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REPORT

by His Majesty's Government in the United Kingdom of Great Britain and Northern Ireland to the Council of the League of Nations on the Administration of

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1938

PALESTINE AND TRANS-JORDAN

for the year 1938

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Questionnaire of Permanent Mandates Commission.

I.—Jewish National Home.

1. *Q.*—What measures have been taken to place the country under such political, administrative, and economic conditions as will secure the establishment of the national home of the Jewish people?

What are the effects of these measures?

2. *Q.*—What measures have been taken to place the country under such political, administrative, and economic conditions as will secure the development of self-governing institutions?

What are the effects of these measures?

3. *Q.*—What measures have been taken to place the country under such political, administrative, and economic conditions as will safeguard the civil and religious rights of all the inhabitants of Palestine, irrespective of race and religion?

What are the effects of these measures?

II.—Autonomous Administration.

Q.—What measures have been taken to encourage local autonomy?

What are the effects of these measures?

III.—Jewish Agency.

1. *Q.*—When and in what manner has the Jewish Agency been officially recognized?

2. *Q.*—Has this Agency given any advice to the Administration in the past year?

If so, in what form and in what connection?

3. *Q.*—What is the nature and extent of the co-operation of this Agency with the Administration of Palestine in economic, social and other matters?

4. *Q.*—In what manner has this Agency taken part in the development of the country (statistics of results obtained)?

5. *Q.*—What steps have been taken in consultation with His Britannic Majesty's Government to secure the co-operation of all Jews who are willing to assist in the establishment of the Jewish National Home?

IV.—Immigration and Emigration.

1. *Q.*—What measures have been taken to facilitate Jewish immigration?

2. *Q.*—What measures have been taken to safeguard the rights and position of other sections of the population?

3. *Q.*—What measures have been taken in co-operation with the Jewish Agency to encourage the close settlement by Jews on the land (give figures)?

4. *Q.*—What are the effects of these measures?

Statistics of immigration (country of origin, religion, race, profession, age, and sex). Geographical distribution within the country in the urban centres and in the rural districts.

Same statistics for emigration.

V.—Land Regime.

1. *Q.*—How have State lands been defined and delimited?

2. *Q.*—How have waste lands been defined and delimited?

3. *Q.*—What measures have been taken for the registration of real property?

VI.—Nationality.

1. *Q.*—What is the text of the Nationality Law?

2. *Q.*—Have special provisions been enacted, framed so as to facilitate the acquisition of Palestinian citizenship by Jews?

VII.—Judicial System.

1. *Q.*—When did the new judicial organisation begin to operate?

2. *Q.*—What special features does it contain with a view to assuring to foreigners as well as to natives a complete guarantee of their rights as laid down in Article 9?

3. *Q.*—What special measures have been taken to assure respect for the personal status of the various peoples and communities and for their religious interests?

4. *Q.*—How have the control and administration of Wakfs been assured?

5. *Q.*—What extradition agreements have been made between the Mandatory and other foreign Powers since the coming into force of the Mandate?

VIII.—Economic Equality.

1. *Q.*—How have the interests of the community been safeguarded in the execution of measures taken to secure the development of the country in respect of public ownership or control of any of the natural resources of the country or of the public works, services, and utilities?

2. *Q.*—Has it been found necessary to arrange with the Jewish Agency to construct or operate any public works, services, and utilities or to develop any of the natural resources of the country —and if so, under what circumstances?

3. *Q.*—Give a complete list of concessions and the names and nationalities of the concession holders.

4. *Q.*—Give the reports submitted to the company meetings and the balance sheets of these undertakings, or, when such reports and balance sheets are not available, give all information relating to the subject, particularly the rate of interest and the uses made of profits.

5. *Q.*—What provisions are made to secure economic equality as regards:—

(*a*) Concessions?

(*b*) Land tenure?

(*c*) Mining rights (in particular, rules in regard to prospecting)?

(*d*) Fiscal regime (direct and indirect taxation)?

(*e*) Customs regulations (imports, exports, transit)?

6. *Q.* What regulations has the Mandatory Power made for the application of the clause providing " freedom of transit under equitable conditions "?

7. *Q.*—Have any Customs agreements been made by virtue of Article 18?

If so, give the text of such agreements.

IX.—Holy Places.

1. *Q.*—What measures have been taken for the assumption by the Mandatory of responsibility in connection with the Holy Places and religious buildings or sites, including the responsibility of preserving existing rights and of securing free access to the Holy Places, religious buildings and sites, and the free exercise of worship?

2. *Q.*—Which are the purely Moslem sacred shrines the immunities of which are guaranteed?

X.—Freedom of Conscience.

1. *Q.*—What measures have been taken to assure freedom of conscience and religion?

2. *Q.*—Have any restrictions been made upon the free exercise of any form of worship in the interest of the maintenance of public order and morals?

What are the effects of such restrictions?

3. *Q.*—What measures have been taken to ensure the rights of communities to maintain their own schools for the education of their own members?

What educational requirements of a general nature are imposed by the Administration?

What measures have been taken to assure the exercise of such supervision over religious or other charitable bodies of all faiths or nationalities in Palestine as may be required for the maintenance of public order and good government?

XI.—Military Clauses.

1. *Q.*—What is the form of military organization and training?

2. *Q.*—Are there any police forces independent of the military charged with the defence of the territory?

What is the respective importance of these two forces and the amount spent on each?

Racial and religious composition of these two forces?

3. *Q.*—Has there been any occasion for the Administration of Palestine to contribute to the cost of maintenance of the military forces of the Mandatory Power?

If so, to what extent?

4. *Q.*—Has the Mandatory exercised its rights to use the roads, railways, and ports of Palestine for the movement of armed forces and the carriage of fuel and supplies?

If so, to what budget has the expenditure been charged?

XII.—International Conventions.

1. *Q.*—To what International Conventions has the Mandatory adhered on behalf of the Palestine Administration?

2. *Q.*—What steps have been taken by the Mandatory to co-operate with the League of Nations in the struggle against disease, including diseases of plants and animals?

XIII.—Antiquities.

Q.—Has the Mandatory enacted a law of antiquities according to the provisions laid down in Article 21 of the Mandate?

Give the text.

XIV.—Official Languages.

1. *Q.*—Have the three official languages been used simultaneously and on an equal footing in legislative and administrative documents and in the Courts?

If not, what languages are used?

2. *Q.*—To what observations does the application of this system give rise?

XV.—Holy Days.

Q.—What days are recognized as holy days by the various communities?

XVI.—Trans-Jordan.

1. *Q.*—Has the territory lying beyond the Jordan been finally delimited and organized?

2. *Q.*—In what way does the political and administrative régime established in this territory differ from the regulations laid down for Palestine?

XVII.—Labour.

1. *Q.*—What measures have been taken to ensure, in accordance with Part XIII of the Treaty of Versailles, the consideration of conventions or recommendations of International Labour Conferences?

2. *Q.*—Are these conventions or recommendations being carried into effect?

3. *Q.*—What other regulations are in force in regard to labour?

4. *Q.*—What powers has the Administration for controlling labour contracts in order to ensure their loyal fulfilment both on the part of employer and employed, and what powers does it possess to prevent any abuses in this respect?

5. *Q.*—What is the competent authority in regard to labour legislation, and what authority is responsible for the application of such legislation?

XVIII.—Trade in and Manufacture of Drugs.

Q.—Have measures been taken to secure the prohibition or the control of the importation, of the production, and the consumption of poisonous or narcotic drugs?

XIX.—Education.

1. *Q.*—What is the general system of elementary education (organization and statistics)?

Is this education free for all, and, if not, in what cases is it free?

2. *Q.*—What measures have been taken for higher education; for example, medical, veterinary, and technical education?

3. *Q.*—In what language is instruction given in the various categories of schools?

XX.—Public Health.

1. *Q.*—What steps are being taken to ensure public health and sanitation and to combat endemic and epidemic diseases?

2. *Q.*—What is the régime for medical assistance?

3. *Q.*—What is the actual situation as regards prostitution and what measures have been taken in this matter?

XXI.—Public Finance.

Q.—A general schedule of the revenue and expenditure of the territory, the budgetary system, and indication of the nature and the assessment of taxes.

XXII.—Demographic Statistics.

Q.—Statistics of births, marriages (polygamy), deaths, emigration, and immigration.

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NOTE.

At its Seventeenth Session, the Permanent Mandates Commission of the League of Nations specially requested that the Sections of this Report might be arranged in the order of subjects adopted by the Commission for its annual examination, that is, in the order of the questions in its Questionnaire on the Palestine Mandate, namely:—

I. Jewish National Home.
II. Autonomous Administration.
III. Jewish Agency.
IV. Immigration and Emigration.
V. Land Regime.
VI. Nationality.
VII. Judicial System.
VIII. Economic Equality.
IX. Holy Places.
X. Freedom of Conscience.
XI. Military Clauses.
XII. International Conventions.
XIII. Antiquities.
XIV. Official Languages.
XV. Holy Days.
XVI. Trans-Jordan.
XVII. Labour.
XVIII. Trade in and Manufacture of Drugs.
XIX. Education.
XX. Public Health.
XXI. Public Finance.
XXII. Demographic Statistics.

2. This order has been followed, except that, for convenience, the Section on Trans-Jordan, which is self-contained, has been removed from its order according to the Questionnaire and placed at the end of the Report.

An Introductory Section and Sections on Customs, Excise and Trade, Posts and Telegraphs, Agriculture, Public Works, Railways, Co-operative Societies, and Civil Aviation are also included in the Palestine portion of the Report. The Section relating to Development has been included under Chapter V, Land Regime.

There are no specific headings for these matters in the Questionnaire.

REPORT BY HIS MAJESTY'S GOVERNMENT IN THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND TO THE COUNCIL OF THE LEAGUE OF NATIONS ON THE ADMINISTRATION OF

PALESTINE AND TRANS-JORDAN FOR THE YEAR 1938.

PALESTINE

INTRODUCTORY.

POSITION, ETC.

Palestine lies on the western edge of the continent of Asia between latitude 30° N. and 33° N., Longitude 34° 30′ E. and 35° 30′ E.

On the North it is bounded by the French Mandated Territories of Syria and the Lebanon, on the East by Syria and Trans-Jordan, on the South-west by the Egyptian province of Sinai, on the South-east by the Gulf of 'Aqaba and on the West by the Mediterranean. The frontier with Syria was laid down by the Anglo-French Convention of the 23rd December, 1920, and its delimitation was ratified in 1923. Briefly stated, the boundaries are as follows:—

North.—From Ras en Naqura on the Mediterranean eastwards to a point west of Qadas, thence in a northerly direction to Metulla, thence east to a point west of Banias.

East.—From Banias in a southerly direction east of Lake Hula to Jisr Banat Ya'pub, thence along a line east of the Jordan and the Lake of Tiberias and on to El Hamme station on the Samakh—Deraa railway line, thence along the centre of the river Yarmuq to its confluence with the Jordan, thence along the centres of the Jordan, the Dead Sea and the Wadi 'Araba to a point on the Gulf of 'Aqaba two miles west of the town of 'Aqaba, thence along the shore of the Gulf of 'Aqaba to Ras Jaba.

South.—From Ras Jaba in a generally north-westerly direction to the junction of the Neki—'Aqaba and Gaza—'Aqaba Roads, thence to a point west-north-west of 'Ain Maghara and thence to a point on the Mediterranean coast north-west of Rafa.

West.—The Mediterranean Sea.

AREA AND CLIMATE.

2. The average length of Palestine from south to north is about 160 miles and its extreme width from east to west is less than 70 miles, the total area being approximately 10,000 square miles inclusive of a water area of 261 square miles (the Dead Sea, Lake Tiberias and Lake Huleh). In size it is therefore comparable with Wales or Belgium.

3. The climate of Palestine, affected by the neighbouring deserts of Arabia and Nubia as well as by nearby temperate zones, is characterized generally by a dry, warm, but not excessively hot summer, and a mild winter with heavy periodical rainfalls accompanied by high, cold winds; frost is rare. But the typical climate is varied by the diverse topography of the country. In the south and south-west there are wide expanses of sand dunes and desert. The remainder of the country falls naturally into three longitudinal strips—the maritime plain, the mountainous regions (or central highlands), and the Jordan valley. Each of these strips, which are more closely described below, is climatically distinct.

The climate of the maritime plain is warm but equable; the heat of summer and the cold of winter are both tempered by the westerly winds from the Mediterranean. In the central highlands there is a greater range of temperature both daily and seasonal, and the maximum temperature is a few degrees lower than in the coastal plains. Snow and hail occasionally fall in Jerusalem and Hebron, and the winter storms are accompanied by penetrating winds which necessitate the use of clothing suitable for a cold English climate.

The Jordan valley is tropical. The high air pressure and the excessive heat in summer combine to produce most oppressive conditions, but the winter in this region is warm and balmy.

The maritime plain and the central highlands are both healthy, though the one, on account of greater humidity, is relaxing in its effects, while the other, through sudden changes of temperature, predisposes to chills and respiratory complaints.

4. The following records are typical of the three climatic zones:—

		Maritime Plain, Haifa.	*Central Highlands, Jerusalem.*	*Jordan Valley, Tiberias.*
Mean temperature	Summer	77°F.	70°F.	83°F.
	Winter	60°F.	52°F.	62°F.
Mean daily maximum temperature	Summer	—	83°F.	95°F.
	Winter	—	60°F.	72°F.
Mean daily minimum ...	Summer	—	60°F.	71°F.
	Winter	—	44°F.	54°F.
Absolute maximum temperature.	Summer	104°F.	102°F.	114°F.
Absolute minimum temperature.	Winter	35°F.	21°F.	34°F.
Relative humidity	Summer	69 per cent.	55 per cent.	51 per cent.
	Winter	70 per cent.	68 per cent.	64 per cent.

5. Rainfall is of vital importance in Palestine and any reduction in its quantity arouses concern for the prospects of agriculture and water conservation generally. The mean volume of annual rainfall is roughly equal to that of the rainfall in the east of England.

There are two well-marked periods of precipitation. The " former rain " in October and November is not usually large; during December, January and February, the rainfall steadily increases; in March it begins to abate, and it is practically ended in April. The characteristic winds are the moist west and south-west of winter and the dry north and north-west of summer. Desert heat is brought by the sirocco from the hot deserts of the south or east generally in April and May and occasionally in September and October.

6. Along the greater part of the western seaboard lies a stretch of fertile plain of sand and sandy loam soil. In the south this plain has an average width of about 20 miles, but it gradually narrows to the north until at Mount Carmel, near Haifa, the hills approach to within a few hundred yards of the sea. Beyond Carmel the plain widens again, but in this area it is marshy and malarial.

The second strip consists of two distinct mountainous regions divided sharply by the Plain of Esdraelon. To the north of that plain are the mountains of Galilee extending beyond the Syrian frontier and rising at Jebel Jermak to a height of 3,934 ft. above sea-level; to the south are the mountains of Samaria and Judea, which in places reach heights little less than those of Galilee. Most of this second strip of country is desolate and stony, but at irregular intervals there occur stretches of fertile land capable of deep tillage.

The Plain of Esdraelon, which cuts so sharply through the mountain system of Palestine, is roughly triangular in shape. Though the soil is here of a heavier and more clayey texture than that of the coastal plain, Esdraelon is proverbially fertile and is especially suitable for cereal production.

The third and eastern strip of country is the Jordan valley, a natural depression which, starting from sea-level in the extreme north of the country, falls gradually to a depth of 1,300 ft. below that level at the Dead Sea, about 100 miles to the south.

7. The capital of Palestine is Jerusalem, situated in the midst of the hills of Judea, and the principal towns are Haifa, with its modern harbour, in the north at the entrance to the plain of Esdraelon; Jaffa, a second port which lies some 40 miles west-north-west of Jerusalem; Tel Aviv, which is contiguous to Jaffa; and Nablus, the ancient Sichem, in the hills of

Samaria. Jerusalem has a majority of Jewish inhabitants; in Haifa the Arab and Jewish elements are approximately equal in numbers; Tel Aviv is an entirely Jewish township of 150,000 inhabitants. In Jaffa a large majority of the people are Arabs, and in Nablus, apart from a small community of Samaritans, all the people are Arabs.

Other important towns where the population consists of both Arabs and Jews are Hebron, 20 miles to the south of Jerusalem; Tiberias, on the western shore of the Sea of Galilee; and Safad, a remote town in mountainous country in the extreme north of Palestine.

THE HIGH COMMISSIONER.

8. Sir Arthur Grenfell Wauchope, G.C.B., G.C.M.G., C.I.E., D.S.O., High Commissioner for Palestine and Trans-Jordan, retired on grounds of health in March, 1938, and was succeeded by Sir Harold Alfred MacMichael, K.C.M.G., D.S.O., formerly Governor and Commander-in-Chief, Tanganyika Territory.

CHANGES IN PERSONNEL, 1938.

From Palestine.

9. During the year the following left Palestine on retirement:—

Mr. M. T. Dawe, O.B.E., Director of Agriculture and Fisheries.
Mr. K. W. Stead, C.B.E., Director of Customs, Excise and Trade.
Mr. F. Pudsey, Director of Public Works.
Col. F. J. Salmon, C.M.G., M.C., Commissioner for Lands and Surveys.
Miss M. Nixon, M.B.E., Infant Welfare Inspector.
Mr. C. E. de B. Biden, Auditor.
Mr. G. MacLaren, O.B.E., District Commissioner.
Mr. R. Hedley, Assistant Director of Public Works.
Mr. P. Noble, District Engineer, Public Works Department.
Mr. H. W. Simpson, Commercial Manager, Palestine Railways.

Mr. S. Fry, Director of Programmes, Palestine Broadcasting Service, Mr. A. Kemp, Chief Telephone Superintendent, Department of Posts and Telegraphs, and Mr. S. A. Cudmore, Government Statistician, reverted to their substantive posts in the British Broadcasting Corporation, British Post Office and Canadian Bureau of Statistics respectively, on the expiration of their periods of secondment to Palestine.

To Palestine.

The following were the principal appointments made during the year:—

Mr. M. Bailey, O.B.E., Assistant District Commissioner, was appointed District Commissioner, Haifa and Samaria District.

Mr. G. Walsh, C.B.E., was appointed Economic Adviser to the High Commissioner.

Captain C. Wilson Brown, O.B.E., M.C., Director of Public Works, Sierra Leone, was appointed Director of Public Works.

Mr. M. J. Flanagan, Auditor, Uganda, was appointed Auditor.

Mr. R. W. B. Belt was appointed Director of Customs, Excise and Trade on secondment from the English Customs Service.

Mr. R. W. Hamilton, Chief Inspector in the Department of Antiquities, was appointed Director of Antiquities.

Mr. G. R. E. Foley, O.B.E., District Superintendent of Police, was appointed Deputy Inspector General of Police.

Mr. L. A. W. Orr, Registrar of the High Court in Tanganyika Territory, was appointed Chief Registrar of the Supreme Court.

Mr. G. E. F. Wood, was seconded from the Canadian Government and appointed Government Statistician.

Mr. C. B. McNair, Deputy Director of Programmes in the Palestine Broadcasting Service, was appointed Director of Programmes.

Mr. C. E. V. Buxton, M.C., Colonial Administrative Service, was seconded from Kenya and appointed to administer the Gaza and Beersheba division of the Southern District with the powers and functions of a District Commissioner.

The following, who were formerly administrative officers in the territories indicated against their names, were seconded to Palestine as Assistant District Commissioners:—

Mr. C. B. Norman—Kenya.
Mr. R. C. H. Greig—Tanganyika.
Mr. K. C. Tours—Gold Coast.
Mr. F. W. G. Blenkinsop—Nigeria.
Mr. D. Headly—Malaya.
Mr. E. R. Reeves—Nigeria.
Mr. I. L. Phillips—Gold Coast.
Mr. F. D. Corfield—Sudan.
Mr. G. W. Bell—Sudan.
Mr. A. E. S. Charles—Sudan.

PUBLIC SECURITY.

10. During 1938 public security in Palestine, particularly during the seven months from June onwards, continued to cause the administration grave preoccupation. An intensified campaign of murder, intimidation and sabotage persisted on lines similar to those followed by Arab law breakers in 1937; and, as in 1937, there were isolated incidents of Jewish reprisals. The main difference between the course of events in 1938 and that in 1937 lay in the gradual development during 1938 of Arab gang warfare on organized and to a certain extent co-ordinated lines. By the end of the year, as the result of the arrival in the autumn of large military reinforcements, this gang organization was first dislocated and finally reduced to comparative impotence in the field. But in the towns terrorism persisted and the roads were still largely unsafe for normal traffic. In fact, the events of 1938 succeeded in seriously affecting the economic and social life of the country to an extent far greater than was the case in 1937.

11. *Summarized Narrative Account of the Events of the Year* 1938.

January, 1938.

During the early part of the month the effect of the vigorous action taken in December, 1937, against armed gangs, especially in Galilee continued to be felt; but in the second half of the month the gangs resumed their activities, particularly in the Jenin-Tulkarm area where an important military action against them took place on the 31st. They suffered extensive casualties estimated at 30 killed and many more wounded. Two British soldiers were killed, and two wounded.

During the month, particularly in the Jerusalem district where constant attacks involving four Jewish deaths were made on Jewish traffic along the Jerusalem—Jaffa road, sporadic acts of lawlessness persisted in the form of isolated murders, shooting at the police and military forces, and attacks on Jewish settlements. On the 10th, Mr. J. L. Starkey, the well-known archaeologist, was murdered by a party of armed Arabs on the track leading from Beit Jibrin to Hebron.

February, 1938.

Although there was a decrease in attacks on Jewish transport near Jerusalem, the number of incidents of shooting by small armed parties increased, especially during the last two weeks. There was also an increase in the number of armed robberies in Arab villages by parties of marauders seeking food, money and lodging.

Incidents of personal violence persisted. They were mainly directed against Arab villagers of whom two, one a blind man and the other a supernumerary constable, were murdered on the

11th by armed men at Attara village in the Ramallah sub-district. Three other incidents deserve mention. On the 16th, immediately after the execution at Acre of an Arab condemned to death by the Haifa Military Court, an unsuccessful attempt was made to shoot a British Assistant Superintendent of Police outside the gate of the prison. On the 18th, Squadron Leader Alderson, R.A.F., was shot dead, and an Englishwoman driving with him was wounded, when his car was ambushed on the Haifa—Tel Aviv road near Athlit. On the 28th, the Jewish headman of a settlement near Nazareth was shot dead by an Arab who was arrested next morning, having been tracked by the police dogs from the scene of the murder to a neighbouring Arab village.

There were no major encounters between the military and police and the armed gangs, but acts of armed banditry, particularly in Galilee and northern Samaria, increased towards the end of the month.

March, 1938.

On the 3rd, there was a heavy engagement west of Jenin in which a military force, with aircraft co-operation, engaged and dispersed an armed band of between two and three hundred Arabs. One British officer was killed and an officer and two soldiers wounded. The losses among the band were thirty known to be killed and were estimated at twice that number. Sixteen prisoners were taken and a considerable quantity of arms, ammunition and bombs.

Six days later contact was established by the army, assisted by aircraft, with another band in mountainous country in the north of Galilee. It was engaged throughout the day and was finally routed, its few remnants escaping over the frontier into the Lebanon where four men were captured by French forces. During the encounter one British soldier was killed and another slightly wounded. Sixteen of the band were killed and one captured, while it is believed that further casualties were inflicted.

These two severe reverses, and the fact that the casualties inflicted on the bands included two prominent leaders, had the effect of breaking up the bands into small parties and there were no further major engagements during the month.

There was, however, an increase in acts of terrorist violence throughout the country, including a series of murders of Arab villagers. A British soldier was fatally injured by the explosion of a bomb under a railway trolley in the Gaza sub-district, and a Palestinian army interpreter with his Arab chauffeur were captured by armed Arabs near Acre. Neither was ever heard of again. Of the Jewish casualties six, including three women and a boy, were murdered when the taxi in which they were travelling was ambushed on the Acre—Safad road.

On the 21st, a sheikh of the Haram el Sherif in Jerusalem was shot and seriously wounded in the Old City.

Other terrorist activities during the month included a further increase in cases of armed robbery by small parties of Arab villagers; attacks on Jewish settlements, including Hanuta a new settlement near the northern frontier, when one settler was killed; four cases of sabotage of the Iraq Petroleum Company's pipe line in the Plain of Esdraelon; a large number of shooting incidents at police and military posts and patrols; and an increase in attempts to interfere with railway and telephonic communications.

April, 1938.

Acts of terrorism increased in their various forms—murder, intimidation, sniping, robbery and sabotage.

The murders of Arab villagers included four headmen (mukhtars) and the sheikh of the village of Meirun near Safad. Six Arab policemen were surprised by an armed band in Samaria and murdered in their billet. Two more Arab policemen were shot when a party including the mayor of Nablus and a British assistant superintendent of police (who was wounded) was ambushed near Nablus; and two others were killed by the explosion of a bomb found on a local train near Haifa. Two British policemen were killed by the explosion of a second bomb.

On the 17th, a bomb was thrown into an Arab café in Haifa, killing one Arab and wounding ten others; and on the 21st two British soldiers were killed when a military patrol was shot at in the hills west of Jenin.

The Jewish casualties included a settler, a labourer in Haifa and a supernumerary constable, and three civilians travelling in a taxi which was ambushed near the northern frontier.

There was also an increase in shooting incidents against police and military patrols and Jewish settlements; in cases of armed robbery in Arab villages and the sabotage and attempted sabotage of communications and Government property. For the first time for many months damage was done to Jewish groves and forests. Finally, the oil pipe line was damaged on ten occasions.

Throughout the month the movements of the bands were mainly in small parties and several operations were carried out by the military and police to circumvent them. On the night of the 16th, in the hills north of Tulkarm, an engagement of considerable magnitude was fought with a band which was attacked and lost 14 men, while four others and a quantity of arms and ammunition were captured. Three less important encounters with smaller gangs took place—on the Jenin-Nablus road (the 6th April), near Arara in Samaria (the 8th April) and near Beisan (the 21st April), when further casualties were inflicted.

At the end of the month military searches of two villages in Samaria resulted in the seizure of a number of firearms, ammunition, bombs and semi-military uniforms. Thirty-eight Arabs were arrested as a result of these searches.

May, 1938.

Early in the month there was in increase in the activities of armed gangs in Samaria and Galilee, and on the 14th there was a major military encounter with a band in the Galilee district in which a succession of armed parties were dispersed with losses estimated at 38 killed. A quantity of arms and ammunition was seized and several arrests made. One British soldier was killed and another wounded. On the 20th, a military and police operation was carried out in Galilee and Samaria to occupy a number of selected villages in districts where lawlessness had been particularly rife. The objective, broadly, was to deny the areas in question to the gangs and to restore the control and authority of the Civil Government. It was carried out without incident and during the rest of the month there was only one major encounter when on the 26th the police engaged an armed band north of Petah Tikvah, killing six, wounding one and capturing a quantity of arms and ammunition.

There was, however, no diminution of terrorist acts. Twenty-two Arab villagers were murdered including three mukhtars and three women; in two ambushes on the Hebron road three Arab police were shot dead and another wounded; and in Haifa an Arab, who was the last surviving Crown witness in a case in 1935 when several Arabs were brought to trial following a bomb outrage in a Jewish settlement near Nazareth, was shot dead in the Arab market. Also in Haifa, an Arab detective sergeant and an Arab police sergeant were shot dead by unknown Arab assailants.

The Jewish casualties included a supernumerary constable in a Jewish settlement near the northern frontier which was attacked by an armed band, and a civilian in Tiberias who died as a result of bomb injuries.

On the 22nd of the month a Jewish pedlar was killed by Arabs in the outskirts of Jerusalem. This murder was followed by a series of reprisals in Jerusalem and Haifa on the 24th and 25th in which four Arabs and a Russian nun were killed and 13 Arabs were wounded. As the result, certain Jews were arrested and sent to Acre detention camp.

In other directions terrorist activities persisted unabated. There was a considerable increase in the number of incidents of shooting at police and military patrols and Jewsh settlements, and also of sabotaging Government property, communications and, notably, Jewish-owned crops and trees. The oil pipe line was damaged on seven occasions.

June, 1938.

The terrorist activities were almost a replica of the events of the two preceding months as regards acts of violence by Arabs against Arabs in the shape of village murders and armed robberies. There was also a marked increase in isolated murders of Jews, the majority being settlers in the Plain of Sharon and northern Galilee; in arson of Jewish crops and property; in attacks on Jewish settlements; and in shooting at police and military patrols. An Italian priest was killed by armed brigands in the Judaean foothills and a British soldier was killed and six others wounded by the explosion of a land mine on a country track in Samaria. On the 23rd and the two following days, on the Jaffa-Tel Aviv boundary, there were a series of incidents including bombing, shooting and stabbing in which two Arabs and two Jews were killed and 15 Arabs (including seven women) and seven Jews (including two women and a child) were wounded.

On the 23rd June, three Jewish youths were kidnapped by an Arab band from the old-established Jewish settlement of Givat Ada in the Plain of Sharon. Their fate has never been definitely ascertained.

On the 24th the announcement of the confirmation, by the General Officer Commanding, of the sentence of death passed by the Military Court at Haifa on a Jewish youth led to a series of demonstrations before and after the execution both in Jerusalem and in Tel Aviv, where hostile Jewish crowds had to be dispersed by the police.

During the same period there were a series of short-lived strikes in Arab towns in Samaria and Galilee in order to demonstrate Palestinian Arab sympathy with their compatriots in the Sanjak of Alexandretta.

Acts of sabotage also increased in number. Considerable damage was done to railway and telegraph communications without, however, causing any general or lengthy breakdown in these public services; the norther frontier fence, " Tegart's Wall " (see paragraph 18), was badly damaged on four occasions; there was an increase of land mine incidents particularly on tracks in the newly re-occupied areas and in the Gaza district; and the oil pipe line was damaged 18 times. Steps to protect the pipe line resulted in two engagements with Arabs, of whom four were killed, three wounded and seven taken prisoners.

No large armed bands were encountered by the army or the police despite constant patrolling. A certain number of casualties were, however, inflicted on small parties in minor encounters. On the 8th, military forces with aircraft assistance operated against villages in the southern Carmel hills and in the Jordan valley. The bands were dispersed with casualties and some arms and ammunition were captured.

July, 1938.

The month of July produced a series of major outrages which caused death to 100 Arabs and 27 Jews, and injury to 206 Arabs and 64 Jews.

The two worst incidents occurred in Haifa when bombs exploded in the Arab fruit market in the centre of the town on the 6th and the 25th of the month. The casualties were 74 Arabs killed and 129 wounded. On both occasions confusion followed the explosions and there ensued short periods of rioting and violence in which 10 Jews lost their lives and 27 were injured. Between these two outrages, also in Haifa on the 10th July, a bomb thrown at a Jewish bus killed one Jew and wounded 15 others; and in a street fracas on the 11th two Jews were killed and 14 Jews and one Arab were wounded.

In Jerusalem there were three serious bombing incidents, two in the Old City when 13 Arabs were killed and 35 wounded and one outside the Jaffa Gate when five Arabs were killed and 25 wounded. In addition, isolated attacks within the municipal area resulted in several Arabs and Jews being killed and many more wounded.

In Jaffa and Tel Aviv on the 4th July one Arab was killed and four wounded on the boundary between the two towns; two days later in Tel Aviv a bomb, thrown at or from a train as it was passing a level crossing, killed a Jewess and injured four Jews; and on the 23rd a bomb, which had been placed in an unattended motor car in a crowded Jewish street in Tel Aviv, exploded, injuring twenty-three Jews, seven of them seriously.

Elsewhere in the country there was no diminution of acts of violence in the form of Arab village murders including two mukhtars; fatal attacks on Jewish settlers and Jewish supernumeries; shooting at an Arab taxi on the Haifa-Tel Aviv road when two Indian Moslems, visitors to Palestine, were killed and a third and the chauffeur were wounded; and the assassinations of an Arab police inspector in Tulkarm and a sheikh of the Haram el Sherif in Jerusalem.

Apart from these murderous activities, small parties of armed men did considerable damage throughout the month by sabotage, concentrating on telephone lines which suffered heavily; on the destruction of Jewish trees and crops; and on attempts to damage the railways as a result of one of which, on the 28th July, the Haifa-Kantara passenger train was badly derailed, the assistant engine driver being fatally injured. During the first half of the month, the frontier fence was cut and damaged three times. As the result of intense defensive patrolling, the oil pipe line was damaged only once during the month.

The succession of attacks, reprisals and counter reprisals caused widespread tension in both Arab and Jewish communities. In the Arab towns of Palestine, and also at Amman in Trans-Jordan, there were a series of strikes in protest against the bombing outrages in Haifa and Jerusalem in which the casualties had been preponderantly Arab.

During the month military reinforcements arrived from Egypt. They were stationed in Samaria and Galilee and their presence produced its effect in a diminution of disorder, particularly in northern Galilee, during the last fortnight of the month. Military and police activities throughout the country concentrated on an intensification of patrolling both by day and by night; searches by large forces of extended areas in the Samaria and Ramallah districts; and the setting of ambushes in connection with the defence of the pipe line which resulted in the killing of 17 armed Arab saboteurs and the wounding of 10 to 15 more. It is believed that in addition to the above casualties, the Arab bands in their various sporadic encounters with the troops and police lost at least 50 killed and wounded.

On the 21st July 53 houses in the village of Baqa el Gharbiya were demolished following on a series of shooting incidents in the village in the last of which a company sergeant-major of a Scottish regiment was killed; and during the area search in Samaria, to which reference has already been made, a large number of Arabs were detained for identification and interrogation.

August, 1938.

During the month sabotage persisted on an enhanced scale. The damage to the telephone and telegraph system throughout the country was assessed at more than £P.6,000, while six trains were derailed. There were also two cases of slight damage to the northern frontier fence and the pipe line was twice damaged in the Plain of Esdraelon. In addition, there was an intensification of sniping attacks on road transport and on the 24th and the 25th of the month Jewish transport was heavily attacked at Ramleh on the Jerusalem-Tel Aviv road, two Jews being killed and five injured. On the 31st an Arab bus conveying passengers and mails from Tiberias to Jerusalem was held up near Nablus, four bags being stolen by an armed band.

There was likewise no abatement of the attacks on Jewish life and property. During the month four Jews were killed and 13 injured by the explosion of land mines on agricultural tracks in the Plain of Sharon; a Jewish lorry was ambushed on Mount Carmel, eight men being killed and two women wounded; and on the 28th a Jewish settlement near Haifa was attacked and two settlers were killed and one wounded. In the Mount Carmel incident the troops were quickly on the scene and engaged the ambushers, seven of whom were killed and many more wounded.

There were also two further cases of the kidnapping of Jews both on the Haifa-Tel Aviv road. Of the victims three returned eventually to their homes, but the fate of the remaining three was never ascertained. The kidnapping of Arabs by Arab terrorists also continued and during the month at least 50 Arabs were forcibly abducted by the terrorists. The dead bodies of several were subsequently recovered.

In addition to these outrages, three British subjects serving the Crown were murdered. On the 6th Constable Willis, of the Palestine Police Force, was shot dead in an Arab bus between Nablus and Jenin; on the 13th Captain Howe, of the Royal Engineers, was murdered in a traffic hold up between Jerusalem and Bethlehem; and on the 24th Mr. Moffat, the acting Assistant District Commissioner in Jenin, was fatally wounded by an Arab assassin who penetrated to his office. In this case the murderer was almost immediately apprehended by troops and, in an ensuing attempt to escape, was shot dead.

Apart from these incidents there were four serious hold-ups. On the 10th, an armed gang succeeded in robbing the Nablus branch of Barclays bank of over £P.5,000; on the 16th, a post office employee in Nablus was robbed of a bag containing £P.2,000; on the 21st, the Qalqiliya post office was raided and £P.36 stolen; and on the 30th, again in Nablus, a bank messenger was waylaid and robbed of over £P.200.

On the 19th, a general raid on Hebron town resulted in the urban police post, Barclays bank and the post office being attacked and extensively damaged. Early in the morning of the 25th, in Jaffa, a time bomb exploded in the crowded Arab vegetable market. This killed 24 Arabs and wounded 35, and immediately large and excited crowds of Arabs collected and attacked two local banks and a British grocery store. The attacks were repulsed by the police, but rioting of a sporadic nature persisted for two days resulting in the imposition of a daylight curfew and in the death of two Arab rioters and the wounding of nine others.

During the month military and police activities were intensively pursued. On the 18th, the troops engaged and routed a large band in the neighbourhood of the Acre-Safad road and armed bands throughout the country suffered at least 131 casualties in engagements with the troops and police.

September, 1938.

During this month the casualties among the British troops and police, Jews and Arabs (excluding bandits) reached the formidable total of 188 killed and 156 wounded. In addition, rebellious activities, probably encouraged by the crisis in Europe, were more widespread than in previous months. In

almost daily encounters with the troops and police the bands are known to have suffered total casualties of at least 311 killed and a large, though unknown, number wounded.

The main features of the gangs' activities were a marked increase in the number of Arabs forcibly abducted and in many cases subsequently murdered, their studied concentration on the destruction of Government buildings and property, and the carefully organized robberies of police armouries in outlying posts. In addition, attacks on Jewish life and property continued. Between the 2nd and the 7th of the month in the Jaffa, Tel Aviv and Lydda districts there were nineteen Jewish and one Arab casualities from stabbing, shooting and bomb throwing. On the 6th, in Tiberias, three Jews were killed and a Jew and an Arab wounded by four Arab assassins who were subsequently caught by the police.

On the 9th, Beersheba was raided by a large gang which, working with great precision, destroyed the wireless post, broke into the prison and released the prisoners, and after killing a British police sergeant, raided the police station and got away with a Lewis gun and a large quantity of rifles and ammunition. Later in the month all police and Government buildings in the town were set on fire and destroyed.

On the 10th, seven Jewish constables were killed in an ambush on the Gaza-Jaffa road and on the 13th, in Gaza town, armed men robbed postal employees of four mail bags, one of which contained over £P.1,000. In Beersheba, the Government offices were raided and the armed thieves decamped with over £P.150.

Meantime tension persisted in Jaffa where the troops were fired on and police headquarters were bombed. In Haifa there was a strike of shops in the Arab market. During the night of the 13th-14th a large gang raided Bethlehem and destroyed the police station and did considerable damage to the municipal and post offices.

The Arab attacks on road and rail transport also continued. A British officer and three British soldiers were killed by an explosion of a land mine on the northern frontier road; another land mine destroyed a motor car near Beisan, killing three Jewish passengers. A Jewish doctor was shot and killed when passing in his car through Ramleh where, as a result of events in Jaffa, Arab excitement ran very high. On the 16th, five trucks belonging to the Palestine Potash convoy were ambushed and destroyed on the Jerusalem-Jericho road and two Arab employees of the company were murdered; between the 18th and the 23rd well-laid land mines in different parts of the country were responsible for 12 casualities to British troops and nine to Jewish police constables. During the night of the

25th-26th, the railway track from Rafa to Lydda was destroyed over a distance of 12 kilometres with the result that rail traffic to Egypt was suspended for eight days.

Two major military engagements took place on the 14th and 15th of the month. On the 14th an armed band attempting to ambush a military ration convoy on the Jerusalem-Hebron road was heavily attacked by the troops and aircraft and lost sixteen killed and five prisoners. On the 15th, troops and aircraft engaged a strong band north-west of Ramallah and killed a large number. In neither engagement was there any Government casualties.

