

# PALESTINE

## Statement of Policy by His Majesty's Government in the United Kingdom

Presented by the Secretary of State for the Colonies  
to Parliament by Command of His Majesty,  
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### **Statement of Policy by His Majesty's Government in the United Kingdom.**

1. THE Report\* of the Special Commission, under the Chairmanship of Sir Walter Shaw, which was published in April, gave rise to acute controversy, in the course of which it became evident that there is considerable misunderstanding about the past actions and future intentions of His Majesty's Government in the United Kingdom in regard to the administration of Palestine. It was realised that the publication of a clear and full statement of policy, designed to remove such misunderstanding and the resultant uncertainty and apprehension, was a matter of urgent importance. The preparation of such a statement, however, necessitated certain essential preliminary steps which have inevitably delayed its completion.

The Report of the Shaw Commission drew attention to certain features of the problem, which, in the opinion of His Majesty's Government, called for prompt and full investigation, in view of their important bearing upon future policy. It was therefore decided to send to Palestine a highly qualified investigator (Sir John Hope Simpson) to confer with the High Commissioner and to report to His Majesty's Government on land settlement, immigration and development.

Owing to the dominating importance of these subjects, and their close inter-connection, His Majesty's Government recognised that no statement of policy could be formulated without first taking into account a full and detailed exposition of the situation in Palestine under these three important heads, such as Sir John Hope Simpson was eminently qualified to furnish. Considerable pressure has been brought to bear upon His Majesty's Government to anticipate the receipt of Sir John Hope Simpson's Report by a declaration of policy, but, while appreciating the urgent need for as early a declaration as possible. His Majesty's Government felt bound to adhere to their decision to await the receipt of Sir John Hope Simpson's Report, especially having regard to the evidence which was accumulating as to the extreme difficulty and complexity of the problem and the need for the fullest investigation of the facts before arriving at any definite conclusions.

Sir John Hope Simpson's Report\* has now been received, and the present statement of policy has been framed after very careful consideration of its contents and of other information bearing upon the Palestine situation which has recently become available.

2. In a country such as Palestine, where the interests and aims of two sections of the community are at present diverse and in some respects conflicting, it is too much to expect that any declaration of policy will fully satisfy the aspirations of either party. His Majesty's Government have, however, permitted them-selves to hope that the removal of existing misunderstandings and the more precise definition of their intentions may go far to allay uneasiness and to restore confidence on both sides. It will be the endeavour of His Majesty's Government, not only by the present statement of policy but by the administrative actions which will result from it, to convince both Arabs and Jews of their firm intention to promote the essential interests of both races to the utmost of their power, and to work consistently for the development, in Palestine, of a prosperous community, living' in peace under an impartial and progressive Administration. It is necessary, however, to emphasise one important point, viz., that in the peculiar circumstances of Palestine no policy, however enlightened or however vigorously prosecuted, can hope for success, unless it is supported not merely by the acceptance, but by the willing cooperation of the communities for whose benefit it is designed.

It is unnecessary here to dwell upon the unhappy events of the past year and the deplorable conditions which have resulted from them. His Majesty's Government feel bound, however, to remark that they have received little assistance from either side in healing the breach between them during the months of tension and unrest which have followed on the disturbances of August 1929, and that to the difficulties created by the mutual suspicions and hostilities of the two races has been added a further grave obstacle, namely, an attitude of mistrust towards His Majesty's Government fostered by a press campaign in which the true facts of the situation have become obscured and distorted. It cannot be too strongly emphasised that on the establishment of better relations between Arabs and Jews depend the future peace and prosperity of the country which is dear to both races. This is the object which His Majesty's Government have constantly in view, and they feel that it is more likely to be attained if both sides will willingly co-operate with the Government and with the Palestine Administration, and endeavour to realise that, in the discharge of their mandatory obligations and indeed in all their relations with Palestine, His Majesty's Government may be trusted to safe-guard and promote the interests of both races.

8. Many of the misunderstandings which have unhappily arisen on both sides appear to be the result of a failure to appreciate the nature of the duty imposed upon His Majesty's Government by the terms of the Mandate. The next point, therefore, which His Majesty's Government feel it necessary to emphasise, in the strongest manner possible, is that in the words of the Prime Minister's statement in the House of Commons on the 3rd April last, "a double undertaking is involved, to the Jewish people on the one hand and to the non-Jewish population of Palestine on the other."

Much of the agitation which has taken place during the past year seems to have arisen from a failure to realise the full import of this fundamental fact. Both Arabs and Jews have assailed the Government with demands and reproaches based upon the false assumption that it was the duty of His Majesty's Government to execute policies from which they are, in fact, debarred by the explicit terms of the Mandate.

The Prime Minister, in the statement above referred to, announced, in words which could not have been made more plain, that it is the intention of His Majesty's Government to continue to administer Palestine in accordance with the terms of the Mandate, as approved by the Council of the League of Nations. " That " said Mr. Eamsay MacDonald, " is an international obligation from which there can be no question of receding." In spite of so unequivocal a statement, the hope seems to have been entertained that, by some means or other, an escape could be found from the limitations plainly imposed by the terms of the Mandate. It must be realised, once and for all, that it is useless for Jewish leaders on the one hand to press His Majesty's Government to conform their policy in regard, for example, to immigration and land, to the aspirations of the more uncompromising sections of Zionist opinion. That would be to ignore the equally important duty of the Mandatory Power towards the non-Jewish inhabitants of Palestine. On the other hand, it is equally useless for Arab leaders to maintain their demands for a form of Constitution, which would render it impossible for His Majesty's Government to carry out, in the fullest sense, the double undertaking already referred to. His Majesty's Government have reason to think that one of the reasons for the sustained tension and agitation on both sides has been the creation by misguided advisers of the false hope that efforts to intimidate and to bring pressure to bear upon His Majesty's Government would eventually result in forcing them into a policy which weighted the balances in favour of the one or the other party.

