  
dispossession; finance;  
1948

IN FEBRUARY 1936, two Palestinian pensioners from Haifa, Clement Menni and Anis Mansour, sued their former employer, the powerful, British-owned Ottoman Bank, for having cheated them of their correct salary and pension for almost two decades.<sup>1</sup> The pensioners alleged that the bank had been using an incorrect exchange rate to convert their salaries from Turkish liras into Anglo-Egyptian pounds since December 1917, when British forces occupied Palestine during World War I and, invoking wartime enemy property laws expediently passed by the British parliament, outlawed Ottoman currency in all areas under their control.

Four years later, in April 1940, two brothers from Bethlehem, describing themselves as orphans and giving their names simply as “Muhammad and Munawwar, sons of Baikar, wife of Ahmad,” wrote to the high commissioner, the highest-ranking colonial official in Mandate Palestine, demanding the release of their late mother’s savings account from the Ottoman Agricultural Bank.<sup>2</sup> The orphans alleged that their inheritance “had lain with the British treasury” since December 1917—the same starting point as for the Haifa pensioners’ suit—when British troops forcibly closed the Ottoman institution and seized its assets, citing the same enemy property laws they had used to justify their banning of Ottoman currency.

Eight years on, in November 1948, two Haifa merchants, Khalid Khabbaze and Mustafa Owaida, petitioned David Ben-Gurion, the first Israeli prime minister, demanding the release of their bank accounts and safe deposit boxes at the Ottoman Bank.<sup>3</sup> The merchants alleged that their assets had been frozen by the bank in compliance with emergency enemy property regulations swiftly promulgated by the new Israeli government in June 1948, a month after the termination of the British Mandate.

In June 1951, a group of five Palestinian refugees, describing themselves as “the Committee of Palestine Bond Holders,” sent a petition to the British monarch, George V, demanding his intervention in the redemption of their Palestine bearer bonds which, they claimed, had been frozen since June 1948 by the same Israeli regulations that were now no longer “emergency” measures, but absentee property laws enacted by the Israeli parliament.<sup>4</sup>

In 1952, Bahia Barakat, a widow from Jaffa, and Wehbe Jabaji, a retired doctor also from Jaffa—both refugees since 1948—separately sued two British banks, Barclays and Ottoman, for the release of their bank accounts, which had been frozen under those same Israeli absentee property laws, like the bearer bonds and the Haifa merchants’ accounts.<sup>5</sup>

Little is known about these “financial tragedies,” as the bondholders described them in their letter to the British king, though each constitutes an integral element of the two violent moments of rupture and regime change that define twentieth-century Palestinian history: December 1917, when Palestine went from Ottoman to British Mandate rule; and May 1948, when it was taken over by the newly created Israeli state.<sup>6</sup>

Economic histories of Palestine during the Mandate have concentrated mainly on questions relating to peasant indebtedness and the provision of credit as well as land markets and labor conditions. The continued appropriation, since 1948, of Palestinian landed property such as houses, agricultural lands, and produce has rightly received the lion’s share of attention. But the theft, by both British and Israeli forces, of private Palestinian financial property has gone mostly unnoticed, except, of course, by those orphans, widows, doctors, merchants, bondholders, and many others who fought for years to reclaim their assets without success.

There are a few explanations for this lack of attention to the financial dispossession of the Palestinians. The stories of individual loss have been drowned out by the overarching geopolitical focus of much of Palestinian (and since 1948, Israeli) historiography, with its interest in states, elites, and great power politics. Also, the theft of private financial property often amounted to modest sums: the orphans’ inheritance was worth thirteen Palestine pounds; the pensioners’ monthly annuity was ten Palestine pounds; the bearer bonds each had a ten-Palestine-pound face value. The enormity of the Nakba has overshadowed these more mundane but devastating losses. British and Israeli attempts to render their financial misdeeds invisible have also resulted in a scattered and fragmentary archival record. Finally, the victims of these crimes were ordinary people who belonged neither to Palestine’s economic or social and political elites nor to the peasantry whose indebtedness, dispossession, and displacement continue to comprise a key component of the Palestinian narrative.