The following day, the 16th, a smaller engagement took place in the search of the same area in the Ramallah sub-district and five persons were killed and three wounded. One of the killed was an important gang leader.

October, 1938.

During the month, the arrival of strong military reinforcements brought about an improvement of the security position. The Old City of Jerusalem, which had become the rallying point of a large number of bandits and from which acts of violence, murder and intimidation were being organized and perpetrated freely and with impunity, was fully re-occupied by the troops on the 19th of the month. This was a successful, organized operation of considerable magnitude. On the same date, Acre was searched and over 100 Arabs detained for investigation. On the 25th and the 26th, a large military force combed a big area in the Safad-Nazareth-Acre triangle.

On the 29th a comprehensive search of Gaza was made, 300 suspects being removed for examination to Sarafand camp. Finally, on the last day of the month, a wide search operation, which lasted four days, was conducted by the troops in Jaffa, 60 " wanted " men being detained in custody out of a large number of Arabs who were arrested for investigation.

Elsewhere throughout the country there were constant military and police activities, and at least 282 armed men were killed and wounded.

Gang action, however, persisted. On the 1st of the month a British police inspector was fatally wounded at Ramallah by a band which was later engaged and suffered some 50 casualties. On the 2nd there occurred a general raid on the Jewish quarter of Tiberias. It was systematically organized and savagely executed. Of the 19 Jews killed, including women and children, all save four were stabbed to death. That night and the following day the troops engaged the raiding gangs. They inflicted at least 50 casualties, including one notorious brigand leader, in three encounters, two north of Tiberias and the third near Safad.

Three days later on the 6th, the police, troops and aircraft engaged another large band near Tarshiha in Galilee inflicting some fifty casualties; and on the 10th, a gang which had attacked a Jewish settlement near Beisan was dispersed into Trans-Jordan with a loss of 11 killed, including a well-known local leader.

On the 20th, the army engaged and dispersed a gang near Tiberias, killing five; on the 21st another gang which had ambushed a military convoy near Nablus was attacked and lost 19 killed; on the 22nd, aircraft located and engaged a band north-west of Jerusalem and inflicted some 10 casualties; and on the 29th, near Megiddo a surprise attack by the troops resulted in the capture of the president and five members of a so-called " court ".

Meantime, however, terrorism continued without intermission throughout the country. The worst outrages were in Jaffa where between the 3rd and the 8th there were three Jewish and three Arab casualties including two Arab constables. Similar excesses, the victims of which were all Arabs, occurred in Acre, near Haifa, in Tulkarm, near Gaza, and in Jerusalem; and on the 9th, the residence of the Assistant District Commissioner in Ramleh was broken into and robbed. Also his car was sniped as he was returning home. Simultaneously acts of sabotage and arson and the sniping of Jewish settlements persisted and in Haifa a large number of shops in the centre of the town were wilfully set on fire and damaged. In the Yebna district, south of Jaffa, considerable sabotage was done to both Arab and Jewish orange groves. On the 13th, a cigarette factory near Jaffa was destroyed by arson. Also on the 13th, a well-known Arab lawyer and municipal councillor of Jerusalem was murdered in the hills west of Ramallah whither he had been lured by an invitation from the gang leader of that area.

Similar outrages continued throughout the second half of the month. In Jaffa there was a series of murders involving Arabs and Jews and including Arab and Jewish members of the Police force and a well-known Jewish mukhtar; and Jewish transport was also freely sniped in the outskirts of the town, involving several casualties among passengers. Twice, however, the troops were in time to intervene and two rioters were killed, four wounded and five captured. Near Jerusalem a Jewish engineer was shot dead in his office and on Lake Huleh in the north two Jewish constables were killed and six wounded by snipers shooting from across the Syrian border. In Haifa an Arab detective constable was murdered and the Arab kawass of the District Commissioner was shot and wounded and his nephew killed by unknown assassins. In Gaza, armed Arabs penetrated the Government hospital and killed a woman. In Nazareth an Arab was shot dead. In Hebron an Arab constable was killed. In a Jerusalem suburb a Jewish milk vendor was attacked with an axe and fatally wounded, but of his two aggressors one was killed by the police and the other captured. On the 27th, the Jewish mayor of Tiberias was shot and fatally

wounded in the middle of the town in broad daylight, and on the 30th armed men attacked a bank at Hebron and decamped with about £P.500. A Jew was stoned to death in the Manshiya quarter of Jaffa on the same day.

November, 1938.

As the result of the military search operations in Jaffa from 31st October to 3rd November, there was an improvement in the towns, although there, as elsewhere in Palestine, there was a three days' strike of all Arab shops following the issue of the military order restricting motor traffic on the roads except under permit (see Policy).

Meantime, during the first nine days of the month the troops continued intensive search activities in the districts. They detained a large number of Arabs for investigation and captured a quantity of arms and ammunition. There were also some minor clashes between gangs and the army in the course of which 25 of the former were killed, including a well-known leader in the Samaria district, and four wounded.

Isolated acts of violence persisted in Jaffa and its neighbourhood; near Acre; in Haifa; near Lydda; and in Gaza; and attacks on Jewish transport continued. In Haifa, the Levan bonded warehouse was burnt down and the post office was raided, the robbery yielding over £P1,500.

During the remainder of the month the troops maintained their pressure on the gangs by constant searches of areas and villages throughout the country. Further large quantities of arms and ammunition were captured; a considerable number of suspects were detained for identification and investigation; and, acting on information the supply of which began slowly to increase, the troops and the police organized a series of successful raids. In surprise encounters with bands over 100 casualties were inflicted by Government forces, including the killing of three " wanted " leaders. On the 13th, a combined force of soldiers and police carried out a search of Jericho. A total of 554 male inhabitants were checked, of which number 11 were deported to Trans-Jordan and 28 placed in detention under the Defence Regulations. In addition, two surprise searches were made in Jaffa on the 19th and the 20th and on the 21st a strong military post was established in Beersheba. On the 25th and the 26th a wide military sweep was made in the hill country south and south-west of Jerusalem with the object of ridding the area of gangs who had been successfully concentrating on the sabotage of the Jerusalem-Lydda railway. Finally, a search operation was conducted by the troops in and around Nazareth on the 14th, during which 40 persons were detained. This local " cleaning-up " operation had a good effect and during the month the Galilee District was, on the whole, quiet.

In spite of these activities, however, terrorism continued in the towns and sabotage throughout the country. Jaffa and the immediately surrounding country in particular was the scene of

repeated outrage. The causalties included Arabs and Jews, and on the 18th two prominent members of the Defence Party were murdered in Lydda. (See Arab Affairs, paragraph 43—Fakhri Eff. Nashashibi's memorandum to the High Commissioner.) In the rest of the country acts of violence continued to occur though less frequently than in the Jaffa sub-district, and outrages were reported from Haifa where between the 12th and the end of the month six Arab and fourteen Jewish casualties occurred; from Jerusalem where one of the victims was another adherent of the Nashashibi Defence Party; from Nablus, where on one occasion the law courts were raided by armed men and where another prominent member of the Defence Party was murdered in the market; and from near Tulkarm.

December, 1938.

During the month, the activities of the bands tended to decline but terrorism in towns and villages continued and road transport was still being attacked. At the end of the month it was clear that, although Government had definitely gained the upper hand in the field, the mainly police problem of terrorism in the towns was still a grave menace.

The activities of the troops concentrated on wide searches throughout the month. In two cases so-called " courts " were captured; large hauls were made of arms and ammunition; and there was a relentless rounding up of undesirable characters in all parts of the country. It was estimated that over one-third of the villages in Palestine had been visited during 1938 and searched by the army and the police.

Apart from these search operations, there were several major encounters with armed gangs on whom the troops inflicted heavy casualties. On the 1st of the month, near Hebron, the gangsters suffered 27 casualties; the following day, near Beisan, 15 Arabs of a gang, which had murdered three Jewish settlers, were killed and five captured; on the 18th, south of Hebron, 30 bandits were killed and 15 captured and a considerable quantity of arms and ammunition was seized; finally, on the 19th, 10 more were killed in an encounter near Tiberias.

Meanwhile there was no cessation of acts of violence. Attacks on road transport persisted and produced several casualties; and, particularly in the towns, murders of and murderous attacks on individuals were frequent. In Haifa they were sporadic throughout the month and in Jerusalem during the period from the 23rd to the 31st there were six Jewish and one Arab casualties. There was also a series of attacks on the persons and property of the Nashashibi (Defence Party) family following an Arab gathering organized on the 18th by Fakhri Eff. Nashashibi south of Hebron in support of his memorandum to the High Commissioner (see Arab Affairs).

In Jerusalem two well-known sheikhs were shot and killed. One of them had previously survived three attempts on his life. Other outrages were reported from Beisan; from Bethlehem where a Jewish warder of the lunatic asylum was shot dead by armed raiders; from the Plain of Sharon and from Affule and Petah Tikvah where casualties occurred from attacks on road transport; from Nazareth where a Jewish doctor was wounded and an Arab notable who had been a member of the General Agricultural Council was shot dead; and from Jericho where a member of a well-known Arab family was murdered.

On the 26th, Mr. Le Bouvier, the British area manager of the Ottoman bank, was kidnapped by armed Arabs on his way back from the Dead Sea to Jerusalem. He returned unharmed after two days in the custody of the gang. On the last day of the year a motor convoy escorting Sir Charles Tegart and officers of the army and the police was held up by ambush in the hilly ravines north of Ramallah on the Jerusalem-Nablus road. Mr. G. B. Sanderson, staff officer to the Inspector General of Police, was instantly killed when the convoy was fired upon, but the rest of the party succeeded in escaping unharmed.

12. The following is a statistical statement of the number of cases of terrorist activities during the year:—

	Frontier.	*Northern*	*Nazareth.*	*Nablus.*	*Jerusalem.*	*Southern.*	*Gaza.*	*Totals.*
Incidents of violence.								
Attacks and sniping on police and military ...	198	71	88	293	125	141	70	986
Attacks and sniping on Arab public	6	10	6	19	14	16	3	34
Attacks and sniping on Jewish public	19	49	10	8	23	67	—	176
Attacks on transport ...	33	57	24	21	80	118	2	335
Armed robbery	18	46	26	94	131	103	39	457
Firing on Jewish colonies and Jewish quarters ...	52	189	120	35	83	170	2	651
Bomb throwing	7	85	61	28	66	63	21	331
Abductions	20	32	18	64	62	16	3	215
Attacks on Arab villages and houses	16	10	21	56	29	21	9	162
Damage to Arab property	3	10	3	16	6	22	1	61
Damage to Jewish property	59	146	47	46	44	125	28	415
Sabotage to telephones...	54	84	94	121	135	165	67	720
Sabotage to railways and roads	35	29	24	62	51	82	58	341
Sabotage to other Government property ...	35	10	19	38	40	40	28	210
Sabotage to I.P.C. pipe line	—	23	81	—	—	—	—	104
Assassinations and attempts.								
Police killed and wounded	5	10	—	8	16	14	2	55
Public killed and wounded	34	89	28	72	74	70	8	375
Totals	594	950	670	981	977	1,233	341	5,708

13. The total casualties during 1938 resulting from terrorist and gang activities were:—

	Killed.	*Wounded.*
(*a*) *British.*		
British police...	12	15
Military	63	200
British civilians	2	1
Total	77	216
(*b*) *Jews.*		
Jewish civilians	206	318
Jewish police (regular)	8	9
Jewish police (supernumerary)	41	63
Total	255	390
(*c*) *Arabs.*		
Arab civilians	454	554
Arab police (regular)	31	22
Arab police (supernumerary and ghaffirs)	18	22
Total	503	598

(*d*) *Armed Bands.*

No accurate figure can be given of the number of casualties suffered by members of armed bands, but a conservative estimate by the military authorities is that about 1,000 were killed by Government forces during 1938, while about the same number were wounded. It is estimated that the actual casualties inflicted were considerably higher, because on practically all occasions every effort was made by Arab bands to remove and conceal casualties.

14. Reference is made in the following section of this Report (Policy) to:—

(*a*) The appointment of the Palestine Partition Commission; its visit to Palestine; and the issue on the 9th November of its Report and of the accompanying Statement by His Majesty's Government in the United Kingdom.

(*b*) The visit to Palestine in August of the Secretary of State for the Colonies.

(*c*) The promulgation on the 18th October of Regulations made by the High Commissioner under Articles 6 and 10 of the Palestine (Defence) Order-in-Council, 1937, by which powers were given to the General Officer Commanding the British Troops in Palestine and Trans-Jordan to appoint, with the consent of the High Commissioner, military commanders in various districts in the country who would assume all the powers and duties hitherto vested in the District Commissioners by the Defence Regulations.

In addition, the following further measures were taken relating to public security:—

(1) On 1st September, a curfew from 6 p.m. to 4 a.m. was imposed on roads in the rural areas of the greater part of Palestine.

(2) On 23rd November, a curfew from 6 p.m. to 5 a.m. was imposed on all Palestine with the exception of municipal and built-up areas.

(3) On 12th October, a system of voluntary identity cards for male persons over 16 years of age was instituted.

(4) On 1st November, an Order was issued under the Emergency Regulations prohibiting any male person from travelling by motor car or by train in the rural areas in Palestine without a pass issued by a Military Commander.

15. For the purpose of close co-operation between the Army and the Police, the police force was placed under the operational control of the General Officer Commanding on the 12th September, 1938.

16. The system was continued of employing supernumerary police to augment the regular police for safeguarding communications and the better protection of Government and other property and the defence of Jewish settlements. In order to distinguish between this personnel and those employed at private expense for the protection of private undertakings, the former were described as temporary additional police and the title supernumerary police was reserved for those privately employed. The number of temporary additional police employed at the end of the year was:—

(1) For protection of Jewish settlements	...	1,268 (Jews)
(2) For protection of Railways	...	422 (Jews)
(3) For other police dispositions	...	1,628 (Jews)

In addition to this personnel, a force of 240 temporary additional police was employed to relieve troops so far as possible from static defence duties, and a further 50 ranks were employed on special security patrols. Both of these forces were under direct military supervision.

The training of temporary additional police for Jewish settlement defence and railway protection was undertaken for the most part during the previous year, but during 1938 refresher courses were held. The training of the remaining temporary additional police was carried out by army instructors so far as weapon training was concerned, and otherwise by personnel of the regular police force.

The Jewish settlement temporary additional police was reorganized towards the end of the year with the following principal changes:—

(i) The force was placed under the direct command of the Inspector General acting through a District Superintendent of Police (Auxiliaries);

(ii) The force was divided into ten companies, each of which was commanded by a British Police Inspector;

(iii) Reservist personnel were enrolled as special constables and were liable for immediate service.

In addition to temporary additional police employed for Jewish suburb and settlement defence, there were also 5,652 special constables enrolled for employment under arms. Of these an average number of 1,278 performed duty daily.

The numbers of supernumerary police employed for private purposes were:—

Arabs	51
Jews	739

17. During 1938, 2,543 persons were detained for varying periods under Regulations made under the Palestine Defence Order in Council and the Prevention of Crime Ordinance, as follows:—

Arabs	2,463
Jews	80

At the end of the year the numbers detained were:—

Arabs	2,033
Jews	36
Total	2,069

18. In order to assist in combating terrorism in Palestine, the Government had the assistance and advice of Sir Charles Tegart, K.C.I.E., C.S.I., M.V.O., from November, 1937, to June, 1938, and again from October, 1938, to the end of the year; and of Sir David Petrie, C.S.I., C.I.E., M.V.O., from November, 1937, to February, 1938. Both these distinguished officers had had long experience of police work and criminal investigation in India. One result of their mission was the reorganization and the reinforcement of the Criminal Investigation Department in Palestine (see Military Clauses). In addition, effect was given by Government to the following recommendations made by Sir Charles Tegart:—

(1) The construction of a barbed-wire entanglement from Bassa on the Acre-Ras en Naqura road eastwards along the alignment of the northern frontier to Lake Huleh, and the establishment of subsidiary defence works, such as " pill boxes ", etc., along its course;

(2) The prolongation of this fence, with the necessary defence works:—

(*a*) from Roshpina to Tabgha on the Sea of Galilee,

(*b*) from Samakh to the Trans-Jordan frontier on the River Yarmuk.

This was undertaken in order to protect the north-eastern frontier.

These works are designed to prevent the smuggling of arms and the entry of undesirable persons into Palestine.

19. From March onwards, security committees on which the Civil Administration, the Police, and the Army were represented met almost daily at headquarters in Jerusalem and in the districts.

20. On the 1st December, the appointment was made of an additional District Commissioner in the Southern District to take charge of the Gaza and Beersheba Sub-Districts with his headquarters in Gaza.

During the year further British officers joined the district staffs on secondment from other colonial territories and from the Sudan. They were posted as Assistant District Commissioners throughout the country.

21. On 1st January, 1938, the strength of the forces of the Crown in Palestine and Trans-Jordan was two infantry brigades (a total of six battalions) and ancillary units; one squadron and two flights of light bomber aircraft; one company of armoured cars; and the Trans-Jordan Frontier Force.

This force remained unchanged until mid-July when the situation demanded an increase in the force and one armoured car regiment, two infantry battalions, and the H.Q. and two flights of Royal Air Force Squadron were sent from Egypt.

Further deterioration in the situation led to additional reinforcements being despatched from England, and by the 26th September a brigade headquarters and three infantry battalions had arrived in the country. Almost at once, however, the European situation necessitated the return to Egypt of the armoured car regiment and two battalions of infantry.

Subsequently, reinforcements were again despatched to Palestine, and by mid-November the forces in Palestine and Trans-Jordan had increased to two regiments of cavalry; one armoured car regiment; one battery and detachment of the Royal Horse Artillery; 18 infantry battalions and the necessary ancillary units; two Royal Air Force Squadrons; an armoured car company and the Trans-Jordan Frontier Force.

The following are the quantities of arms and ammunition seized by the military forces in the course of operations and searches during the year:—

Rifles...	344
Pistols and revolvers	146
Shotguns	53
Ammunition ...	26,000 rounds (approximately)

In addition, considerable quantities of other warlike material and equipment, such as grenades, bombs, explosives, fuzes, percussion caps, uniforms, etc., were captured.

During the same period the Police made the following seizures of arms, etc.:—

Rifles...	558
Pistols and revolvers	388
Shotguns	65
Ammunition ...	42,000 rounds (approximately)

They also captured one sub-machine gun and 238 bombs.

23. The Military Courts, established in November, 1937, continued throughout 1938. Up to the end of the year they had tried 382 persons. The following is a summary of the sentences confirmed by the General Officer Commanding British Forces in Palestine and Trans-Jordan:—

Sentence.	*Court.*		
	Jerusalem.	*Haifa.*	*Total.*
Death sentences	20	34	54
Life imprisonment	25	13	38
12 years imprisonment	1	—	1
10 years imprisonment	14	15	29
7 years imprisonment	5	4	9
5 years imprisonment	17	7	24
4 years imprisonment	2	2	4
3 years imprisonment	7	4	11
2 years imprisonment	9	6	15
18 months imprisonment	1	—	1
1 year imprisonment	4	3	7
Under 1 year imprisonment ...	7	5	12
Acquitted	81	60	141
Bound over	20	13	33
Finding reversed	2	1	3
	215	167	382

Fifteen juvenile offenders were directed to serve their sentences in reformatories.

One accused person was found " not guilty " on the grounds of insanity.

24. During the year, the control of the Press continued to be exerted under the Press Ordinance and the Defence Regulations made under the Palestine (Defence) Order in Council.

25. Local newspapers, daily and weekly, were penalized as follows:—

Name.	*No. of suspensions.*	*Total period.*	*Cause.*
I. *Arabic Press* (Dailies).			
"Al Difa'a"	1	3 weeks	Publication of matter likely to endanger public peace.
"Falastin"	3	3 ,,	,,
"Al Jamia al Islamiya"	2	4 ,,	,,
"Al Sirat al Mustaqim"	1	3 months	,,
"Al Lahab"	1	1 month	Publication of a false report.

Two official warnings were given to "Al Difa'a" and one to "Al Akhbar."

II. *Hebrew Press* (Dailies).			
"Hatzofeh"	1	2 weeks	Publication of matter likely to endanger public peace.
"Davar"	1	2 ,,	,,
"Haboker"	1	1 week	Publication of a false report.

Three official warnings were given to "Davar" and two to "Haboker."

III. *The Palestine Post* (published in English)—Five official warnings were given to this paper.

26. Weekly journals published in the country were suspended as follows:—

Name.	*No. of suspensions.*	*Total period.*	*Cause.*
"Palestine and Trans-Jordan" (published in English).	2	9 months	Publication of matter likely to endanger public peace.
"Arab News Agency" (published in English).	1	6 ,,	,,
"Al Lahab" (Arabic)	1	3 ,,	,,
"Al Nafir" (Arabic)	1	3 ,,	,,
"El Carmel el Jedid" (Arabic)	1	6 ,,	,,
"Al Iqdam" (Arabic)	1	6 ,,	,,
"Sawt el Sha'ab" (Arabic) ...	1	1 year	,,
"Hayarden" (Hebrew)... ...	1	3 months	,,
"Haolam" (Hebrew)	1	2 ,,	,,

An official warning was given once to "Palestine and Trans-Jordan".

Two official warnings were given to "La Terre Sainte", a monthly paper published in French and Spanish in Jerusalem by the Franciscan Order.

27. Newspapers published in neighbouring countries were excluded from Palestine under section 20 (1) of the Press Ordinance, as follows:—

Syrian newspapers on 13 occasions.
Lebanese newspapers on 15 occasions.
Egyptian newspapers on 12 occasions.

28. The High Commissioner made use of the powers conferred by Regulations 11 and 12 made under the Palestine (Defence) Order in Council, 1937, as follows:—

(*a*) A censorship of outgoing foreign Press telegrams was enforced from the 13th July to the 1st September and from the 8th September to the 31st December.

(*b*) International trunk telephone calls to and from Palestine were restricted to an approved list of subscribers from the 29th August to the 31st December.

(*c*) Certain pamphlets, books and manifestos were prohibited.

(*d*) A Censor's order of the 25th August prohibited the local Press from publishing any accounts of or comment on the activities of armed gangs or terrorists or of military and police operations except those contained in official communications to the Press. This Order was still in force at the end of the year. A regulation (11 (*c*)) under the Palestine (Defence) Order in Council, 1937, was published on the 7th December requiring the editors of newspapers to publish such communications textually and in full or an abbreviated version thereof containing all the relevant facts.

POLICY.

29. On the 4th January, 1938, a Command Paper regarding policy in Palestine was issued by His Majesty's Government simultaneously in London and Jerusalem. It contained the text of a despatch dated the 23rd December, 1937, from the Secretary of State for the Colonies to the High Commissioner for Palestine announcing the decision of His Majesty's Government to send to Palestine a commission, later known as the Palestine Partition Commission, and setting out its terms of reference. The text of the Command Paper is attached to this section as Appendix " A ".

Later, appointments were made to the Commission as follows:—

Sir John Woodhead, K.C.S.I., C.I.E.—*Chairman.*
Sir Alison Russell, K.C.
Mr. A. P. Waterfield, C.B. } *Members.*
Mr. T. Reid, C.M.G.
Mr. S. E. V. Luke—*Secretary.*

The Commissioners reached Jerusalem on the 27th April, and during their stay in Palestine, which ended on the 3rd August, they held 55 sessions, two of which were in public, toured the country extensively and visited Trans-Jordan where nine days were spent. No Arab witnesses came forward to give evidence.

Their Report, a summary of which is attached to this section (Appendix " B "), was presented to Parliament by the Secretary of State for the Colonies on the 9th November, and was published simultaneously in London and Jerusalem together with a statement on Palestine by His Majesty's Government (Appendix " C ").

30. The Report and the Statements (Appendices " B " and " C ") were debated in both Houses of Parliament later in November. The text of the opening speech in the debate by the Secretary of State for the Colonies in the House of Commons is appended (Appendix " D ").

31. The Secretary of State for the Colonies paid a visit to Jerusalem on the 6th and 7th August.

32. Two important regulations made by the High Commissioner under the Palestine (Defence) Order in Council, 1937, were promulgated in October.

The first (Control of Police), which was made on the 17th October under Article 6 of the Order in Council, gave effect to the decision reached in September (see Public Security paragraph 15) whereby the Palestine Police Force was made subject to the general or specific direction and control of the General Officer Commanding the British Forces in Palestine and Trans-Jordan (Appendix " E ").

The second regulation (Military Commanders), which was made on the 18th October, empowered the General Officer Commanding to appoint, with the consent of the High Commissioner, Military Commanders in the various districts who would assume all the powers and duties hitherto vested in the respective District Commissioners by the Defence Regulations (Appendix " F "). The District Commissioners themselves became the political advisers of the Military Commanders.

On the same day, the 18th October, a Military Commander of the Jerusalem District was appointed by the General Officer Commanding; and on the 19th October, four similar military appointments were made affecting the Samaria, the Haifa and Galilee and the Southern Districts and the Jordan Valley within the boundaries of Palestine.

IMMIGRATION.

33. From the beginning of August, 1937, Jewish immigration into Palestine was conducted according to the policy stated in a Command Paper presented to Parliament by His Majesty's Government in July, 1937 (vide Appendix " B " on page 41 of the Annual Report for 1937), whereby as an interim measure a total Jewish immigration in all categories of 8,000 persons was

permitted for the eight months' period from August, 1937, to March, 1938, provided that the economic absorptive capacity of the country was not exceeded.

34. The policy of His Majesty's Government from April, 1938, was embodied in a despatch No. 248 of the 10th March, 1938, addressed by the Secretary of State for the Colonies to the High Commissioner, the text of which is reproduced in full in Appendix " G ".

35. In accordance with this policy, the High Commissioner authorised the admission of the following aggregate numbers of immigrants (Jewish and non-Jewish) in the several categories for the six monthly periods commencing the 1st April, 1938, and the 1st October, 1938, respectively:—

Category as defined in Rule 4 (1) of the Immigration Ordinance.	*Six-monthly period commencing 1st April, 1938.*	*Six-monthly period commencing 1st October, 1938.*
A (i)	2,020*	2,020†
A (ii)	Nil	Nil
A (iii)	Nil	Nil
A (iv)	20	20
A (v)	20	20
B (i)	10	10
B (ii)	200	200
C	1,150	1,150
D (Dependants other than wives and minor children) ...	250	1,450

* 600 of these certificates were subsequently converted into certificates in Category D.

† Later 30 of the certificates in Category A (i) were converted into certificates in Category B (ii) (persons of religious occupation).

36. Jewish immigrants to the number of 12,868 were registered during the year. Of these, 1,753 were capitalist immigrants whose dependants numbered 1,722, 2,537 were students whose maintenance in an approved educational institution is assured, 2,573 were persons coming to employment whose dependants numbered 1,662, and 2,565 were dependants of residents of Palestine.

37. The Palestine Government has continued to take measures to check illegal immigration through the agency of His Majesty's Consular Officers abroad, by control arrangements at the ports and frontiers and by the employment of special preventive forces by land and sea.

Illicit immigration through the northern frontier is being more effectively controlled as the result of the construction of the frontier fence and frontier road and the employment of a special force of police in this area.

The improvement of the existing control of illicit immigration by sea by the establishment of an organized coast guard service was under consideration at the end of the year.

38. Seven hundred and fifty-two persons, including 103 Jews who entered Palestine surreptitiously during 1935, were later detected, sentenced to imprisonment and recommended for deportation. Seven hundred and thirty-three deportations were carried out during the year, comprising 30 Jews and 703 other persons.

Seven Jewish and twelve other travellers were deported for overstaying their period of permitted stay in the country. In addition, 1,111 persons were summarily deported to Syria and Egypt.

Towards the close of the year illicit immigration of Jews from countries of Central and Eastern Europe appeared to be on the increase, doubtless as a result of the further deterioration in the political, social and economic situation of Jews in those countries.

39. Germany (including Austria) has displaced Poland as the principal country of Jewish immigration into Palestine. The proportion of Jewish immigrants from Germany rose to 52 per cent. of the total Jewish immigration in 1938. Poland furnished 25 per cent. of the total number of Jewish immigrants. There was also a noticeable increase in the proportion of Jewish immigrants from Czechoslovakia.

ARAB AFFAIRS.

40. Apart from the major issues dealt with in the Policy section there were few developments of note in Arab affairs in Palestine during 1938. This was mainly due to the absence from the country of the majority of the political leaders, some of whom had been deported in October, 1937, while orders prohibiting the re-entry of others into Palestine were maintained throughout the year. In addition, as the result of local terrorism many others, the majority of whom belonged to or were in sympathy with the National Defence Party (see the Annual Report for 1937, paragraph 63), left the country in the interest of their personal safety.

41. In the second week of October a congress which assembled under the name of " The World Parliamentary Congress of Arab and Moslem Countries for the Defence of Palestine ", held its sessions in Cairo. It passed a series of resolutions against the Balfour Declaration and Jewish immigration into Palestine and also elected a permanent committee, three of whose members had been members of the former Arab Higher Committee (see the Annual Report for 1937, paragraphs 50 and 51).

42. Immediately afterwards — also in Cairo — an Arab Women's congress was held in support of the Palestine Arab cause.

43. In November, after the publication of the Report of the Woodhead Commission and the statement of His Majesty's Government in the United Kingdom (see " Policy "), Fakhri eff. el Nashashibi, a near relation of Ragheb Bey el Nashashibi, the leader of the National Defence Party, submitted a memorandum to the High Commissioner in the course of which, claiming to speak on behalf of the " 75 per cent. of the interests of the country " and " much more than half of the Arabs of the country ", he condemned terrorist methods.

44. In December an order was issued for the release from the Seychelles of the five Arab leaders who were deported from Palestine in October, 1937 (see the Annual Report for 1937, pages 20 and 21, paragraphs 50 and 51). This decision was made public in London and Palestine on the 7th December in the following terms:—

" On 23rd November the Secretary of State for the Colonies informed the House of Commons that invitations to attend the proposed discussions in London regarding Palestine had been sent to the Governments of Egypt, Iraq, Saudi Arabia and Trans-Jordan and to the Jewish Agency. Acceptances of these invitations have now been received by His Majesty's Government, and the King of the Yemen has also been invited to send a delegation to attend. His reply is shortly expected.

"Simultaneously in order to facilitate the nomination of the Arab delegates from Palestine itself, His Majesty's Government have decided that full facilities to attend the discussions should be available to the Arabs selected to proceed to London to represent Palestine and that these facilities shall apply equally to those Arabs who are at present deported or excluded from Palestine. In pursuance of this decision and after consultation with the High Commissioner for Palestine His Majesty's Government have ordered the release of those Arabs who are now detained in the Seychelles. Effect will be given to this Order as soon as transport can be arranged from Mahé.

" The release of these persons is final.

" Should their services be required at the discussions in London, they will be available for selection as the representatives of the Arabs of Palestine and will enjoy full liberty of movement subject only to the stipulation that they will not be allowed to return to Palestine where under the present circumstances their admission is regarded as undesirable ".

45. Up to the end of 1938 the representatives of the Arabs of Palestine to attend the proposed discussions in London had not been finally selected.

46. The Commission referred to in paragraphs 52-3 on pages 21-2 of the Report for 1937 continued to control the finances of Moslem Awqaf in Palestine. The method of exercising that control has, however, been modified as it was found that the Supreme Moslem Sharia Council and Awqaf officials were prepared to co-operate with the Commission. A *modus vivendi* was agreed upon between the Commission and the Supreme Moslem Sharia Council under which the Council was permitted to resume a considerable degree of control over Moslem Awqaf, subject to the reservation to the Commission of certain specific powers necessary for the proper control of the financial affairs thereof.

SUPREME MOSLEM COUNCIL.

47. During 1938 the Supreme Moslem Council and the Awqaf Administration maintained the essential wakf services in so far as funds and the disturbed state of the country permitted.

The Dome of the Rock.

Some work was carried out on the restoration of the marble panels on the exterior of the Dome of the Rock. Certain temporary measures designed to prevent the penetration of rain into the walls were also taken in order to preserve the structure until proper restoration of the whole of the exterior can be carried out on the basis of a scheme which is being prepared by the experts from Egypt who are advising the Supreme Moslem Council on the conservation of Islamic monuments in Palestine.

Repairs to Al Aqsa Mosque.

In the Annual Report for 1937 (page 27), detailed reference was made to the dangerous faults observed in the structure of the Mosque of Al Aqsa. Early in 1938 a further examination revealed that the position was serious. The Supreme Moslem Council therefore sought the advice of Mr. W. Harvey, a distinguished English engineer who had been summoned to Palestine to report on the condition of the Church of the Holy Sepulchre. They also secured the assistance of Egyptian Government engineers who were specialists in the conservation of mosques and Islamic monuments in Egypt, and under their direction the work of shoring up the eastern portion of the Mosque was undertaken. Later in 1938 this work was inspected by an experienced Egyptian engineer who reported that it removed any immediate danger to the eastern portion of the building. He advised, however, that the restoration of the central portion of the Mosque should be undertaken without delay. This has been put in hand.

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The Haram es Sherif.

A number of minor urgent repairs were executed on various other buildings in the precincts of the Haram es Sherif at Jerusalem.

Hebron.

At Hebron the Great Mosque (Haram el Ibrahim) was examined by the Egyptian engineers who are drawing up a scheme for enlarging the Haram as the available space is often insufficient to accommodate the worshippers who attend on major religious festivals. Funds, however, are not at present available for the execution of that scheme as priority must be given to making the Mosque of Al Aqsa safe.

Certain minor works have, however, been carried out in the Haram el Ibrahimi at Hebron, e.g., the lead covering on the roof has been repaired to stop the infiltration of rain water into the arches and walls which, if it had continued, might have caused serious damage to the structure itself.

A sum of £P.500 has also been provided for a number of urgent minor repairs which have been put in hand.

Nablus.

At Nablus work continued, albeit slowly, owing to lack of funds, on the new " El Nasr " Mosque.

Jaffa.

At Jaffa a sum of £P.2,000 was provided for the installation of proper sanitation and drains in two of the principal mosques.

JEWISH AFFAIRS.

48. During the first eight months of 1938 the interest of the Jewish community was focused on the investigations of the Palestine Partition Commission, before whom evidence was given by the Jewish Agency and other Jewish bodies including representatives of the Revisionist (New Zionist) Organisation and the Agudat Israel.

Official Zionist opinion on the question of partition, as well as that of the Jewish public generally, was sharply divided and did not follow normal party lines. The abandonment of the partition proposal by His Majesty's Government, while a disappointment to certain sections of Jewish opinion, served to unite Zionist parties on the question of policy in Palestine.

49. The increased severities exercised against the Jews in Germany aroused considerable feeling amongst Palestine Jewry and the proceedings of the Evian Conference for dealing with the international refugee problem were followed locally with keen interest. Dr. Ruppin, a member of the Executive of the

Jewish Agency, attended the Evian Conference. The local Jewish community contributed generously to funds for the settlement of German Jews in Palestine.

50. The strained relations between the official Zionist bodies and the Revisionist (New Zionist) Organisation showed no improvement during the year. Collections on behalf of the Redemption Fund (Kofer Hayishuv), which was instituted under the auspices of the Vaad Leumi to provide funds to assist in the protection of Jewish outlying settlements, were actively opposed by the Revisionists, on the grounds that members of their organization had not been allowed to co-operate in the measures taken for the defence of Jewish settlements. These disputes resulted in a few breaches of the peace.

51. Negotiations were still in progress at the end of the year for the amalgamation of the committee of the local Jewish community of Tel Aviv established under the Religious Communities (Organization) Ordinance with the Municipal Council of Tel Aviv. Amalgamation of the corresponding bodies was completed in the case of the newly established Municipal Council of Petah Tiqva.

New local councils were elected in Rishon le Tsiyon, Hertseliya, Ramat Gan and Raanana.

Local town planning commissions were established in the Jewish settlements of Ramat Gan and Bnei Beraq.

52. The establishment of a temporary landing ground for aeroplanes was authorized in September on Government land north of the River Auja, adjoining Tel Aviv. A passenger and mail service plying daily between Tel Aviv and Haifa and Beirut was inaugurated by Palestine Airways.

53. Negotiations were continued for combining all Jewish citrus co-operatives under a single organization, with a view to centralizing arrangements for the disposal of the citrus crop and eliminating uncontrolled exports of citrus fruits but no agreement was reached for the 1938-9 citrus season. The negotiations were still in progress at the end of the year.

54. The Jewish Agency carried out a census of Jewish wholesale and retail distribution trades. 7,103 retail and 423 wholesales stores were enumerated, representing a capital investment of £P.7,780,000 and affording employment to 19,910 persons.

55. Since the opening of Tel Aviv Lighter Harbour, increased interest has been shown by the Jewish public in the possibility of maritime developments, and a school of navigation and marine engineering was opened at the Hebrew Technical Institute at Haifa at which 41 students are attending.

A local Jewish shipping company which is carrying out coastal trade in the eastern Mediterranean in two small cargo vessels manned by Jewish crews is expanding its activities.

56. The award of an honorary Order of the British Empire to Mr. I. Rokach, the Mayor of Tel Aviv, was among the Birthday Honours conferred by His Majesty the King.

57. Professor A. H. Fraenkel, of the Faculty of Science, was appointed by the Senate as Rector of the Hebrew University of Jerusalem.

58. Dr. Emil Schmorak was appointed member of the Palestine Executive of the Jewish Agency in charge of trade and industrial affairs in place of the late Dr. F. Rotenstreich.

ECONOMIC AFFAIRS.

59. The revised estimate of revenue for the financial year 1st April, 1938, to 31st March, 1939, excluding grants by His Majesty's Government, is £P.4,123,000 compared with the original estimate of £P.4,343,435, a decrease of £P.220,435. The principal decreases occur under the heads for Customs (£P.90,000), Licences and Taxes (£P.145,000), and Fees, etc. (£P.26,000). There were increases, however, under the heads for Posts and Telegraphs (£P.24,000) and Interest (£P.12,000). The revised estimate of grants by His Majesty's Government is £P,1,811,980. These grants comprise £P.200,000 for the Trans-Jordan Frontier Force, £P.18,000 for Hydrographic Survey, £P.13,980 from the Colonial Development Fund and £P.1,580,000 in respect of the reimbursement of emergency expenditure on security. The revised expenditure is estimated at £P.5,765,000 as compared with the original estimate of £P.5,445,760, an increase of £P.319,240 due to the increased expenditure on Police and Prisons service (£P.361,000), the Trans-Jordan Frontier Force including extraordinary works (£P.45,000) and Posts and Telegraphs including extraordinary (£P.9,000). Expenditure for compensation for loss of life and injury caused an increase of £P.56,000 on the vote for Miscellaneous, and there was an increase of £P.108,000 in the estimate of the deficit on the Railways, due partly to decreased traffic and partly to repairs of damage caused by sabotage. On the other hand there were decreases amounting to £P.259,000 on other heads.

The revised estimates of revenue and expenditure for the year ending the 31st March, 1939, therefore, show a surplus of £P.170,000; and it is anticipated that, even after accounting for the anticipated depreciation of investments at the 31st March, 1939, the general revenue balance will be slightly higher than at the 1st April, 1938, when it amounted to £P.2,400,838. It will be necessary, however, to provide in the Estimates for 1939-40 for considerable revotes of emergency expenditure on security measures which were approved during 1938-9, but were not completed in that year.