It becomes, therefore, essential that at the outset His Majesty's Government should make it clear that they will not be moved, by any pressure or threats, from the path laid down in the Mandate, and from the pursuit of a policy which aims at promoting the interests of the inhabitants of Palestine, both Arabs and Jews, in a manner which shall be consistent with the obligations which the Mandate imposes.

4. This is not the first time that His Majesty's Government have endeavoured to make clear the nature of their policy in Palestine. In 1922 a full statement was published\* and was communicated both to the Palestine Arab Delegation, then in London, and to the Zionist Organisation. This statement met with no acceptance on the part of the Arab Delegation, but the Executive of the Zionist Organisation passed a Resolution assuring His Majesty's Government that the activities of the Organisation would be conducted in conformity with the policy therein set forth. Moreover, in the letter conveying the text of this Resolution to His Majesty's Government, Dr. Weizmann wrote:—

" The Zionist Organisation has, at all time, been sincerely desirous of proceeding in harmonious co-operation with all sections of the people of Palestine. It has repeatedly made it clear, both in word and deed, that nothing is further from its purpose than to prejudice in the smallest degree the civil or religious rights, or the material interests of the non-Jewish population."

The experience of the intervening years has inevitably brought to light certain administrative defects and special economic problems, which have to be taken into account in considering the welfare of all sections of the community. Nevertheless, the statement of policy, issued after prolonged and careful consideration in 1922, provides the foundations upon which future British policy in Palestine must be built up.

5. Apart from proposals for the establishment of a Constitution in Palestine which will be dealt with in later paragraphs, there are three important points dealt with in this statement which must now be recalled :—

(a) The meaning attached by His Majesty's Government to the expression " the Jewish National Home," which is contained in the Mandate.

On this point, the following passage may be quoted from the 1922 Statement:—

" During the last two or three generations the Jews have recreated in Palestine a community, now numbering 80,000, of whom about one-fourth are farmers or workers upon the land. This community has its own political organs; an elected assembly for the direction of its domestic concerns; elected councils in the towns; and an organisation for the control of its schools. It has its elected Chief Eabbinate and Eabbinical Council for the direction of its religious affairs. Its business is conducted in Hebrew as a vernacular language and a Hebrew press serves its needs. It has its distinctive intellectual life and displays considerable economic activity. This community, then, with its town and country population, its political, religious and social organisation, its own

language, its own customs, its own life, has in fact "national" characteristics. When it is asked what is meant by the development of the Jewish National Home in Palestine, it may be answered that it is not the imposition of a Jewish nationality upon the inhabitants of Palestine as a whole, but the further development of the existing Jewish community, with the assistance of Jews in other parts of the world, in order that it may become a centre in which the Jewish people as a whole may take, on grounds of religion and race, an interest and a pride. But in order that this community should have the best prospect of free development and provide a full opportunity for the Jewish people to display its capacities, it is essential that it should know that it is in Palestine as of right and not on sufferance. That is the reason why it is necessary that the existence of a Jewish National Home in Palestine should be internationally guaranteed, and that it should be formally recognised to rest upon ancient historic connection."This, then, is the interpretation which His Majesty's Government place upon the Declaration of 1917, and, so understood, the Secretary of State is of opinion that it does not contain or imply anything which need cause either alarm to the Arab population of Palestine or disappointment to the Jews."

(b) The principles which should govern immigration.

On this point the statement of policy continues as follows :—" For the fulfilment of this policy it is necessary that the Jewish community in Palestine should be able to increase its numbers by immigration. This immigration cannot be so great in volume as to exceed whatever may be the economic capacity of the country at the time to absorb new arrivals. It is essential to ensure that the immigrants should not be a burden upon the people of Palestine as a whole, and that they should not deprive any section of the present population of their employment. Hitherto the immigration has fulfilled these conditions. The number of immigrants since the British occupation has been about 25,000.

"It is necessary also to ensure that persons who are politically undesirable are excluded from Palestine and every precaution has been and will be taken by the Administration to that end."

It will be observed that the principles enunciated above render it essential that in estimating the absorptive capacity of Palestine at any time account should be taken of Arab as well as Jewish unemployment in determining the rate at which immigration should be permitted. It is the intention of His Majesty's Government to take steps to ensure a more exact application of these principles in the future.

(c) The position of the Jewish Agency.

In the passage quoted below, an attempt was made to indicate the limitations, implicit in the Mandate, necessarily imposed upon the scope of the Jewish Agency provided for in Article 4 of the Mandate:—

"It is also necessary to point out that the Zionist Commission in Palestine, now termed the Palestine Zionist Executive, has not desired to possess, and does not possess, any share in the general administration of the country. Nor does the special position assigned to the Zionist Organisation in Article IV of the draft Mandate for Palestine imply any such functions. That special position relates to the measures affecting the Jewish population, and contemplates that the Organisation may assist in the general development of the country, but does not entitle it to share in any degree in its Government."