But the stories of these ordinary and powerless Palestinians who fought, through lawsuits and petitions, for the rightful restitution of their property nevertheless deserve to be known and studied, not only because they are important in and of themselves, but for three broader reasons: First, they expose the shallowness of the existing literature on the differential economic growth between the European Jewish and Palestinian sectors of the economy during and after the Mandate, which resorts almost always to unconvincing cultural explanations as to the “backwardness” and lack of financial sophistication of the Palestinians vis-à-vis their Jewish counterparts. This literature ignores how British colonialism, Zionism, and the intertwined processes of decolonization and Israeli state building directly destroyed private Palestinian financial savings and investments and, therefore, the very basis of what might have otherwise constituted a healthy postcolonial Palestinian economy—for although the sums involved in each case were small, together they amounted to millions of pounds.

Second, these stories provide rich empirical data that invite us to take seriously the financial impact of colonization on the colonized. They illustrate how easily the colonizer could erode the private property rights of the colonized because of the absence of sovereign financial and legal institutions to which the dispossessed could appeal for restitution. In each case, the victims had no choice but to address their complaint to the very entity—vastly more powerful than themselves—that had dispossessed them: the British banks; the Israeli prime minister; the British high commissioner; the British monarch; British courts. There was no independent monetary authority that might have ensured the correct calculation of exchange rates in 1917 or overruled the British ban on Ottoman currency, thereby protecting the pensioners' salaries and annuities. There was no banking authority to prevent the British liquidation of the Ottoman Agricultural Bank in 1917 and thus protect the orphans' inheritance. There was no central bank to order Barclays and Ottoman to unfreeze the Palestinians' accounts in 1948 or to deem the Israeli order illegal in the first place.

Finally, and perhaps most importantly, these stories reveal how the rules and norms of finance, with their presumed neutrality, efficiency, legality, and scientific remove, lent each of these incidents an air of propriety, effectively providing a fig leaf to dispossession. Enemy property regulations, absentee property laws, norms of fixed versus floating exchange rates, and rules governing the transfer of unclaimed liabilities all facilitated the freezing, liquidation, and eventual transfer of Palestinian financial assets. The very nature of those assets—their intangibility, their moveability—combined with the inscrutability of the financial rules used to appropriate them, have rendered the British and Israeli thefts doubly invisible.

We do not know if Menni and Mansour ever received compensation or restitution for the many years of incorrectly calculated salaries and pensions. We do not know if Muhammad and Munawwar, the orphans from Bethlehem, ever recovered their late mother's deposit. Nor do we know if the Haifa merchants, Khabbazeh and Owaida, ever managed to access their funds, or if the principal and interest due to the bondholders from their Palestine bearer bonds were ever paid. The colonial archives are silent on all these matters; the cases have vanished from the records as, likely, the funds did too.<sup>7</sup>

Yet the stories of loss and dispossession written into these "financial tragedies" are useful if only to show that colonization appropriates not just the colonized people's land, labor, and raw materials but also the mundane savings and assets that constitute their financial property, the very means of building both their present and their future.

## About the Author

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## Endnotes

1. Judgment and appeals, Haifa District Court, Clement Menni v. Ottoman Bank, February 1936, 248/11-P, Israeli State Archives (ISA), Jerusalem; and Anis Mansour v. Ottoman Bank, April 1936, 223/11-P, ISA.
2. Letter from Munawwar and Muhammad to High Commissioner, Government of Palestine, 25 April 1940, 296/25-M, ISA.

3. Letter from Khabbaze and Owaida to David Ben Gurion, Prime Minister, Government of Israel, 2 November 1948, 17039/22-GL, ISA.
4. Letter from Committee of Palestine Bond Holders in Lebanon to King of Great Britain, 28 June 1951, FO 371/91391, British National Archives (BNA), London.
5. Barakat v. Barclays, Civil Case No. 123/52 and Jabaji v. Ottoman Bank, Civil Case No. 248/1952, private archives of the A. F. and R. Shehadeh Law Firm (both translated from Arabic by the author).
6. Letter from Committee of Palestine Bond Holders, FO 371/91391, BNA.
7. The widow and the doctor from Jaffa did, however, eventually, manage to unfreeze their accounts. But that is a story for another day.