60. During the calendar year 1938 a total number of 15,263 immigrants entered Palestine as compared with a total of 12,475 in 1937, 31,671 in 1936, and 64,147 in 1935. The number of Jewish immigrants with a capital of £P.1,000 and upwards in 1938 was 1,753 as compared with 1,275 in 1937, and with 2,970 and 6,309 in 1936 and 1935 respectively. The total value of imports (excluding military stores) decreased from £P.15,435,000 in 1937 to £P.11,566,000 in 1938; and the total value of exports decreased from £P.5,814,000 in 1937 to £P.5,020,000 in 1938.

61. The number of dunums of land sold in 1938 was approximately 70,000 valued at £P.2,952,556, as compared with 103,000 dunums valued at £P.4,388,556 in 1937.

62. The estimated value of investments in buildings in 1938 was £P.1,800,000 as compared with £P.3,000,000 in 1937, £P.4,000,000 in 1936 and £P.7,000,000 in 1935.

63. New areas planted with citrus trees amounted to 1,500 dunums in 1938 as compared with 1,500 dunums in 1937, 20,000 dunums in 1936 and 28,000 dunums in 1935.

64. During 1938 the number of new local companies registered totalled 163, with an authorized capital of £P.1,173,597 as compared with 207 and an authorised capital of £P.909,000 in 1937; while 52 companies increased their capital from £P.1,384,579 to £P.2,258,251. At the 31st December, 1938, the currency in circulation amounted to £P.5,509,134 as compared with £P.4,829,134 at the 31st December, 1937, and £P.5,741,134 at the 31st December, 1936. Deposits with banks and the leading local co-operative societies at the 31st December, 1938, amounted to £P.17,650,000 as compared with £P.16,000,000 at the 31st December, 1937, and £P.16,600,000 at the 31st December, 1936.

65. Revenue receipts, which towards the end of 1935 began to reflect the uneasiness aroused by the political outlook in Europe, continued to fall throughout 1936-7 owing to the after effects of the disturbances in that year. Though they showed a slight increase in 1937-8 over the previous year, they fell short of the estimate for the year and were still considerably below the level of 1935-6. It is expected that revenue receipts for 1938-9 will show a further decline. Customs receipts, which for the 12 months ended December, 1935, had maintained an average of £P.239,000 a month fell in 1936 to an average of £P.168,000 a month, and although the monthly average showed a slight improvement in 1937, when it stood at £P.178,000 it dropped in 1938 below £P.146,000. The general uneasiness and uncertainty as to the trend of events in Palestine to which reference was made in the Reports of the preceding two years continued to discourage new developments in trade and industry. Credit facilities were curtailed in 1936 and continued to be restricted throughout 1937 and 1938. The number of companies that went

into voluntary liquidation in 1938 was 28 as compared with 27 in 1937 and with 17 in 1936. Winding-up Orders were issued in 1938 in respect of two companies with estimated assets of £P.6,000 and estimated liabilities of £P.12,000 as compared with seven companies in 1937 with estimated assets of £P.93,500 and estimated liabilities of £P.187,500. The number of Receiving Orders issued in 1938 was 82* representing estimated assets of £P.98,000 and estimated liabilities of £P.166,000 as compared with 60 Orders issued in 1937, representing estimated assets of £P.37,000 and estimated liabilities of £P.93,000.

66. Reference was made in paragraph 83 of the Introductory Chapter to the 1937 Report to meetings held between representatives of the Egyptian and Palestine Governments with a view to improvement of the trade relations between the two countries under the terms of the Trade Agreement with Egypt. The proposals which were formulated as a result of these meetings, and which involve reciprocal tariff concessions in respect of agricultural products of both territories are now under consideration by the respective Governments.

67. The question of the revision of the Syria Palestine Customs Agreement of 1929 so as to bring it more into accord with developments in recent year in Palestine's trade and industry has been under active consideration during 1938. Preliminary negotiations were opened with the Haut Commissariat in Beirut, and in September, 1938, the Palestine Government gave six months' notice of the termination of the Agreement to take effect from the 1st March, 1939, under Article 20 of the Agreement. As later it became clear that the negotiations for a new Customs Agreement could not be concluded by the 1st March, 1939, the period of the notice of termination of the existing Agreement was extended with the consent of the Haut Commissariat until the 1st June, 1939.

68. Mention was made in paragraph 85 of the Introductory Chapter to the 1937 Report of proposals by the Citrus Transportation and Marketing Committee for the enactment of legislation designed to improve the standard of ships carrying citrus fruit from Palestine. The shipping interests have since been consulted in regard to the proposed legislation, and in view of their representations it has been thought desirable to obtain the advice of the Board of Trade before the final proposals for legislation of this character are formulated.

69. The General Manager of the Jaffa Citrus Exchange again made visits to European countries during 1938 with a view to securing a relaxation of trade and currency restrictions which are an obstacle to the development of the Palestine export trade in citrus fruit.

* Six debtors have not to date submitted statements of their assets and liabilities.

As a result, additional facilities were secured in respect of citrus exports to Denmark, Hungary, Roumania, Poland and Yugoslavia.

70. Under the Trade Agreement between the United Kingdom and the United States of America which was signed in November, 1938, Palestine will receive most-favoured-nation treatment in the United States and will benefit in the British market from all the concessions extended to American produce.

The chief concessions by which Palestine may profit are those in respect of canned grape fruit, canned grape fruit juice and canned orange juice which will be accorded duty free entry to the United Kingdom.

71. The manufacture of citrus juices in Palestine is expanding, exports of fruit juices (chiefly citrus fruit juices) having increased from £P.9,928 in 1937 to £P.17,220 in 1938.

72. The Government of Brazil has, on the representations of His Majesty's Government under the terms of the Notes exchanged between the two Governments in London on 10th August, 1936, accorded most-favoured-nation treatment to goods produced or manufactured in Palestine.

73. The railways have suffered severely from the disturbed state of the country and from the decrease in commercial and industrial activities, particularly in the building trade.

A local committee was set up towards the end of the year to examine, as an emergency measure, the possibilities of effecting temporary economies during the prevailing critical period, with a view to reducing the railway deficit. The committee has submitted its Report: a number of its recommendations for economies have been adopted and will be given effect in the next financial year and others are receiving consideration.

74. In view of the increasing importance of the trade and industry of the country, the Palestine Government have created a new post of Economic Adviser to the High Commissioner. Mr. G. Walsh, C.B.E., who has been appointed to this office, has also assumed the Chairmanship of the Standing Committee for Commerce and Industry, the advisory body consisting of official and non-official representatives which was set up in 1928 to advise Government on questions affecting trade and industry. In addition to the Chairman, the Standing Committee now consists of four official members and six unofficial members representative of the commercial and industrial interests of all communities.

75. The principal new industrial enterprise initiated in 1938 was the establishment at Haifa of a large oil refinery by Consolidated Refineries Limited. The construction of the works, which is expected to be completed in 1940, is affording employment to about 2,000 workmen.

Other new industrial enterprises include factories for the manufacture of matches, electrical apparatus, textile printing, tapestries, margarine and flour, and the cutting and polishing of diamonds has been commenced on a small scale.

76. In accordance with recommendations of the Standing Committee for Commerce and Industry, local industry was given further assistance by the impositioin of protective tariffs on certain articles which are produced in Palestine, by exemption from import duty of a number of raw materials, and by the grant of customs drawback in cases where exemption from import duty of the raw material was impracticable. The industries benefiting from these measures included cotton textile manufacture, cutting and polishing of diamonds and other precious stones, manufacture of rivets and denatured alcohol, and other minor industries.

AGRICULTURE, FORESTRY AND LAND.

77. The year 1938 was abnormal and on the whole unfavourable to agriculture. The wheat crop, as the result of an attack of rust, was the lowest for many years, the yield being only about 44,000 tons of very poor quality, as compared with 127,420 for 1937. On the other hand the barley and leguminous crop yields were generally satisfactory and the melon and olive crops were particularly good, thus compensating in some degree for the failure of the wheat crop.

78. The activities of the Department of Agriculture were severely restricted owing to the disturbed state of the country, and nearly all the agricultural and horticultural stations were attacked and in some cases destroyed by armed bands. As the result it eventually became necessary to close down all the stations except three.

79. As regards education and propaganda, the publication of the agricultural supplement to the Gazette was continued and weekly " talks to farmers " were broadcasted throughout the year by the Palestine Broadcasting Service. They appeared to be a popular feature.

80. The year was favourable for stock raisers, but the activities of the veterinary service also had to be curtailed owing to the disturbed state of the country. Towards the end of the year the majority of the animal quarantine stations, poultry stations and apiaries were closed.

81. £P.2,342 was allocated under the scheme for the issue of loans for the development of the hill areas, but owing to prevailing conditions and the difficulty of obtaining adequate security it was eventually decided that the issue of these loans should be suspended.

82. Citrus exports for the season 1937-8 were even higher than the record crop of the previous season and the general condition of shipments arriving on the markets abroad was much improved.

83. The fishing industry also suffered from the prevailing insecurity which discouraged the investment of capital; but although the number of fishing licences showed a slight decrease during the year, there was an increase in the number of fishing craft registered.

84. The work of the Department of Forests was continued under difficulties. Fifty-four plantations covering 22,400 dunums were formed by private persons and institutions during the season, and one new forest reserve was proclaimed, bringing the total number of reserves up to 278 with a nominal area of 740,639 dunums.

MISCELLANEOUS.

85. On the 4th February, 1938, the High Commissioner, Sir Arthur Wauchope, officially opened the new automatic telephone exchange at Tel Aviv.

86. On the 24th March, Lord Lloyd and Colonel Bridge of the British Council visited Haifa in the course of their tour to enquire into educational facilities for British children in the Near and Middle East. The British Council subsequently made a grant of £P.1,000 per annum towards the elementary education of children of British birth and allegiance resident in Palestine.

87. On the 17th June, 1938, the High Commissioner, Sir Harold MacMichael, officially opened the new General Post Office building in Jerusalem and the Jerusalem automatic telephone exchange.

88. On the 21st December, the High Commissioner officially opened the new Government Hospital at Haifa.

89. Through the instrumentality of the Haifa branch of Rotary, the Palestine Society for Crippled Children was enabled to open a clinic in Haifa. A panel of doctors has been formed who place their services at the disposal of the clinic when required. Jewish, Moslem and Christian children are being treated in the clinic. Free treatment is given to poor children.

APPENDIX " A."

Despatch from the Secretary of State for the Colonies to the High Commissioner for Palestine.*

Downing Street,
23rd December, 1937.

SIR,

I have the honour to inform you that His Majesty's Government in the United Kingdom have had under consideration the Statement of Policy in Palestine issued in July last (Cmd. 5513), and the conclusions to be drawn from the resolutions on the subject which have been passed first by the House of Commons and subsequently by the Permanent Mandates Commission and the Council and Assembly of the League of Nations. A memorandum containing relevant extracts from the Statement of Policy and the resolutions in question, and containing also extracts from Ministerial statements, is enclosed for convenience of reference.

2. I feel that it is necessary to emphasize certain implications of the acceptance in principle by His Majesty's Government of the recommendations contained in Part III of the Report of the Royal Commission,† and to dispel if possible, the uncertainty which appears to exist in some quarters with regard to the course of action which His Majesty's Government have in view.

3. In the Statement of Policy His Majesty's Government have expressed their general agreement with the arguments and conclusions of the Royal Commission and their opinion that a scheme of tripartite division is the best and most hopeful solution of the problem. In view of the public attention that has been devoted to criticism of certain features of the tentative plan of partition which is outlined in Part III of the Report of the Royal Commission, I wish to make it clear that His Majesty's Government are in no sense committed to approval of that plan, and in particular that they have not accepted the Commission's proposal for the compulsory transfer in the last resort of Arabs from the Jewish to the Arab area.

4. In the opinion of His Majesty's Government the discussions at Geneva justify the undertaking of the further investigations required for the drawing up of a more precise scheme expressed in greater detail. The final decision cannot be taken in merely general terms, and the further enquiry will undoubtedly provide the necessary materials on which, when the best possible scheme has been formulated, to judge of its equity and practicability.

5. As you are aware, it has been announced that a further special body will be appointed to visit Palestine, and to submit to His Majesty's Government, after consultation with the local communities, proposals for a detailed scheme of partition; and that it will be the task of this body to advise in due course as to the provisional boundaries of the proposed Arab and Jewish areas and of the new British Mandated area, and also to undertake the financial and other enquiries for which the Royal Commission recommended that a Financial Commission should be appointed. The functions of this new body will be to act as a technical Commission, that is to say, its functions will be confined to ascertaining facts and to considering in detail the practical possibilities of a scheme of partition.

* Published separately as Cmd. 5634.

† Cmd. 5479.

6. The terms of reference of the technical Commission will be as follows:—

"Taking into account the plan of partition outlined in Part III of the Report of the Royal Commission, but with full liberty to suggest modifications of that plan, including variation of the areas recommended for retention under British Mandate,

And taking into account any representations of the communities in Palestine and Trans-Jordan—

(i) to recommend boundaries for the proposed Arab and Jewish areas and the enclaves to be retained permanently or temporarily under British Mandate which will—

(*a*) afford a reasonable prospect of the eventual establishment, with adequate security, of self-supporting Arab and Jewish States;

(*b*) necessitate the inclusion of the fewest possible Arabs and Arab enterprises in the Jewish area and vice versa; and

(*c*) enable His Majesty's Government to carry out the Mandatory responsibilities the assumption of which is recommended in the Report of the Royal Commission, including the obligations imposed by Article 28 of the Mandate as regards the Holy Places;

(ii) to examine and report on the economic and financial questions involved in partition upon which decisions will require to be taken, including—

(*a*) the allocation so far as may be necessary between the various areas of the public assets and public debt of Palestine and other 'financial obligations legitimately incurred by the Administration of Palestine during the period of the Mandate' referred to in Article 28 thereof;

(*b*) means to ensure that the financial obligations referred to above will be fully honoured in accordance with Article 28 of the Mandate;

(*c*) the administration of the railways, ports, postal, telegraph and telephone services;

(*d*) currency arrangements;

(*e*) customs administrations and tariffs;

(*f*) the budgetary prospects of the various Administrations to be established;

(*g*) the preservation of the rights of civil servants in accordance with the provisions of Article 28 of the Mandate;

(*h*) the treatment of industrial and other concessions;

(*i*) the possibility of voluntary exchanges of land and population, and the prospects of providing by works of land development room for further settlement to meet the needs of persons desiring to move from one area to another;

(*j*) the provision of effective safeguards for the rights of religious or racial minorities in the areas to be allocated to Arab and Jews respectively; including the protection of religious rights and properties."

7. If, as a result of the investigation of the technical commission, which will undoubtedly occupy many months, a scheme of partition is regarded as equitable and practicable by His Majesty's Government, it will be referred to the Council of the League for consideration. If the scheme is approved by the League Council, a further period will be required for the establishment of new systems of government under mandate in the areas concerned and, if the necessary consent is forthcoming, for the negotiations of treaties with a view to the eventual establishment of independent States. It may also be necessary, in the light of the Commission's report, for His

Majesty's Government to give further consideration to the suggestion of the Permanent Mandates Commission that the Arab and Jewish areas should be administered temporarily under a system of "cantonisation" or under separate mandates. It is obvious, therefore, that, for some time to come, any action taken will be only of an exploratory nature.

8. I will communicate with you further in due course on the subject of the personnel of the Commission and its procedure.

I have, etc.,
W. ORMSBY GORE.

High Commissioner,
General Sir Arthur Wauchope,
G.C.M.G., K.C.B., C.I.E., D.S.O.,
etc., etc., etc.

APPENDIX "B."

Partition Commission.

SUMMARY OF REPORT.

1. Only the briefest description of the main conclusions is possible in this summary.

2. In their report the Commission examine three plans of partition, A, B and C, besides certain Jewish proposals.

PLAN A.

3. In plan A, which is the Royal Commission's plan with the boundaries adjusted for purposes of defence, the figures of population and land are—

Population.

	Arab State (Including Beersheba sub-district).	*Jewish State.*	*Jerusalem and Nazareth Enclaves.*
Arabs	485,200	294,700	221,400
Jews	7,200	304,900	80,200
Total population ...	492,400	599,600	301,600

Land (in dunums).

	Arab State (excluding Beersheba sub-district).		*Jewish State.*		*Jerusalem and Nazareth Enclaves.*	
	Arabs.	*Jews.*	*Arabs.*	*Jews.*	*Arabs.*	*Jews.*
Citrus land ...	26,600	1,300	78,600	135,900	37,900	8,900
Other land ...	6,981,300	35,700	3,776,100	1,004,300	1,466,700	69,900
Total land ...	7,007,900	37,000	3,854,700	1,140,200	1,504,600	78,800

By their terms of reference the Partition Commission are required to recommend boundaries which will necessitate the inclusion of the fewest possible Arabs and Arab enterprises in the Jewish State and vice versa.

A plan for a Jewish State in which there will be nearly as many Arabs (295,000) as Jews (305,000) and four-fifths of the land will be owned by Arabs is plainly inconsistent with this requirement, unless there is a reasonable prospect that the problem thereby created can be solved by exchange or transfer of most of these Arabs to the Arab State. It was a fundamental assumption of the Royal Commission's plan that this could and should be done. The Partition Commission find, however, that this is impossible.

Further, they find that Galilee should not anyhow be included in the Jewish State, because—

(*a*) The population is almost entirely Arab and the land almost entirely owned by Arabs: its inclusion would, therefore, be plainly inconsistent with the Commission's instructions.

(*b*) The Arabs will resist inclusion in the Jewish State by force. The use of force to compel this homogeneous body of 90,000 Arabs to accept Jewish rule cannot be justified.

(*c*) Even if their resistance were crushed, pacification would only be temporary and Galilee would remain a running sore in the body of the Jewish State.

The Commission therefore reject plan A.

PLAN B.

4. Plan B (map 9) is plan A with the exclusion from the Jewish State of Galilee and the small and predominantly Arab area at the southern extremity of the Jewish State.

The Commission recommend that the latter area should be included in the Arab State, but the majority of them reject the rest of plan B, because—

(*a*) Galilee cannot be placed under Arab control without endangering the security of the Jewish State.

(*b*) Its retention under Mandatory control is open to strong objection because the Arabs of Galilee would thereby have to be denied their independence in order to ensure the security of the Jewish State.

(*c*) Haifa, the only deep-water harbour in Palestine, could not be included in the Jewish State without serious detriment to Arab interests. Similarly it could not be included in the Arab State without serious detriment to Jewish interests.

(*d*) Even with the exclusion of Galilee and the area in the south from the Jewish State, the number of Arabs in that state would still be very large, 188,000 Arabs as compared with 300,000 Jews.

(*e*) In the portion (excluding Haifa) of the Jewish State which runs from Haifa east to Beisan and then north to the Palestine frontier, the Arabs are in a majority, the Jews only forming 24 per cent. of the population. The Commission consider that a plan of partition which brings under the political domination of the Jews large numbers of Arabs in an area where the Jews are not already in a majority, will be opposed by the Arabs and will not lead to peace.

JEWISH PROPOSALS.

5. The Commission reject certain Jewish proposals for the inclusion in the Jewish State of part of Jerusalem, and of certain other areas outside the Jewish State is outlined by the Royal Commission.

PLAN C.

6. The majority of the Commission put forward plan C as the best they have been able to devise.

Map 10 of plan C shows Palestine divided into three parts—

(i) a northern part to be retained under mandate;

(ii) a southern part (the Negeb) to be retained under mandate;

(iii) a central part to be divided into an Arab State, a Jewish State and the Jerusalem Enclave.

The argument for plan C is summarized thus—

(i) The northern territory cannot be partitioned without injustice to either Arabs or Jews, nor can it be handed over intact to either side.

(ii) It is impossible to hand over the Negeb to the Jews, and unfair to the Jews to hand it over to the Arabs while any reasonable prospect remains of Jewish settlement therein without prejudice to the rights of the existing inhabitants.

(iii) Both these territories must, therefore, be retained under mandate.

(iv) Only the central part, therefore, can be partitioned. Here the boundaries of the Arab and Jewish States and the Jerusalem Enclave will be identical with those in plan B except for slight changes across the Carmel Ridge, and on the Negeb boundary.

The political future of both the Northern and Southern Territories must be clearly defined so that both races may know under what form of government the inhabitants will live henceforth. The Mandate for the Northern Territory should continue in being till both races in the territory agree to ask that it should be surrendered and the territory be given its independence either as part of an existing Jewish or Arab State or as a separate Palestinian State. By " agreement " is meant that the majority of one race in the territory must agree with the majority of the other.

But Haifa and Acre can only be granted independence provided this can be done safely considering the special responsibilities of the Mandatory for the protection of the Holy Places and the new states against external aggression.

In the Southern Mandated Territory, also, no independent state should be set up in opposition to the wishes of the minority, unless the minority is so small that its wishes ought not to be allowed to prevail, and the Mandate should continue for at least ten years. The Occupied Area (explained below) will anyhow not be made an independent state if the majority of the Bedouin, assuming their numbers and territorial disposition are much as at present, object.

The Arab inhabitants of both the territories will, therefore, have a binding assurance that they cannot possibly be placed under the political domination of the Jews against their will.

The Jerusalem Enclave will, as proposed by the Royal Commission, be retained under a permanent mandate.

The figures for the land and population under plan C are—

Arab State.

		Arabs.	*Jews.*	*Total.*
Population...	...	444,100	8,900	453,000
Land (dunums)	...	7,329,700	63,800	7,393,500

Jewish State.

Population...	...	54,400	226,000	280,400
Land (dunums)	...	821,700	436,100	1,257,800

Mandated Territories.

Population...	...	502,800	157,400	660,200
Land (dunums)	...	6,160,200	811,500	6,971,700

Jewish Settlement in the Mandated Territories under Plan C.

7. To control Jewish acquisition of and settlement on the land in the Mandated Territories, the Commission recommend that—

A.—*The Northern Mandated Territory.*

(i) The Mandatory should be empowered to prohibit the transfer of land to any person in any part of the Mandated Territories, and in Galilee should immediately prohibit the transfer of land by a non-Jew to a Jew, but not Jewish residence.

(ii) After ten years this prohibition should be reviewed but not withdrawn or relaxed unless Arab opinion favours such action.

(iii) Haifa and Tiberias and any other urban area approved by Government should be declared " free areas " in which the transfer of land to Jews should not be prohibited.

(iv) Elsewhere the transfer of land to Jews should be prohibited except—

(*a*) Transfers with Government approval for the consolidation of existing Jewish holdings, etc.

(*b*) Any other transfers respecting which Government are satisfied that—

(1) there are possibilities of closer settlement on the land;

(2) adequate provision has been made for the resettlement of the cultivators;

(3) save where Government are satisfied that conditions make it impracticable, any surplus land resulting from closer settlement will be shared equitably between Jews and Arabs.

(v) Government should be prepared to spend additional sums on agricultural development and agricultural research, experiment and education. While this expenditure, funds for which it is proposed should be provided by His Majesty's Government, would benefit both Arabs and Jews, its primary object would be to facilitate Jewish settlement.

(vi) Surplus agricultural land which may be made available as the direct result of such development schemes should be shared equitably between both Arabs and Jews.

B.—*The Jerusalem Enclave.*

All these recommendations apply to the Jerusalem Enclave except that it will probably not be necessary to create a " prescribed " area such as Galilee. The urban area of Jerusalem should be declared a free area.

C.—*The Southern Mandated Territory.*

This area should be divided into an Unoccupied and an Occupied Area, the latter being the portion which the Bedouin tribes are accustomed to cultivate, and the former the rest.

(i) *Unoccupied Area.*

This should where necessary be declared a public domain and leases of such parts as Government think fit granted to a Jewish company for development.

(ii) *Occupied Area.*

This should for the present be declared a prescribed area in which Jews would be prohibited from acquiring land.

The survey and settlement of this area should be undertaken as quickly as possible.

The goodwill of the Bedouin should be obtained before experiments are undertaken for the purpose of developing this area, and they should be shown that they themselves will be the first to benefit by development. When this has been done, the Jews should carry out the greater part of the experiments with Government approval.

If closer settlement should prove possible, the quantity of surplus land should be estimated in consultation with the Bedouin and the Jews.

The Bedouin, considering their exceptional poverty, should have the first claim to benefit from the improvements in order to provide them with a reasonable standard of living.

As soon as Government are satisfied that the reasonable needs of the existing inhabitants will be met, the prohibition on the Jewish acquisition of land should be withdrawn.

If the Bedouin from the outset oppose development, the experiments should be carried out by Government themselves. When the results of the experiments are available, the matter should be re-examined and it is hoped that the Bedouin will change their attitude on realising that otherwise they cannot expect money to be spent on improving their position.

8. The Commission recommend that, provided that the Arabs will co-operate, His Majesty's Government should provide funds for agricultural development within the following limits—

(i) on non-recurrent expenditure such as grants for development in whatever form in the Mandated Territories, including the Huleh concession scheme, not exceeding £1,000,000;

(ii) on recurrent expenditure on agricultural services, including land settlement operations in the Southern Mandated Territory, not exceeding £75,000 a year for 10 years.

Immigration into the Mandated Territories under Plan C.

9. Immigration into the Mandated Territories should be regulated thus—

(i) The rate of immigration should be decided upon political, social, and psychological, besides economic considerations.

(ii) Among intending immigrants from outside Palestine and Trans-Jordan preference should be given to Jewish immigrants.

(iii) Persons of whatever race habitually residing in the rest of Palestine and Trans-Jordan should be free to enter the Mandated Territories for short or casual visits but not to reside habitually therein without Government permission. Permission to reside habitually should be granted to such persons within the limits of an "intra-Palestinian" quota, with preference to Arabs wishing to leave the Jewish State.

(iv) Article 4 of the present Mandate should not be reproduced in the new Mandate, but before fixing the immigrant quota the Mandatory should consult with representatives of both Arabs and Jews and with experienced opinion independent of Government and both races.

Budgetary Prospects under Plan C.

10. The Royal Commission proposed that the Jewish State should make a subvention to the Arab State. The Partition Commission think that such a stipulation would be unwise and likely to provoke resentment. They doubt whether it could prudently be made the foundation of a permanent settlement.

The forecasts of revenue and expenditure show that on the existing standards of administration and without making any provision for defence the budgetary prospects under plan C will be—

(i) For the Jewish State a surplus of about £P.600,000.

(ii) For the Arab State (including Trans-Jordan) a deficit of about £P.610,000.

(iii) For the Mandated Territories a deficit of £P.460,000.

The financial position of the Arab State will be no better under any conceivable plan of partition. It is only the Jewish contributions to tax-revenue that have enabled Palestine to balance its budgets.

The Commission cannot therefore recommend boundaries which will afford a reasonable prospect of the eventual establishment of a self-supporting Arab State. If partition is carried out Parliament must be asked to provide the necessary financial assistance from United Kingdom funds. A capital payment of £2,000,000 as proposed by the Royal Commission is not recommended. If assistance takes the form of a direct subsidy,

financial control will be necessary, and the Arab State could not then be called self-supporting. The United Kingdom must also provide the means of balancing the Mandated Territories' budget, including the proposed cost of development. Altogether partition would cost the United Kingdom say £1,250,000 annually, whereas the Jewish State would have an annual surplus of say £600,000, excluding the cost of defence in either case. The result would be much the same under any conceivable plan of partition.

Customs and Tariffs under Plan C.

11. (*a*) The Arab State cannot survive economically without access to the markets of the Mandated Territories for the sale of its agricultural produce. Access to the Jewish State also, although not essential, would be advantageous.

(*b*) If the Jewish State is to provide employment for additional immigrants in large numbers it must expand industrially and it cannot do so without an assured market larger than can be provided within its own territory. It must therefore have an outlet for its manufactures in the Mandated Territories. An outlet in the Arab State also, although not essential, would be advantageous.

(*c*) The interests of both states demand that the three areas should constitute a single customs union, but this, though advantageous, is not essential to the Mandated Territories.

(*d*) A customs union would give the Jewish State an assured market in the whole of Palestine and Trans-Jordan, and it would be reasonable to require that state in return to enter into a financial arrangement which would improve the financial position of the Arab State. Any such arrangement would tend to reduce the charges which partition must impose on the British Exchequer.

(*e*) But a customs union between a mandated territory and an independent state or states would create serious constitutional difficulties. His Majesty's Government could not be expected to approve a scheme which would deprive them of the right to insist on changes in the fiscal policy of any member-state which they may think necessary, on revenue grounds, as a condition of their continuing to vote assistance to enable that member to balance its budget. A customs union between the Mandated Territories and the Arab and Jewish States would therefore be impossible except under conditions which would be inconsistent with the grant of fiscal independence to those states.

CONCLUSION.

12. Apart from political considerations, the question whether partition is practicable or not concerns chiefly finance and economics. Taking into account the latter considerations, the Commission conclude that if they were to adhere strictly to their terms of reference, they would have no alternative but to report that they were unable to recommend boundaries for the proposed areas which will give a reasonable prospect of the eventual establishment of self-supporting Arab and Jewish States.

But they do not believe it would be in accordance with the wishes of His Majesty's Government or with the public interest that they should end their enquiry with a purely negative conclusion.

They therefore put forward a suggestion for a modified form of partition, which they call economic federalism. Under this both states would be required, as a condition of the surrender of the Mandate, to enter a customs union with the Mandated Territories in which the fiscal policy would be determined by the Mandatory after consulting both states. The customs revenue would be collected by the Mandatory, and the net surplus after meeting certain common charges would be distributed between the three areas according to an agreed formula, subject to periodic review. The Commission suggest that initially each area's share should be one-third.

To enable the Arab State to balance its budget without subjecting it to external financial control, it should receive a supplementary share out of the share of the Mandated Territories, under conditions which will entitle it to share in any expansion of customs revenue resulting from an increase of prosperity in the rest of Palestine. This arrangement could be extended, if desired, to cover internal communications—railways, posts and telegraphs—thus removing certain obvious administrative difficulties consequent on partition. While this arrangement withholds fiscal autonomy from the Arab and Jewish States it seems to the Commission, subject to certain reservations, to form a satisfactory basis for settlement, provided His Majesty's Government are prepared to accept the very considerable financial liability involved.

Note of Reservations by Sir Alison Russell.

In a note of reservations Sir Alison Russell, while agreeing that plan A is unacceptable, considers that plan B is preferable to plan C.

He holds that a Jewish State of the small size proposed in plan C is not in accord with the obligations to the Jews.

He agrees that the financial position of the Arab State under plan B is much the same as under plan C, and that under plan B there is no reasonable prospect of the eventual establishment of a self-supporting Arab State.

Note of Reservations by Mr. Reid.

In a note of reservations Mr. Reid, while agreeing that plan C is the best that can be devised under the terms of reference, considers that both plans B and C are impracticable. He classifies his reasons under the following heads: (*a*) absence of consent, (*b*) absence of equity, (*c*) absence of security, (*d*) dismemberment of Palestine, and (*e*) absence of solvency.

APPENDIX C.

Statement by His Majesty's Government in the United Kingdom.

1. The Royal Commission, presided over by the late Earl Peel, published its report in July, 1937, and proposed a solution of the Palestine problem by means of a scheme of partition under which independent Arab and Jewish States would be established while other areas would be retained under mandatory administration. In their statement of policy following upon the publication of the report, His Majesty's Government in the United Kingdom announced their general agreement with the arguments and conclusions of the Royal Commission, and expressed the view that a scheme of partition on the general lines recommended by the Commission represented the best and most hopeful solution of the deadlock.

2. The proposal of the Commission was framed in the light of the information available at the time, and it was generally recognized that further detailed examination would be necessary before it could be decided whether such a solution would prove practicable. This proposal was subsequently discussed in Parliament and at meetings of the Permanent Mandates Commission and the Council and Assembly of the League of Nations, when His Majesty's Government received authority to explore the practical application of the principle of partition. A despatch of 23rd December, 1937, from the Secretary of State for the Colonies to the High Commissioner for Palestine*, announced the intention of His Majesty's Government to undertake the further investigations required for the drawing up of a more precise and detailed scheme. It was pointed out that the final decision could not be taken in merely general terms and that the further enquiry would provide the necessary material on which to

* Cmd. 5634.

judge, when the best possible partition scheme had been formulated, its equity and practicability. The despatch also defined the functions and terms of reference of the technical Commission who were appointed to visit Palestine for the purpose of submitting in due course to His Majesty's Government proposals for such a detailed scheme.

3. His Majesty's Government have now received the report of the Palestine Partition Commission who have carried out their investigations with great thoroughness and efficiency, and have collected material which will be very valuable in the further consideration of policy. Their report is now published, together with a summary of their conclusions. It will be noted that the four members of the Commission advise unanimously against the adoption of the scheme of partition outlined by the Royal Commission. In addition to the Royal Commission's scheme, two other schemes described as plans B and C are examined in the report. One member prefers plan B. Two other members, including the Chairman, consider that plan C is the best scheme of partition which, under the terms of reference, can be devised. A fourth member, while agreeing that plan C is the best that can be devised under the terms of reference, regards both plans as impracticable. The report points out that under either plan, while the budget of the Jewish State is likely to show a substantial surplus, the budgets of the Arab State (including Trans-Jordan) and of the Mandated Territories are likely to show substantial deficits. The Commission reject as impracticable the Royal Commission's recommendation for a direct subvention from the Jewish State to the Arab State. They think that, on economic grounds, a customs union between the States and the Mandated Territories is essential and they examine the possibility of finding the solution for the financial and economic problems of partition by means of a scheme based upon such a union. They consider that any such scheme would be inconsistent with the grant of fiscal independence to the Arab and Jewish States. Their conclusion is that, on a strict interpretation of their terms of reference, they have no alternative but to report that they are unable to recommend boundaries for the proposed areas which will afford a reasonable prospect of the eventual establishment of self-supporting Arab and Jewish States.

4. His Majesty's Government, after careful study of the Partition Commission's report, have reached the conclusion that this further examination has shown that the political, administrative and financial difficulties involved in the proposal to create independent Arab and Jewish States inside Palestine are so great that this solution of the problem is impracticable.

5. His Majesty's Government will therefore continue their responsibility for the government of the whole of Palestine. They are now faced with the problem of finding alternative means of meeting the needs of the difficult situation described by the Royal Commission which will be consistent with their obligations to the Arabs and the Jews. His Majesty's Government believe that it is possible to find these alternative means. They have already given much thought to the problem in the light of the reports of the Royal Commission and of the Partition Commission. It is clear that the surest foundation for peace and progress in Palestine would be an understanding between the Arabs and the Jews, and His Majesty's Government are prepared in the first instance to make a determined effort to promote such an understanding. With this end in view, they propose immediately to invite representatives of the Palestinian Arabs and of neighbouring States on the one hand and of the Jewish Agency on the other, to confer with them as soon as possible in London regarding future policy, including the question of immigration into Palestine. As regards the representation of the Palestinian Arabs, His Majesty's Government must reserve the right to refuse to receive those leaders whom they regard as responsible for the campaign of assassination and violence.

6. His Majesty's Government hope that these discussions in London may help to promote agreement as to future policy regarding Palestine. They attach great importance, however, to a decision being reached at an early date. Therefore, if the London discussions should not produce agreement within a reasonable period of time, they will take their own decision in the light of their examination of the problem and of the discussions in London, and announce the policy which they propose to pursue.

7. In considering and settling their policy His Majesty's Government will keep constantly in mind the international character of the Mandate with which they have been entrusted and their obligations in that respect.

APPENDIX " D."

Speech by the Secretary of State in the House of Commons. (24th November, 1938).

I should like to preface my statement to-day by thanking hon. Members in every part of the House for the patience and restraint with which they have watched growing each month the unhappy situation in Palestine. I know how easy it would have been for them to have badgered the Colonial Secretary at Question Time or to have drawn angry attention to this or that aspect of the matter on Motions for the Adjournment. But hon. Members have refrained from doing these things. It is not because they are indifferent to what is going on in Palestine. The House is conscious of its responsibilities in Palestine, as it is of its responsibilities in any other part of the world. I think hon. Members have, perhaps, refrained from doing these things because they appreciate the special difficulty and delicacy of the situaton with which we are faced in that country. I hope that I may appeal to hon. Members this afternoon, when we are about to enter into discussions with representatives of the Arabs and the Jews in London, to conduct this Debate with such a wise judgment that no word which is spoken here shall prejudice the chance of these discussions bearing at last the fruit of an Arab-Jewish agreement.

During the last few months a constructive political effort to ease the situation in Palestine has not been possible. It was unfortunate, but it was inevitable. We had to await the presentation of the Woodhead Commission's Report, and so our attention has been concentrated on the mere physical effort to restore law and order in that country. During the idle summer days, when there was little work for labourers to do in the fields, a campaign of assassination and violence, waged by terrorists, grew into something like an organised and widespread Arab revolt against British authority. The powerful military and police forces which are now at the disposal of the Government are steadily and surely re-establishing the authority of the Government throughout the land. A few weeks ago they cleared the old city of Jerusalem of the rebels. The authority of the administration has been re-established in Jaffa. Without any blowing of trumpets the walls of Jericho have been re-occupied by our troops. Gaza is once more a place where the writ of the Government runs, and this week hostile elements have been driven out of Beersheba. Steadily and painfully the process of restoration is going on throughout the country.

We all know that certain interested propagandists have been levelling many foul charges against the conduct of our troops. I see a good many things in the Colonial Office, but I have never seen any evidence in support of these charges. On the contrary, the whole world know that the re-occupation of the old city of Jerusalem a few weeks ago was an example of the way in which British troops can with perfect humility, as well as perfect success, conduct a delicate military operation in the midst of a civilian population. But the real problem in Palestine is not a military problem but a political problem. Our troops can restore order;

they cannot restore peace. The Government have to do that; this House has to do that. There is nothing so easy as to state the problem in Palestine. It was done brilliantly in the pages of the report of the Peel Commission. There is no need to alter a word or a comma in the analysis of the problem as it is made in that remarkable State document.

Palestine is a tiny country; spiritually it is great. In its spiritual quality it has no peer among the countries of the earth; it guards some of the Holy Places of three of the world's great religions. But physically it is tiny. Its soil is very fertile and bears rich fruit, but much of the land is rocky or hilly, and much of it is desert. That is the nature of the small stage on which a great tragedy is being played to-day. There are two protagonists in the field. First of all there are the Jews. Nearly 2,000 years ago their home was Palestine, but since then they have been dispersed, scattered over the face of the earth. They are a countryless people, but during the last 20 years many of them have been hastening back to Palestine under the terms of the Mandate, endorsed by more than 50 nations, under which the administration of the country was entrusted to Great Britain. I do not think that any one can justly say that during these years Great Britain has not been fulfilling her obligation to facilitate the immigration of Jews into Palestine.

Since 1922 more than 250,000 Jews have entered Palestine and settled there. Their achievement has been remarkable. They have turned sand dunes into orange groves. They have pushed ever further into waste land the frontiers of cultivation and settlement. They have created a new city, housing to-day 140,000 souls, where before there was only bare sea-shore. There is no knowing where their achievement might end if Palestine were empty of all other populations and could be handed over to them in full ownership. The Jews are in Palestine not on sufferance but by right, and to-day, under the lash of persecution in Central Europe, their eagerness to return to their own home land is multiplied a hundredfold. The tragedy of a people who have no country has never been so deep as it is this week. The sympathy of our own countrymen, their anxiety to do everything they can to help the persecuted Jews has never been so firm as it is to-day. But I hope that we are not going to allow our horror at the plight into which these people have been thrown to warp our cool and just judgment on the difficult problem of Palestine to-day.