6. His Majesty's Government desire to reaffirm generally the policy outlined in the 1922 Statement, and, in particular, the three passages quoted above. On these three important points it is not thought that anything but barren controversy would result from an attempt further to elaborate their conceptions. It is recognised, however, in the light of past experience that much remains to be done to improve the practical application of the principles enunciated in the foregoing passages, and it is the intention of the Government, in consultation with the Palestine Administration, to take active steps to provide improved machinery for meeting the requirements of both Arabs and Jews, under these three heads. In particular, it is recognised as of the greatest importance that the efforts of the High Commissioner towards some closer and more harmonious form of co-operation and means of consultation between the Palestine Administration and the Jewish Agency should be further developed, always consistently, however, with the principle which must be regarded as basic, that the special position of the Agency, in affording advice and co-operation, does not entitle the Agency, as such, to share in the government of the country. Similarly, machinery must be provided to ensure that the essential interests of the non-Jewish sections of the Community should at the same time be fully safe-

guarded, and that adequate opportunity should be afforded for consultation with the Palestine Administration on matters affecting those interests.

7. At this point it becomes desirable to remove any ground of misunderstanding that may exist as to the passages in the Mandate bearing upon the safeguarding of the rights of the non-Jewish community in Palestine. The passages in the Mandate specially bearing on this point will be found in—

Article 2. " The Mandatory shall be responsible for placing the country under such political administrative and economic conditions as will secure the establishment of the Jewish National Home, as laid down in the preamble, and the development of self-governing institutions, and also for safeguarding the civil and religious rights of all the inhabitants of Palestine, irrespective of race and religion."

Article 6. " The Administration of Palestine, while ensuring that the rights and position of other sections of the population are not prejudiced, shall facilitate Jewish immigration under suitable conditions, and shall encourage, in co-operation with the Jewish agency referred to in Article 4, close settlement by Jews on the land, including State lands and waste lands not required for public purposes."

Article 9. "The Mandatory shall be responsible for seeing that the judicial system established in Palestine shall assure to foreigners, as well as to natives, a complete guarantee of their rights.

Respect for personal status of the various peoples and communities and for their religious interests shall be fully guaranteed. In particular, the control and administration of Wakfs shall be exercised in accordance with religious law and the dispositions of the founders."

Article 18. " All responsibility in connection with the Holy Places and religious buildings or sites in Palestine, including that of preserving existing rights and of securing free access to the Holy Places, religious buildings and sites, and the free exercise of worship, while ensuring the requirements of public order and decorum, is assumed by the Mandatory, who shall be responsible solely to the League of Nations in all matters connected here-with, provided that nothing in this article shall prevent the Mandatory from entering into such arrangements as he may deem reasonable with the Administration for the purpose of carrying the provisions of this article into effect, and provided also that nothing in this Mandate shall be construed as conferring upon the Mandatory authority to interfere with the fabric or the management of purely Moslem sacred shrines, the immunities of which are guaranteed."

Article 15. " The Mandatory shall see that complete freedom of conscience and the free exercise of all forms of worship, subject only to the maintenance of public order and morals, are ensured to all. No discrimination of any kind shall be made between the inhabitants of Palestine on the ground of race, religion or language. No person shall be excluded from Palestine on the sole ground of his religious belief.

The right of each community to maintain its own schools for the education of its own members in its own language, while conforming to such educational requirements of a general nature as the Administration may impose, shall not be denied or impaired."

On the other hand, special reference to the Jewish National Home and to Jewish interests are contained in Article 4 :—

Article 4. " An appropriate Jewish agency shall be recognised as a public body for the purpose of advising and co-operating with the Administration of Palestine in such economic, social and other matters as may affect the establishment of the Jewish National Home and the interests of the Jewish population in Palestine, and, subject always to the control of the Administration, to assist and take part in the development of the country.

The Zionist organisation, so long as its organisation and constitution are in the opinion of the Mandatory appropriate, shall be recognised as such agency. It shall take steps in consultation with His Britannic Majesty's Government to secure the cooperation of all Jews who are willing to assist in the establishment of the Jewish National Home."

Article 6. (Already quoted above.)

Article 11. "The Administration of Palestine shall take all necessary measures to safeguard the interests of the community in connection with the development of the country, and, subject to any international obligations accepted by the mandatory, shall have full power to provide for public ownership or control of any of the natural resources of the country or of the public works, services and utilities established or to be established therein. It shall introduce a land system appropriate to the needs of the country, having regard, among other things, to the desirability of promoting the close settlement and intensive cultivation of the land.

The Administration may arrange with the Jewish Agency mentioned in Article 4 to construct or operate, upon fair and equitable terms, any public works, services and utilities, and to develop any of the natural resources of the country, in so far as these matters are not directly undertaken by the Administration. Any such arrangements shall provide that no profits distributed by such agency directly or indirectly, shall exceed a reasonable rate of interest on the capital, and any further profits shall be utilised by it for the benefit of the country in a manner approved by the Administration."

8. In the first place, it will be observed that Article 2 makes the Mandatory responsible for safeguarding the civil and religious rights of all the inhabitants of Palestine, irrespective of race or religion; and secondly, that the obligation contained in Article 6 to facilitate Jewish immigration and to encourage close settlement by Jews on the land, is qualified by the requirement to ensure that the rights and position of other sections of the population are not prejudiced. Moreover, by Article 11 "the Administration of Palestine is required to take all necessary measures to safeguard the interests of the community in connection with the development of the country." It is clear from the wording of this Article that the population of Palestine as a whole, and not any sectional interest, is to be the object of the Government's care, and it may be noted that the provision for arranging with the Jewish Agency for the construction or operation of public works, services and utilities, is only permissive and not obligatory, and could not be allowed to conflict with the general interests of the community. These points are emphasised because claims have been made on behalf of the Jewish Agency to a position in regard to the general administration of the country, which His Majesty's Government cannot but regard as going far beyond the clear intention of the Mandate. Moreover, attempts have been made to argue, in support of Zionist claims, that the principal feature of the Mandate is the regarding the Jewish National Home, and that the passages designed to safeguard the rights of the non-Jewish community are merely secondary considerations qualifying, to some extent, what is claimed to be the primary object for which the Mandate has been framed.

This is a conception which His Majesty's Government have always regarded as totally erroneous. However difficult the task may be it would, in their view, be impossible, consistently with the plain intention of the Mandate, to attempt to solve the problem by subordinating one of these obligations to the other. The British Accredited Representative, when appearing before the Permanent Mandates Commission on the 9th of June last, endeavoured to make clear the attitude of His Majesty's Government towards the difficulties inherent in the Mandate. In commenting on his statements in their report to the Council, the Permanent Mandates Commission made the following important pronouncement:—

"From all these statements two assertions emerge, which should be emphasised :—

- (1) that the obligations laid down by the Mandate in regard to the two sections of the population are of equal weight;
- (2) that the two obligations imposed on the Mandatory are in no sense irreconcilable."

" The Mandates Commission has no objection to raise to these two assertions, which, in its view, accurately express what it conceives to be the essence of the Mandate for Palestine and ensure its future."

His Majesty's Government are fully in accord with the sense of this pronouncement and it is a source of satisfaction to them that it has been rendered authoritative by the approval of the Council of the League of Nations.

It is the difficult and delicate task of His Majesty's Government to devise means whereby, in the execution of its policy in Palestine, equal weight shall at all times be given to the obligations laid down with regard to the two sections of the population and to reconcile those two obligations where, inevitably, conflicting interests are involved.

It is hoped that the foregoing explanation of the nature of the task imposed by the Mandate upon His Majesty's Government will make clear the necessity, already emphasised, for willing co-operation with the Palestine Administration and with His Majesty's Government on the part both of Arab and Jewish leaders.

9. The preceding paragraphs contain an exposition of the general principles which have to be taken into account as governing policy in Palestine and the limiting conditions under which it must be carried out. The practical problems with which His Majesty's Government are faced in Palestine must now be considered in detail.

These may be regarded as falling roughly under three heads :—

- (1) Security,
- (2) Constitutional development,
- (8) Economic and Social development.

They will be dealt with in that order.

(1) Security.

10. It is a primary duty of the Administration to ensure peace, order and good government in Palestine. In an earlier paragraph His Majesty's Government have intimated that they will not be moved from their duty by any pressure or threats.

Outbreaks of disorder in the past have been promptly repressed and special measures have been taken to deal with any future emergencies. It must be clearly understood that incitement to disorder or disaffection, in whatever quarter they may originate, will be severely punished and the powers of the Administration will, so far as may be necessary, be enlarged to enable it to deal the more effectively with any such dangerous and unwarrantable attempts.

His Majesty's Government have decided to retain in Palestine, for the present, two battalions of infantry; in addition to these, two squadrons of air craft and four sections of armoured cars will be available in Palestine and Trans-Jordan. It will be recalled that Mr. Dowbiggin, Inspector-General of Police, Ceylon, was sent to Palestine to enquire into the organisation of the Palestine Police Force. His elaborate and valuable report has been received and is under detailed consideration. Certain of his recommendations have already been carried out, including those involving an increase in the strength of the British and Palestinian sections of the Force and those providing for a scheme of defence for Jewish Colonies, to which reference was made in paragraph 9 of the statement with regard to British Policy in Palestine, published as Command Paper 8582. The remainder of the many recommendations in Mr. Dowbiggin's report are under consideration in consultation with the High Commissioner for Palestine, and further changes will be made when decisions are taken on these recommendations ^ His Majesty's Government avail themselves of this opportunity to reiterate their determination to take all possible steps to suppress crime and maintain order in Palestine. They desire to emphasise, in this connexion, that in determining the nature and composition of the security forces necessary for this purpose they must be guided by their expert advisers, and must aim at ensuring that the forces employed are suitable for the duties which they have to carry out, without regard to any political considerations.

(2) Constitutional Development.

11. Reference has already been made to the demands of Arab leaders for a form of constitution which would be incompatible with the mandatory obligations of His Majesty's Government. It is, however, the considered opinion of His Majesty's Government that the time has now come when the important question of the establishment of a measure of self-government in Palestine must, in the interests of the community as a whole, be taken in hand without further delay.

It may be convenient, in the first instance, to give a brief resume of the history of this question since the establishment of the civil administration.

In October 1920 there was set up in Palestine an Advisory Council composed in equal parts of official and nominated unofficial members. Of the ten unofficial members, four were Moslems, three were Christians and three were Jews.