I must utter this word of warning. When we promised to facilitate the establishment of a national home for Jews in Palestine, we never anticipated this fierce persecution in Europe. We have made no promise that that country should be the home for everyone who is seeking to escape from such an immense calamity, and even if there were no other population in Palestine, its rather meagre soil could not in fact support more than a fraction of those Jews who may wish to escape from Europe. The problem of the refugees in Central Europe cannot be settled in Palestine. It has to be settled over a far wider field than that. Palestine, of course, can make its contribution; it is making a contribution to-day. At the present time, despite the disturbances, Jewish emigrants are going to Palestine week after week at the rate of about 1,000 a month. The Jewish Agency naturally, in the light of recent events, are now anxious that the rate of immigration shall be greatly increased. I saw two representatives of the Agency on Monday and they spoke to me about it. I asked them to let me have their proposals complete in every detail. Those proposals reached me this morning, and they will, of course, receive at once my most careful consideration, and I shall consult about them with the High Commissioner in Jerusalem. But I must in all honesty say this: the Government have often been charged with having no policy in Palestine, or else they have been charged with having a policy and then wobbling on it, changing their mind. The Government announced a short time ago what the next definite stage in its policy would be. That is a policy of discussions with Arabs and Jews

in London, and we are going to abide by that conference. We cannot do anything now which might prejudice the chance of those discussions ending successfully. It is in the best interests of the Jews themselves that future policy in Palestine should as far as possible be based on a wide agreement.

The second people who are involved in this bitter controversy in Palestine are the Arabs. They have lived in the country for many centuries. They were not consulted when the Balfour Declaration was made, nor when the Mandate was framed, and during the post-War years they have watched with occasional angry protests this peaceful invasion by an alien people. They have watched the buying up of their lands, they have watched Jewish settlements spreading ever further over the countryside. They have been compelled to recognise the superior energy and skill and wealth of that wonderful people; and the Arabs are afraid. In 1933, 30,000 Jews came into Palestine; in 1934 42,000 Jews came into Palestine; and in 1935 the number was 61,000. The Arabs wonder when a halt is going to be called to this great migration. They wonder whether a halt is ever going to be called to it, and they fear that it is going to be their fate in the land of their birth to be dominated by this energetic, new-coming people, dominated economically, politically and commercially. If I were an Arab I would be alarmed. If we are ever to have an understanding of this problem, if we are ever to play our part in finding a happy solution for it, we must be able to put ourselves in the shoes not only of the Jews but of the Arabs.

I know that a great many people regard this Arab agitation as the mere protest of a gang of bandits. Of course it is true that many of these Arabs who have taken part most eagerly in the troubles are cut-throats of the worst type. Their massacres of the innocents at Tiberias, and on a score of other miserable battle-fields, have disgraced their cause. It is true also that many of those who are associated with them have been terrorised into that association. But there is much more than that in the Arab movement. I think that this House, which is so capable of a generous understanding of other peoples, ought to recognise that many in the Palestinian Arab movement are moved by a genuine patriotism. However wrong they may be, however misguided they may be, however disastrous their policy may be, many of them have felt compelled to take the risk of laying down their lives for their country.

I know that that is not the whole story. There is a great deal else that has to be said if the description of the situation is to be complete and just. There is one set of facts especially, of great importance, that I must mention. Those who conceived 20 years ago the possibility of facilitating the establishment of a Jewish National Home in Palestine were moved by a great idea, and already in these first 20 years that idea has been translated into a wonderful act of creation. But I do sometimes wonder whether all of the authors of this great creative act were fully informed of the situation even at that time, in 1917, 1918 and 1919. I sometimes wonder whether they knew then that there were already living between the Jordan and the Mediterranean Sea more than 600,000 Arabs. Certainly I do not think they could know that as a result of the coming of the British administration, with the coming of the Jews and because of the coming of the Jews, that Arab population would increase rapidly. The Jews brought with them money and development work provided extra livelihood. Modern health services, which were extended not only to Jews but to Arabs, gave the individual a further lease and security of life. Since 1922 the Arab population in Palestine has, scarcely at all by migration from outside and almost entirely by natural increase, gone up from something over 600,000 to 990,000 persons. Perhaps I should add that it is calculated that the total of 990,000 Arabs in Palestine to-day will have become 1,500,000 Arabs within 20 years from now.

That remarkable and significant set of facts leads to two reflections. In the first place I think it must upset at any rate some of the calculations about how many Jews could be settled in Palestine without prejudicing the rights and position of the Arab population. But, as I say, there are two sides to that state of things. The other side is this: The Arabs cannot say that the Jews are driving them out of their country. If not a single Jew had come to Palestine after 1918, I believe the Arab population of Palestine to-day would still have been round about the 600,000 figure at which it had been stable under Turkish rule. It is because the Jews who have come to Palestine bring modern health services and other advantages that Arab men and women who would have been dead are alive to-day, that Arab children who would never have drawn breath have been born and grown strong. It is not only the Jews who have benefited from the Balfour Declaration. They can deny it as much as they like, but materially the Arabs in Palestine have gained very greatly from the Balfour Declaration.

I know that it is useless to press that argument on the Arabs. They are deaf to the argument, they are blind to the spectacle of a gradually improving standard of life for their people, because they are thinking of something else. They are thinking of their freedom and they are afraid that, if this process goes on, then at last they will have to surrender to the political over-lordship of the enterprising, hardworking, ever-increasing citizens of the Jewish National Home. I say that we British people ought to be the last people in the world not to understand the feelings of the Arabs in this matter, because we too would sacrifice material advantages if we thought our freedom was at stake. We cannot put the Jews under the domination of the Arabs in Palestine, but also, unless we can remove that Arab fear that they are going to be put under the domination of the Jews, we shall have to face a suspicious and hostile people over a great area of the Near East, and we shall find that we have to lock up a great part of our Army in Palestine indefinitely.

Therefore, we have most solemn obligations to both peoples in Palestine. On the one hand. we are pledged to facilitate Jewish immigration into Palestine under suitable conditions and to encourage close settlement of Jews on the land; and on the other hand, we are pledged to see that the rights and position of the Arab population are not prejudiced. How can we reconcile justly and peacefully those two obligations? That is the problem that we have to solve. That is the riddle for which we have to find an answer. What is the answer? The Peel Commission, with irresistible logic, recommended that the country should be partitioned, that the Jews and the Arabs should be, to a certain extent, kept apart, that the ambition of each of them to enjoy self-government should be satisfied in different areas of Palestine, while the Holy Places were kept in an enclave still under mandatory control. This House never committed itself to that policy. The Government accepted it in principle as the most hopeful solution to the deadlock which had arisen, but admittedly the practicability of the principle had to be further investigated, and the Woodhead Commission went out to Palestine for that purpose.

For three months they lived dangerously in the city of Jerusalem, they toured the whole country, always with their escort of armed men, they went about their business with great courage, and they went about it also with great thoroughness. A short while ago they presented their report. That report makes it clear that partition, as proposed by the Peel Commission, is impracticable. That report makes it clear that if we were to divide Palestine into a Jewish State and an Arab State and a Mandated area, then the Jewish State would have a great surplus in its budget every year, but year after year the budgets of the Arab State and the Mandated Territory would show a great deficit. The Commission therefore reported that under the terms of their reference they were unable to recommend

boundaries for the proposed areas which would afford a reasonable prospect of the enventual establishment of self-supporting Arab and Jewish States. I think that is itself a remarkable tribute to the achievement of the Jews. It is impossible, without the continuous aid of the Jews, for people living in Palestine beyond the Jewish settlements to maintain the standard of government and the social services to which they have become accustomed.

But that state of affairs also kills the proposal for the dividing up of Palestine into two sovereign States, and His Majesty's Government lost no time in accepting the position. A part of Palestine is not to be handed over to control by the Jews, another part is not to be handed over to control by the Arabs; the Government have declared that they will continue their responsibility for the Government of the whole country. We have adopted, if I may say so, a motto, a policy, which my right hon. Friend the Member for Epping (Mr. Churchill) said that he would make a present of to me when I met him in the Lobby shortly after I had assumed my office as Colonial Secretary. He muttered to me, as he passed one afternoon, " Not partition, but perseverance." We have got to find the alternative means of meeting the needs of the unhappy situation in Palestine. I receive a great deal of help in my study of the problem from numerous correspondents. Scores of letters pour in, many of them containing solutions to this problem. I do not remember any two letters which suggested exactly the same solution. Many of the letters offer no solution at all; their writers merely cry in desperation, " Is there any solution to this appalling problem? "

Of course, there is a solution, but I do not think that it ought to rest on the Government alone to find that solution. It ought to rest also on the two other parties who are concerned in this matter, the Arabs and the Jews. They have both got a contribution to make; they have both got to make concessions to the other. If they would only be willing to do that, then peace and prosperity would return to both peoples in Palestine. I know that it is going to be exceedingly difficult to break down the hard bitterness which has naturally grown up on each side during months of violence and bloodshed. It may be that one's idealism is running away with one in supposing that any agreement is possible at the present time. But the Government attach so much importance to an understanding between the Jews and the Arabs that they are prepared to make a supreme effort to achieve that understanding. It is not impossible for ordinary Jewish and Arab people to live contentedly side by side in Palestine. Many of them have been doing so in numerous communities in Palestine right through these distressing times. Nor is it impossible for Jewish and Arab leaders to reach agreement together. There was a moment, 20 years ago, when that not only seemed possible, but seemed to have been actually accomplished. Dr. Weizmann, on behalf of the Zionist Organisation, crossed the River Jordan and met the Emir Feisal in his camp in the desert, surrounded by his Arab hosts, and in due course, after some months, those two men signed an agreement about Palestine. It is to that sort of relationship between Arab and Jew that we want to go back.

So the Government have proposed that discussions should take place in London. They will probably be, in the first instance, discussions between the Government and the Arab representatives and discussions between the Government and the Jewish representatives, but we hope that they will develop before long into a discussion between all three parties meeting round a common table. The Government will, of course, enter those discussions bound by its obligations under the Mandate to Jews and to Arabs, bound by its duty to Parliament, and to the other members of the League of Nations, and to the United States of America; but we shall not seek to prevent either the Arab representatives or the Jewish representatives from offering arguments as to why the Mandate should be changed. The discussions will be full, frank, and free; and therefore, I am sure the House

will not expect me to say more at this stage about the policy which the Government itself will pursue in the course of those discussions. I hope that it will be possible for the discussions to start in London within the next few weeks. If they cannot start before Christmas, I hope they will start at the very latest at the beginning of January, for it is imperative that the present uncertainty should be brought to an end as soon as possible. It is of the highest importance that policy should be formulated and clearly declared. For that reason, if the discussions in London do not yield some kind of understanding between the three parties within a reasonable period of time, then the Government will itself take full responsibility, in the light of its examination of the question, following the Peel and Woodhead Reports, and in the light of the discussions themselves, for formulating and declaring future policy.

Hon. Members in this House in these days have to deal with a great variety of political problems. Each day they crowd upon us, but I always feel conscious that there is something about Palestine which distinguishes its problem from any of the others. The others are essays in the art of government—the most difficult of all the arts. When I attempt to deal with them I, naturally, like other hon. Members, feel a lively human interest and even fascination in them. In the possession of those qualities this Palestine problem yields nothing to any other. Its complexities make it the supreme test of our capacity to govern. But there is more to it than that. When I turn to the Palestine problem I feel a certain awe and reverence. I cannot remember a time when I did not hear about Palestine. I cannot remember a time when I was not told stories about Nazareth and Galilee, about Jerusalem and Bethlehem, where was born the Prince of Peace. This House, in its long history, has had placed in its keeping many noble trusts, but it has never had a trust so sacred as that of restoring peace and good will in the Holy Land.

APPENDIX E.

Palestine (Defence) Order in Council, 1937.

REGULATIONS MADE BY THE HIGH COMMISSIONER UNDER ARTICLE 6.

In exercise of the powers vested in him by Article 6 of the Palestine (Defence) Order in Council, 1937, the High Commissioner has made the following regulations:—

1. These regulations may be cited as the Defence (Control of Police) Regulations, 1938.

2. In the exercise of the powers and duties conferred on him by the Police Ordinance the Inspector-General of Police shall be subject to the general or specific directions and control of the General Officer Commanding the Forces.

By His Excellency's Command,

W. D. BATTERSHILL
Chief Secretary.

17th October, 1938.

APPENDIX F.

Palestine (Defence) Order in Council, 1937.

REGULATIONS MADE BY THE HIGH COMMISSIONER UNDER ARTICLES 6 AND 10.

In virtue of the powers vested in him by Articles 6 and 10 of the Palestine (Defence) Order in Council, 1937, the High Commissioner has made the following regulations:—

1. These regulations may be cited as the Defence (Military Commanders) Regulations, 1938, and shall be read as one with the Emergency Regulations, 1936.

2.—(1) The General Officer Commanding may, with the consent of the High Commissioner, appoint for any area or place a military commander who shall be responsible in such area or place for public security and in any area or place in which a military commander is appointed the District Commissioner shall in all matters relating to public security become and act as a political adviser to the military commander.

(2) Where a military commander has been appointed all the powers and duties vested in the District Commissioner by the Defence Regulations in respect of that area or place shall become vested in the military commander and may be exercised by him within the area or place for which he has been appointed, and upon such vesting the District Commissioner shall cease to exercise within the area or place for which the military commander has been appointed any of the powers or duties vested in him by the Defence Regulations: Provided that nothing in this regulation shall affect anything done by the District Commissioner under the Defence Regulations prior to the publication of this regulation and anything so done shall until revoked, amended or varied have full force and effect as if this regulation had not been made.

By His Excellency's Command,

W. D. BATTERSHILL
Chief Secretary.

18th October, 1938.

APPENDIX "G."

Palestine.
No. 248.

Downing Street,
10th March, 1938.

SIR,

I have the honour to inform you that His Majesty's Government have recently had under consideration the question of the procedure to be adopted for the regulation of Jewish immigration into Palestine on the expiry of the special restrictions which have been imposed for the eight months period August, 1937, to March, 1938, in accordance with the terms of paragraph 6 of the Statement of Policy of July last (Cmd. 5513).

2. I desire, in the first place, to explain the grounds on which His Majesty's Government felt it necessary to propose, in the Statement of Policy, that Jewish immigration during the eight months period August, 1937, to March, 1938, should be subject to an overriding maximum of 8,000. You will be aware that in Part II (Chapter X) of their Report the Royal Commission recommended that a "political high level" of Jewish immigration should be laid down by His Majesty's Government and that the high level for the next five years should be fixed at 12,000 per annum. But Part II of the Report presupposed the continuance in operation of the existing Mandate, and its major recommendations have not yet been adopted by His Majesty's Government, who came to the conclusion that the best and most hopeful solution lay in a scheme of partition on the lines recommended in Part III of the Royal Commission's Report.

3. It was clear that the decision of His Majesty's Government in favour of the policy of partition could not be translated into action until after a further period of investigation and preparation, and it became necessary to consider the question of the steps to be taken to regulate Jewish immigration during the interim period. In Chapter XXII of their Report the Commission dealt with the transition period "in the immediate future *if it should be agreed to terminate the Mandate and establish a treaty system on a basis of partition.*" For this period the Commission proposed that

instead of the " political high level " there should be a territorial restriction on Jewish immigration. " No Jewish immigration into the Arab area should be permitted. . . . . The volume of Jewish immigration should be determined by the economic absorptive capacity of Palestine less the Arab area."

4. The Commission had not, however, made any recommendation with regard to the control of immigration during the immediate interim period between the issue of the Statement of Policy and a final decision with regard to partition. As the prospective boundaries of the Arab and Jewish areas could not be predicted and must remain uncertain until a decision has been taken on the Report of the new Commission which will shortly visit Palestine, it was not practicable to adopt the procedure recommended by the Royal Commission in respect of the " transition period " to which they refer in Chapter XXII of their Report.

5. Seeing that the declared object of their policy, as set out in the White Paper of July last, was a scheme of partition under which Jewish immigration would be confined to a limited area, His Majesty's Government felt that it was impossible, during the interim period of preparatory investigation, to allow immigration to be determined by the economic absorptive capacity of the whole of Palestine, and that a temporary and admittedly arbitrary restriction of immigration was inevitable. It was in accordance with this view that an overriding limit of 8,000 immigrants was laid down for the eight months August, 1937 to March, 1938, and powers for this purpose were conferred upon the High Commissioner by the addition of a new section (5A) to the Immigration Ordinance.

6. Section 5A of the Immigration Ordinance, which empowers the High Commissioner to prescribe the maximum aggregate number of foreigners to be admitted to Palestine as immigrants during any specified period, to prescribe categories and to fix the maximum number of persons to be admitted in respect of each category, expires on the 31st March, 1938, " or on such later date as the High Commissioner in Council, with the approval of the Secretary of State, by notice in the Gazette may appoint ". After full consideration, His Majesty's Government have decided that there has been no such change in the situation since August as would justify withdrawal from the High Commissioner of the powers of prescription conferred upon him by Section 5A, and that the validity of this section should be extended for a further period of twelve months. If, at the end of that period, it is still considered essential that the High Commissioner should retain these additional powers, the necessary legislation will be enacted. At the same time, His Majesty's Government desire to make it known that it is their intention, once the boundaries of the various areas under an equitable and practical scheme of partition have been defined and so long as the existing Mandate continues in operation, that the entry of Jewish immigrants shall be regulated, so far as concerns the non-Arab areas, by the principle of economic absorptive capacity.

7. Consideration has also been given to the question of the specific application after the 31st March next of the powers conferred by Section 5A of the Immigration Ordinance. This section is purely permissive, and His Majesty's Government have decided that in the first instance the power of prescription should be exercised by the High Commissioner for a period of six months only, from April to September, 1938, leaving open for later consideration the procedure to be adopted after that date.

8. As regards the restrictions to be imposed, the attention of His Majesty's Government has been drawn to various representations received from the Jewish Agency and from other sources; and they realise that there is considerable force in the contentions which have been submitted in favour of the more generous admission, on economic grounds, of persons

of independent means and, on grounds of humanity, of the class of dependant defined in Section 2 (1) of the Immigration Ordinance, that is to say, wives and children of immigrants.

9. With these considerations in mind, and with a view to diminishing to some extent the element of arbitrariness which is involved under present temporary arrangements while at the same time avoiding any considerable change in the total rate of immigration, in the immediate interim period, His Majesty's Government have decided that the following procedure shall be adopted for the six months April-September, 1938:—

(*a*) *Persons of independent means.* (Category A(i)—capital of £1,000.)

His Majesty's Government have decided that 2,000 shall be fixed as the maximum number of immigrants of this category. There will, however, be no objection to the admission, if you see fit, within this quota, of ten pensioners (Category A (iv) and twenty agricultural settlers with capital of not less than £500 (Category A (v)), whose admission was recommended by your predecessor. Categories A (ii) (members of professions with capital of £500) and A (iii) (persons skilled in trades or crafts with capital of £250) will remain closed.

(*b*) *Students.* (Category B (iii).)

Students as defined in Category B (iii) that is to say, " any student whose admission to an educational institution in Palestine and whose maintenance is assured until such time as he is able to support himself ", will be admitted without numerical restrictions, subject to compliance with the conditions imposed in the Immigration Regulations. Categories B (i) (orphans) and B (ii) (persons of religious occupation) will remain closed.

(*c*) *Labour immigrants.* (Category C.)

I understand that, according to estimates prepared by the Government of Palestine, Arab unemployment in seven selected towns amounted to 21,000, and Jewish unemployment (combining whole and part time unemployment) amounted to 12,000 on the 31st December last. In the circumstances, it is obvious that *at the present time* the admission of additional immigrants of the labour class is not justifiable. His Majesty's Government have, however, approved of your fixing a quota of 1,000 for this category on the understanding that it will be left to you to decide, in the light of economic circumstances, whether any labour immigration shall be permitted during the six months period, and if so, when and to what extent.

(*d*) *Dependants.* (Category D.)

Near dependants, as defined in Section 2 (1) of the Immigration Ordinance, that is to say, wives and children, both of new immigrants and of immigrants who have already entered the country legally, will be admitted without numerical restriction subject to proper inquiry and investigation. As regards other dependants (parents, etc.), a quota of 200 will be allowed in order to meet individual cases of exceptional hardship.

10. I shall be obliged if you will take such legal and administrative action as is necessary to give effect to these decisions. You may furnish the Jewish Agency with a copy of this despatch, which should also be published in the Gazette.

I have, &c.,

W. ORMSBY GORE.

Sir Harold MacMichael, K.C.M.G., D.S.O.,
High Commissioner for Palestine,
Jerusalem.

I.—JEWISH NATIONAL HOME.

1. The affairs of the Jewish community during 1938 continued to be largely dominated by the state of insecurity and by the uncertainty which existed in regard to the political future of Palestine. The slackening in commercial, industrial and building activity during 1936 and 1937 which had resulted from the disturbed state of the country showed no signs of abating until the end of the year when the economic situation slightly improved. This was reflected in a decrease in the numbers of Jewish unemployed, which were lower in the last quarter of 1938 than those reported in the corresponding period of 1937 or in the first half of 1938.

2. During 1938, 12,868 Jews were registered as immigrants of whom 2,573 were working men and women (with 1,662 dependants), 3,475 including dependants were of the capitalist category (persons with £P.1,000 and upwards) and 2,565 were dependants of residents of Palestine.

Seventeen thousand, nine hundred and eighty-eight Jews acquired Palestinian citizenship by naturalisation, including wives and children who became Palestinian citizens through the naturalisation of their husbands or fathers or mothers.

The Jewish population was estimated to be approximately 420,000 at the end of the year, equivalent to about 30 per cent. of the settled population of the country.

3. During the year, 27,280 dunums of land were purchased by Jews from non-Jews at a cost of £P.174,802, as compared with 29,367 dunums at a cost of £P.392,916 in 1937 and 18,146 dunums at a cost of £P.158,826 in 1936.

The land in the ownership of the Jewish National Fund reached a total of 420,000 dunums, equivalent to about 32 per cent. of the area in Jewish ownership. The Fund completed the afforestation of an area of 1,600 dunums during the year.

4. The following grants-in-aid were made by the Palestine Government towards the expenditure of the Jewish community upon various services of a public character during the financial year 1938-9:—

	£P.
Education:	
Grant-in-aid to the schools of the General Council (Vaad Leumi) (recurrent services) ...	49,591
do. (capital grant) ...	7,500
Health:	
Contribution to Jewish health services—	
(*a*) Tuberculosis hospital, Safad	1,700
(*b*) School hygiene	2,041
(*c*) Infant welfare work	1,771
(*d*) Tel Aviv hospital (recurrent service) ...	6,841
Grant to Hebrew University Hospital ...	3,100

	£P.
Agriculture:	
Grant for citrus research by the experimental station of the Jewish Agency	3,000
Grant to Jewish Agency for experimental fruit growing at Kiryat Anavim	300
Grant to Jewish Agency for intensive farming experiments	300
Grant to Jewish Agency for research ...	2,950
Grant to Hebrew University for field mice investigations...	200
Grant to Hebrew University for spirochaetosis	180
Miscellaneous:	
Grant-in-aid to the Municipal Corporation of Tel Aviv for open spaces	5,000

5. The Budget of the General Council (Vaad Leumi) of the Jewish Community of Palestine for the year ended the 30th September, 1938, provided for an estimated revenue of £P.161,318 and an estimated expenditure of £P.160,470, the principal heads of expenditure being Education: £P.135,790, Health: £P.6,439, Social Services: £P.9,347, Rabbinical Council: £P.2,115, and Administration: £P.5,819.

At the request of the General Council, the High Commissioner approved an Order of the Elected Assembly made under the Jewish Community Rules, increasing the maximum rates to be levied by a local community on its members from 6 per cent. to 8 per cent. of the annual rental value for the services of the local community and from 1 per cent. to 2 per cent. of the annual rental value for the expenses of the General Council.

6. During the year October, 1937-September, 1938, the Jewish Agency expended the following amounts on its activities on behalf of the Jewish settlement in Palestine:—

	£P.
Agricultural colonization	200,000
Labour	151,000
National institution and security	90,000
Investments	55,000
Immigration	37,000
Education...	31,000
Settlement of German Jews	23,000
Health	17,000
Administration	15,000
Repayment of loans	47,000

The Central Bureau for the Settlement of German Jews in Palestine expended a sum of £P.186,000 in 1938 on the settlement of immigrants from Germany and Austria. The total expenditure of the Bureau since 1933 amounts to approximately three-quarters of a million pounds.

7. Fourteen new Jewish agricultural settlements were established in 1938 on a total area of 32,000 dunums and with a population of 1,200 persons. Of the 31 new agricultural settlements established during 1937 and 1938, 12 are in the coastal plain, 12 in the Jordan valley and the remainder for the most part in the Southern District. Twenty-five of these settlements are established on land belonging to the Jewish National Fund and a sum of approximately £P.140,000 has been expended by the Jewish Agency on their colonisation during the past two years.

The Palestine Jewish Colonisation Association established two new settlements in Galilee and continued its activities in the consolidation of its existing settlements in Samaria and Galilee.

8. The Central Bank of Co-operative Institutions issued loans during 1938 to the amount of £P.406,085, of which 98 per cent. were granted to Jewish agricultural and rural co-operative societies. The turnover of the Jewish co-operative societies engaged in agricultural production and marketing amounted to about two and a half million pounds.

9. Further improvements were introduced at the Tel Aviv Lighter Harbour by the Marine Trust, Limited, including the enlargement of the lighter basin, and the provision of two additional transit sheds.

The landing of passengers and immigrants was authorised by Government and about 16,500 passengers were landed at the harbour.

The amount of cargo handled at the port increased from 124,000 tons in 1937 to 196,500 tons in 1938. It is estimated that in the 1938-9 citrus season approximately two million cases of citrus fruit will be exported through Tel Aviv.

Over a thousand workmen are now employed in the port and its subsidiary activities.

10. The number of Jewish children attending schools increased during the year ending the 30th September, 1938, from 67,273 to 71,376 (36,474 boys and 34,902 girls). Seventy per cent. of the Jewish pupils attended Vaad Leumi Schools, and the remaining thirty per cent. attended public and private schools outside the Vaad Leumi school system.

The attendance at the schools and educational institutions of the Vaad Leumi was as follows:—

Kindergartens	7,503
Elementary Schools	36,685
Secondary Schools	4,599
Teachers' Training Colleges	702
Technical Schools, Agricultural Colleges, etc. ...	431
Total	49,920

The total budget of the Hebrew public system in 1937-8 was £P.397,231 which was derived from the following sources:—

	£P.
Local Bodies	181,481
School Fees	138,932
Government grant	46,600
Jewish Agency	25,000
Palestine Jewish Colonization Association ...	3,564
Other bodies	1,654
Total ...	£P.397,231

11. At the end of the academic year 1937-8 the staff of the Hebrew University of Jerusalem comprised 118 members, including 31 professors and 27 lecturers.

The number of students enrolled was 734 (of whom 196 were women) as against 779 in the preceding year: 683 were undergraduates of whom 462 were in the Faculty of Humanities, 223 in the Faculty of Science and 49 research students.

Seventeen students in the Faculty of Humanities graduated with the degree of M.A. and the degree of M.Sc. was granted to eight students in the Faculty of Science.

Through the generosity of the French Government a lectureship in French was established in the Faculty of Humanities, and an important collection of French books was donated by the French Government to help in the study of the French language.

A chair of Social Philosophy has also been established.

The aggregate expenditure for the financial year 1937-8 amounted to about £P.109,000.

12. New Jewish industrial undertakings established during 1938 included factories for the manufacture of margarine, printing of fabrics, diamond cutting, manufacture of electrical supplies, pencils, and the construction of lighters and small boats.

Further assistance was given to local industries which are largely or entirely in Jewish hands by the grant of exemption from import duty on raw materials and by the increase of import duties for protective purposes.

These included protective duties on rivets, tehini, cotton textiles, and crown corks. The importation of denatured alcohol was prohibited.

The raw materials exempted from import duty included artificial silk staple fibre, seed waste and slug pearls, and precious and semi-precious stones.

II.—AUTONOMOUS ADMINISTRATION.

During the year under review the activities of Municipal Corporations and Local Councils were considerably affected by the disturbed state of the country. The resulting economic depression and difficulties encountered in the collection of municipal rates and taxes adversely affected the revenues of local authorities, so that only essential public services were maintained and the execution of a number of works had to be postponed.

2. The following Municipal By-laws were issued by Municipal Corporations during the year:—

Demolition of dangerous buildings	(Tel Aviv)
Entertainment fees	(Tel Aviv)
Construction of roads, footways, and pavements	(Tel Aviv)
Slaughter house fees	(Jaffa)
Pensions regulations	(Jaffa)
Regulation of stationary vehicles	(Jaffa)
Advertisements	(Jaffa)
Cleansing of drains and cesspits	(Jaffa)
Prevention and abatement of nuisances ...	(Petah Tiqva)
Protection of plants	(Petah Tiqva)
Licensing of bicycles and tricycles	(Petah Tiqva)
Pensions regulations	(Lydda)
Water supply	(Lydda)
Water supply	(Ramleh)
Pensions regulations	(Ramleh)
Licensing and control of dogs	(Haifa)
Number of houses	(Haifa)
Pensions regulations	(Haifa)
Bathing by-laws...	(Haifa)
Pensions regulations	(Acre)
Grazing and keeping of animals	(Acre)
Preservation of streets	(Khan Yunis)
Pensions regulations	(Khan Yunis)
Demolition of dangerous buildings	(Khan Yunis)
Pensions regulations	(Majdal)
Weights and measures	(Majdal)
Water rate	(Gaza)
Pensions regulations	(Gaza)
Preservation of streets	(Gaza)
Street trade	(Jerusalem)
Pensions regulations	(Jerusalem)
Street name plates	(Jerusalem)
Advertisements	(Jerusalem)
Protection of plants	(Jerusalem)

The following By-laws were issued by Local Councils:—

Construction of roads	(Bat Yam)
Construction of footpaths	(Bat Yam)
Licensing of bicycles and tricycles	(Kfar Saba)
Closing of shops	(Kfar Saba)
Entertainment fees	(Raanana)
Construction of roads	(Raanana)

Entertainment fees	... (Hertsliya)
Closing of shops	... (Bnei Braq)
Construction of roads	... (Bnei Braq)
Protection of plants	... (Rishon-le-Zion)
Entertainment fees	... (Rehovot)
Protection of plants	... (Ramat Gan)
Licensing of bicycles and tricycles ...	... (Faluja)

3. The High Commissioner found it necessary to appoint Commissions under the Municipal Corporations Ordinance to perform the duties of the Councils and to administer the municipal affairs of Jaffa, Lydda and Jenin where the Corporations had become inoperative owing to the disturbed situation in the country.

In Haifa the Municipal Commission which was appointed by the High Commissioner in 1936 continued in office throughout the year.

4. The municipal area of Tel Aviv was enlarged and new Presidents and Councillors were elected for the Local Councils of Ramat Gan, Raanana, Hertsliya and Rishon le Zion.

5. Public parks were opened in Petah Tiqva and Ramat Gan.

6. Electricity was introduced into Gaza during the year. The Mayor was dismissed by the High Commissioner under section 52 of the Municipal Corporations Ordinance in December.

7. Essential municipal services such as improvement of drains, water-supply and repairs to roads and pavements were carried out in Acre, Beisan and Nazareth, and the construction of municipal offices and stables at Beisan was completed during the year.

8. At Safad a number of dangerous buildings were demolished and a road leading to the Government Hospital in the town was constructed and metalled. The municipal garden and slaughter house road is being metalled.

9. The Mayor of Tiberias was murdered in October and one of the Municipal Councillors was appointed in his place in the succeeding month.

10. In September, the High Commissioner appointed Mustafa Bey Khalidi, C.B.E., a Moslem Arab and formerly Puisne Judge of the Supreme Court, to be Mayor of Jerusalem in succession to Dr. Hussein Khalidi who was deported to Seychelles in 1937.

11. The High Commissioner also appointed during the same month a British Government Officer as acting Town Clerk of Jerusalem.

12. The Municipal Commissions for Hebron and Ramallah continued in office throughout the year.

III.—JEWISH AGENCY.

1. The representations of the Jewish Agency to Government during the year principally concerned the question of Jewish immigration into Palestine. Prior to the quota period commencing the 1st April, 1938, the Jewish Agency again urged the restoration of the principle of economic absorptive capacity for the regulation of Jewish immigration into Palestine, maintaining that any arbitrary restriction of Jewish immigration was inconsistent with the international obligations of the Mandatory Power under the Mandate. The Agency also stressed the adverse effect which the departure from the principle of economic absorptive capacity in the previous quota period had exercised on the economic and political situation in Palestine.

After consideration of these and other representations the policy adopted by His Majesty's Government was described in a despatch to the High Commissioner dated the 10th March, 1938, which was published for the information of the public. The full text of this despatch is reproduced in Appendix G to the Introductory Chapter.

2. Following representations by the Jewish Agency in regard to the inadequacy of the quota of 250 for dependent relatives other than wives and children in the six-monthly period commencing the 1st April, 1938, 600 certificates from the quota for capitalists which were unused were subsequently transferred to the quota for dependants. In the subsequent quota period commencing the 1st October, 1938, provision was included for a quota of 1,450 for dependent relatives other than wives and children, including the 600 additional certificates authorized at the end of the previous quota period.

3. Representations were also made by the Jewish Agency for the admission of 5,000 Jewish children from Germany either as dependent immigrants or as students. His Majesty's Government examined this and other requests for increased facilities for the admission of Jewish immigrants into Palestine in the light of their policy which had then been announced of holding discussions with Arab and Jewish representatives on the question of future policy in Palestine, including immigration. Having examined the matter from this point of view, His Majesty's Government reached the conclusion that they would not be justified in acceding to these requests for increased immigration facilities as the effect of any alteration in the existing rate of immigration might prejudice the position regarding one of the principal subjects for discussion in London.

4. Representations were made by the Jewish Agency regarding the Medical Practitioners (Amendment) Bill, 1938.

The Bill provides for the amendment of section 4, 4A and 4B of the Medical Practitioners Ordinance in consequence of the provisions having been declared by the Court to be *ultra vires* the Palestine Citizenship Order, 1925. The Court held that the provisions in this section in so far as they discriminate in favour of Palestinian citizens by birth or by naturalization before the 1st December, 1935, were *ultra vires* Article 8 of the Palestine Citizenship Order, 1925, the object of which was to ensure that there should be the same law for all Palestinian citizens, no matter how or when their nationality was acquired. The Bill abolished the distinction between the two categories of applicants and, for the purpose of limiting the number of practising licences to a prescribed maximum for any one year placed all applicants on an equal footing, no matter how or when their Palestinian nationality was acquired. The Jewish Agency requested that there should be no restrictions in the grant of medical licences to Palestinian citizens and alternatively that the enactment of the Bill should be postponed until the end of 1939. In the interests of the medical profession Government considered it essential that the Bill should be enacted without delay so as to enable the number of medical licences to be controlled and to prevent further overcrowding of the profession. In prescribing the maximum number of licences for 1939 the amendment of the Ordinance was taken into account.

5. The Jewish Agency submitted applications for the exemption from import duty of certain raw materials and for the imposition of protective tariffs on a number of commodities which are being manufactured in Palestine.

6. The Jewish Agency also submitted a memorandum in regard to the proposed revision of the Syria-Palestine Customs Agreement, which is being considered in connection with the negotiations proceeding with the French authorities in Syria and the Lebanon.

7. Representations were also made by the Jewish Agency in regard to the employment of Jews in public works and in the railway and port services. The share of Jewish labour in public works amounted to approximately 26 per cent. of the total wage bill of the Public Works Department.

As a result of the abnormal conditions prevailing in the country, it has not been possible to adhere to the arrangements made by Government in previous years in regard to the allocation of a fixed proportion of public works to Jewish labour.

Amongst other public works Government entrusted to Jewish labour the completion of " Tegart's Wall " on the northern frontier, construction of a police post on the northern frontier and part of the work of improving and asphalting the north frontier road.

In addition, Jewish labour was employed in the completion of the following works started in 1937: the construction of the Raanana-Miskeh road, police station and police married quarters at Tel Aviv, and the new Government hospital in Haifa.

Arrangements have also been made to allocate the contract for railway porterage in the railway stations in the Jewish towns of Tel Aviv and Petah Tiqva to a Jewish contractor, in order that Jewish labour might be employed on this work under suitable conditions. Customs porterage in Tel Aviv railway station has been allocated to a Jewish contractor for a similar reason.

8. The Jewish Agency continued to co-operate with the military and police authorities in all matters relating to the defence and security of Jewish settlements. A large force of Jewish temporary additional police and special constables is employed in the protection of Jewish quarters in towns and of Jewish settlements. The Jewish Agency assisted in the recruitment of suitable candidates for these duties.

IV.—IMMIGRATION AND EMIGRATION.

1. The numbers of persons in the several classes recorded as having entered or left Palestine during 1938 and distributed by "racial" or "national" declarations are as follows:—

	Total.	*Jews.*	*Arabs.*	*Others.*
Arrivals.				
(*a*) Residents returning after a period exceeding one year	1,586	1,035	401	150
(*b*) Residents returning after a period not exceeding one year	95,269	22,537	62,596	10,136
(*c*) Immigrants	12,134	11,437	355	342
(*d*) Exempted persons ...	1,281	4	1	1,276
(*e*) Temporary visitors... ...	73,782	10,239	44,429	19,114
(*f*) Transit travellers	9,239	680	2,328	6,231
Total	193,291	45,932	110,110	37,249
Departures.				
(*a*) Residents departing for a period exceeding one year	1,811	1,095	298	418
(*b*) Residents departing for a period not exceeding one year	111,263	27,334	73,134	10,795
(*c*) Temporary visitors... ...	71,288	8,728	44,089	18,471
(*d*) Transit travellers	9,055	690	2,358	6,007
Total	193,417	37,847	119,879	35,691
Net increase (+) or decrease (−) of population due to recorded migration	−126	+8,085	−9,769	+1,558

2. The numbers of persons recorded as having entered Palestine during 1938 and arriving by the several means of transport are as follows:—

	Sea.	*Land.*	*Air.*
Total arrivals	44,242	146,288	2,761
Temporary visitors	12,947	59,491	1,344
Immigrants	11,831	1,541	43
Residents returning after a period exceeding one year	1,239	333	14
Residents returning after a period not exceeding one year	16,283	77,873	1,113
Transit travellers	1,942	7,050	247

The numbers of persons recorded as having departed from Palestine during 1938 and leaving by the several means of transport are as follows:—

	Sea.	*Land.*	*Air.*
Total departures	36,251	153,987	3,179
Temporary visitors	11,012	58,793	1,483
Residents departing for a period exceeding one year	1,455	336	20
Residents departing for a period not exceeding one year	21,587	88,273	1,403
Transit travellers	2,197	6,585	273

3. Of the persons who entered Palestine prior to the end of 1938, as travellers, 1,848 were registered as immigrants. Of these, 1,427 were Jews and 421 were non-Jews.

Including exempted persons, the total number of immigrants registered during the year was thus 15,263 of whom 12,868 were Jews and 2,395 were non-Jews.

4. The recorded volume of Jewish immigration and emigration in 1938 and previous years is as follows:—

Year.	*Jewish persons registered as immigrants.*	*Jewish persons recorded as leaving permanently.*
1920–1924	42,784*	5,476†
1925–1929	57,022	18,501
1930–1934	91,258	2,345
1935	61,854	396
1936	29,727	773
1937	10,536	889
1938	12,868	1,095
Total	306,049	29,475

* The records begin in September, 1920.

† No figures are available for Jewish emigration in 1920, 1921, 1932, 1933 and 1934. The census in 1931 revealed that the actual number of Jewish emigrants was larger than that revealed in the migration records.

5. The countries of previous residence of immigrants registered in 1938 (i.e., of persons arriving as immigrants or as travellers and subsequently registered as immigrants) were as follows:—

Country of previous residence.	*Total.*	*Jews.*	*Arabs.*	*Others.*
Total immigrants registered	15,263	12,868	473	1,922
Total Europe	13,675	12,056	2	1,617
Austria (now Germany) ...	2,526	2,510	—	16
Belgium	50	47	—	3
Bulgaria	21	21	—	—
Czechoslovakia	424	414	—	10
Danzig	108	108	—	—
Denmark	5	4	—	1
Eire	1	—	—	1
Esthonia...	10	10	—	—
Finland	1	1	—	—
France	120	69	1	50
Germany	4,309	4,223	1	85
Great Britain	1,388	76	—	1,312
Greece	46	26	—	20
Hungary...	72	71	—	1
Italy	243	167	—	76
Latvia	130	129	—	1
Lithuania	160	160	—	—
Netherlands	71	67	—	4
Norway	1	1	—	—
Poland	3,279	3,269	—	10
Rumania	526	519	—	7
Spain	7	4	—	3
Sweden	6	5	—	1
Switzerland	43	37	—	6
U.S.S.R. (Russia)	71	71	—	—
Yugoslavia	49	42	1	7
Other countries of Europe ...	8	5	—	3
Total Asia	1,046	593	344	109
Aden	15	15	—	—
Afghanistan	53	53	—	—
China	6	6	—	—
Cyprus	34	—	7	27
India	10	6	—	4
Iran	39	35	—	4
Iraq	84	77	2	5
Syria and Lebanon	419	48	309	62
Trans-Jordan	26	—	25	1
Turkey	39	32	1	6
Yemen	319	319	—	—
Other countries of Asia ...	2	2	—	—
Total Africa	298	89	64	145
Abyssinia	1	—	—	1
Egypt	254	52	63	139
Morocco	5	4	—	1
Sudan	3	—	—	3
Tripoli	11	10	1	—
Tunis	1	1	—	—
Union of South Africa ...	23	22	—	1
Other countries of Africa ...	—	—	—	—

Country of previous residence.	*Total.*	*Jews.*	*Arabs.*	*Others.*
Total America	220	112	62	46
Canada	8	3	1	4
United States of America	121	94	4	23
Argentine	7	3	2	2
Brazil	11	—	10	1
Mexico	3	—	—	3
Other countries of Latin America	70	12	45	13
Australia	8	8	—	—
New Zealand	4	—	—	4
Undefined	12	10	1	1

6. The following table illustrates the changes in the principal sources of Jewish immigration:—

Country of previous residence.	*Proportion per 100 Jewish immigrants coming from all countries in years*			
	1922–1929.	*1936.*	*1937.*	*1938.*
All countries	100	100	100	100
Poland	46	41	35	25
Russia	20	2	3	1
Germany	—	27	34	52*
Rumania	6	5	3	4
Lithuania	5	3	2	1
United States of America ...	3	1	2	1
Others	20	21	21	16

* Including Austria.

7. Persons granted visas for Palestine are liable to be refused admission on arrival at the frontier if the Immigration Officer is not satisfied that they are persons who may lawfully be admitted to Palestine. The numbers of persons so refused admission in 1938 and previous years are as follows:—

Year.	*Total entrants.*	*Number refused admission.*	*Number refused admission per 1,000 entrants.*
1932	100,679	253	3
1933	141,478	1,505	11
1934	176,681	945	5
1935	230,643	831	4
1936	147,932	315	2
1937	216,270	588	3
1938	193,291	229	1

8. The numbers of immigrants by sex registered in 1938 are as follows:—

Race.	*Total.*	*Male.*	*Female.*
Jews	12,868	6,448	6,420
Arabs	473	193	280
Others...	1,922	1,499	423

These figures indicate that Jewish women formed 49·9 per cent. of the Jewish immigrants registered in 1938. According to the census taken in 1931, Jewish women formed 49·5 per cent. of the Jewish population of Palestine.

9. The age groups of immigrants registered in 1938 (i.e., of persons arriving as immigrants, or of persons arriving as travellers and subsequently registered as immigrants) are as follows:—

Age groups.	*Total.*	*Jews.*	*Arabs.*	*Others.*
Total	15,263	12,868	473	1,922
0– 4	661	502	98	61
5– 9	632	545	47	40
10–14	949	837	76	36
15–19	2,514	2,310	103	101
20–24	2,492	2,021	41	430
25–29	2,621	1,876	38	707
30–34	1,346	1,026	30	290
35–39	892	765	15	112
40–44	740	681	12	47
45–49	584	549	8	27
50–54	497	467	2	28
55–59	461	443	3	15
60–64	401	386	—	15
65–69	234	228	—	6
70–74	148	145	—	3
75 and over ...	91	87	—	4

10. The change in the relative proportions of Jewish immigrants over and under the age of 35 years during the last six years is indicated by the following figures:—

Year.	*Under 35 years per cent.*	*Over 35 years per cent.*
1933	79·9	20·1
1934	75·7	24·3
1935	71·2	28·8
1936	68·5	31·5
1937	68·5	31·5
1938	70·9	29·1

11. The numbers of immigrants by sex and conjugal condition registered in 1938 are as follows:—

Conjugal condition.	*Jews.*	*Arabs.*	*Others.*
Males:			
Persons	6,448	193	1,499
Unmarried	3,657	161	1,402
Married	2,651	31	93
Divorced	40	1	3
Widowed	100	—	1
Females:			
Persons	6,420	280	423
Unmarried	2,584	98	229
Married	3,365	176	182
Divorced	54	—	—
Widowed	417	6	12

12. The numbers of immigrants by previous occupation registered in 1938 are as follows:—

Occupation.	Total.		Jews.		Arabs.		Others.	
	Males.	Females.	Males.	Females.	Males.	Females.	Males.	Females.
Total persons in all occupations	8,140	7,123	6,448	6,420	193	280	1,499	423
Total persons in specified occupations	6,153	1,473	4,682	1,310	63	9	1,408	154
Agriculture, Forestry and Fishing	962	186	959	186	2	—	1	—
Mines and Quarries ...	1	—	1	—	—	—	—	—
Manufacturing Industries:								
Textiles	15	3	15	3	—	—	—	—
Leather works ...	11	—	11	—	—	—	—	—
Wood works	78	1	75	1	2	—	1	—
Metal works	45	—	37	—	3	—	5	—
Ceramics	4	1	4	1	—	—	—	—
Chemical products ...	4	—	4	—	—	—	—	—
Food products... ...	37	2	34	2	—	—	3	—
Dress and toilet ...	93	49	93	49	—	—	—	—
Building	114	2	112	2	—	—	2	—
Industries relating to literature and artistic trades	40	1	39	1	—	—	1	—
Transport...	40	—	22	—	13	—	5	—
Commerce	941	21	926	18	12	1	3	2
Other trades	5	1	3	1	1	—	1	—
Clerical Service	150	28	102	21	7	—	41	7
Public Officials, Police and Army	1,185	3	5	—	—	—	1,180	3
Professions and Liberal Arts:								
Religion	158	86	29	1	7	6	122	79
Law	76	1	75	1	1	—	—	—
Medicine:								
Physicians, surgeons	131	15	128	14	—	—	3	1
Dentists	31	2	30	2	—	—	1	—
Medical attendants...	30	18	30	9	—	—	—	9
Education	48	33	37	22	2	—	9	11
Architects, engineers ...	52	2	45	2	1	—	6	—
Arts	6	3	5	3	1	—	—	—
Other liberal professions	38	11	36	9	—	—	2	2
Domestic service... ...	11	99	5	59	1	2	5	38
Insufficiently described occupations	606	103	597	103	3	—	6	—
Students (16 years and over)	1,241	802	1,223	800	7	—	11	2
Persons of no occupation or of unknown occupation, Minors and Dependants — men	802	—	774	—	8	—	20	—
Persons of no occupation or of unknown occupation, Minors and Dependants — women	—	4,614	—	4,228	—	180	—	206
Persons of no occupation or of unknown occupation, Minors and Dependants — children	1,185	1,036	992	882	122	91	71	63

13. Immigrants registered in 1938 belonged to the following categories defined in the rules under the Immigration Ordinance:—

Categories.	*Total.*	*Jews.*	*Arabs.*	*Others.*
A (i) Persons with £P.1,000 and upwards	1,771	1,753	8	10
Dependants of persons in category A (i)	1,731	1,722	1	8
A (ii) Members of liberal professions with a capital of not less than £P.500	—	—	—	—
Dependants of persons in category A (ii)	—	—	—	—
A (iii) Skilled artisans with a capital of not less than £P.250 ...	1	1	—	—
Dependants of persons in category A (iii)	1	1	—	—
A (iv) Persons of minimum income of £P.4 a month	37	34	—	3
A (v) Persons with a capital of not less than £P.500	7	7	—	—
Dependants of persons in category A (v)	11	11	—	—
B (i) Orphans coming to institutions	1	—	1	—
B (ii) Persons of religious occupations	227	2	15	210
Dependants of persons in category B (ii)	5	1	2	2
B (iii) Students whose maintenance is assured	2,629	2,531	52	46
C Persons coming to employment	2,765	2,573	45	147
Dependants of persons in category C	1,701	1,662	14	25
D Dependants of residents of Palestine	3,079	2,565	329	185
Persons exempted from the provisions of the Immigration Ordinance	1,297	5	6	1,286
Total	15,263	12,868	473	1,922

14. The fluctuations in the number of Jewish immigrants with a capital of £P.1,000 and upwards during the last seven years is shown by the following figures:—

Year.	*Number.*	*Proportion per cent. of total Jewish immigrants.*
1932	727	8
1933	3,250	11
1934	5,124	12
1935	6,309	10
1936	2,907	10
1937	1,275	12
1938	1,753	14

15. The fluctuation in the number and proportion of dependants among Jewish immigrants during the last six years is as follows:—

Year.	*Number.*	*Proportion per cent. of total Jewish immigrants.*
1933	15,653	52
1934	24,472	58
1935	37,739	61
1936	17,658	59
1937	6,230	59
1938	5,962	46

16. The numbers of immigrants, apart from dependants, authorized under labour schedule during 1938 as compared with previous years are as follows:—

Schedule Period.	*Certificates for Jewish Agency and departmental reserve.*
April–September, 1933	5,500
October, 1933–March, 1934...	5,500
April–September, 1934	6,200
October, 1934–March, 1935...	7,500
April–September, 1935	8,000
October, 1935–March, 1936...	3,250
April–September, 1936	4,500
October, 1936–March, 1937...	1,800
April–July, 1937	770
October, 1937–March, 1938	1,780
April–September 1938	1,150
October, 1938–March, 1939	1,150

17. The immigration certificates under the labour schedules approved during 1938 were issued under special conditions as to age, sex, conjugal condition and skill in accordance with the following specifications:—

Specification.	*Total.*	*April–September, 1938.*	*October, 1938–March, 1939.*
By age.—18–35 years	965	345	620
18–45 years	140	40	100
Any age above 18 years	1,195	765	430
By sex.—Men	900	300	600
Women	250	100	150
Either sex	1,150	750	400
By method of selection.—			
Skilled workers nominated by individual employers (part A)	350	250	100
Skilled workers required by individual employers (part B)	—	—	—
Skilled workers, relatives of residents of Palestine (part C)...	180	—	180
Workers selected by the Jewish Agency (part D)	970	400	570
	Jews and Non-Jews.	*Jews.*	*Non-Jews.*
Workers approved by the Department of Migration (part E—Departmental reserve)	800	500	300

18. The distribution of certificates granted to the Jewish Agency by conjugal condition was as follows:—

Specification.	*Total.*	*April–September, 1938.*	*October, 1938–March, 1939.*
Married men	575	200	375
Unmarried men...	325	100	225
Unmarried women	250	100	150
Unrestricted as to conjugal condition...	350	250	100

19. His Majesty's Consular and Passport Control Officers have standing instructions to facilitate the return of any Turkish citizen of Palestinian birth who wishes to come back to Palestine. Among the facilities given are the grant of visas for Palestine, without reference to the Department of Immigration, to these persons and to their wives and minor unmarried children, and of affidavits in the place of the passports ordinarily required, if these latter are not available. In short, these persons and their dependants are not obliged to carry out the formalities and to satisfy the conditions normally imposed upon foreign travellers or immigrants to Palestine, or to pay immigration fees.

20. The numbers of persons entering Palestine as travellers (temporary visitors and transit travellers) for limited periods who remained illegally in Palestine in 1938 and previous years beyond the authorised period of temporary residence are as follows:—

Year.	*Numbers of travellers entering.*		*Numbers of travellers remaining illegally.*		*Proportion of travellers entering October, 1937–September, 1938, and remaining illegally at the end of 1938 per thousand travellers entering in 1938.*	
	Jews.	*Non-Jews.*	*Jews.*	*Non-Jews.*	*Jews.*	*Non-Jews.*
1933 (from 1st Sept.)	6,827	17,943	2,321	989	340	55
1934 ...	26,400	65,423	2,907	3,022	110	46
1935 ...	36,128	70,695	4,618	3,256	128	46
1936 ...	14,574	42,091	—132*	1,288	—	31
1937 ...	15,079	84,189	93	1,679	6	20
1938 ...	10,919	72,102	307	2,196	28	30

* The negative sign implies that the population of Jewish illegal immigrants who have abused the facilities granted to travellers actually in Palestine at the 31st December, 1936, declined by 132 persons.

21. The numbers of persons deported in 1938 and previous years for immigration and other offences are as follows:—

Year.	*Total.*	*Jews.*	*Non-Jews.*
1934	2,407	772	1,635
1935	2,445	293	2,152
1936	2,039	152	1,887
1937	2,375	157	2,218
1938	1,950	46	1,904

22. It is not possible to give an adequate analysis of migration to and from Palestine in each calendar year at the time at which this report is prepared. Such an analysis is dependent on proportionate and other statistics which cannot be completed until some months after the closure of the immigration account for each year.

V.—LAND REGIME.

With a view to accelerating land settlement in conformity with the recommendations of the Royal Commission, consideration was given to the question of the amendment of the Land (Settlement of Title) Ordinance to provide for the simplification of settlement procedure.

2. The Rates and Taxes (Exemption) Ordinance, which provides for certain exemptions from municipal rates and urban and rural property taxes, was enacted in June, 1938.

3. Consideration is being given to the amendment of the Urban Property Tax Ordinance with a view to simplifying the procedure prescribed.

4. An investigation into the area of land held by Jews and non-Jews was carried out and the figures were brought up to date. The village statistics, based mainly on taxation records, were also revised and will shortly be ready for printing.

5. Inquiries into the area under citrus plantation were continued during the year, and the result of these inquiries will be embodied in the rural property tax rolls for 1939-40.

State Domains.

6. The examination and inspection of State Domains had virtually to be suspended owing to the disturbed conditions in the country.

7. A detailed statement, together with a valuation, of all known State Domains was prepared. The valuation was based on the records of purchases, sales, leases and taxation assessments and revealed a value of some £P.2,597,000, including

the Harbour Reclaimed Area Estate at Haifa, but excluding the considerable areas of State Domains which are dedicated to the use of the public or occupied by Government for public purposes.

8. A total area of 19,489 dunums of land was adjudicated to Government at land settlement during the year. This figure cannot, however, be taken wholly as an addition to the known State Domains as some of the land included was regarded as State Domain prior to land settlement.

9. Any estimate of the total area of State Domains can only be of doubtful accuracy as experience has shown that attempts made by Government to sell, lease, or exercise other rights of ownership over State Domains which have not yet been settled are frequently opposed by individuals who dispute the title. These disputes, although based sometimes on the flimsiest pretexts, result in years of litigation during which a claimant, who meanwhile has entered into possession, cannot be evicted. This unsatisfactory state of affairs is being gradually remedied by the acceleration of land settlement.

10. The area of State Domains for which certificates of registration under the Land (Settlement of Title) Ordinance have been issued is 303,950 dunums.

11. During the year 305 agreements and leases were concluded.

There are in addition 54 long-term leases which were entered into previously and are still in force.

12. A number of State Domain buildings were damaged or destroyed by incendiarism. So far as it has yet been possible to ascertain, the damage done is estimated to amount to about £P.6,000.

Valuations.

13. Forty-one valuations, mainly in connection with the expropriation of private property for defence and other public purposes, were made during the year.

14. An examination under the Land Valuers Ordinance was held in March. Thirteen out of 22 candidates passed and were granted licences. Four applicants for licences were found to be qualified without examination.

The number of licensed land valuers at the end of 1938 was 43.

Land Settlement.

15. The Sub-District of Nazareth was declared a Settlement Area in February, 1938, and Settlement Offices were opened in Nazareth, Gaza and Acre.

16. Notices of Settlement were published during the year in 46 villages, comprising an area of 407,836 dunums.

The Land (Settlement of Title) Ordinance has now been applied to a total of 230 villages in the following Settlement Areas:—

	No.
Jaffa Settlement Area	45
Ramleh Settlement Area	54
Gaza Settlement Area	49
Haifa Settlement Area	15
Tulkarm Settlement Area	43
Jenin Sub-District	2
Safad Sub-District	2
Jerusalem Sub-District	1
Jericho Sub-District	1
Tiberias Settlement Area	2
Nazareth Settlement Area	12
Acre Sub-District	4
Total	230

17. The following is a summary of the work completed in 1938:—

	In Mafruz land.	*In Masha' land.*	*Total number.*
(*a*) *Claims recorded* :—			
No. of Claims, original ...	16,322	35	16,357
(*b*) *Disputed Claims* :—			
Number of disputed claims outstanding at end of 1937 ...	13,083	353	13,436
Number received during 1938...	2,440	159	2,599
Number settled during 1938 ...	4,130	79	4,209
Number outstanding at the end of 1938	11,393	433	11,826
(*c*) *Land Cases* :—			
Total number of actions outstanding at end of 1937		1,365	
Total number of actions added during 1938		805	
			2,170
Total number of actions decided during 1938:—			
(*a*) by judicial settlement of disputes		694	
(*b*) by amicable agreement implemented by judicial decision		265	
			959
Number of actions outstanding at the end of 1938			1,211
Number of actions referred to the Land Courts on appeal			124

Schedules of Rights and Partition Schedules Published:—

Schedules Published.	*No. of Registered Blocks.*	*No. of Parcels.*	*No. of Schedules.*	*Covering total area. Metric dunums.*
Mafruz Land— Schedules of Rights ...	320	12,813	—	144,090
Masha' Land— Schedules of Partition	—	—	9	1,000
Total number of Schedules published	320	12,813	9	145,090

18. The following is a comparative statement of the area completed to date under settlement operations:—

	Preliminary Investigation.	*Final Investigation.*
	Recording of Claims and publication of Schedules of Claims.	*Settlement of Claims and publication of Schedules of Rights and of Partition.*
	Metric dunums.	*Metric dunums.*
June, 1928, to December, 1930...	212,992	142,799
During 1931 ...	255,947	138,387
„ 1932 ...	358,303	167,293
„ 1933 ...	479,195	334,139
„ 1934 ...	355,732	283,464
„ 1935 ...	196,119	298,549
„ 1936 ...	138,276	127,246
„ 1937 ...	118,236	189,244
„ 1938 ...	191,046	145,090
Total ...	2,305,846	1,826,211

19. Land Settlement field work and the hearing of cases were impeded during the year by the unsettled conditions.

20. The Land Settlement field parties working in Kafr Lam, Haifa Sub-District, and in Faluja, Gaza Sub-District, were attacked by armed men and the tentage, equipment and some records were destroyed by fire.

21. Early in October the Settlement Offices in Acre, Tulkarm and Gaza, including the field staffs, were withdrawn to Haifa, Nazareth and Jaffa respectively. The only main Settlement

Offices whose activities were not restricted were those in Haifa and Jaffa, but the field staff of the latter was withdrawn and the former had only one party operating in Shefa 'Amr.

Land Settlement Fees.

22. The following is a statement of registration, survey and court fees arising out of Settlement:—

(*a*) During the year 1938

Payable.	*Collected.*
£P.2,947	£P.2,755

(*b*) From beginning of Settlement, 1928, to end of December, 1938

Payable.	*Collected.*	*Outstanding.*
£P.56,815	£P.35,738	£P.21,077

Urban Property Tax.

23. The Urban Property Tax Ordinance was applied during the year to Affula in the Nazareth Sub-District, thus bringing the number of towns to which the Ordinance applies to 29.

24. Revision and assessment operations which were begun in 1937 for the tax year 1938-9 were carried out as follows:—

Original assessment operations were completed in Affula and in the extended areas of Nazareth, Jaffa and Tiberias.

Quinquennial revaluation in accordance with section 19(6) of the Ordinance was carried out in the urban areas of Petah Tiqva, Rehovot, Rishon le Tsiyon and Majdal.

Annual revision operations were carried out in the following 24 urban areas:—

Jerusalem, Jaffa (including Tel Aviv, Bat Yam and Sarona), Gaza, Beisan, Tulkarm, Tiberias, Ramleh, Lydda, Shefa 'Amr, Khan Yunis, Nablus, Hadera, Beit Sahur, Nazareth, Beersheba, Safad, Jenin, Hebron, Bethlehem, Beit Jala, Ramat Gan, Ramallah, Haifa and Acre.

25. The rates of urban property tax remained unaltered, being 10 per cent. of the net annual value.

26. Exemption from payment of the tax was granted on house property occupied by registered owners of which the net annual value is less than:—

£P.20—in the urban areas of Jerusalem, Jaffa and Haifa.
£P.13—in the urban areas of Tulkarm, Tiberias and Nablus.
£P.10—in the urban areas of Acre and Affula.
£P.7—in the urban areas of Beisan, Gaza, Ramleh, Lydda, Nazareth, Beersheba, Safad, Jenin, Hebron, Bethlehem, Petah Tiqva, Rishon le Tsiyon, Rehovot, Majdal, Hadera and Ramat Gan.
£P.4—in the urban areas of Beit Jala, Ramallah, Khan Yunis and Shefa 'Amr.
£P.2—in the urban area of Beit Sahur.

27. Assessment operations in respect of the tax year 1939-40 were begun and are still in progress. As the result, however, of the state of unrest, assessment operations were suspended early in October in all urban areas with the exception of Jerusalem, Jaffa, Tel Aviv and Haifa.

28. The urban property tax records and other records in respect of the Beersheba and Tiberias Sub-Districts were destroyed by arson during the year and arrangements are being made to recompile them.

Rural Property Tax.

29. The aggregate area of all the tax categories under the Rural Property Tax Ordinance, 1935, totals 13,580,895 dunums.

30. Annual revision of the tax in respect of areas brought under cultivation was made during the year. In addition 37 new industrial buildings were valued and found to have a net annual value of £P.3,244.

Eight hundred and eighteen Notices of Development of Land were submitted.

31. Supplementary Rural Property Tax Rolls, showing the revised tax categories of the land by reason of development, were posted for 311 blocks in 129 villages.

32. To these alterations in the tax category of the land 19 objections were submitted and dealt with by official valuers, ten being admitted and nine refused.

33. A redistribution of the tax on 843 blocks was made in cases where changes had been made in the tax category of the land on account of development. The area of citrus was revised and redistribution of the tax was carried out for 274 blocks which were settled during the year under the Land (Settlement of Title) Ordinance.

34. A further reduction in the rate of tax on land planted with citrus was granted during the year. This resulted in reducing the tax payable on citrus from £P.224,000 to £P.107,280 for the year 1938-9.

35. The following is a statement of the amount of rural property tax due on the 1st April, 1937, collected during 1937-8, and outstanding on the 1st April, 1938:—

	£P.	£P.
Gross assessment as at 1.4.37		451,725
Less—		
Reductions	48,735	
Exemptions	129,835	
		178,570
Amount payable		273,155
Collections during 1937–38		130,460
Amount outstanding on 1.4.38		£P.142,695

Tithes.

36. The Commutation of Tithes Ordinance is still applicable to the Beersheba Sub-District and the Huleh Concession Area.

37. The total aggregate commuted tithe payable and collected in these two areas during the tax year 1st April, 1937, to 31st March, 1938, was as follows:—

	Assessment.	*Remissions.*	*Collections.*	*Outstanding.*
	£P.	£P.	£P.	£P.
Beersheba Sub-District	8,940	—	95	8,845
Huleh Concession Area...	1,235	310	335	590
Total ...	£P.10,175	310	430	9,435

38. The following is a summary for the whole country of the amount of arrears outstanding on the 1st April, 1938, and the amount collected during the period 1st April to 31st December, 1938:—

	£P.
Outstanding on 1st April 1938	144,800
Remissions during period 1.4.38 to 31.12.38	3,600
Collected during period 1.4.38 to 31.12.38	3,860
Balance outstanding on 1.1.39	137,340

Land Registration.

39. The decline in the value of agricultural land, referred to in paragraph 43 on page 76 of the Annual Report for 1937, continued and was marked particularly in land distant from the main groups of Jewish settlements. As in the previous year there was a tendency for building sites, except those in the centres of the larger towns, to depreciate.

40. In the Beersheba Sub-District Jewish companies and individuals completed the registration of previously unsurveyed land which they had already purchased by contract, and at the end of the year some 60,000 dunums in that Sub-District were registered in the name of Jews. This land is in scattered parcels and not in solid blocks.

41. Jewish interests purchased land in the neighbourhood of Lake Huleh and the head waters of the River Jordan, on the northern frontier near Hanuta, and near Beisan. In other districts Jewish purchases registered were either in completion of old contracts or in order to round off blocks.

42. Areas amounting to 27,280 dunums of land were purchased by Jews from non-Jews during the year at a total cost of £P.174,802.

The corresponding figures for previous years were:—

Year.	*Dunums.*	£P.
1935	72,905	1,699,121
1936	18,146	158,826
1937	29,367	392,916

43. During the year, 855 settled parcels were divided or combined and became 5,643 new parcels. In the year 1937, 794 settled parcels were divided and became 6,745 new ones.

In the non-settled lands, 3,644 new parcels were created as the result of partition and parcellation.

44. The total number of transactions registered during the year was 30,574 as compared with 42,009 for the previous year.

Fees amounting to £P.142,381 were collected as compared with £P.208,323 in 1937.

45. The registration of titles settled under the Land (Settlement of Title) Ordinance amounted during the year to a total of 338 blocks and 13,332 parcels in the various land registries.

Ghor Mudawwara Land Agreement.

46. Sales by transferees under the terms of the original Ghor Mudawwara Land Agreement of 1922 continued during 1938. Eighty-seven parcels owned by transferees and representing an area of 3,745 dunums were redeemed and sold during the year and the total price, with accrued interest, was paid in full. The amount collected was £P.7,711.

47. An attempt was made by persons who had signed the revised agreement to dispose of their land, notwithstanding that one of the conditions of the revised agreement was that the owners should not dispose of the land for 30 years from the date of execution. The Director of Land Registration refused his consent to this transaction and his refusal was upheld by the Judicial Committee of the Privy Council to whom the transferees appealed when their application had been rejected by the High Court.

Surveys.

48. Early in the year armed bands destroyed several survey camps by fire. A number of original records were destroyed and instruments stolen.

These acts in the open country necessitated the withdrawal of field parties to the larger towns.

49. During the year a revised edition of the catalogue listing all the maps and publications up to 1st October, 1938, which are available for sale to the public, was produced.

50. Twenty candidates entered for the land surveyors' licence examination of whom seven passed.

51. Rules were made under the Survey Ordinance involving the revision of existing rules concerning licensed surveyors, and regarding the provision of property marks at the time of registration of property.

Triangulation.

52. Work was continued on the major extension towards the Egyptian frontier, with a view to linking up the Egyptian and Palestine triangulation systems.

53. Five new topocadastral points were fixed for the Beersheba topographical surveys over an area covering 300 square kilometres.

Precise Levelling.

54. The southern circuit of 245 kilometres (Jerusalem—Ramleh—Gaza—Beersheba—Hebron—Jerusalem) was completed with a closure of 75 millimetres.

Tertiary Levelling.

55. Levelling of trigonometrical points used in the water resources survey was completed in the area in which wells were investigated.

Special Levelling.

56. Parties withdrawn from rural areas were able to carry out town levelling in Nazareth, totalling 31·3 kilometres and in Hebron totalling 35·4 kilometres. This levelling will form the basis of contour surveys of each of these towns.

Magnetic Variation.

57. Observations were made with a "Connolly" standard compass at 11 stations, during the year.

Topographical Surveys.

58. The topographical survey, started last year in the Beersheba Sub-District, was completed during the year.

59. A car and compass traverse of 600 kms. was made between Beersheba and 'Aqaba to bring up to date the motor roads and tracks for the 1:250,000 sheet Palestine (South).

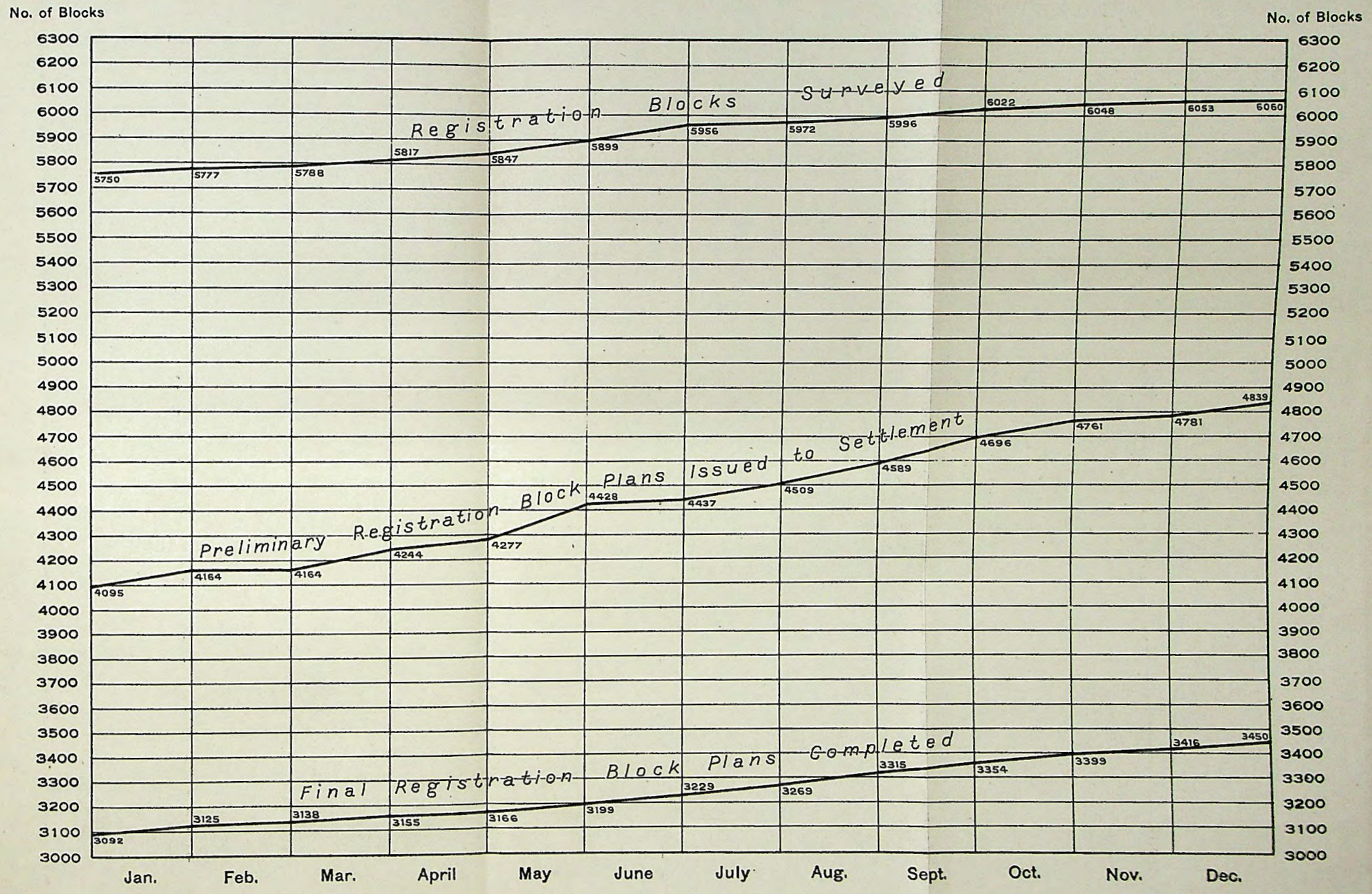
60. *Progress of Cadastral Survey.*

Category of Land.	*No. of blocks.*	*Area dunums.*	*No. of parcels.*	*Average area per parcel.*
				dunums
Mafruz (divided lands) scale 1 : 2,500.	173	98,600	3,506	28.1
Mafruz (divided lands) scale 1 : 1,250.	135	21,220	8,195	2.6
Built-on areas... ... scale 1 : 625.	2	80	138	1.7
Total	310	119,900	11,839	

In addition, 403 blocks covering an area of 177,000 dunums were surveyed; but examination was not completed.

CADASTRAL SURVEY

PROGRESS OF SURVEY FOR SETTLEMENT PURPOSES 1938.



Survey of Palestine, Jaffa 1938.

PROGRESS OF SU

No. of Blocks

61. 744 preliminary block plans containing 32,332 parcels covering an area of 262,592 dunums with schedules of reputed owners and areas were issued to the Land Settlement Branch.

62. Sixteen blocks covering an area of 2,410 dunums were re-surveyed, as it was found that the original scale of survey of parcels held in common ownership was too small for the accurate evaluation of the areas of the parcels which the settlement officer subsequently allotted to individual owners.

63. Final plans of 358 blocks, to which settlement decisions had been applied, were submitted for registration. They contained 4,836 parcels covering an area of 170,421 dunums.

Urban Surveys.

64. The following are particulars of re-surveys carried out in closely developed areas

Urban area.	*Scale.*	*Dunums.*
Haifa	1 : 1,250	22,310
Haifa (extensions) ...	1 : 1,250	
Jaffa—Tel Aviv ...	1 : 625 and 1 : 1,250	270

65. Field revision of large-scale plans for urban assessment purposes was completed in 12 towns and villages.

Urban assessment plans amounting to 820 were revised and issued for assessment under the urban property tax.

Land Registration Surveys.

66. The number of plans examined and dealt with at headquarters was 1,422 covering an area of 54,816 dunums.

67. In connection with the survey of State Domains 20 plans, covering a total area of approximately 400 dunums, were produced during the year. Owing to unsettled conditions this work was confined to the large towns.

68. Mutations in settled areas to the number of 659 were dealt with during the year making a total of 5,035 since the beginning of settlement.

Citrus Revision.

69. A revision of the areas under citrus was carried out during the year in seven villages, all new groves and the dates of their plantation being recorded. 45,000 dunums were revised at a total cost of 4 mils per dunum.

Mapping and Publications.

70. A conventional sign sheet in Hebrew for use with the 1:100,000 scale maps will shortly be available.

71. A revised edition of the 1:250,000 scale layered map was printed showing new roads and a number of new settlements with the district and sub-district names and boundaries overprinted in red.

Index to Villages and Settlements.

72. The three 1:150,000 scale sheets showing village boundaries were reduced by photography and printed for official use as one sheet, scale 1:250,000, with the district and sub-district boundaries and names overprinted in red.

73. A second sheet similar in style to the administration map, covering southern Palestine from Beersheba to 'Aqaba and portions of Trans-Jordan and Sinai, is being compiled. A plan of Petra will be inset.

Motor Map.

74. The ninth edition was published early in the year.

Development.

Resettlement of Displaced Arab Cultivators.

75. A disastrous attack of rust, which severely injured the wheat crop, caused yet a further setback to the displaced Arab cultivators who have been settled on irrigated land in the Beisan Sub-District. The settlers are, however, being encouraged to persevere and they are gradually coming to rely less on financial assistance from Government than formerly. The progress made by those settlers who were transferred in 1936 from irrigated to rain farmed land was satisfactory and they started to pay off the arrears of their loans. Most of the settlers from the Abu Qandil tribe are making good progress, are contributing reasonable amounts towards debt payments and are satisfied with their conditions and prospects. (See Report for 1937, page 81, paragraph 75.)

76. The Wadi Hawarith Arabs are progressing and give indications of adopting intensive cultivation to a greater extent.

77. Birket Ramadan still presents a serious problem, and endeavours continue to be made to persuade the owners to adopt methods of cultivation which will prevent the marsh from reverting to its condition before it was drained. Remedial works were carried out by the Department of Health in the marsh area in connection with anti-malaria measures.

78. Observations made on the run-off of rain water during the rainy season of 1937-8 (see Report for 1937, page 81, paragraph 79) confirm the conclusion arrived at in previous years that the percentage running off is abnormally low. During six days of fairly continuous rain amounting to 146 millimetres, the run-off from the catchment area of the Wadi Sarar at Motza was equivalent to only 26·4 millimetres or 18 per cent. of the rainfall over the catchment. The percentage of run-off from the same catchment for the whole rainy season was 7·8 per cent. The run-off from catchment areas in the western reaches of the same wadi, containing less hill area and debouching

on the plains, gave even lower figures. A catchment area on purely plain land gave slightly less than 4 per cent. run-off. These figures are particularly interesting in connection with the suggestion frequently made that storing flood water in Palestine is practicable. During the year arrangements were made to establish three additional observation stations, of which two have actually been completed. The disorders prevented readings being taken at four stations erected during the previous year, while one station was destroyed by an exceptionally high flood in November. A map showing the catchment areas of Palestine has been prepared and will be published shortly.

79. A geo-hydrological report on underground and surface water (see Report for 1937, page 82, paragraph 82) is under preparation and will be completed soon.

80. The observation of the underground water levels at a series of well stations was continued. At two out of the 27 stations observations had to be suspended and three new stations were established. The utility of these observation stations is evident as affording proof of the adequacy of the underground water resources to meet the expanding exploitation to which they are subjected.

While the results of attempts to find satisfactory underground water in hitherto unexplored areas, which have been made in connection with the hydrographic survey of southern Palestine and the lower reaches of the Jordan valley, proved disappointing, private enterprise was successful in the foot-hills of the Jordan valley north of Beisan and in the foot-hills overlooking Lake Huleh. A small supply was also struck in an unexpected quarter, namely on the western slope of the Galilee hills at Hanuta and further supplies have been tapped near Karkur on the coastal plain. (See Report for 1937, page 82, paragraph 81.)

81. Work on water settlement operations was suspended at the end of October owing to the disturbances. By that time, however, data had been compiled regarding water rights in, and distribution of, all springs in the neighbourhood of and south of Beisan. This data will form the nucleus of future water settlement.

Regular monthly gaugings of the discharge of these springs were taken from October, 1937, to October, 1938. The contour survey, contemplated in 1937, was also completed with the exception of a small area which was left unfinished when the field work had to be suspended. (See Report for 1937, page 82, paragraph 83.)