On the 1st September, 1922, the Palestine Order in Council was issued, setting up a Government in Palestine under the Foreign Jurisdiction Act. Part 3 of the Order in Council directed the establishment of a Legislative Council to be composed of the High Commissioner as President, with ten other official members, and 12 elected non-official members. The procedure for the selection of the non-official members was laid down in the Legislative Council, Order in Council, 1922, and in February and March 1928 an attempt was made to hold elections in accordance with that procedure.

The attempt failed owing to the refusal of the Arab population as a whole to co-operate (a detailed report of these elections is contained in the papers relating to the elections for the Palestine Legislative Council, 1928, published as Command Paper 1889).

The High Commissioner thereupon suspended the establishment of the proposed Legislative Council, and continued to act in consultation with an Advisory Council as before.

Two further opportunities were given to representative Arab leaders in Palestine to co-operate with the Administration in the government of the country, first, by the reconstitution of a nominated Advisory Council, but with membership conforming to that proposed for the Legislative Council, and, secondly, by a proposal for the formation of an Arab agency. It was intended that this Agency should have functions analogous to those entrusted to the Jewish Agency by Article 4 of the Palestine Mandate.

Neither of these opportunities was accepted and, accordingly, in December 1928, an Advisory Council was set up consisting only of official members. This position still continues; the only change being that the Advisory Council has been enlarged by the addition of more official members as the Administration developed.

It will be recalled that, under the terms of Article 2 of the Mandate, His Majesty's Government are responsible for placing the country under such political, administrative and economic conditions as will secure the establishment of the Jewish National Home and the development of self-governing institutions, and for safeguarding the civil and religious rights of the inhabitants. The action taken with regard to constitutional development in the early years of the Civil Administration is briefly described above.

With the object of enabling the people of Palestine to obtain practical experience of administrative methods and the business of government and to learn discrimination in the selection of their representatives, Lord Plumer, who was High Commissioner for Palestine from 1925 to 1928, introduced a wider measure of local self-government than had previously obtained under the British regime.

Sir John Chancellor considered the question of constitutional development on his assumption of the office of High Commissioner in December 1928. He consulted representatives of various local interests and, after a careful examination of the position, put forward certain proposals in June 1929. Discussion of the question was, however, suspended in consequence of the disturbances in August 1929.

12. His Majesty's Government have now carefully considered of this question in the light of the present stage of progress and development and with special regard to their obligation to place the country under such political,

administrative and economic / conditions as will secure the development of self-governing institutions. They have decided that the time has arrived for a further step in the direction of the grant to the people of Palestine, of a measure of self-government compatible with the terms of the Mandate.

His Majesty's Government accordingly intend to set up a Legislative Council generally on the lines indicated in the statement of British policy in Palestine issued by Mr. Churchill in June 1922, which is reproduced as Appendix 5 to the Report of the Commission on the Palestine disturbances of August 1929.

His Majesty's Government trust that on this occasion they will secure the co-operation of all sections of the population of Palestine. His Majesty's Government desire to make it quite clear that while they would deeply regret an attempt on the part of any section of the population to prevent them from giving effect to their decision, all possible steps will be taken to circumvent such an attempt, if made, since they consider it in the interests of the population of the country as a whole that the further step now proposed should no longer be deferred.

His Majesty's Government would point out that had this Legislature been set up at the time when it was first contemplated the people of Palestine would by now have gained more experience of the working of constitutional machinery. Such experience is indispensable for any progress in constitutional development. The sooner all sections of the population show a desire to co-operate with His Majesty's Government in this respect, the sooner will it be possible for such constitutional development to take place as His Majesty's Government hope to see in Palestine.

There are obvious advantages to be gained by all sections of the population from the establishment of such a Council. It should be of special benefit to the Arab section of the population, who do not at present possess any constitutional means for putting their views on social and economic matters before the Government. Their representatives on the Council which is to be set up will, of course, be in the position, not only to present the views of the Arab section of the population on these and other matters, but also to participate in discussions thereon. A further advantage may accrue to the country as a whole from the establishment of the Legislative Council, viz., that the participation of representatives of both sections of the community as members of the Legislative Council, will tend to improve the relations between the Jews and the Arabs.

18. As stated above, the new Legislative Council will be on the lines indicated in the statement of policy issued in 1922. It will consist of the High Commissioner and 22 members, of whom ten will be official members and 12 unofficial members. Unofficial members of the Council will normally be elected by primary and secondary elections. It is, however, in the view of His Majesty's Government, so important to avoid the repetition of the deadlock which occurred in 1923 that steps will be devised to ensure the appointment of the requisite number of unofficial members to the Council in the event of one or more members failing to be elected on account of the non-cooperation of any section of the population, or for any other reason. The High Commissioner will continue to have the necessary power to ensure that the Mandatory shall be enabled to carry out its obligations to the League of Nations, including any legislation "urgently required, as well as the maintenance of order.

When difference arises as to the fulfilment by the Government of Palestine of the terms of the Mandate, a petition to the League of Nations is admissible under Article 85 of the Order in Council of 1922.

### (3) Economic and Social Development,

14. Under this head the practical problems to be considered are mainly concerned with, questions relating to land, immigration and unemployment. These three questions are intimately interrelated, with political "as well as economic aspects, and upon their solution must depend any advance that can be hoped for towards settled conditions of peace and prosperity in Palestine.

Since attention was drawn to these matters in the Report of the Shaw Commission, they have formed the subject of detailed investigations on the spot by a Committee appointed by the High Commissioner in April, to examine into the economic condition of agriculturists and the fiscal measures of Government in relation thereto, and also by Sir John Hope Simpson who, on instructions from the Secretary of State for the Colonies, proceeded to Palestine in May in order to examine the questions of immigration, land settlement and development.