82. The hydrographic survey of southern Palestine and the Jordan valley, referred to on page 82, paragraph 84 of the 1937 Report, was started in February, 1938, and continued until the end of August when it had to be closed down owing to the disturbed state of the country.

By that time 21 bores (including five bored in connection with the water resources survey) were completed, of which five were in the Jordan valley and 16 in the Gaza-Beersheba sub-districts. Ten bores, of which two are in the Jordan valley and eight in the Gaza-Beersheba area, were uncompleted in August and were carefully sealed with a view to future operations. A full geo-hydrological report on the work done is under preparation, but from the results of the survey up to the date when it was suspended in August, it can safely be said that the Gaza-Beersheba area is not one in which it is possible, as has sometimes been suggested, to sink a bore at random and obtain sweet water. On the contrary, even when sites are chosen after prolonged geo-physical experiments and geological investigations, 75 per cent. of them prove to be complete failures. The presence of abundant sweet water in the coastal sand dunes seems likely to be confirmed, and there is always the possibility that water may be found in the Turonian-Cenomanian formation which has not yet been tested. This water, however, would be at great depths and from indications obtained in other parts of Palestine, the quality, even if water exists, may well prove to be too saline for irrigation purposes. The general conclusion which has been reached as a result of the survey is that in far the greater portion of the area no improvement in agriculture which is dependent on irrigation is to be anticipated.

A well with some 40 metres of underground channelling has been constructed at Asluj (Beersheba Sub-District) and the results show possibilities of useful, if limited, development in areas similarly situated by means of the construction of such wells or of chains of wells following the practices in Cyprus and in India. Two sites for flood diversion weirs were selected in the Beersheba area. The stream beds and the irrigation areas to be served by the weirs were surveyed and contoured, but the construction of the weirs could not be begun owing to the disturbances.

Much of the underground water discovered during the survey was of a salinity higher than that of any saline water hitherto used for intensive cultivation in Palestine, but field and laboratory experiments have been started in the hope that it may still be usable for certain crops under certain soil conditions. Here also the field experiments had to be discontinued.

VI.—NATIONALITY.

1. The text of the Palestinian Citizenship Order, 1925, and of a Proclamation by the High Commissioner for Palestine amending Article 2 thereof were reprinted in Section 4 of the Report for 1925; and the text of the amending Order in Council of 1931 was printed in Appendix II of the Report for that year.

2. The qualifications for naturalization are: two years' residence in Palestine out of the three preceding the date of application, good character, adequate knowledge of English or Arabic or Hebrew, and the intention to settle in Palestine. In special cases the High Commissioner is empowered to grant naturalization even if the prescribed period of residence has not been within the three years preceding the date of application. The fee for naturalization is 500 mils.

3. The total number of persons to whom naturalization certificates were delivered in 1938 compared with those in previous years is as follows:—

	Applications submitted.	*Certificates delivered.*
Total	60,831	53,696
1925–1929	20,168	15,551
1930–1934	7,978	8,161
1935	6,007	5,994
1936	5,444	4,941
1937	12,194	9,925
1938	9,040	9,124

18,259 persons acquired Palestinian citizenship in 1938, including wives and children who became Palestinian citizens through the naturalization of their husbands or fathers or mothers.

4. The decline in the number of applications in 1938 may be attributed to the disturbances in Palestine which made travelling difficult, prevented many prospective applicants engaged on security duties from submitting their applications and, in some cases, caused applicants to defer their applications on grounds of economy.

5. The race and previous nationality of the persons naturalized in 1938 were as follows:—

	Number.	*Per cent. of Jews naturalized.*
A. *Jews*:—		
Total	17,988	100
Polish	6,630	37
German	4,415	25
Rumanian	1,099	6
Russian	552	3
Other	3,099	17
Stateless	2,193	12
B. *Non-Jews*:—		
Total	271	100
Turkish	92	34
Syrian	40	15
Egyptian	17	6
Other	122	45

In 1937 the proportions of applicants who were Polish and German subjects were 43 per cent. and 10 per cent. respectively.

6. The passport services granted by the department in 1938 as compared with previous years are shown in the following table:—

Service.	*1936.*	*1937.*	*1938.*
Total	34,689	46,798	40,324
Palestinian passports issued ...	9,039	15,267	15,593
Palestinian passports renewed...	3,626	3,830	2,568
Palestinian passports endorsed	3,141	4,156	2,971
Certificates of Identity issued...	398	572	448
Return visas granted	14,567	18,306	13,649
Other visas granted	2,484	2,633	3,501
Identity and Travel documents issued	416	621	364
Identity and Travel documents renewed	59	70	7
British passports issued ...	429	575	537
British passports endorsed or renewed	463	741	685
Registration of British subjects and of retention of Canadian domicile	67	27	1

7. The number of Palestinian passports granted during 1938, namely 15,593, was the largest number ever issued in one year since the creation of the department.

In spite of the disturbances, large numbers of Palestinian passports were sought by Palestinian Arabs who (*a*) were no longer able freely to cross into Syria and the Lebanon as a consequence of the wire fence; or (*b*) who left Palestine for Egypt, Syria and the Lebanon and other countries on account of the disturbances in Palestine; or (*c*) who wished to travel to Trans-Jordan for admission to which passports are now needed by Palestinian citizens.

8. Since 1926, when Palestinian passports were first printed, some 117,500 have been issued of which some 110,500 have been issued in Palestine and 7,000 have been issued by His Majesty's Consuls abroad.

9. The following numbers of changes of names were registered in 1938 as compared with previous years:—

1933	211	1936	682
1934	412	1937	1,427
1935	793	1938	1,017

The majority of these changes are made by Jewish immigrants from Europe adopting Hebrew names on the acquisition of Palestinian citizenship.

10. Consideration is still being given to the amendment of the Palestinian Citizenship Order 1925, with a view to giving effect to the recommendation in Chapter XV, paragraph 12, of the Report of the Royal Commission in regard to the position of persons born in Palestine who acquired on birth, or subsequently, and still possess Turkish nationality, but who were habitually resident abroad at the time at which treaty nationality was imposed in Palestine by the above Order.

VII.—JUDICIAL SYSTEM.

Legislation.

The following were the most important Ordinances enacted during the year 1938:—

Water Survey Ordinance.—This Ordinance makes provision in respect of the discovery and raising of underground water in Palestine and vests the High Commissioner with powers incidental thereto.

Huleh Concession (Boundaries) Ordinance.—This Ordinance defines certain areas in connection with a concession for the drainage and reclamation of the lands known as the Huleh area and provides for certain matters in connection therewith.

Town Planning (Amendment) Ordinance.—This Ordinance amends the principal Ordinance mainly in order to enable the town planning authorities to exercise a stricter control over the appearance and use of buildings.

Loans (Recovery of Interest) Ordinance.—This Ordinance provides that the interest recoverable upon certain loans may exceed the amount of the principal, notwithstanding the provisions of the Ottoman Law.

Playing Cards Excise Ordinance.—This Ordinance regulates the manufacture of playing cards in Palestine and prescribes an excise duty thereon.

Civil Procedure Ordinance.—This Ordinance is consequential to the enactment of Rules of Court entitled "Civil Procedure Rules, 1938," and declares that the Ottoman Code of Civil Procedure, with the exception of a few articles thereof, shall cease to have effect in Palestine in proceedings in any court other than a Magistrate's court.

Rates and Taxes (Exemption) Ordinance.—This Ordinance make provision for the exemption from municipal rates, and from rural and urban property tax, of property of various descriptions of which the main categories are property occupied and used by the Government, property occupied by consular officers, and property used for religious, charitable or educational purposes. The Ordinance incorporates specifically the exemptions hitherto enjoyed by institutions or bodies by virtue of treaties, firmans, decrees and other provisions of the Ottoman regime, and it provides for the future exemption of certain further categories of property.

Oil Mining Ordinance.—This Ordinance repeals, and re-enacts with considerable amendments and additions, the law relating to prospecting and mining for oil, hitherto

contained in the Mining Ordinance (Cap. 94) and confines the scope of that Ordinance to prospecting and mining for minerals other than oil.

Agricultural Fertilizers Ordinance.—This Ordinance provides for the protection of agricultural fertilizers against adulteration.

Advocates' Ordinance.—This Ordinance repeals, and with certain amendments re-enacts the provisions of, the Advocates' Ordinance (Cap. 2), mainly in view of the establishment of a Law Council under the Law Council Ordinance, 1938.

Law Council Ordinance.—This Ordinance provides for the constitution of a Law Council which is charged, *inter alia,* with the duties of enquiring into the conduct of advocates, and of persons permitted to practise before the Moslem religious courts, alleged to have been guilty of unprofessional conduct; the control and supervision of the Jerusalem law classes and the Palestine law examination; and the issue of certificates to persons possessing the necessary qualifications entitling them to be inscribed on the roll of advocates or on the roll of persons permitted to practise before the Moslem religious courts under the Advocates' Ordinance, 1938.

Anglo-Iranian Oil Conventions Ordinance.—This Ordinance validates certain conventions entered into between the Government of Palestine and the Anglo-Iranian Oil Company, regulating the conveyance through Palestine of mineral oils and the refinement thereof.

Trade Marks Ordinance.—This Ordinance repeals, and re-enacts with considerable amendments, the trade marks law of Palestine hitherto contained in the Trade Marks Ordinance (Cap. 144).

Pensions (Amendment) Ordinance (No. 2).—This Ordinance provides for the grant of pensions to the dependants of officers who have died as a result of injuries attributable to serious and widespread disturbances in Palestine at more generous rates than those provided in the principal Ordinance.

Police (Amendment) Ordinance.—This Ordinance provides for the grant of pensions to the dependants of members of the Palestine Police Force who have died as a result of injuries attributable to serious and widespread disturbances in Palestine at more generous rates than those provided in the principal Ordinance.

Bankruptcy.

2. Prior to the enactment of the Bankruptcy Ordinance, 1936, the bankruptcy law in force was that contained in the Ottoman Commercial Code, a code based on French law, under which the bankruptcy administration was vested in the four District Courts of Palestine.

Under the Ottoman Code the Court, on adjudicating a person bankrupt, appointed what was known as a *Juge Commissaire*, generally a judge of the court itself whose duty it was to supervise the bankruptcy. Under him he had a Syndic, i.e., the trustee, and a secretary to the bankruptcy. The Syndic was elected by the creditors and his appointment was confirmed by the court. Generally he was the lawyer who had applied for adjudication in bankruptcy. The secretary was practically in all cases a clerk of the court. These three officers were paid out of the assets of the bankrupt.

The Bankruptcy Ordinance which repealed the Ottoman Law of Bankruptcy was enacted on the 24th January, 1936, but did not come into operation until the 15th August, 1936. From the date of the Ordinance coming into operation until the end of 1938 there have been 150 bankruptcies.

The following figures give a rough indication of the number of bankruptcies from the year 1929 to the date of the coming into force of the Bankruptcy Ordinance:—

Year.	*Number of bankruptcies.*
1929	10
1930	33
1931	22
1932	10
1933	9
1934	13
1935	17
1936 (to 15.8.36)	23

The following figures furnish a tabular view of the total amount of insolvency in the years 1936 to 1938:—

Year.	*No.*	*Assets.* £P.	*Liabilities.* £P.
1936 (as from 15th August, 1936)	6	8,193.627	22,272.397
1937	60	37,308.961	93,411.621
1938	84	165,388.715	203,599.783
	150	210,891.303	319,283.801

In 106 cases trustees were appointed and the administration in bankruptcy was supervised by the Official Receiver. In 35 cases the Official Receiver is acting as trustee.

104 public examinations were conducted during the year. These were divided as follows:—

Jerusalem	35
Tel Aviv and Jaffa	64
Haifa	5

Nineteen applications for the approval of compositions proposed by debtors with their creditors were heard by the courts.

In 16 cases debtors undertook to pay from 25 to 35 per cent. of their debts. In one case the debtor undertook to pay 45 per cent. of his debts and in another case the debtor undertook to pay 100 per cent. of his debts.

Three companies went into liquidation during the year. The total liabilities and assets of these companies were as follows:—

	£P.
Liabilities	20,381.594
Assets	16,110.639

The Official Receiver was acting as liquidator of eight companies at the close of the year.

Outside liquidators were appointed in the case of 16 liquidations and these act under the supervision of the Official Receiver.

The revenue for the year 1938 in respect of liquidations and bankruptcies was £P.956. The revenue would have been much higher but for the fact that under present economic conditions it is difficult, if not impossible, to realize assets, and when assets are realized they bring in a quarter of their value. The amount of fees collected is thus reduced.

Four bankrupts were prosecuted for offences under the Bankruptcy Law and the director of one company was publicly examined.

On the 15th December, 1937, the registration of partnerships previously carried out by the District Courts was transferred to the Registrar of Companies. There are 4,705 partnerships registered in Palestine. During the year 1938, 233 partnerships and three limited partnerships were registered and the revenue for the period was £P.704.

Companies.

3. During the year, 163 Palestinian and 17 foreign companies were registered, bringing the total number of companies registered in Palestine to 1,743. Fifty-two companies increased their share capital during the same period.

The revenue collected during the year in respect of registration fees amounted to £P.9,464 as compared with £P.23,154 collected during the previous year.

Changes in Constitution and Jurisdiction of the Courts.

4. *The Establishment of Courts (Amendment) Order.*—Under this Order Magistrates' Courts were established in Tel Aviv, Petah Tiqva and Rehovot. There was a Magistrate's Court at Tel Aviv prior to the promulgation of this Order, but it was part of the Magistrate's Court of Jaffa.

5. *The Establishment of Courts (Amendment) Order (No. 4)* was necessitated by the closing of the District Court of Nablus for reasons of security. This Order vests increased jurisdiction in the District Court of Haifa and the Land Court of Haifa in order to include the area over which the District Court of Nablus and the Land Court of Nablus exercised jurisdiction. This Order also established a Magistrate's Court in Affule.

6. *Orders under the Magistrates' Courts Jurisdiction Ordinance, 1935.*—For reasons of security a number of Magistrates' Courts had to be closed and Orders under section 4 of the above Ordinance had to be made transferring the jurisdiction of these courts to Magistrates' Courts in the larger towns.

Rules of Court.

7. The following Rules of Court were made by the Chief Justice during the year:—

The Archives (Amendment) Rules make provision for the destruction of old records of District, Land, and Magistrates' Courts, on application being made to the Chief Justice.

The District Courts (Summary Trials) Rules prescribe a uniform procedure for the conduct of the trials, otherwise than upon information, of persons by district courts.

The Civil Procedure Rules.—These rules (made as a result of the enactment of the Civil Procedure Ordinance, 1938) define in a comprehensive manner the procedure for civil matters in the Supreme Court sitting as a Court of Appeal, District Courts, Land Courts and Special Tribunals. They replace the Ottoman Code of Civil Procedure and the various rules of procedure which have been made since the inception of the civil Government.

The Court Fees (Amendment) Rules make provision for the exemption from court fee on the copy of the record of a preliminary inquiry furnished to any accused person committed for trial under section 18 (2) of the Criminal Procedure (Trial Upon Information) Ordinance. These rules also provide for exemption from fee on the attestation of the signature to a recognizance of a young offender and exemption from filing fee on a recognizance in respect of a young offender.

The Foreign Tribunals (Evidence) (Amendment) Rules were designed to remove a doubt as to whether or not a fee was payable to an Examiner acting under the principal rules.

The Court Fees (Amendment) Rules (No. 2) give an appellate court power to exempt an appellant who alleges poverty from the payment of court fees on being satisfied that such appellant has reasonable grounds of appeal and that the allegation of poverty is true. These rules also abolish the fees formerly payable in respect of the filing of a notice of appeal in a criminal case.

Work of the Courts.

8. The entries of new cases for the early part of the year showed a general increase as compared with the year 1937, but as the political situation deteriorated the entries of new civil cases and the prosecution of offenders decreased. In the month of September it became necessary to close the District and Land Courts of Nablus and a number of Magistrates' Courts in isolated smaller towns. Three Magistrates' Courts (Nazareth, Bethlehem and Beersheba) were destroyed by fire and minor robberies of cash and stores took place in others. The jurisdiction of the courts which had to be closed was transferred to the courts of larger towns. Towards the end of the year however, the Magistrate's Court of Gaza was reopened and it is anticipated that a number of others will be reopened early in 1939.

9. When the territory was divided into areas under the control of Military Commanders in the month of October, 1938, the civil courts continued to sit, the Military Commanders rendering every assistance to this end.

10. Although the number of new cases entered decreased during the latter part of the year the prevailing conditions prevented the courts from disposing of the cases which were in arrears.

11. At the thirty-fourth session of the Permanent Mandates Commission, Baron Van Asbeck raised the question of the enforcement of Ottoman legislation which might be found to be repugnant to the Mandate. It is in fact the case that the Supreme Court of Palestine sitting as a Court of Appeal has held that, in view of the fact that Article 17 of the Palestine Order in Council referred only to Ordinances and not to Ottoman laws in force on the 1st November, 1914, it had no power to go into the question whether such laws were repugnant to the terms of the Mandate and that, even if such laws were repugnant, they remained in force. There are, however, no Ottoman laws in force in Palestine which are repugnant to the Mandate. In the case referred to by Baron Van Asbeck, the Supreme Court held that the particular law referred to was not repugnant to the Mandate but in any event the Ottoman Penal Code has now been repealed and replaced by a Code based on English law. Furthermore, the High Commissioner has power to declare Ottoman laws no longer to have effect in Palestine and he would no doubt exercise that power in cases where an Ottoman law in force in Palestine was found to be repugnant to the Mandate.

12. The Permanent Mandates Commission also desired that some reference might be made to the position arising from the extension of the privilege of electing to be tried before a British Magistrate or before a British majority in the District or Supreme Courts. Election in favour of trial before a British

Magistrate is fairly common but figures are not available. The law does not provide, however, for the constitution of a District Court or Court of Criminal Assize (Supreme Court) with a British majority. Provision exists for an accused person to make application for trial by a British Judge of the District Court sitting alone and there is a similar provision in respect of the Court of Criminal Assize. Five of such applications have been made in respect of the Court of Criminal Assize since the year 1935. The Court of Criminal Assize consists of (*a*) the Chief Justice or a British Puisne Judge of the Supreme Court, (*b*) a British Puisne Judge or British Judge of the District Court, and (*c*) a Palestinian Judge. It has therefore always a British majority.

13. *Criminal Assizes.*—Sittings of the Court of Criminal Assize were held at regular intervals.

14. *Municipal Courts.*—These Courts exist only in Tel Aviv, Gaza and Acre, and sit only as Criminal Courts. 5,982 cases were entered in the Municipal Court at Tel Aviv during the year. 5,951 were decided and 131 cases were pending at the close of the year.

No cases were entered in the Municipal Courts of Acre and Gaza.

15. *Magistrates' Courts.*—42,225 civil cases were entered in these Courts, and 44,332 were decided; 2,464 were pending at the end of the year.

The number of criminal cases entered was 37,760; 38,416 were decided, and there were 667 pending at the end of the year.

16. *District Courts.*—The total number of cases entered in the District Courts showed a decrease of 532 in comparison with the previous year.

The following table shows the total number of civil and criminal cases entered in the last five years:—

Year.	*Civil Entered.*	*Criminal Entered.*
1934	2,403	2,338
1935	2,300	1,769
1936	1,586	1,683
1937	2,140	1,803
1938	2,351	1,060

The following table sets out the number of civil and criminal cases decided and pending in the last five years:—

Year.	*Civil Decided.*	*Civil Pending.*	*Criminal Decided.*	*Criminal Pending.*
1934	2,403	512	2,338	130
1935	2,169	643	1,788	111
1936	1,607	622	1,686	108
1937	2,339	595	1,737	190
1938	2,276	670	1,152	98

These statistics show a decrease in the number of cases decided during the year. This is due to the closing down of a number of courts throughout the ccuntry.

17. *Land Courts.*—Cases entered in these Courts during the year under review numbered 414; 528 were pending at the end of the previous year; 527 were decided and there were 415 pending at the end of the year.

18. *Supreme Court.*—Civil appeals to the number of 47 were pending at the beginning of the year; 261 were filed during the year; 279 were decided and the number of appeals pending at the end of the year was 29.

Eleven criminal appeals were pending at the beginning of the year; 91 were lodged during the year; 99 were decided; and at the end of the year there were three appeals pending.

19. *Court of Criminal Assize.*—Eight cases were pending from the previous year; 28 cases were entered during the year; 35 cases were decided and one case was pending at the end of the year.

20. *High Court.*—Nine cases were pending from the previous year and 70 cases were entered during the year. Seventy-seven cases were decided and two cases were pending at the end of the year.

The 77 cases which were decided may be classified as follows:—

(1) Petitions in the nature of Habeas Corpus proceedings, under Section 6 (*a*) of the Courts Ordinance, Cap. 28 ...	3
(2) Petitions under Section 6 (*b*) of the said Ordinance in execution matters	49
(3) Other petitions under sub-section 6 (*b*) for orders directed to public bodies	22
(4) Petitions under Section 6 (*c*) relating to change of venue of trials	3
(5) Other petitions not coming within the above sub-sections	—
Total	77

21. *Special Tribunal.*—No cases were pending at the beginning of the year; two cases were entered, one of which was decided, leaving one case pending at the end of the year.

22. *Revenue.*—The revenue of the courts during the first three months of the year showed a strong upward tendency but later receipts dropped considerably and the total revenue of the courts was £P.144,034 as compared with £P165,904 in 1937, and £P.145,075 in 1936.

23. *Advocates.*—No complaints of such a nature as to move the Chief Justice to constitute a court of discipline were received against any practising advocate.

24. *Law Reports.*—Arrangements were completed for the completion and publication of reports of leading cases decided in the Courts of Palestine.

Religious Courts.

25. *Moslem Community.*—In the Moslem Religious Courts 11,766 cases were decided during the year, including 121 appeals. The Sharia judges issued 5,250 deeds of marriage and 751 decrees of divorce. £P.3,650 were collected in fees.

26. *Orthodox Community.*—The Ecclesiastical Courts of the Orthodox Patriarchate sat in Jerusalem and in Acre, Jaffa, Haifa, Nazareth and Gaza. The revenue from fees during the year amounted to £P.225. The cases disposed of numbered 370 of which 8 were heard on appeal. The majority of the cases were concerned with matrimonial matters and the administration of estates. Seventeen cases affected change of religion.

27. *Jewish Community.*—The Jewish Rabbinical Courts heard the number of cases shown in brackets:—Jerusalem (including a Court of Appeal) (309), Jaffa-Tel Aviv (2,111), Haifa (207), Safad (65), Petah-Tiqva (206), Hadera (46), Rishon-le-Tsiyon (4), Ein-Ganim (9), Affule (15), Nahlat-Ganim (10), Kfar Saba (82), Zichron-Yaakov (18), Tiberias (15), Rehovot (18), Pardess-Hanna (16), Kiryath Yoseph (27), Bnei-Brak (228), Raanana (44), Nathanya (25).

28. *Syrian Orthodox Community.*—The Court of this community disposed of eight cases: six were concerned with matrimonial affairs, and two with succession.

29. *Armenian Patriarchate.*—The tribunal of this Patriarchate heard 11 cases during the year, concerning wills, succession, guardianship, divorce and alimony.

30. *Latin Community.*—During the year, 86 cases were heard by the Latin Ecclesiastical Courts concerning succession, guardians, wills and matrimonial matters.

Cases Pending, Entered and Decided during 1938.

A — *Supreme Court.*

	Pending 1.1.38.	*Entered during year.*	*Decided during year.*	*Pending 31.12.38.*
Civil	47	261	279	29
Criminal	11	91	99	3
Totals	58	352	378	32

B — *High Court.*

	Pending 1.1.38.	*Entered during year.*	*Decided during year.*	*Pending 31.12.38.*
Totals	9	70	77	2

C *Court of Criminal Assize.*

	Pending 1.1.38.	*Entered during year.*	*Decided during year.*	*Pending 31.12.38.*
Totals	8	28	35	1

D *Special Tribunal.*

	Pending 1.1.38.	*Entered during year.*	*Decided during year.*	*Pending 31.12.38.*
Totals	—	2	1	1

E *District Courts.*

	Pending 1.1.38.	*Entered during year.*	*Decided during year.*	*Pending 31.12.38.*
Civil	595	2,351	2,276	670
Criminal	190	1,060	1,152	98
Totals	785	3,411	3,428	768

F *Land Courts.*

	Pending 1.1.38.	*Entered during year.*	*Decided during year.*	*Pending 31.12.38.*
Totals	528	414	527	415

G *Magistrates' Courts.*

Cases Summarily Dealt with.

	Pending 1.1.38.	*Entered during year.*	*Decided during year.*	*Pending 31.12.38.*
Civil	4,571‡	42,225	44,332	2,464
Criminal	1,323§	37,760	38,416	667
Totals	5,894	79,985	82,748	3,131

‡ Figure of 4,402 shown in 1937 report was incorrect.
§ Figure of 1,245 shown in 1937 report was incorrect.

H *Municipal Courts.*

	Pending 1.1.38.	*Entered during year.*	*Decided during year.*	*Pending 31.12.38.*
Totals	100	5,982	5,951	131*

* 3 cases pending at Gaza—court temporarily closed. 1 case pending at Acre—court temporarily closed.

J *Cases Entered. Including Appeals in all Courts in Palestine other than Religious Courts.*

—	1934.		1935.		1936.		1937.		1938.	
	Civil.	*Criminal.*	*Civil.*	*Criminal.*	*Civil.*	*Criminal.*	*Civil.*	*Criminal.*	*Civil.*	*Criminal.*
Supreme Court	306	137	297	119	211	247	274	157	261	91
High Court	105	—	118	—	111	—	74	—	70	—
Court of Criminal Assize...	—	27	—	30	—	51	—	42	—	28
Special Tribunal	—	—	1	—	—	—	—	—	2	—
District Courts	2,403	2,338	2,300	1,769	1,586	1,683	2,140	1,680	2,351	1,060
Land Courts	942	—	1,302	—	543	—	495	—	414	—
Magistrates' Courts ...	49,948	44,444	54,117	50,310	41,883	38,029	51,932	67,147	42,225	37,760
Municipal Courts ...	—	24,416	—	26,306	—	12,405	—	5,436	—	5,982
Persons charged before Magistrates holding special warrants ...	—	15,303	—	13,647	—	4,972	—	4,879	—	2,796
Totals	53,704	86,665	58,135	92,181	44,334	57,387	54,915	79,341	45,323	47,717

K *Cases Decided. Including Appeals in all Courts in Palestine other than Religious Courts.*

—	1934.		1935.		1936.		1937.		1938.	
	Civil.	*Criminal.*	*Civil.*	*Criminal.*	*Civil.*	*Criminal.*	*Civil.*	*Criminal.*	*Civil.*	*Criminal.*
Supreme Court	306	137	318	110	226	247	525	170	279	99
High Court	105	—	125	—	103	—	93	—	77	—
Court of Criminal Assize...	—	27	—	37	—	46	—	43	—	35
Special Tribunal	—	—	—	—	2	—	—	—	1	—
District Courts	2,403	2,338	2,169	1,788	1,607	1,686	2,339	1,737	2,276	1,152
Land Courts	942	—	1,044	—	544	—	984	—	527	—
Magistrates' Courts ...	49,948	44,444	52,261	49,809	41,225	38,446	51,882	66,500	44,332	37,416
Municipal Courts ...	—	24,416	—	26,241	—	12,099	—	5,884	—	5,951
Persons charged before Magistrates holding special warrants ...	—	15,303	—	13,647	—	4,972	—	4,879	—	2,796
Totals	53,704	86,665	55,917	91,632	43,707	57,496	55,823	79,213	47,492	47,449

L *Persons charged before officers holding special magisterial warrants in all Palestine.*

1935	13,647
1936	4,972
1937	4,879
1938	2,796

VIII.—ECONOMIC EQUALITY.

1. The safeguarding of the economic interests of the community is constantly the pre-occupation of Government as follows:—

(*a*) The railways, posts, telegraphs, telephones, ports and roads are in public ownership and administered by Government Departments.

(*b*) Haifa Harbour and the Oil Dock were constructed by a Government Department.

(*c*) All water supplies are administered by the Municipalities or by the Local Councils concerned.

Note.—The Jerusalem water supply from Ras el Ain was completed early in 1936 by a Government Department, employing a special staff. It is now operated by the Public Works Department and the distribution within the city is administered by the Jerusalem Municipality. As a result of this new supply, the price of water to the consumer has been reduced from 80 mils to 50 mils per metre cube.

(*d*) The Turkish tobacco monopoly has been abolished.

(*e*) All mineral resources are Government property and may only be exploited by private persons in accordance with the provisions of the Mining Ordinance.

(*f*) Other Palestine Ordinances cover the control of:—

(1) Fisheries, forests and game.

(2) The cultivation, manufacture and sale of tobacco or liquor.

(3) The manufacture and sale of salt and matches.

(4) The export of fruit.

(5) *Mewat* (waste) lands.

(6) Companies.

(*g*) Measures are being taken to carry out a cadastral survey and a settlement of title to land.

2. It has not been found necessary to arrange with the Jewish Agency to construct or operate any public works, services and utilities. The Jewish Agency is, however, a large shareholder in the Palestine Electric Corporation; and the Palestine Economic Corporation of New York, the Directors of which are non-Zionist Jews co-operating with the Jewish Agency, has a considerable interest in the Dead Sea Concession.

3. A complete list of concessions and the names of the concession-holders is appended to this report (Appendix III).

4. The latest balance sheets of the several companies holding concessions are furnished as an appendix to this report (Appendix I).

5. Provisions are made to secure economic equality under different headings as follows:—

(*a*) *Concessions*—

(1) All concessions granted by Government for the exploitation or development of the natural resources of Palestine or public services include time-limit clauses, in the interests of genuine and expeditious development, affecting the commencement of the work and the expiry of the concession.

(2) Concession rights may not be assigned without the consent of Government which may also take over undertakings in the event of war or of other similar emergency.

(3) At the end of the term of the concession, the undertakings and all their assets and effects revert to Government.

(4) The concessionnaires' accounts are, by right, open to the inspection of Government which may also invest in the capital of the Company.

(5) All leases of State Domain Lands specify the right of Government to resume possession of the area—wholly or in part—for public utility purposes.

(6) The employment of local labour by concessionnaires is adequately safeguarded.

(*b*) *Land Tenure.*—The Palestine Government has removed the Ottoman prohibition against a foreign corporation holding land and has abolished the special Ottoman tax upon immovable property owned by corporate bodies. All foreign bodies, whether individual or corporate, may hold land in Palestine upon the same terms as any Palestinian individual or corporate person.

(*c*) *Mining Rights* (*in particular, Rules in regard to Prospecting*).—Economic equality is secured by the provisions of the Mining Ordinance, 1925, and the Oil Mining Ordinance, 1938 (see paragraph 40 of Chapter XXVI, Public Works and Geology), which, *inter alia,* prevent speculative " tying-up " of undeveloped mineralised areas by prospectors.

(*d*) *Fiscal Regime* (*Direct and Indirect Taxation*).

(*e*) *Customs Regulations* (*Imports, Exports, Transit*).

Note.—For reasons of convenience these two headings are taken together.

There is no economic discrimination either in the Fiscal Regime or in the Customs Regulations of Palestine.

Prior to the War, certain foreign charitable, religious and educational institutions, enjoyed under the Ottoman Law of Silhi 1281 A.H. and various firmans, special privileges in respect of import duty, State and municipal taxation and titles.

These privileges have been maintained *in toto* by the Palestine Government, but no fresh privileges of this nature have been granted.

Otherwise foreign nationals are liable to the same taxation, State or municipal, as are Palestinian citizens.

Save for slight exceptions, which will disappear in the course of time, taxation on immovable property is now of two kinds only:—

(1) The Urban Property Tax, which is a rate on net annual value in all towns and is assessed by committees on which the public and the Government are represented in equal proportion.

(2) The Rural Property Tax, which is a tax per dunum of land in all rural areas.

The Ottoman Law of Professional Tax (*Temettu*), which was assessed only upon Ottoman subjects and not upon foreigners, has not been applied by the Palestine Government.

6. The Palestine Government has agreed to extend certain facilities, including the landing, warehousing and transhipment of goods and a certain degree of manipulation, in free zones which will be set up in the port of Haifa. These free zones will, of course, be under general Governmental control and subject to such prohibitions or restrictions as to importation into Palestine as are required by inter-national conventions or local needs.

Officials of the foreign Government concerned will be allowed to take charge of all processes within the zones and will be granted reasonable concessions in respect of local taxation.

The Government of Iraq is specially interested in these developments.

7. The Bon Voisinage agreement executed between the High Commissioner for Syria and the Lebanon and the High Commissioner for Palestine on the 2nd February, 1926, was amended during the year to provide for the collection of taxes imposed by the two Governments on estates and properties contained within the limits of one village whose lands are crossed by the frontier.

Notes:

(1) Owing to the unsettled conditions there was little development in mining during the year.

(2) The Jerusalem water supply from Ras el Ain was completed in 1936 and, with the exception of a few interruptions through sabotage of the pipe line or floods, it worked satisfactorily during the year.

(3) Consideration continues to be given to the provision of water supplies in the following towns in Palestine, but in each case the financial difficulties are serious:—

Jaffa.	Beit Jala.
Tel Aviv.	Ramallah
Haifa.	Bireh.
Bethlehem.	

(4) An agreement was concluded in 1937 with the concessionnaires of the Tiberias hot springs under which the springs were leased to them for a period of 60 years.

(5) A topographical and hydrographical survey of Lake Huleh basin was carried out in 1936.

(6) The development of the Dead Sea Concession proceeded satisfactorily.

(7) The Palestine Sulphur Quarries, Ltd., continued work during the year, and 1,215 tons of sulphur were produced.

(8) The Palestine Electric Corporation completed the construction of a 30,000 kw. steam-driven station at Tel Aviv. This station, to a capacity of 24,000 kw. was put into operation in August, thereby raising the total installed generating capacity of the Corporation's plants to 76,398 kw. The Corporation continued to extend its system steadily, and during the year 265 plans for transmission and distribution line extensions and seven power station and sub-station extensions were approved by Government. The total units generated during the year exceeded 105,000,000 kilowatt-hours. The construction of a transmission line to Gaza was completed and the town is now receiving electricity from the Corporation's supply.

(9) The Jerusalem Electric and Public Service Corporation continued to extend and reinforce its transmission and distribution systems, 22 plans for extensions having been approved during the year.

IX.—HOLY PLACES

Basilica of the Nativity, Bethlehem.

1. Minor repairs to the roof of the Basilica of the Nativity at Bethlehem have been undertaken by Government.

The Orthodox Community have not modified their attitude in regard to the incidence of the cost of these repairs, and maintain their claim to pay the whole of the expense involved. (See paragraph 1 on page 102 of the Report for 1937.) In pursuance of this claim they decline to contribute towards the joint deposit account.

The annual cleaning of the Basilica was postponed this year at the request of the Orthodox Patriarchate.

A decision has been given by Government in connection with the dispute between the Latin and Orthodox Communities regarding the use of certain parts of the Grotto of the Nativity on the coincident occasion of the festivals of the Latin Epiphany and the Orthodox Christmas. Both communities have submitted a formal protest in writing against Government's decision.

Basilica of the Holy Sepulchre, Jerusalem.

2. The Easter ceremonies were celebrated without any untoward incidents.

Government gave a decision in connection with the dispute between the two hereditary Moslem janitors of the Basilica in regard to their respective claims to the exclusive right of sealing the Tomb on the Orthodox ceremony of the Holy Fire. This decision was to the effect that the representatives of both families should jointly and simultaneously seal the Tomb.

The restoration of the mosaics in the Calvary Chapel has been completed by the Latin Community.

The restoration of the Chapel of St. Helena, which was approved by the Archaeological Advisory Board in 1931-2 is in process of execution by the Armenian Community. This restoration necessitates *inter alia* the repairing of the roof and dome of the Chapel. The roof and dome form a part of the Deir es Sultan, the exclusive ownership of which is claimed by both the Coptic and the Abyssinian Communities. In view of this standing dispute, in conformity with Article 13 of the Mandate and pending the appointment of the Special Commission envisaged in Article 14, Government will undertake the necessary repairs from public funds. The Abyssinian Community has acquiesced in this decision but the Coptic Community has protested and requested that these repairs should be carried out by them and at their own cost.

In view of the dangerous structural condition of the fabric Government closed the Basilica of the Holy Sepulchre to the public before the Western Easter Week. It was subsequently decided to carry out certain urgent repairs at the expense of the three principal communities, in order to secure the stability of the building pending the consideration of a scheme for its permanent restoration. This work is now proceeding.

El Haram es Sharif.

3. A number of minor urgent repairs were executed on various other buildings in the precincts of the Haram es Sharif at Jerusalem. (See section on the Supreme Moslem Council in the Introductory Chapter, paragraph 47.)

X.—FREEDOM OF CONSCIENCE.

1. There is complete liberty of conscience and of religious observance throughout Palestine.

The Palestine Government is bound to carry out the prescriptions of Article 83 of the Palestine Order in Council, 1922, which reads as follows:—

> "All persons in Palestine shall enjoy full liberty of conscience, and free exercise of their forms of worship subject only to the maintenance of public order and morals. Every religious community recognised by the Government shall enjoy autonomy for the internal affairs of the community subject to the provisions of any Ordinance or Order issued by the High Commissioner."

The intervention of the Government in matters of change of religious community is regulated by the Religious Community (Change) Ordinance and is directed to secure that there will be public notification of the change of legal status which is involved.

An Ordinance was enacted in 1926 giving power to the High Commissioner, with the approval of the Secretary of State, to make regulations for the organization of any religious community which applies therefor. Separate regulations are to be made in each case suited to the special circumstances and organization of the community concerned. The regulations may provide for the constitution of councils or boards of the community, which shall have juristic personality, and may confer on them power to impose contributions and fees for communal purposes which shall be recoverable in the same way as municipal taxes and fees.

The only regulations of this kind which have so far been made are those of 1927 in respect of the Jewish community, which contain provisions assuring freedom of conscience and religion to Jews who wish to hold aloof from the established community.

Municipal and public works are arranged, as far as possible, so as to allow every labourer to enjoy in freedom of conscience, that weekly day of rest which he elects to keep, subject to technical exigencies or considerations of emergency; and a six-day working week is general in such works. The precise method of securing this end depends on the kind of work to be done, the period fixed for its completion, the locality in which it is to be carried out, and the difficult racial and religious elements of the labour employed on it. The matter is usually susceptible of adjustment by the District Commissioner concerned, in consultation with the undertaker or contractor responsible for the work, and, if need be, with the religious head of the community affected.

There is no difficulty in respect of skilled individual craftsmen, who can do their work in their own time.

As regards public works (roads, buildings, etc.) undertaken by Departments or under contract, the Government endeavours to avoid such conditions as might make Sabbath labour unavoidable to Jews employed upon the works, or such conditions as might encourage or facilitate Sabbath labour by Jews. All Government officers are granted the weekly day of rest observed by the religious community to which they belong. But in the case of certain departments, such as the Railways, Post and Telegraphs, and Police, the difficulty of duplicating staff, the racial distribution of technical skill, and the essential continuity, for example, of watch and ward duties, entail the consequence, in some centres, that some employees shall perform essential services on their weekly day of rest.

2. The acts which may be done and which may not be done by Jews and Moslems at the Wailing Wall are defined in the Wailing Wall Order in Council, which was printed in Appendix I to the Report for 1931.*

3. The registration of schools is required by the Department of Education and granted subject only to compliance with sanitary requirements of the Department of Health. The establishment of schools in Palestine by communities or private organisations or individuals is, apart from this, unrestricted.

The Education Ordinance ensures the rights of communities to maintain their own schools for the education of their own members. All teachers are required to register their names and certain particulars with the Education Department, but except for this formality there is no restriction on the free exercise of the educational profession in a private school, that is, a school not receiving assistance from public funds. Private schools, other than those private schools exempted by the High Commissioner on the ground that only religious instruction is given, are subject to inspection by certain officers of the Departments of Education and Health. No changes in the curriculum or internal management of a private school established or maintained by a religious association may be required by the Department of Education.

The full text of the Education Ordinance was given in Appendix I to the 1932 Report.†

4. A draft Ordinance to amend the existing Fundamental Law of the Orthodox Patriarchate of Jerusalem is under consideration by Government.

XI.—MILITARY CLAUSES.

The estimated cost of the Palestine Police Force and Prisons Service in 1938 was £P.1,034,852.

* Non-Parliamentary publication, Colonial No. 75, 1932.
† Non-Parliamentary publication, Colonial No. 82, 1933.

The strength on the 31st December, 1938, was as under:—

	Officers.						*Inspectors.*						*Other Ranks.*						
	Christians.						*Christians.*						*Christians.*						
	British.	*Palestinian.*	*Moslems.*	*Jews.*	*Others.*	*Total.*	*British.*	*Palestinian.*	*Moslems.*	*Jews.*	*Others.*	*Total.*	*British.*	*Palestinian.*	*Moslems.*	*Jews.*	*Others.*	*Total.*	*Grand Total.*
The Police Force ...	60	7	4	5	—	76	62	17	41	29	2	151	2,049	286	1,186	707	11	4,239	4,466
The Prisons Service ...	4	—	—	—	—	4	7	—	4	3	—	14	12	45	206	6	1	270	288
Totals	64	7	4	5	—	80	69	17	45	32	2	165	2,061	331	1,392	713	12	4,509	4,754

2. Compared with the previous year the establishment of the Police Force was increased by the following officers and other ranks:—

District Superintendents	4
Financial Assistant	1
Deputy Superintendents	4
Assistant Superintendents	16
British Inspectors	35
Assistant Inspectors	11
First British Sergeants	109
Second British Sergeants	181
British Constables	1,569
Palestinian Corporals	2
Palestinian Constables	7

The increases were mainly required for combating the intensified campaign of sabotage, attacks on individuals, and attacks on isolated police stations and posts which started in June; and for the rehabilitation and maintenance of security in urban areas.

3. In order to ensure close co-operation between the army and the police, the Force was placed under the operational control of the General Officer Commanding the British Forces in Palestine and Trans-Jordan on the 12th September, 1938.

4. Apart from injuries sustained by personnel in the discharge of their duties, the health of the Force was satisfactory throughout the year.

5. One hundred and sixty-two British and 241 Palestinian ranks passed the proficiency pay examination.

6. There were 100 British and 80 Palestinian recruits in training at the beginning of the year, 1,177 British and 107 Palestinian recruits were accepted during the year, and of these 1,119 British and 168 Palestinians were posted to districts.

7. In the higher language examination 47 British personnel passed in Arabic and nine in Hebrew; and in the lower language examination 107 passed in Arabic and 42 in Hebrew.

8. Twelve new wireless telephony stations were put into service during the year in the northern frontier and adjoining police posts. Twelve vehicles of the police force fleet were equipped with transmitting and/or receiving apparatus, making a total of 20 vehicles so fitted.

9. The number of messages dealt with by the wireless telegraphy service is rapidly increasing in volume, and the maintenance of the service for the purpose of public security has now become a vital necessity. Over three and a half million words were handled during the year, in addition to wireless telephonic

work. The large volume of traffic was due primarily to the general reliability and certainty of wireless as compared with the overhead telephone trunks which are subject to sabotage.

10. Although the holding of first-aid instructional classes was interrupted by the state of the country, the number of personnel who qualified in first-aid tests held by the Order of St. John of Jerusalem showed an increase over 1937, being 172 as compared with 84.

On numerous occasions throughout the year first aid was rendered by members of the Force to wounded and injured members of the public, and in many cases it was instrumental in saving life.

11. *Road Traffic.*—Vehicular traffic declined in volume during the second half of 1938 owing to restrictions which it was necessary to impose in view of the intensified campaign of violence throughout the country.

During the last six months of the year the control of traffic was practically abandoned as public security demanded the employment of every available police officer on duties connected with the suppression of disorder and the defence of Government property.

The number of accidents on roads showed a slight decrease over last year. The following is a comparative table:

	1935.	*1936.*	*1937.*	*1938.*
Fatal road accidents ...	153	129	105	97
General accidents ...	1,527	1,109	1,126	950

12. *Crime.*—At the beginning of the year the Criminal Investigation Department was considerably expanded and subsidiary branches were formed in all districts. In the principal towns of Jerusalem, Jaffa, Tel Aviv and Haifa, British Assistant Superintendents of Police were posted to the district Criminal Investigation Departments.

13. District Criminal Investigation Departments now work directly under the Deputy Inspector General (C.I.D.) but maintain close liaison with the officer in charge of the district in regard to all matters of intelligence affecting that district.

14. It is the intention that under this system district Criminal Investigation Departments, apart from providing experts for the investigation and prosecution of important cases, shall be capable of taking independent and immediate action on information obtained.

15. The expansion of the Criminal Investigation Department included the establishment of small police posts consisting of British personnel at places of entry on the frontiers.

The Criminal Investigation Department is under the command of a Deputy Inspector General, and the staff consists of one District Superintendent, five Deputy Superintendents, thirteen Assistant Superintendents, 38 Inspectors, two Assistant Inspectors, 107 non-commisioned officers and 306 constables.

The duties of the Criminal Investigation Department are to prevent and detect crime by the collection of information and evidence and by investigation in collaboration with the district police; to watch and report upon political movements; to repress seditious activities; to maintain criminal records, fingerprints and photographs; to examine the regular organs of the Press and occasional pamphlets with a view to action in case of seditious, inflammatory or pornographic articles; to prevent the smuggling of arms, drugs and the entry of illegal immigrants; to scrutinize applications for naturalization, to arrange deportations and extraditions; to maintain liaison with appropriate departments and authorities in Egypt, Syria, Trans-Jordan, India, 'Iraq, Cyprus and Europe; and to maintain the closest appreciation of the state of public security from the political and criminal points of view.

16. In a year which was in most respects highly abnormal there can be no common basis of comparison between crime statistics for 1938 and those of the previous years, especially as a large number of offences which in ordinary times would be tried summarily became, under the Defence Regulations, indictable offences. As the result, the figures for 1938 show a considerable increase in the number of indictable offences and a corresponding decrease in non-indictable offences.

—	*1934.*	*1935.*	*1936.*	*1937.*	*1938.*
Indictable offences	2,172	1,753	3,971	2,653	4,573
Non-indictable offences ...	8,454	10,525	11,502	14,399	9,318
Crime :—					
Murder and Manslaughter	109	115	254	192	594
Attempted murder ...	122	115	508	250	569
Robbery	32	32	122	221	600
Theft by breaking into premises	337	858	1,194	935	835
Animal theft	499	393	463	543	211
Agrarian offences... ...	425	443	688	439	314

Police dogs continued to give valuable service in the detection of crime. The dog section of the force was expanded. Two more trained dogs and four trained bitches were purchased during the year. One more dog and bitch were also under training at the end of the year. Two dogmasters from the South Africa Police were seconded to Palestine for the purpose of

organizing and assisting in police dog work. A dog unit was established in northern Palestine at Affula and new buildings and quarters were constructed there. The opening of this unit greatly increased the efficiency of the section. Dogs can now arrive at the scene of a crime in any part of the country within two hours of being requisitioned. Out of a total number of 183 cases in which dogs were employed during the year, they were successful in 59 cases.

17. One person was extradited from Palestine to Syria and six to Trans-Jordan. Ten were extradited from Syria, eight from Trans-Jordan, two from French Morocco and one from Cyprus.

18. *Criminal Records Office.*—The Criminal Records and Fingerprint Bureau now holds 52,147 dossiers of convicted criminals: 3,978 were opened during 1938. Fingerprint identification slips received for search numbered 8,741 and in 2,471 cases previous convictions were traced. In seventeen cases criminals were directly identified from fingerprints left on the scene of crimes.

Work proceeded during the year in the classification and filing of individual fingerprints of habitual burglars and housebreakers. There are now 3,600 prints classified and indexed.

During the year, 2,463 Arabs and 80 Jews were detained under the Defence Regulations or the Prevention of Crime Ordinance for various periods.

19. *Communism.*—Communist activity continued to engage police attention and surveillance. Of eight communists prosecuted, six were convicted and two acquitted; 53 were dealt with under the Defence Regulations, seven were deported and one left of his own accord and was prohibited from returning. Thirteen orders of exclusion of undesirables were made during the year.

20. *Prisons.*—The health of the prisoners was satisfactory.

At the end of the year there were 27 inmates in the criminal lunatic section and fourteen prisoners under treatment in the tubercular ward of the Central Prison at Acre.

Sixty-one prisoners escaped from central prisons, jail labour companies and lock ups, of whom 12 were recaptured.

Under the Penal Labour Ordinance, 3,266 prisoners were released and employed on work of public utility. No wages were paid to them for this work. The figure shows a decrease of 2,209 as compared with the previous year.

The convicts in the central prisons are employed on carpentry, basket-making; tailoring, weaving, printing, black-smithy, shoe-making and the repair of mail bags. The prisoners receive no payment for their work.

The number of prisoners in custody on the 31st December, 1938, was as follows:—

	Convicted.	*Awaited trial.*	*Detained under regulations made under the Palestine (Defence) Order in Council.*
Central Prison, Jerusalem	332	91	6
Central Prison, Acre ...	380	49	137
Jail Labour Company No. 1, Nur-Esh-Shams	329	—	—
Female Prison	31	2	4
Jerusalem District Lock-ups	18	5	103
Southern District Lock-ups	27	57	24
Gaza District Lock-ups ...	6	38	1
Northern District Lock-ups	14	59	3
Nablus District Lock-ups ...	40	189	34
Nazareth District Lock-ups	12	10	20
Frontier District Lock-ups...	9	—	6
Acre Detention Camp ...	47	—	824
Athlit Detention Camp ...	26	—	269
Sarafand Detention Camp...	2	—	424
Totals	1,273	500	1,855

The distribution of sentences was as follows: debtors, 8; up to three months, 114; three to twelve months, 155; one to five years, 443; five to fifteen years, 460; over fifteen years, 17; life, 74; capital punishment, 2.

During the year, 1,297 debtors were imprisoned as compared with 1,258 in the previous year.

Trans-Jordan Frontier Force.

21. The strength of the Trans-Jordan Frontier Force including the reserve at the 31st December, 1938 was 1,177 made up as follows:—

	British.	*Moslem Arabs.*	*Christian Arabs.*	*Circassians.*	*Jews.*	*Sudanese and Egyptians.*	*Druzes.*	*Total.*
Officers	25	12	9	8	3	—	1	58
Warrant Officers	7	—	—	—	—	—	—	7
N.C.Os. and Troopers	—	384	235	244	22	41	20	946
Totals	32	396	244	252	25	41	21	1,011
Reserve Officers...	—	—	—	1	—	—	—	1
Reserve N.C.Os. and Men ...	—	102	23	34	—	—	6	165
Grand Totals ...	32	498	267	287	25	41	27	1,177

22. Recruits enlisted during the year numbered 214, of whom 141 were Circassians; 40 Arab Christians; 26 Arab Moslems; 4 Jews; and 3 Egyptians and Sudanese.

23. Ninety men were discharged on termination of contract or otherwise, and 20 of these enrolled in the reserve. One hundred and ninety-two other ranks, time-expired, have been re-engaged for a further period. One man deserted from the Force and another was tried by Court Martial.

24. Regulations governing the award to members of the Trans-Jordan Frontier Force of a Long Service and Good Conduct Medal were enacted during the year.

25. The general health of the Force was good. Four hundred and sixty-seven cases were treated in the Frontier Force hospitals and seven in Government and other hospitals.

The incidence of malaria was high. There were 246 cases, 132 of which were primary cases. This comparatively large number is due to the fact that the troops have been performing constant patrol work during the year in the highly malarious area of the Jordan valley.

26. All units of the Force were employed on active operations and in aid of the Civil Power in Palestine, and to a lesser degree in Trans-Jordan throughout the year.

27. Owing to active operations, it was only possible to carry out cadre classes of instruction, recruit training, and the annual musketry course. The programme of co-operational training with the Royal Air Force was carried out only in part. Four tactical exercises only were held in the Northern and Southern Districts. Collective training had to be cancelled owing to the situation in Palestine.

28. The annual courses for rifles, machine guns, and light automatics again revealed a satisfactory standard in weapon training.

29. The progress of educational classes was satisfactory at the beginning of the year but later, however, owing to the situation in Palestine the classes were much depleted.

The educational standard of personnel in the Force is as follows:—

1st Class.	*2nd Class.*	*3rd Class.*	*Illiterates.*	*Total.*
30	274	283	253	840

In addition, there are 113 well educated personnel including 43 who command foreign languages.

Thirty-nine soldiers passed examinations to a higher grade during the year.

Of the 214 recruits enlisted during the year—

20 were well educated prior to joining the Force.
6 had a knowledge of a foreign language.
1 passed 1st class examination.
20 passed 2nd class examination.
92 passed 3rd class examination.
75 are illiterate.

Two classes in English have been formed for local officers and senior non-commissioned officers and for signal personnel whose knowledge of English is below the standard required.

Three British Officers passed the Army preliminary examination in Arabic.

30. Owing to the disturbances in Palestine the Trans-Jordan Frontier Force Reserve was mobilised as a reinforcement and took over guard and camp duties thereby releasing nearly all Regulars for employment on active service.

During the year the following mobilisation orders for reservists were issued:—

In March	...	...	...	58 were called up.
In June	...	...	...	62 were called up.
In September		...	...	51 were called up.

A further three troopers were embodied on discharge from Colour service and transferred to the Reserve.

Out of a total of 174 reservists, 163 have served with the Force since they were called up and this number remained embodied at the end of the year.

31. The approved estimates of expenditure of the Force for the financial year 1938-9 amount to £P.257,927 including £P.38,905 for extraordinary works and the approved grant-in-aid from the Imperial Government amounts to £P.187,000.

32. The animal strength on 31st December, 1938, was four hundred and seventy-four horses and eleven mules. During the year, 79 remounts were purchased in Trans-Jordan and Palestine, the average price paid was £P.27.

The health of the horses has been good throughout the year.

33. **Horse Breeding Scheme.**—The Force now possesses—

Three thoroughbred Arab stallions;
Four country-bred Arab stallions;
Nine specially selected mares;
Sixteen Yearlings.

As in previous years, the country-bred stallions and mares have been with squadrons doing ordinary troop work.

During the year, 300 mares belonging to the Arab Legion, civilians and tribes, were served.

The popularity of the breeding scheme continues, and demands by Mukhtars of villages and Sheiks of tribes for horses to stand at stud are increasing.

34. Thirty-three 131½" Chevrolet trucks and three Ford V.8 station wagons were ordered during the year.

XII.—INTERNATIONAL AGREEMENTS, CONVENTIONS AND TREATIES.

(A) Agreements and Conventions concluded in the name of Palestine.

(i) Extradition Agreements.

Country.	*Name.*	*Date of Signature.*
Egypt	Provisional Agreement	7.8.22, Ramleh.
Syria	Provisional Agreement	11.7.21, Palestine. 15.7.21, Syria.
	Addendum	10.1.24, Palestine. 28.1.24, Syria.
	Amendment	11.9.33, Palestine. 23.9.33, Syria.

(ii) Commercial Agreements.

Egypt	Agreement to facilitate commercial relations between Egypt and Palestine.	18.8.36 (Effective date).
	Exchange of Notes	18.8.36.
'Iraq	Special Customs Agreement to facilitate commercial relations between 'Iraq and Palestine, Exchange of Notes 14.12.36.	14.2.37 (Effective date).
Syria	Customs Agreement	4.5.29, Jerusalem. 18.5.29, Beirut.
Syria	Amendment	22.10.35, Jerusalem.
Trans-Jordan ...	Transit Agreement	26.9.28, Jerusalem. Amended— 18.12.28, Jerusalem. 27.12.28, Amman.

(iii) Other Agreements.

Egypt	Convention concerning the Reciprocal Enforcement of Judgments.	12.1.29, Cairo.
Egypt	Agreement concerning the Measures to be applied for the Control of Dengue Fever.	29.1.31, Cairo.
Egypt	Arrangements for the Transit of Palestinian Pilgrims through Egyptian Territory.	28.12.33, Cairo. (Effective date).
France	Convention of Good Neighbourly Relations concluded by Great Britain on behalf of Palestine on the one part and by France on behalf of Syria and Great Lebanon on the other part.	2.2.26, Jerusalem. Amended— 14.3.27, Jerusalem. 21.3.27, Beirut. 21.10.38, Jerusalem. 3.11.38, Beirut.
France	Parcel Post Agreement	31.3.36/19.6.36
Great Britain ...	Agreement between the Post Office of the United Kingdom of Great Britain and Ireland and the Post Office of Palestine for the Exchange of Money Orders.	10.1.22, London. 23.1.22, Jerusalem.
Greece	Parcel Post Agreement	13.3.36/28.3.36.
'Iraq	Parcel Post Agreement	29.5.26/4.8.27.
Switzerland ...	Parcel Post Agreement	6.5.28/15.5.28.

(A) Agreements and Conventions concluded in the name of Palestine—cont.

(iii) Other Agreements—cont.

Country.	*Name.*	*Date of Signature.*
Syria	Agreement concerning the Importation of Antiquities.	13.3.26, Beirut.
Syria	Agreement to provide for the Distribution of certain Receipts from Animal Tax.	30.3.27.
Syria	Parcel Post Agreement	28.10.29/7.11.29. Amended—30.6.30/7.7.30.
Syria	Money Orders Agreement ...	17.1.30/25.2.30.
Syria	Agreement regarding Measures to combat Cattle Plague.	30.3.27.
Syria and the Lebanon.	Agreement for the Reciprocal Grant of Gratis Visas.	20.8.32, Jerusalem. 5.9.32, Beirut.
Syria	Agreement relating to the Circulation of Motor Vehicles.	18.9.35, Jerusalem.
Syria	Agreement to facilitate the movement of certain animals from one territory into the other for purposes of grazing and watering.	2.10.37, Jerusalem. 2.10.38 (Renewed for one year).
Trans-Jordan ...	Agreement relating to the Circulation of Motor Vehicles.	16.6.38 (Effective date).
Trans-Jordan ...	Agreement regarding the Interchange of Judicial Documents.	25.2.29, Jerusalem. 6.3.29, Amman.
Trans-Jordan ...	Agreement regarding the Conveyance of Corpses from Palestine for Burial in Trans-Jordan and from Trans-Jordan for Burial in Palestine	1.10.29.
Trans-Jordan ...	Extradition Agreement	16.7.34 (Amended 24.8.35/1.9.35).
Trans-Jordan ...	Agreement to Regulate the Service of Judicial Documents between Palestine and Trans-Jordan.	28.11.34, Amman. 13.12.34, Jerusalem. Amended. 11.4.38, Amman, 30.4.38, Jerusalem.
United States of America.	Convention regarding the Rights of the Government and Nationals of the United States of America in Palestine.	3.12.24.

(B) Multilateral Agreements and Conventions.

Name.	*Date of Signature.*	*Date of Accession.*
International Convention prohibiting the Use of White (Yellow) Phosphorus in the Manufacture of Matches.	26.9.06, Berne.	17.9.25.
International Convention relative to the Protection of Literary and Artistic Works.	13.11.08, Berlin.	21.3.24.
International Opium Convention and subsequent relative papers.	23.1.12, The Hague.	21.8.24.
Additional Protocol to the International Copyright Convention signed at Berlin on the 13.11.08.	20.3.14, Berne.	21.3.24.

(B) Multilateral Agreements and Conventions—cont.

Name.	*Date of Signature.*	*Date of Accession.*
Convention and Statute on Freedom of Transit	20.4.21, Barcelona.	28.1.24.
Convention and Statute on the Regime of Navigable Waterways of International Concern.	20.4.21, Barcelona.	28.1.24.
Additional Protocol to the Convention on the Regime of Navigable Waterways of International Concern.	20.4.21, Barcelona.	28.1.24.
Declaration recognizing the Right to a Flag of States having no Sea Coast.	20.4.21, Barcelona.	9.10.22. (Ratification).
International Convention for the Suppression of the Circulation of and Traffic in Obscene Publications.	12.9.23, Geneva.	23.5.27.
Protocol on Arbitration Clauses (in commercial matters).	24.9.23, Geneva.	12.3.26.
International Convention relating to the Simplification of Customs Formalities.	3.11.23, Geneva.	29.8.24. (Ratification).
Convention relating to the Development of Hydraulic Power affecting more than one State, and Protocol of Signature.	9.12.23, Geneva.	22.9.25.
Convention and Statute of the International Regime of Railways and Protocol of Signature	9.12.23, Geneva.	22.9.25.
Convention and Statute of the International Regime of Maritime Ports and Protocol of Signature.	9.12.23, Geneva.	22.9.25.
Convention relating to the Transmission in Transit of Electric Power and Protocol of Signature.	9.12.23, Geneva.	22.9.25.
International Agreement as to Contagious Disease of Animals.	25.1.24, Paris.	13.7.27.
International Sanitary Convention	21.6.26, Paris.	9.10.28.
International Commission for the Scientific Exploration of the Mediterranean Sea.	26.4.29, Malaga.	19.12.29.
International Convention for the unification of certain rules relating to Bills of Lading.	25.8.24, Brussels.	2.6.31. (Effective date).
Convention relating to the International Circulation of Motor Vehicles.	24.4.26, Paris.	4.12.30 (Effective date).
Convention relating to the Regulations of Aerial Navigation and Additional Protocol of May, 1920.	13.10.19.	11.7.22 (Effective date).
International Convention relating to International Exhibitions.	22.11.28, Paris.	17.12.30.
International Convention relating to Dangerous Drugs.	19.2.25, Geneva.	25.9.28 (Effective date).
International Convention with the object of securing the Abolition of Slavery and the Slave Trade.	25.9.26, Geneva.	18.6.27 (Ratification).
International Convention relative to the Protection of Literary and Artistic Works.	2.6.28, Rome.	1.10.31.
International Convention for the Execution of Foreign Arbitral Awards.	26.9.27, Geneva.	26.5.31.

(B) Multilateral Agreements and Conventions—cont.

Name.	*Date of Signature.*	*Date of Accession.*
International Convention for the Amelioration of the Condition of the Wounded and Sick in Armies in the Field.	27.7.29, Geneva.	23.6.31. (Ratification) (Effective date 23.12.31).
International Agreement for the Suppression of the White Slave Traffic.	18.5.04, Paris.	6.5.32 (Effective date).
International Convention for the Suppression of the White Slave Traffic.	4.5.10, Paris.	
International Convention for the Suppression of the Traffic in Women and Children.	30.9.21/31.3.22, Geneva.	2.11.31.
International Agreement regarding False Indications of Origin on Goods.	6.11.25	12.9.33 (Effective date).
International Convention for the Protection of Industrial Property.	6.11.25, The Hague.	12.9.33 (Effective date).
European Broadcasting Convention	19.6.33, Lucerne.	15.1.34 (Effective date).
International Convention for Mutual Protection against Dengue Fever.	25.7.34, Athens.	3.5.35.
International Convention for Sanitary Control of Aerial Navigation.	12.4.33, The Hague.	1.8.35.
International Telecommunications Convention	9.12.32, Madrid.	24.5.35.
Universal Postal Convention	20.3.34, Cairo.	1.1.35.
Agreement concerning Insured Letters and Boxes.	20.3.34, Cairo.	1.1.35.
Convention for the Unification of certain rules relating to International Carriage by Air.	12.10.29, Warsaw.	3.3.35.
International Convention relating to Stamp Laws in connection with Bills of Exchange and Promissory Notes.	7.6.30, Geneva.	16.10.36. (Effective date).
International Convention relating to Stamp Laws in connexion with Cheques.	19.3.31, Geneva.	16.10.36. (Effective date).
International Convention relating to Taxation of Foreign Motor Cars.	30.3.31.	29.4.36.
International Convention for the Regulation of Whaling.	24.9.31, Geneva.	17.2.37

(C) Extradition Treaties between the United Kingdom and Foreign Countries which apply to Palestine.

Country.	*Date of Signature.*	*Date of Application.*
Between United Kingdom and Albania.	22.7.26	29.1.27 (Ratification).
Belgium	26.6.1901	1.8.28 (Effective date).
Belgian Congo ...	29.10.01	
Ruanda-Urundi ...	5.3.07, ...	
	3.3.11, ...	
	8.8.23 and	
	2.7.28	

(C) Extradition Treaties between the United Kingdom and Foreign Countries which apply to Palestine—cont.

Country.	*Date of Signature.*	*Date of Application.*
Bolivia	22.2.1892	18.2.28.
Chile	26.1.1897	13.1.28.
Colombia	27.10.1888	5.12.30 (Effective date).
	2.12.29.	
Cuba	3.10.1904	12.12.31 (Effective date).
	17.4.1930.	
Czechoslovakia ...	11.11.24, ...	15.7.27.
	Protocol 4.6.26.	
Denmark	31.3.1873	10.2.28.
Ecuador	20.9.1880	19.1.28.
Estonia	18.11.25	10.3.27.
Finland...	30.5.24	25.11.26.
Germany	14.5.1872 and	17.8.30 (Effective date).
	10.12.1928.	
Greece	24.9.10	19.4.28.
Guatemala	4.7.1885	11.9.29.
Hayti	7.12.1874	13.1.28.
Hungary	3.12.1873 and	25.4.28.
	26.6.1901.	
	18.9.1936.	
'Iraq	2.5.1932	15.6.33 (Effective date).
Latvia	16.7.24	7.6.26.
Liberia	15.12.1892	16.10.28.
Lithuania	18.5.26	29.3.27 (Ratification).
Monaco	17.12.91 and	5.7.31 (Effective date).
	27.11.30.	
Netherlands	26.9.1898	27.1.28.
Nicaragua	19.4.1905	12.1.28.
Norway	26.6.1873	13.12.29.
	18.2.1907.	
Panama	25.8.1906	24.1.28.
Paraguay	12.9.1908	16.1.28.
Peru	26.1.1904	16.1.28.
Poland	11.1.1932	12.3.34 (Effective date).
Portugal	17.10.1892	23.6.34 (Effective date).
	20.1.1932.	
Roumania	21.3.1893	11.1.29.
San Marino	16.10.1899	19.7.34 (Effective date).
San Salvador	23.6.1881	8.8.30 (Effective date).
Siam	4.3.1911	27.2.28.
Spain	4.6.1878 and	13.2.28.
	19.2.1889.	
Switzerland	26.11.1880	19.9.29.
	29.6.1904.	
	19.12.34.	
United States of America.	22.12.31	24.6.35.
Yugoslavia	6.12.1900	1.11.28.

In addition to the countries set out in the foregoing list and to those in list (A) (i), the Palestine Extradition Law has been applied to the following countries :—

Argentine.
France.
Italy.
Mexico.
Tunis.
Uruguay.

(D) Commercial Treaties between the United Kingdom and Foreign Countries which have been applied to Palestine.

Country.	*Name.*	*Date of Application.*
Between the United Kingdom and		
Bulgaria ...	Notes on Commerce and Navigation, 12.11.25.	25.2.29.
Czechoslovakia ...	Treaty of Commerce, 14.7.23	5.6.25.
Egypt	Commercial Modus Vivendi, 5/7.6.30, Cairo.	11.6.30.
	Prolongation until 16.2.34 by Notes of...	16/19.2.33.
	Prolongation until 16.2.38 by Notes of ...	13/14.2.37.
Finland	Treaty of Commerce and Navigation, 14.12.33.	13.2.26.
Finland	Convention regarding the Suppression of Illicit Importation of Alcoholic Liquors into Finland, 13.10.33, London.	13.10.33.
Germany ...	Treaty of Commerce and Navigation, 2.12.24, London.	2.12.26.
Greece	Notes on Consular Fees on Certificates of Origin, 21.6.29.	21.6.29, 5.7.29 (Effective date).
Greece	Treaty of Commerce and Navigation, 16.7.26.	23.3.27.
Hungary... ...	Treaty of Commerce and Navigation, 23.7.26.	9.7.29.
Japan	Treaty of Commerce and Navigation, 3.4.11, and Supplementary Convention of 30.7.25.	1.6.30.
Latvia	Treaty of Commerce and Navigation, 22.6.23, London.	25.5.24.
Lithuania ...	Agreement respecting Commercial Relations 6.5.22, Riga and Kovno.	24.4.23.
	Exchange of Notes 28.11/10.12, 1929, modifying this Agreement.	10.12.29.
Netherlands ...	Trade Agreement, Exchange of Notes, 18.11.35, London.	1.1.36.
Panama	Treaty of Commerce and Navigation, 25.9.28.	2/19.9.32.
Poland	Treaty of Commerce and Navigation, 26.11.23.	19.6.24.
	Trade Agreement, 27.2.1935	24.7.35.
Portugal ...	Notes on Flag Discrimination in Portuguese Ports, 14.10.33, Lisbon.	14.10.33.
Spain	Agreement regulating the Treatment of Companies, 27.6.24, Madrid.	6.8.31.
Spain	Treaty of Commerce and Navigation, 31.10.22, Revised 5.4.27, and 31.5.28.	1.12.28.
Union of South Africa.	Commercial Agreement, 30.8.35, Pretoria Supplementary Agreement, 10.3.36, Cape Town.	1.7.35.
Yugoslavia ...	Treaty of Commerce and Navigation, 12.5.27.	4.4.28.

(E) Other Treaties between the United Kingdom and Foreign Countries which apply to Palestine.

Country.	*Name.*	*Date of Application.*
Belgium	Convention respecting Legal Proceedings in Civil and Commercial Matters, 21.6.22, London.	13.3.25 (Effective date).
Belgium	Supplementary Convention regarding Legal Proceedings in Civil and Commercial Matters, 4.11.32, Brussels.	27.6.35 (Effective date).
Czechoslovakia ...	Convention respecting Legal Proceedings in Civil and Commercial Matters, 11.11.24.	17.2.27 (Effective date).
Czechoslovakia ...	Convention regarding Legal Proceedings in Civil and Commercial Matters, 15.2.35, Prague.	5.1.37 (Effective Date).
Denmark ...	Convention regarding Legal Proceedings in Civil and Commercial Matters, 29.11.32, London.	27.3.34 (Effective date).
Estonia	Convention regarding Legal Proceedings in Civil and Commercial Matters, 22.12.31, London.	11.10.33 (Effective date).
Finland	Convention regarding Legal Proceedings in Civil and Commercial Matters, 11.8.33, London.	27.6.35 (Effective date).
France	Convention respecting Legal Proceedings in Civil and Commercial Matters, 2.2.22, London.	22.3.23 (Effective date).
	Extension to French Colonies and Territories under Mandate, 1.1.33 and 1.8.33.	20.10.33 (Effective date).
Germany ...	Convention respecting Legal Proceedings in Civil and Commercial Matters, 20.3.28.	25.11.29 (Effective date).
Hungary ...	Convention regarding Legal Proceedings in Civil and Commercial Matters, 25.9.35, Budapest.	25.6.37 (Effective Date).
Italy	Agreement concerning the Reciprocal Recognition of Passenger Ship Certificates and Emigrant Ship Regulations, 25.1.29.	11/25.8.30.
Italy	Convention regarding Legal Proceedings in Civil and Commercial Matters, 17.12.30, London.	25.8.32 (Effective date).
Italy	Notes respecting Documents of Identity for Aircraft Personnel, 13.4.31, London.	13.4.31.
Lithuania ...	Convention regarding Legal Proceedings in Civil and Commercial Matters, 24.4.34, Kovno.	29.6.37 (Effective Date).
Netherlands ...	Extension to Overseas Territories of the Agreement for the Abolition of Visas, 1.12.29.	1.12.29 (Applicable to British subjects only).
Netherlands ...	Convention regarding Legal Proceedings in Civil and Commercial Matters, 31.5.32, London.	23.5.34 (Effective date).

(E) Other Treaties between the United Kingdom and Foreign Countries which apply to Palestine—cont.

Country.	*Name.*	*Date of Application.*
Norway	Convention regarding Legal Proceedings in Civil and Commercial Matters, 30.1.31, London.	14.11.31 (Effective date).
Poland	Convention regarding Legal Proceedings in Civil and Commercial Matters, 26.8.31, Warsaw.	17.10.32 (Effective date).
Portugal ...	Convention regarding Legal Proceedings in Civil and Commercial Matters, 9.7.31 London.	30.4.33 (Effective date).
Spain	Convention regarding Legal Proceedings in Civil and Commercial Matters, 27.6.29, London.	23.2.31 (Effective date).
Sweden	Convention regarding Legal Proceedings in Civil and Commercial Matters, 28.8.20, London.	23.2.31 (Effective date).

Other Treaties concluded in 1938 which apply to Palestine.

Yugoslavia ...	Convention regarding Legal Proceedings in Civil and Commercial Matters ...	20.11.38 (Effective date).

XIII.—ANTIQUITIES.

1. During the year licences were issued for archaeological excavations, soundings or clearances at the following sites:—

(*a*) *Tell esh Shuni,* by Dr. E. L. Sukenik for the Hebrew University, Jerusalem.

(*b*) *Tell al-Mutasallem* (Megiddo), by Mr. Gordon Loud for the Oriental Institute of the University of Chicago.

(*c*) *Khirbet Minyeh,* by Dr. Puttrich-Reignard for the Goerres-Gesellschaft, Freiburg, and the Islamic Department of the Berlin State Museum.

(*d*) *Khalasa,* by Mr. T. J. Colin Baly for the British School of Archaeology in Jerusalem.

(*e*) *Tell el-'Ajjul,* by Dr. Margaret Murray and Dr. Ernest Mackay for the British School of Egyptian Archaeology.

(*f*) *Tell Duweir,* by Mr. Charles Inge for the Wellcome-Marston Archaeological Research Expedition to the Near East.

(*g*) *Latrun,* by Mr. P. L. O. Guy for the British School of Archaeology in Jerusalem.

(*h*) *Balata,* near Nablus, by Professor E. Sellin and Dr. Steckeweh for the German State Institute of Archaeology.

(*i*) *Sheikh Abreik,* by Dr. B. Maisler for the Jewish Palestine Exploration Society.

(*j*) *Isbeita,* by Mr. T. J. Colin Baly for the British School of Archaeology in Jerusalem.

(*k*) *Ain Karem, Church of the Visitation,* by the Reverend Father B. Bagatti for the Custodia di Terra Santa.

(*l*) *Bethlehem, Ard el Baten,* by Miss D. M. A. Bate for the Wellcome-Marston Archaeological Research Expedition to the Near East.

(*m*) *'Auja el Hafir,* by Mr. T. J. Colin Baly for the British School of Archaeology in Jerusalem.

(*n*) *Khirbet al-'Uraimeh,* by Dr. Herman Junker for the Goerres-Gesellschaft.

2. Excavations by the Department of Antiquities were continued at the Citadel in Jerusalem and at Khirbet el Mefjir, near Jericho. In addition, some research has been undertaken into the history of the North Wall of Jerusalem and the Damascus Gate.

A number of registered historical sites have been demarcated in connection with land settlement.

3. The Palestine Archaeological Museum was opened to the public on 13th January, 1938. The portions opened were the tower hall, south gallery, students' gallery, south and north octagons and south room, including the exhibitions of the Stone and Bronze Ages, Greek and Roman sculpture and coins of Palestine, together with special temporary exhibitions of the Samaria ivories, Hebrew epigraphic material, the Megiddo gold and ivory hoard, and the Omayyad sculpture and architecture from the Department's own excavations at Khirbet el Mefjir, A sale desk was installed in the Tower Hall where all the Department's publications can be purchased, including specially prepared series of postcards, and the maps issued by the Department of Surveys. Considering the disturbed state of Palestine the attendance of the public for the first five months of the year was satisfactory. By May the number of visitors was approching 1,500 a month. Later, however, the number of visitors decreased until October when the museum had to be occupied by the military forces and closed entirely to the public for two weeks. Under the circumstances many of the projects which would normally have been put in hand during the first year after opening have inevitably been postponed. The unpacking and preliminary sorting of material from the immediate post war years were completed by the end of the year.

2,150 new acquisitions were inventoried.

The detailed card catalogue was continued. All antiquities in the students' gallery, i.e., of the Stone and Bronze Ages, were so catalogued, and many of those selected for exhibition in the north gallery and north octagon, i.e., of the Iron Age and later periods. Work was commenced on the subject

catalogue, i.e., a second version of the card catalogue but arranged according to periods, types and forms instead of inventory numbers.

Shelf cards were prepared for the galleries which have been arranged. They provide, for the convenience of staff and students working in the offices, an index of the objects on every shelf and in every drawer in those galleries.

An illustrated pamphlet was issued advising visitors how best to use the museum (*a*) if they can come once only; (*b*) if they can pay repeated visits.

A beginning was made with the repair of the mosaics which have been lifted and brought to the museum from time to time, and with their preparation for exhibition. For this purpose the services of a mosaic expert were obtained.

The Keeper visited museums and excavations in Syria, Turkey, Greece and Cyprus in order to keep in touch with the most recent work being done in those countries, particularly in the prehistoric and classical periods, and for purposes of research.

4. During 1938 205 books—excluding periodicals—comprising 273 volumes—have been acquired, of which 22 have been presented. Among the principle acquisitions were Prisse d'Avennes, L'art Arabe and the volumes so far published of Pope's Survey of Persian Art.

Thirteen periodicals have been added to the number of those regularly received. Six of these were obtained by exchange against the Quarterly. The total number of periodicals received in that way is one hundred and five.

1,569 books have been borrowed by members of the staff, 833 by the public.

All catalogues have been brought up to date.

5. Work on the records collection has been continued, including new entries on sites discovered during the year and new material on sites already known. Twenty-five volumes have been added to the collection which now contains 123 volumes on Palestine and 8 on Trans-Jordan.

A new schedule of historical sites and monuments is being prepared, to replace the schedule published in 1929. Work on the general bibliography for all Palestinian sites has been continued. A classified subject index to records has been prepared for the entries under A. (16 volumes); the index is on the loose-leaf card system and includes photographs of the objects indexed.

6. Volume VII (1937) and Volume VIII (1938) of the Quarterly have been published. Volume IX is in the press.

XIV.—OFFICIAL LANGUAGES.

1. The practice of the Palestine Government is in accordance with Article 82 of the Palestine Order in Council, 1922, which reads as follows:—

> "All Ordinances, official notices, and official forms of the Government and all official notices of local authorities and municipalities in areas to be prescribed by order of the High Commissioner, shall be published in English, Arabic and Hebrew. The three languages may be used in debates and discussions in the Legislative Council, and, subject to any regulations to be made from time to time, in the Government offices and the Law Courts."