15. As a result of these extensive and elaborate investigations, certain conclusions have emerged and certain facts have been established which will now be set out briefly:—

(1) Land.

It can now be definitely stated that at the present time and with the present methods of Arab cultivation there remains no margin of land available for agricultural settlement by new immigrants, with the exception of such undeveloped land as the various Jewish agencies hold in reserve.

There has been much criticism in the past in regard to the relatively small extent of State land which has been made available for Jewish settlement. It is, however, an error to imagine that the Palestine Government is in possession of large areas of vacant land which could be made available for Jewish settlement. The extent of unoccupied areas of Government land is negligible. The Government claims considerable areas which are, in fact, occupied and cultivated by Arabs. Even were the title of the Government to these areas admitted, and it is in many cases disputed, it would not be possible to make these areas available for Jewish settlement, in view of their actual occupation by Arab cultivators and of the importance of making available additional land on which to place the Arab cultivators who are now landless.

The provision of a margin available for settlement depends upon the progress made in increasing the productivity of the land already occupied.

16. It now appears, in the light of the best available estimates, that the area of cultivable land in Palestine (excluding the Beer-Sheba region) is 6,544,000 dunams. This area is considerably less than had hitherto been estimated, previous official estimates being in the neighbourhood of 10 to 11 million dunams.

It also appears that while an area of at least 130 dunams is required to maintain a fellah family in a decent standard of life in the unirrigated tracts, the whole of the cultivable land in the country, excluding the area already in the hands of the Jews, would, were it divided among the existing Arab cultivators, provide an average holding of not more than 90 dunams. In order to provide an average holding of 130 dunams for all Arab cultivators, about 8 million dunams of cultivable land would be required.

It also appears that of the 86,980 rural Arab families in the villages, 29-4 per cent, are landless. It is not known how many of these are families who previously cultivated and have since lost their land. This is one point, among others, upon which, at present, it is not possible to speak with greater precision, but which will, it is hoped, be ascertained in the course of the Census which is to be taken next year.

17. The condition of the Arab fellah leaves much to be desired, and a policy of land development is called for if an improvement in his conditions of life is to be effected.

The sole agencies which have pursued a consistent policy of land development have been the Jewish Colonisation organisations, public and private.

The Jewish settlers have had every advantage that capital, science and organisation could give them. To these and to the energy of the settlers themselves their remarkable progress is due. On the other hand, the Arab population, while lacking the advantages enjoyed by the Jewish settlers, has, by the excess of births over deaths, increased with great rapidity, while the land available for its sustenance has decreased by about a million dunams. This area has passed into Jewish hands.

18. Reference has been made to the energy evinced and the remarkable progress made in Jewish land settlement. It would be unjust to accept the contention, which has been advanced in the course of the controversy regarding relations between Jews and Arabs in Palestine, that the effect of Jewish settlement upon the Arab population has in all cases been detrimental to the interests of the Arabs. This is by no means wholly true, but it is necessary in considering

this aspect of the problem to differentiate between colonisation by such bodies as the Palestine Jewish Colonisation Association (commonly known as the P.I.C.A.) and colonisation under Zionist auspices.

In so far as the past policy of the P.I.C.A. is concerned, there can be no doubt that the Arab has profited largely by the installation of the Colonies, and relations between the colonists and their Arab neighbours have in the past been excellent. The cases which are now quoted by the Jewish authorities in support of the contention that the effect of Jewish colonisation on the Arabs in the neighbourhood has been advantageous, are cases relating to Colonies established by the P.I.C.A. before colonisation financed from the Palestine Foundation Fund, which is the main financial instrument of the Jewish Agency, came into existence.

Some of the attempts which have been made to prove that Zionist colonisation has not had the effect of causing the previous tenants of land acquired to join the landless class have on examination proved to be unconvincing, if not fallacious.

19. Moreover, the effect of Jewish colonisation on the existing population is very intimately affected by the conditions on which the various Jewish bodies hold, utilise and lease their land. It is provided by the Constitution of the Enlarged Jewish Agency, signed at Zurich on the 14th August, 1929 (Article 3 (d) and (e)), that the land acquired shall be held as the "inalienable property of the Jewish people," and that in "all the works or undertakings carried out or furthered by the Agency, it shall be deemed to be a matter of principle that Jewish labour shall be employed." Moreover, by Article 23 of the draft lease, which it is proposed to execute in respect of all holdings granted by the Jewish National Fund, the lessee undertakes to execute all works connected with the cultivation of the holdings only with Jewish labour. Stringent conditions are imposed to ensure the observance of this under-taking.

An undertaking binding settlers in the Colonies of the Maritime Plain to hire Jewish workmen only, whenever they may be obliged to hire help, is inserted in the Agreement for the repayment of advances made by the Palestine Foundation Fund. Similar provision is contained in the Agreement for the Emek Colonies.

These stringent provisions are difficult to reconcile with the declaration at the Zionist Congress of 1921 of "the desire of the Jewish people to live with the Arab people in relations of friendship and mutual respect, and, together, with the Arab people, to develop the homeland common to both into a prosperous community which would ensure the growth of the peoples."

20. The Jewish leaders have been perfectly frank in their justification of this policy. The Executive of the General Federation of Jewish Labour, which exercises a very important influence on the direction of Zionist policy, has contended that such restrictions are necessary to secure the largest possible amount of Jewish immigration and to safeguard the standard of life of the Kit Jewish labourer from the danger of falling to the lower standard of the Arab.

However logical such arguments may be from the point of view of a purely national movement, it must, nevertheless, be pointed out that they take no account of the provisions of Article 6 of the Mandate, which expressly requires that, in facilitating Jewish immigration and close settlement by Jews on the land, the Administration of Palestine must ensure that "the rights and position of other sections of the population are not prejudiced."

## (2) Agricultural Development.

21. As indicated in the immediately preceding paragraph, it is the duty of the Administration under the Mandate to ensure that the position of the "other sections of the population" is not prejudiced by Jewish immigration. Also, it is its duty under the Mandate to encourage close settlement of the Jews on the land, subject always to the former condition.

22. As a result of recent investigations, His Majesty's Government are satisfied that, in order to attain these objects, a more methodical agricultural development is called for with the object of ensuring a better use of the land.

23. Only by the adoption of such a policy will additional Jewish agricultural settlement be possible consistently with the conditions laid down in Article 6 of the Mandate. The result desired will not be obtained except by years of work. It is for this reason fortunate that the Jewish organisations are in possession of a large reserve of land not yet settled or

developed. Their operations can continue without break, while more general steps of development, in the benefits of which Jews and Arabs can both share, are being worked out. During this period, however, the control of all disposition of land must of necessity rest with the authority in charge of the development. Transfers of land will be permitted only in so far as they do not interfere with the plans of that authority. Having regard to the responsibilities of the Mandatory Power, it is clear that this authority must be the Palestine Administration.

24. Among the problems which will have to be considered are those of irrigation, the co-ordination of development with the activities of the Department of Agriculture and other Government Departments, and the determination of their respective spheres of action so as to avoid friction and overlapping, and to obtain the greatest efficiency in co-ordinated effort.

Consideration must also be given to the protection of tenants by some form of occupancy right, or by other means, to secure them against ejectment or the imposition of excessive rental.

Closely associated with any development must be the acceleration of the work of settlement by the ascertainment of title and the registration of tenancies. In this connection an important problem is presented by the large proportion of Arab village land which is held under the tenure-in-common known as *mesha'a*. Nearly half of the Arab villages are held on *mesha'a* tenure and there is a consensus of opinion that this system is a great obstacle to the agricultural development of the Country.

The constitution of co-operative societies among the fellahin appears to be an important preliminary to their advancement. The whole question has recently been under examination on behalf of the Palestine Government by an expert with great experience.

25. The finances of Palestine have been severely strained by the necessity of providing for large increases in its security forces. These increases have been deemed essential in the light of the events of the autumn of 1929, and it is not possible to forecast the time that must elapse before it will be thought safe to reduce expenditure on this account. That must largely depend on the success of the policy now envisaged, and on the extent of the improvement in mutual relations between Arabs and Jews which His Majesty's Government hope will be one of its results.

It is part of the general policy of His Majesty's Government that Palestine should be self-supporting. The improvement of agricultural conditions contemplated will not only take time, but will involve considerable expenditure, though it is to be hoped that part of the outlay will prove to be recoverable. His Majesty's Government are giving earnest consideration to the financial position which arises out of this situation, and steps are being taken to concert the necessary measures to give effect to their policy.

#### (8) Immigration.

26. The whole system under which immigration into Palestine is controlled by the Administration has recently been most carefully examined, and in the month of May it was considered necessary by His Majesty's Government, whilst leaving undisturbed Jewish immigration in its various other forms, to suspend the further issue; of certificates for the admission of immigrants under the Labour Schedule—i.e., as employed persons (over and above the 950 already sanctioned) for the half year ending the 30th September, 1930, pending the result of this examination and the determination of future policy. This examination has revealed certain weaknesses in the existing system. It has been shown that under it there have been many cases of persons being admitted, who, if all the facts had been known, should not have received visas. No effective Government control exists in regard to the selection of immigrants from abroad, with the result that there are no adequate safeguards against irregularities in connection with the issue of immigration certificates, and also against the immigration of undesirables. A further unsatisfactory feature is that a large number of travellers, who enter Palestine with permission to remain for a limited time, stay on without sanction. It is calculated that the number of such cases during the last three years amounted to 7,800. Another serious feature is the number of persons who evade the frontier control.

In any attempt to devise adequate Government machinery for the control of immigration, account must be taken of the important part at present played in connection with Jewish immigration by the General Federation of Jewish Labour. The influence of the General Federation is far-reaching and its activities are manifold. It constitutes an important

factor within the World Zionist movement, and at the last Zionist Congress more than a quarter of the total number of delegates represented such Zionist circles, both in Palestine and abroad, as are identified with the Federation. The influence which the Federation is able to exert upon immigrants is shown by the fact that its members are not permitted to have recourse to the Courts of the country in cases of dispute with another member. It has its own Courts of First and Second Instance and its Labour High Court, to which appeals from the subordinate Tribunals lie. The Federation has adopted a policy which implies the introduction in Palestine of a new social order based on communal settlements and the principle of " self labour " (i.e., that each man should work for himself and avoid the employment of hired labourers). Where self-labour is impossible it insists on the employment of Jewish labour exclusively by all Jewish employers.

In view of its responsibilities under the Mandate, it is essential that the Palestine Government, as the agent of the Mandatory Power, should be the deciding authority in all matters of policy relating to immigration, especially having regard to its close relation to unemployment and land development policy. No adequate improvement in existing machinery can be devised unless a modus vivendi is established between the Government on the one hand and the Jewish Agency on the other, in regard to their respective functions, and full account must be taken of the influence exerted in the policy of the Agency by the General Federation of Jewish labour.

27. As regards the relation of immigration to unemployment, great difficulties at present exist owing to the absence of efficient machinery for estimating the degree of unemployment existing at any time. This is especially true as regards the Arab section of the community. While no reliable statistics are available, sufficient evidence has been adduced to lead to the conclusion that there is at present a serious degree of Arab unemployment, and that Jewish unemployment likewise exists to an extent which constitutes a definitely unsatisfactory feature. It may be regarded as clearly established that the preparation of the Labour Schedule must depend upon the ascertainment of the total of unemployed in Palestine. It follows that the extent of that unemployment must be accurately determined, and His Majesty's Government will give serious consideration to devising machinery for this purpose. The economic capacity of the country to absorb new immigrants must therefore be judged with reference to the position of Palestine as a whole in regard to unemployment, and care must also be exercised\* in ascertaining that economic capacity, to make allowances for any demand for labour, which, owing to increased circulation of money connected with expenditure on development or for other causes, may be regarded as of a temporary character.

28. Article 6 of the Mandate directs that the rights and position of the other sections of the population shall not be prejudiced by Jewish immigration. Clearly, if immigration of Jews results in preventing the Arab population from obtaining the work necessary for its maintenance, or if Jewish unemployment unfavourably affects the general labour position, it is the duty of the Mandatory Power under the Mandate to reduce, or, if necessary, to suspend, such immigration until the unemployed portion of the "other sections" is in a position to obtain work. It may here be remarked that in the light of the examination to which immigration and unemployment problems have been subjected, His Majesty's Government regard their action in the suspension of immigration under the Labour Schedule last May as fully justified.

It has been argued that the High Commissioner's approval of the issue of Immigration Certificates under the Labour Schedule implied that there was room for the admission of immigrants of the working class, and that, in consequence, His Majesty's Government, in suspending the issue of those certificates, must have been influenced by political considerations. This is not the case. In arriving at their decision to suspend the issue of the certificates, His Majesty's Government had in mind the opinions expressed in the Report of the Shaw Commission that there was a shortage of land and that immigration should be more closely controlled. It was realised that these issues called for expert examination, but His Majesty's Government felt that, until they had been so examined, no steps should be taken which might aggravate an economic situation which, in the opinion of the majority of the Shaw Commission, was already such as to afford ground for anxiety.

Any hasty decision in regard to more unrestricted Jewish immigration is to be strongly deprecated, not only from the point of view of the interests of the Palestine population as a whole, but even from the special point of view of the Jewish community. So long as widespread suspicion exists, and it does exist, amongst the Arab population, that the economic depression, under which they undoubtedly suffer at present, is largely due to excessive Jewish immigration, and so long as some grounds exist upon which this suspicion may be plausibly represented to be well founded, there

can be little hope of any improvement in the mutual relations of the two races. But it is upon such improvement that the future peace and prosperity of Palestine must largely depend.

It is hoped that changes may be devised in the method of the preparation of the Labour Schedule which will tend to promote amicable relations between the Jewish authorities in Palestine and the Immigration Department. It is clearly desirable to establish closer co-operation and consultation between the Jewish authorities and the Government, and the closer and more cordial co-operation becomes, the easier it should be to arrive at an agreed Schedule based upon a thorough understanding, on both sides, of the economic needs of the country.

29. As has been shown in the foregoing paragraphs, the three problems of development, immigration and unemployment are closely inter-related, and upon the evolution of a policy which will take full account of these three factors must depend the future of Palestine. It is only in a peaceful and prosperous Palestine that the ideals of the Jewish National Home can in any sense be realised, and it is only by cordial co-operation between the Jews, the Arabs and the Government that prosperity can be secured.

The situation revealed by exhaustive examination of the various economic, political and social factors involved, makes it clear that Palestine has reached a critical moment in its development. In the past it may be said that the Government has left economic and social forces to operate with the minimum of interference or control, but it has become increasingly clear that such a policy can no longer continue. It is only the closest co-operation between the Government and the leaders of the Arab and Jewish communities that can prevent Palestine from drifting into a situation which would imperil, on the one hand, the devoted work of those who have sought to build up the Jewish National Home, and, on the other, the interests of the majority of the population who at present possess few resources of their own with which to sustain the struggle for existence. What is required is that both races should consent to live together and to respect each other's needs and claims. To the Arabs His Majesty's Government would appeal for a recognition of the facts of the situation, and for a sustained effort at co-operation in obtaining that prosperity for the country as a whole by which all will benefit. From the Jewish leaders, His Majesty's Government ask a recognition of the necessity for making some concessions on their side in regard to the independent and separatist ideals which have been developed in some quarters in connection with the Jewish National Home, and for accepting it as an active factor in the orientation of their policy that the general development of the country shall be carried out in such a way that the interests of the Arabs and Jews may each receive adequate consideration, with the object of developing prosperity throughout the country under conditions which will give no grounds for charges of partiality upon the one side or upon the other, but will permit of the Arab and Jewish communities developing in harmony and contentment.

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