As part of the complete recognition of three official languages which was announced by the first High Commissioner on his arrival in Palestine in July, 1920, the practice with regard to the use of English, Arabic, and Hebrew in the Law Courts was more exactly defined by a Public Notice as follows:—

> "In the Courts of Law and Land Registries of a trilingual area, every process, every official copy of a judgment, and every official document shall be issued in the language of the person to whom it is addressed, and written and oral pleadings shall be conducted in any of the three official languages. The Legal Secretary may from time to time issue rules* restricting the languages of pleading in any Court or class of Courts outside the trilingual areas.
>
> "In a trilingual area the public notary of the Court shall, and in any other area may, accept a declaration and register a document in any of the three official languages."

2. The trilingual areas in which English, Arabic and Hebrew may be used comprise the three principal towns, Jerusalem, Haifa and Jaffa, and also the District of Jaffa and the Sub-Districts of Tiberias and Safad. The recognition of the three languages in the Courts involves some complication in the hearing of cases, and occasionally trials are protracted. The rules have, however, on the whole worked smoothly.

Under the Magistrates' Courts Jurisdiction (Amendment) Ordinance, cases occuring in certain Hebrew-speaking colonies may be transferred to Courts where there are Hebrew-speaking magistrates.

3. The Palestine Gazette, reports of official commissions and committees, and departmental publications are published in English, Arabic and Hebrew.

4. Arabic and Hebrew characters continued to be used in transmitting inland telegrams.

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* These rules are now issued by the Chief Justice.

XV.—HOLY DAYS.

A list of the days which are recognized as holy days by the various communities of Palestine will be found in Appendix II to this Report.

2. During the examination of the Annual Report for 1937, the Permanent Mandates Commission requested that the corresponding Christian dates should be added to the tables of holy days. These dates have been shown in the tables as they occurred during the year 1938; but it should be explained that they vary each year according to the Moslem and Jewish calendars. The dates now given cannot therefore be regarded as annually uniform.

XVI.—TRANS-JORDAN.

See separate section on Trans-Jordan, page 307.

XVII.—LABOUR.

1. The international labour conventions applied to Palestine are set out in paragraph 2 of Section XVII of the Report for 1933.

2. Since January, 1938, statistics of the number of persons on pay rolls, the number of man-days of employment afforded during each month and the amounts of pay rolls have been collected by the Government Statistician from 15 employing departments of the Government, from 24 municipal corporations and from 339 private manufacturers, each employing ten or more labourers, in twelve different branches of industry. The present investigation covers about 50,000 employees with a total pay roll of about £P.300,000 a month. The recorded totals of these items, together with index numbers, are published in a monthly employment and pay rolls bulletin.

The present sample of employment is not sufficiently representative to be taken as adequately illustrating the general employment situation of the country. For one thing, employment by Government is at present over-represented in the sample; for another, private employment is defective in that it does not cover the important building industry, or the road transport industry, or employment in trading and financial institutions. The lack of statistics of employment in the building industry causes the sample to be heavily weighted with the more stable manufacturing undertakings, and the published figures for the first nine months of 1938 are remarkable for the stability they reveal rather than for any violent fluctuations. It is hoped to include in the bulletin statistics in respect of the building and transport industries in the near future.

Employment by Government departments showed a sharp rise in March, the last month of the financial year, followed by an even greater drop in April. Thereafter there was a gradual rise. In September, the index of man-days worked (January=100), which had reached 114 in March and declined to 95·2 in April, had risen to 103·4. The monthly average number of persons given employment in the so-called employing departments of Government was 26,815 during the first nine months of the year. The fluctuations in total municipal employment revealed by the returns are not very wide, the total number of persons given employment in each month remaining in the vicinity of 5,000. The index of man-days worked in municipal employment (daily average) reached its peak in June, at 111·2. There was a high point in March (104·0) followed by a fall to 96·1 in April, this figure being the lowest of the year.

The reporting private manufacturers employed a monthly average of 16,295 persons during the first nine months of the year. On the whole their reports indicate a falling off in employment during that period. The index of man-days worked per day (January=100), remained in the vicinity of 100 until May, fell thereafter by about ten per cent., and in September stood at 88·8. The individual groups, textiles and leather, showed higher figures in September than in January; printing and stone crushing showed declines of about ten per cent. The greatest decline of all was in wood-working where the index in September stood at 69·3. The following table gives the index numbers of daily average man-days worked in the twelve industrial groups during the period February-September, 1938 (January=100). The daily average of man-days is derived by dividing the total number of man-days worked during the month by the total number of days in the month; the index is therefore not corrected for rest days and holidays which vary from one community to another.

Industry.	*Index number of daily average man-days worked (January 1938 = 100.)*							
	Feb.	*Mar.*	*Apr.*	*May*	*June*	*July*	*Aug.*	*Sept.*
Food	105·7	109·1	93·4	88·6	92·6	90·8	103·1	87·5
Tobacco ...	92·6	105·0	101·3	101·2	99·2	73·7	96·1	89·8
Textiles ...	127·3	148·8	150·5	156·7	146·8	130·0	110·5	103·3
Clothing ...	113·9	129·9	132·3	128·4	111·9	94·5	87·7	89·1
Metal	103·8	93·5	97·0	94·9	86·8	80·6	81·6	76·1
Wood ...	107·1	98·9	77·1	75·4	77·1	66·3	67·5	69·3
Leather ...	122·3	137·9	153·4	148·5	100·0	84·5	100·0	108·7
Printing ...	100·2	99·7	96·5	94·0	92·6	91·6	93·9	97·5
Paper and stationery ...	101·8	106·5	95·3	106·0	101·8	87·7	102·4	92·4
Chemicals ...	95·3	105·8	83·7	105·1	80·5	74·8	83·6	85·4
Stone, etc. ...	104·8	100·4	95·4	96·4	86·8	83·2	93·4	98·0
Miscellaneous	102·0	89·2	99·4	99·7	96·2	93·3	92·9	90·5

3. The establishment of a revised index of cost of living, to include rent and clothing as well as food and fuel, is still under consideration, but the family budget enquiry predicted in previous reports has not yet been undertaken by the Government Statistician for financial reasons. Plans that do not involve any material increase in expenditure are being made for the revision of the present index number.

The present index number, which is constructed from the retail prices of food commodities and fuel collected at the middle of each month and based on January, 1922 (=100), had an average value of 57·6 in 1938 as compared with 59·1 in 1937, 56·4 in 1936, 53·4 in 1935 and 53·8 in 1934. The index fell in the first part of 1938, reaching its lowest point (55·9) in May. Thereafter it rose until it reached a maximum of 61·4 in November, when retail prices were temporarily at abnormally high levels due to the transport strike. In December the index fell to 58·3. It must be emphasized that the index is defective and therefore lacks the significance that attaches to similar indices in other countries.

4. Statistics of Arab unemployment are very difficult to secure. Apart from the difficulties inherent in the attempt to collect statistics from a population which is not organized for economic purposes of this type, the large number of small craftsmen working on their own account for whom a decline in business activity may mean hardship without actual total loss of employment makes for great practical difficulty in the application of the definition of unemployment.

A system of quarterly estimates of Arab unemployed workers in seven towns and of the number of villagers coming to these towns in search of work was in operation in 1937. This system was extended in 1938 to include a total of eighteen towns. Attempts were also made to improve the reporting scheme by more careful definitions and by specifying occupations in more detail. The district officers who supply the quarterly figures, usually after consultation with mukhtars, municipal authorities and representatives of the various occupations, were requested to form estimates of the total number of wage earners in each occupation in their towns and to ascertain how many of these wage earners were unemployed at the end of each quarter. In the directions issued as a guide to district officers, a " wage earner " is defined as any person who normally works in any capacity for salary or wages. Employers, workers on their own account and unpaid family workers are not considered as " wage earners." An unemployed worker is defined as any wage earner who is both able and willing to work but is at the time of the investigation unable to find employment at the prevailing rates of pay.

Owing to the disturbed conditions of the country it was not possible thoroughly to check the returns sent in or to provide the necessary guidance and supervision for the officers concerned with making the estimates. Nevertheless the returns indicate the existence of a serious problem of unemployment among Arabs in almost all towns; the numbers of unemployed are highest in occupations connected with building—quarrymen, stone dressers, masons and carpenters—and also in transport (particularly in Jaffa), shoemaking, tailoring and weaving.

5. The measurement of unemployment among Jews was derived from the monthly reports on the registration of unemployed workers submitted by the General Federation of Jewish Labour and by four smaller labour organizations. These organizations are believed to comprise the vast majority of the Jewish wage earning population of Palestine.

Despite lack of uniformity in the systems of registration adopted by the various reporting labour organizations, the figures supplied by them gave a useful indication of the fluctuations in Jewish unemployment throughout the year.

6. One of the difficulties encountered in estimating the extent of Jewish unemployment was connected with the trade unions' practice of rationing employment among their members by the introduction of part-time work. The numbers of persons recorded as wholly unemployed sometimes failed to show the real burden and hardship involved in under-employment.

However, the rationing of employment and the unemployment benefits given by the unions were strong inducements for regular registration.

7. The average daily registration of unemployed Jewish workers with the reporting unions in Jerusalem, Tel Aviv and Haifa reached nearly 4,500 in December, 1937. During the first half of 1938 unemployment was steadily increasing, chiefly because of the decline of activities in building and the allied industries. From July, 1938, a downward trend was in evidence, the average daily registration in these three towns having decreased from 6,500 in June to 4,500 in November.

These figures include workers who applied for work at the labour offices of the reporting unions, but they do not include those labourers working part time who are engaged in permanent or semi-permanent work and divide among themselves the available work.

The rise in the volume of employment of Jewish labour was mainly caused by the recruitment of a large number of supernumerary policemen, by the employment of labour in the construction of roads and the erection of military barracks and by the considerable reduction of the number of Arabs employed in orange groves belonging to Jews.

8. At the end of November, 1938, about sixty per cent. of the persons registered as applicants by the urban labour offices of the reporting unions consisted of building workers and unskilled

men, about fifteen per cent. were industrial workers of either sex, and nearly a quarter consisted of unskilled women workers, servants, clerks, members of liberal professions, etc.

Workers changing jobs and new immigrants were also covered by the union system of registration.

9. In the Jewish settlements of the maritime plain where Jewish hired agricultural labour was concentrated, the same trend of unemployment was observed, though seasonal factors influencing the labour situation were also in evidence.

In the early spring, the height of the citrus export season, all agricultural workers were busy. The seasonal unemployment began to be felt in April and reached its peak in June, when the number of rural workers registered as unemployed exceeded 4,000. Beginning from July both seasonal works and the exodus of Arabs from the Jewish orange groves brought about a continuous decline in Jewish rural unemployment. In November the picking of oranges was started, and large numbers of unemployed workers were transferred from the towns to the villages. The number of Jewish rural workers out of employment was estimated in November, 1938, at about 500.

10. In spite of the efforts to reduce unemployment by transferring unemployed able bodied workers to rural areas, there remained a hard core of unemployed workers, who could not be transferred either owing to incapacity for hard physical work or because the added expense of separation from their families would more than outweigh the increased income from regular employment over their present income from part time work and relief.

11. The net total of collections of the unemployment fund of the General Federation of Jewish Labour, principally derived from contributions by members of that organization, was stated to have reached £P.142,000 at the end of 1937 and £P.189,750 at the end of November, 1938. Although the main purpose of the fund is to increase the sources of employment by supporting works of construction and other works undertaken by workers' institutions and by various public bodies, a considerable part of the monies collected was allotted for direct financial aid, for the organization of the supply of food and medical aid and for other social needs of unemployed workers. The amounts allotted by the administration of the unemployment fund for aid to unemployed workers in this manner reached £P.42,000 in the first eleven months of 1938 and totalled £P.94,650 from January, 1936, to the end of November, 1938. The remainder of the funds collected were mainly invested in the support of works of construction and similar works. The Bitzur Co. Ltd., which was established early in 1936 for the purpose of increasing the sources of employment and which co-operated with the unemployment fund, had invested £P.335,000 up to the end of November, 1938. The total cost of works promoted by the initial investments of that company during the last three years exceeded £P.900,000.

12. There has been a decline in building activities since the autumn of 1935, which is illustrated by the following figures of monthly average floor areas of building for which permits were issued by the municipalities of Jerusalem, Jaffa, Tel Aviv and Haifa.

	Square metres
1933	65,138
1934	88,672
1935	101,192
1936	62,387
1937	48,115
1938 (January to November)	29,110

The number of Jews employed in residential building and in public works at the end of 1938 was less than two-thirds of the corresponding number in 1935.

13. As in the preceding two years, short time in industrial undertakings was a common phenomenon.

The number of Jewish wage earners in manufacturing industries was stated to have been 19,540 in 1936 (according to the census of Jewish industry taken by the Jewish Agency for Palestine). At the end of 1937 the General Federation of Jewish Labour estimated the total number of industrial workers at 21,500, including unemployed. The number of unemployed industrial workers registered by the trade unions in Jerusalem, Tel Aviv and Haifa reached 1,100 in January, rose to 1,300 in July and declined to 900 in October and to 550 in November.

14. The number of additional Jewish workers absorbed in 1938 is believed to have been about the same as in 1937. The total number of Jewish wage and salary earners is estimated at about 95,000 at the end of 1938 (not including small holders and members of communal settlements). There was no appreciable change in the distribution of the Jewish wage-earning population by towns and villages. The following comparative table illustrates the growth of the number of Jewish workers in Palestine and its distribution by towns and villages.

Number of Jewish wage and salary earners in Palestine.

	Censuses of Jewish labour carried out by the General Federation of Jewish Labour.						*Estimated by the General Federation of Jewish Labour.*	
	1926.		*1930.*		*March, 1937.*		*End of 1938.*	
	No.	*Per cent.*	*No.*	*Per cent.*	*No.*	*Per cent.*	*No.*	*Per cent.*
Total ...	22,509	100	23,554	100	90,063	100	95,000	100
In towns ...	18,067	80	16,545	70	63,283	70	68,000–69,000	72
In villages ...	4,442	20	7,009	30	26,780	30	26,000–27,000	28

These figures do not include members of smallholders' settlements and communal settlements established by Jewish workers. The growth of the working population of the settlements of this type was recorded as follows:—

According to census of Jewish labour in 1926	2,678
According to census of Jewish labour in 1937	14,059
Estimated at the end of 1938	16,000–17,000

15. Nine workers' settlements were established in 1938, making a total of 29 new agricultural settlements established since January, 1936. Most of these settlements were established in the northern district of Palestine.

16. The income of the workers' agricultural settlements was affected by the decline in the prices of some agricultural products and by the decrease in the sales of milk. The members of these settlements made efforts to reduce the cost of production and were active in extending the systems of irrigation.

17. Since the end of 1935 there has been a constant decline in the wage rates both of Arab and Jewish labour. The downward movement of wage rates continued in 1938.

During the year ending September, 1938, the weighted index number of daily wage rates* of Arab labour showed a decrease of 7·3 per cent., while the weighted index number of wage rates of Jewish union labour showed a decrease of 2·4 per cent.

In the Arab industries wage rates declined in building, wood works, metal works and in the manufacture of oil and soap and remained stationary in the printing industry.

In the Jewish industries wage rates declined in construction and in the allied industries and remained stationary in printing, in textiles and in the manufacture of soap and cigarettes.

Since the autumn of 1934 the index number of Arab wage rates has shown a decrease of 18·8 per cent., while in the case of Jewish labour a decrease of 13·2 per cent. in wage rates has taken place.

18. Wage rates of Arab agricultural labour showed a decline in 1938. The wage rates of Jewish agricultural labour also showed a decrease of 1·9 per cent. in March, 1938, as compared with the rates in March and September, 1937; no further decline in wage rates was reported during the summer season and the winter months of 1938.

19. While the practice of part-time employment and of curtailed hours of work which had been introduced in 1936, was continued in 1938, no change occurred in the normal hours of work or in other conditions of work except wages.

20. The description of the state of organization of the Arab trade unions contained in paragraphs 17 and 18 at page 129 of the report for 1937, is applicable to the year under review.

* General weighted index numbers of daily wage rates constructed by the Office of Statistics.

The reports on labour disputes show that the Arab unions were less active in demanding the improvement of the conditions of work in 1938 than in the preceding years.

21. The activities of the Central Labour Office, established at Tel Aviv in 1937, continued in 1938. The number of disputes arising out of the distribution of work between the various labour organizations diminished considerably as compared with previous years.

22. Seventy-six labour disputes caused by demands of an economic nature came under notice during the year, including two disputes in which there was no actual stoppage of work.

The particulars of labour disputes recorded in each of the last five years are shown in the following table.

	1934.	*1935.*	*1936.*	*1937.*	*1938.*
1. Total number of labour disputes which came under notice ...	49	60	20	53	76
2. Causes of disputes :					
(*a*) Disputes over wages, hours of work and conditions of work	23	36	10	19	20
(*b*) Disputes over discharge of workers	4	8	1	12	12
(*c*) Disputes over employment of union labour and distribution of work	8	7	6	13	19
(*d*) Disputes caused by irregular payment of wages	1	3	2	4	20
(*e*) Disputes arising out of the race of the workers employed	12	4	1	3	—
(*f*) Other causes	1	2	—	2	5
3. Settlements of disputes which were concluded each year :—					
(*a*) Number of instances where the workers were successful	27	33	13	16	52
(*b*) Number of instances where the workers failed	15	12	5	12	6
(*c*) Number of compromise settlements	6	13	2	21	17
4. Number of strikes and lockouts in progress	41	57	15	44	72
5. Number of workers involved in strikes and lockouts	2,051	3,648	956	6,305	1,876
6. Number of man-days lost in strikes and lockouts	17,273	28,415	11,625	21,167	14,149
7. Number of disputes where no stoppage of work was caused by the workers employed at the establishment under dispute	8	3	5	9	2

23. The total number of disputes recorded in 1938 showed an increase as compared with the preceding year. This increase should in part be attributed to the increase in the volume of information on labour disputes secured by the Office of Statistics. The total number of workers involved and the aggregate amount of man-days lost were less than the corresponding figures in 1937.

Of the total number of 1,876 workers involved in strikes and lockouts, 1,588 were Jews who lost 12,149 man-days and 288 were Arabs who lost 2,000 man-days. Arab labour was involved only in two disputes of an economic nature. The number of disputes over wages, hours of work and collective agreements was proportionally less than in the preceding two years. There was an increase in the number of disputes caused by irregular payment of wages. There were also four cases of a type which was infrequent in previous years. These were disputes caused by demands for the regulation of the distribution of work among rationed employees.

No disputes arising out of the racial principle of employment came to notice.

24. In some disputes officers of the district administration or representatives of the Jewish Agency and other Jewish public institutions intervened with a view to effecting a settlement. Many disputes were settled by arbitration.

25. In June, 1938, the High Commissioner directed that the following employments should be added to the schedule of occupation in respect of which the employers are liable under the Workmen's Compensation Ordinance, 1927:

(*a*) Transport by sea in vessels registered in Palestine, to include any person employed on board any such vessel.

(*b*) Fishing in vessels registered in Palestine—not, to include such members of the crews of fishing vessels who are remunerated wholly or mainly by shares in the profits and are not members of a registered co-operative society.

Prior to 1938, the following employments had been scheduled in rules made under the Workmen's Compensation Ordinance, 1927.

(i) Building operations, installation of gas and electricity.

(ii) Transport by railway and motor vehicles.

(iii) Blasting, boring, excavation, quarrying and mining.

(iv) Manufacturing operations in which mechanically driven power is used.

(v) Generation and distribution of electricity, water supply, the laying and maintenance of telegraph and telephone lines, public drainage schemes.

(vi) Construction and maintenance of roads.

(vii) The handling of goods at docks, quays, wharves or warehouses within the area of a port.

(viii) The handling of goods on lighters, at shipside and on board ships, when within the area of a port, by persons other than members of a ship's crew.

26. Except the regulation mentioned above, no labour legislation was enacted or published in the form of bills in 1938. The draft Ordinances which were published as bills in 1935 and 1936, namely the Masters and Servants Ordinance, the

amended Employment of Women and Children Ordinance and the amended Workmen's Compensation Ordinance, are still under consideration by Government.

The principles of the proposed labour legislation were set out in paragraphs 24-8 of Section XVII in the Report for 1936.

No progress has been made in the introduction of new labour legislation, as owing to the situation in Palestine it has not been found possible to arrange for sittings of the Labour Legislation Committee.

XVIII.—TRADE IN AND MANUFACTURE OF DRUGS, ARMS AND LIQUORS.

Arms.

1. The following is a comparative table of seizures of firearms and ammunition effected during 1937 and 1938:—

Type.	*1937.*		*1938.*	
	Service-able.	*Unservice-able.*	*Service-able.*	*Unservice-able.*
Rifles	1,239	15	530	28
Sub-machine gun	—	—	1	—
Pistols and revolvers ...	1,461	29	356	32
Shotguns	144	8	52	13
Bombs and grenades ...	105	14	212	26
Rifle ammunition, rounds	19,216	—	36,396	—
Pistol and revolver ammunition, rounds	5,141	—	5,604	—

In addition to the above, the military forces seized during 1938, 344 rifles, 146 pistols and revolvers, 53 shotguns, and approximately 26,000 rounds of ammunition. Considerable quantities of other warlike material and equipment such as grenades, bombs, explosives, fuzes, percussion caps, uniforms, etc., were also captured.

Licensed Firearms.

2. The following table gives details of licences issued during 1937 and 1938:—

Police District.	*1937.*			*1938.*		
	Rifles.	*Pistols and Revolvers.*	*Shotguns.*	*Rifles.*	*Pistols and Revolvers.*	*Shotguns.*
Jerusalem...	37	300	705	36	656	797
Northern ...	27	647	1,950	58	1,128	937
Southern ...	6	40	1,146	3	991	1,286
Nablus ...	20	49	437	28	251	363
Nazareth ...	16	143	456	12	130	335
Gaza ...	48	10	173	3	24	110
Frontier ...	—	—	—	10	121	444
Totals ...	154	1,189	4,867	150	3,301	4,272

In addition to the above, 24 licences for air-guns were issued.

The figures for the Nazareth and Gaza districts are incomplete as the records belonging to these districts were destroyed by terrorists during the year.

3. During the year, 284 persons were convicted under the Firearms Ordinance and Defence Regulations for the illicit possession of firearms and ammunition.

Liquors.

4. The variation in the number of factories licensed to manufacture intoxicating liquors and spirits during the past five years was as follows:—

	1933	*1934*	*1935*	*1936*	*1937*	*1938*
Spirits	16	15	16	16	17	17
Wines	15	15	14	14	15	13
Beer	—	—	1	1	1	1
Total ...	31	30	31	31	33	31

Their output was as follows:—

Year.	*Wine. (litres).*	*Arak. (litres of alcohol).*	*Beer. (litres).*	*Cognac. (litres of alcohol).*	*Other Spirits. (litres of alcohol).*
1933 ...	1,629,125	38,307	—	121,292	686,989
1934 ...	2,378,922	41,855	—	203,495	853,681
1935 ...	2,619,980	51,611	242,600	295,539	1,012,598
1936 ...	2,257,556	58,540	1,954,786	187,593	1,070,234
1937 ...	3,393,569	58,985	1,830,245	364,876	948,298
1938 ...	3,053,580	59,696	1,723,941	173,845	858,997

*Imports and Exports**

Commodity.	*Imports. Litres.*	*Exports. Litres.*
Beer	625,690	—
Wines	55,521	760,386
Arak	16	884
Cognac and Brandy	5,889	23,511
Other Spirits	53,822	5,380

* Excluding imports by military and N.A.A.F.I.

5. The abnormal and disturbed conditions which prevailed during 1937 and 1938, and in particular the imposition of curfew for lengthy periods in towns and villages throughout the country and the extraordinary security measures that had to be taken, again rendered it impossible to assess the practical effect of the application of the Sale of Intoxicating Liquor Ordinance, 1935.

6. *Incidence of Drunkenness during* 1937 *and* 1938.

	1937.				1938.			
	Number of persons convicted.				Number of persons convicted.			
	Once.	*On two occasions.*	*On three occasions.*	*On four or more occasions.*	*Once only.*	*On two occasions.*	*On three occasions.*	*On four or more occasions.*
Moslems	355	12	4	3	153	11	2	1
Christians	68	1	—	—	27	—	—	—
Jews ...	53	1	—	—	24	—	—	—
Totals ...	476	14	4	3	204	11	2	1

7. The distribution of cases of drunkenness among the various police divisions during 1938 is shown hereunder:—

Division.	*Once.*	*On two occasions.*	*On three occasions.*	*On four occasions.*
Jerusalem Urban ...	31	—	—	—
Jerusalem Rural ...	—	—	—	—
Hebron	—	—	—	—
Haifa Urban ...	65	6	2	1
Haifa Rural ...	—	—	—	—
Acre	5	—	—	—
Jaffa	64	3	—	—
Ramat Gan	—	—	—	—
Tel-Aviv	12	—	—	—
Ramle	—	—	—	—
Nablus	9	—	—	—
Jenin	1	—	—	—
Nazareth	6	—	—	—
Tulkarm	—	—	—	—
Safad	4	—	—	—
Tiberias	4	—	—	—
Gaza	1	—	—	—
Beersheba	—	—	—	—
Rehovoth	2	2	—	—
Totals ...	204	11	2	1

Drugs.

8. The traffic in opium and other dangerous drugs is governed by the Dangerous Drugs Ordinance, 1936.

International Opium Convention.

The number of import certificates for dangerous drugs granted during the year was 108.

Actual imports were as follows:—

	Kgs.
Medicinal Opium	4·500
Opium in the form of preparations	10·582
Morphine	1·357
Diacetylmorphine	0·121
Cocaine	2·840
Eucodal	0·091
Dicodide	0·119
Dilaudide	0·025
Acidicone	0·009
Codeine	14·880
Dionine	1·052
Indian Hemp in the form of galenical preparations (tinctures and extracts)	0·350

9. During 1936, under the new Ordinance which brought dangerous drugs legislation into line with the latest recommendation of the International Opium Commission, wholesale compounding chemists were for the first time permitted to import codeine and dionine for compounding pharmaceutical preparations made by them. The increase of codeine imported during 1936 and 1937 largely represents the working stocks of manufacturers. The import for 1938 of codeine was 14 kilogrammes.

It will be noticed that in general the import of dangerous drugs was below the average of previous years. This was mainly due to the depressed and unsettled conditions prevailing during the year.

10. Notwithstanding their strenuous duties, the police maintained vigilance in suppressing the traffic through Palestine to Egypt of narcotic drugs. The following table shows seizures of narcotic drugs during the last three years:—

Year.	*Hashish. kilogrammes.*	*Opium. kilogrammes.*	*Cocaine. grammes.*	*Others. kilogrammes.*
1936	45·624	91·007	7	—
1937	75·190	154·856	471	—
1938	72·171	109·115	—	11·000

Sixty-one persons were prosecuted in connection with illicit traffic in narcotic drugs of whom 46 were convicted and 10 were awaiting trial at the end of the year. Fines ranged from 500 mils to £P.100 and terms of imprisonment from one week to two years. The fines imposed amounted in the aggregate to £P.125,500 mils.

Anti-Narcotic Measures.

11. The measures taken by the police for the suppression of traffic in narcotic drugs include supervision of the movements of known drug dealers, employment of agents to collect information, exchange of information with other Governments, patrolling of frontiers, and searches of vehicles and animals en route for Egypt.

With a view to preventing the smuggling of narcotic drugs into Palestine by ocean-going steamers, Customs guards and members of the port and marine police are posted on all ships entering the ports of Jaffa and Haifa during their period of stay. Lighters, motor launches, and fishing vessels are closely examined; and lightermen, stevedores, other port workmen, and the crews of visiting craft are carefully searched on coming ashore. The baggage of incoming passengers is examined by the Customs authorities. Prompt advance information in regard to suspected ships or individuals coming to Palestine is passed to the Customs authorities by the Criminal Investigation Department of the Palestine Police.

XIX.—EDUCATION.

The normal programme of expansion of Arab elementary education initiated in 1933, and suspended in 1936-7, was resumed in 1937-8.

The percentage of applicants who could be admitted to Government schools, both in towns and villages, remained at about 50 per cent.

The Hebrew public system continued to expand in 1937-8, notwithstanding the disturbances and the unfavourable economic situation. The following is a comparative table for two years:—

—	*1936–37.*		*1937–38.*	
	Schools.	*Pupils.*	*Schools.*	*Pupils.*
Arab Schools:—				
Arab Public System (Government) Schools	382	42,713	402	49,400
Other schools:—				
Moslem schools	175	12,537	184	14,052
Christian schools	181	22,897	193	24,046
Total—Arab Schools ...	738	78,147	779	87,498
Jewish Schools:—				
Hebrew Public System (Va'ad Leumi) Schools	373	47,288	395	49,920
Other schools	208	19,985	227	21,456
Total—Jewish Schools ...	581	67,273	622	71,376
Grand Total	1,319	145,420	1,401	158,874

Under the term Christian Arab schools are included all those maintained by foreign missionary bodies.

The 87,498 pupils in Arab schools (62,322 boys and 25,176 girls) comprise 62,706 or 71·7 per cent. Moslems (48,890 boys and 13,816 girls), 22,904 or 26·2 per cent. Christians (12,246 boys and 10,658 girls), 1,048 or 1·2 per cent. Jews (498 boys and 550 girls), and 840 or 0·9 per cent. others (688 boys and 152 girls).

The 71,376 pupils in Jewish schools (36,474 boys and 34,902 girls) include 4 Moslems and 17 Christians.

2. The Education Ordinance, 1933, was amended to enable land, and not only buildings, to be registered in the name of a local education authority free of charge. The rules under the Ordinance were also amended to enable the Director of Education, or a medical officer of health, to ask an applicant for the registration of a school to submit plans of the premises.

Educational films were added to the free list under the Customs Tariff and Exemption Ordinance.

3. The number of classified officers employed by the Department in December, 1938, was 1,126, against 1,072 in December, 1937. Fourteen were British and the rest, with very few exceptions, Palestinians.

4. The expenditure by the Department of Education in the school year 1937-8 on education services was approximately as follows:—

	£P.	£P.
(*a*) *Administration and Inspectorate* (*Arab and Hebrew*). *Overhead Charges* :—		
Salaries	18,345	
Other Charges	541	
		18,886
(*b*) *Schools* :—		
(i) Government (Arab) :—		
Salaries	166,886	
Grants to local authorities for school buildings	6,745	
Books, furniture and equipment	19,592	
Scholarships, maintenance, allowances, etc....	8,653	
Sundries...	1,244	
		203,120
(ii) Non-Government :—		
Block Grant to Hebrew Public System ...	46,600	
Additional grant to Hebrew public system on account of capital expenditure	9,145	
Per capita grant to other schools :—		
Jewish...	2,615	
Moslem	1,685	
Christian (including foreign)	1,468	
		61,513
(*c*) *Miscellaneous* :—		
Grant to Board of Higher Studies	500	
Transport and Travelling	5,050	
Other minor charges	221	
		5,771
		£P.289,290

The revenue from the sale of books and school materials in Government schools during the school year 1937-8 amounted to £P.1,600 and that from school fees to £P.3,791, a total of £P.5,391.

5. The distribution of educational benefits between Arabs and Jews was based on the proportion of school age population, and educational expenditure incurred by other Government Departments was included in the calculation.

The actual expenditure by the Department under " schools " was apportioned as follows:—

	£P.	£P.
Arab Schools :—		
Government	203,120	
Non-Government	3,153	
		206,273
Jewish Schools :—		
Hebrew Public System	55,745	
Others	2,615	
		58,360

The benefits to Arab schools are gross, and should be reduced by £P.5,391, the amount of the revenue from sales and fees shown above.

6. The following additional amounts were expended in 1937-8 by other Government Departments upon educational services:—

Department.	*Object.*	*Approximately.* £P.
Agriculture ...	Supply of trees	361
Health	Hygiene and Medical Care of Pupils ...	2,038
Secretariat ...	Printing and Stationery	480
Public Works ...	Rent, repairs, office furniture, etc. ...	14,585

These figures exclude any share of overhead charges for salaries and other administrative expenditure by the Departments concerned.

In addition, the following sums were expended during the year by the Public Works Department on new Government (Arab) schools or on additions to existing Government (Arab) schools:—

	£P.
From the Public Works Extraordinary budget ...	9,334
From Loan Works budget	13,769
	£P.23,103

The net expenditure of all Government Departments was distributed as follows:—

	£P.
Arab education	246,228
Jewish education	59,352
Administration—Department of Education (Arab and Jewish)	18,886
	£P.324,466

If the expenditure on administration and all special expenditure including the expenditure by the Public Works Department from its extraordinary and loan fund budgets are excluded, the net expenditure was distributed as follows:—

	£P.
Arab education	216,435
Jewish education	50,207
	£P.266,642

The expenditure on Jewish education was therefore 23·66 per cent. of that on Arab education. The percentage was 26 for the previous year.

There is thus a discrepancy between the ratio of expenditures (23·66 : 100) and the ratio of school-age populations (24·97 : 100).

Such discrepancies, which occurred in 1936-7 and in 1937-8, are due to, or are corrected by, adjustments in other years.

The contributions to the Va'ad Leumi in respect of 1937-8 were as follows:—

	£P.	£P.
By the Government Department of Education:—		
Recurrent grant	46,600	
Non-recurrent grant	9,145	
		55,745
By Jewish Agency		25,000
	Total	£P.80,745

7. There are no exact figures of the total educational expenditure of private bodies. In particular no reliable estimate can be made of the expenditure of foreign organizations.

The figures of the Jewish public system are given in paragraphs 21 and 22 below.

8. The numbers of children in the age group 5-15 on the 1st October, 1937, was approximately as follows:—

Arabs:—		
Moslems and others ...	242,469	
Christians	23,401	
		265,870
Jews		66,391

The ratio of Jews to Arabs in the age group 5-15 was therefore 24·97 per cent. on the 1st October, 1937.

On the 1st October, 1938, the estimated figures were as follows:—

Arabs and other non-Jews (excluding foreign Christians):—		
Moslems and others ...	248,023	
Christians	23,878	
		271,901
Jews		67,908

Thus the proportion of Jewish to non-Jewish children was estimated at 24·98 per cent. on 1st October, 1938.

The pupils attending schools in July, 1938, were as follows. The age range is 3-20, but the very large majority are in the range 5-15:—

	Boys.	*Girls.*	*Total.*
Arabs and other non-Jews :—			
Moslems	48,893	13,817	62,710
Christians	12,257	10,664	22,921
Other denominations ...	688	152	840
Total	61,838	24,633	86,471
Jews	36,958	35,445	72,403
Grand Total ...	98,796	60,078	158,874

These figures do not include pupils in a small number of Christian schools which have rendered no statistical returns; but otherwise they cover the whole population, settled and nomad.

9. Education in Palestine is not compulsory and is not universal. The extent of education varies considerably among the various religious communities. Thus in the Jewish and Christian communities, almost 100 per cent. of the children receive education of some kind or other; the period of schooling varies from about 5 years to 10 years or more, the average being about 8-9 years. In the Moslem community the extent of education is smaller, and the demand for greater educational facilities still outstrips the efforts of the Government within the limits of its available resources, to make good the deficiency. Further, the demand for the education of girls in Moslem villages, though increasing, has been relatively small, while at the same time there have been great difficulties to contend with in the supply of women teachers to villages. The approximate percentages of Moslem children who receive education for some period or other have been estimated as follows:—

	Boys. Per cent.	*Girls. Per cent.*
In towns	80	50
In villages	50	4

The period of schooling averages about six years in Government town schools and four to five years in Government village schools. The average in Moslem non-Government schools is believed to be less.

School Fees.

10. *Arab Public System.*—In the Government kindergartens and elementary schools education is free. In the lower secondary classes day-pupils are required to pay £P.3 a year, and in the higher secondary classes £P.6 a year. Boarders at the Government Arab college and the Women's training college pay £P.24

and £P.21 a year, respectively. At the Government trade school, Haifa, boarders are charged £P.12 a year. A number of pupils in the secondary schools are exempted from payment of any fees when poverty is established.

In the two Kadoorie agricultural schools (Arab and Jewish) the students pay £P.24 a year for tuition and board. The boarding fees for pupils in the hostels at Tulkarm and Jenin are £P.10 a year. At Beersheba Beduin hostel no fee is charged.

Non-Government Moslem Schools.—In the villages the fees paid rarely exceed £P.1 a year, and are usually less than 500 mils; in some places the practice of paying fees in kind persists.

In the town elementary schools the fees are usually about £P.2½ a year. In the Raudat al-Ma'aref college at Jerusalem the tuition fees in the elementary classes are £P.6 a year and in the secondary classes they rise to £P.8. Boarders pay an inclusive fee of £P.36 a year for board, lodging and tuition.

Jewish Schools.—The education rates and other revenues which support the Hebrew public schools are, in many localities, supplemented by school fees assessed according to the means of the parents and the grade of the class. Total exemptions as well as part remissions of fees are frequent.

In the kindergartens, all of which are either private or maintained by local authorities, the fees range from £P.3 to £P.12 a year. In the elementary schools they vary from £P.2 to £P.12 and in the higher classes of the secondary schools rise as high as £P.26 a year. No tuition fees are charged in the municipal elementary schools of Tel Aviv.

In the bulk of the purely private schools the fees charged are lower than in public schools, but in a few are appreciably higher.

At the boarding section of the Reali secondary school at Haifa, pupils are charged £P.110 a year.

At the agricultural boarding schools the fees charged vary from £P.30 to £P.72 a year.

In the religious elementary schools, known as Talmud Toras, the fees, if any, are generally small.

Christian Schools.—No information is available regarding the fees charged in the schools controlled by the Latin Patriarch, the Greek Catholic Archbishop of Galilee, and the consulates of certain foreign states.

In some of the German secondary schools the maximum fee is £P.5 a year in the elementary classes and £P.12 in the secondary classes. In the Syrian orphanages the maximum fee paid by a boarder is £P.20 a year inclusive.

In the European and American missionary town schools the maximum annual fee charged in the elementary classes is £P.12, but in the large majority of these schools the fees are very much lower. In the secondary classes the fees range from £P.6 to £P.15 a year. In addition to tuition fees, boarders pay boarding fees which do not usually amount to more than £P.35 a year. £P.75 a year is charged for a boarder in the British community school in Jerusalem which is open to British children only.

Generally speaking no fees are charged in the village missionary schools nor any in the schools of the Orthodox and Latin Patriarchates.

Arabic (Government) Public System of Education.

11. During the school year 1937-8, 1,052 classified teachers were employed in Government schools as against 965 in the preceding year. Of these four were British and the rest Arabs. There were in addition 228 unclassified teachers, mainly in villages, paid by Government, and 16 others paid by local authorities. Thus the total number of teachers in Government schools was 1,296 as against 1,174 in 1936-7. Eight women teachers resigned on marriage and six retired. Four men teachers retired on pension and four retired on other grounds.

12. *Elementary Education.*—The gradual scheme of expansion of facilities for Arab elementary education, which was initiated in 1933 in order to keep pace with the increasing demand but was suspended in 1936-7, was resumed in 1937-8. As regards town schools the term "expansion" means the provision of the elementary school places necessary to maintain the number of annual entries at the same figure as in 1933. Ninety-one new teaching posts in town schools and 40 in village schools were filled in October, 1937, and 18 new village schools were opened. In the third term of the school year 1937-8 there were 398 Government elementary schools with 48,563 pupils (including 2,121 children in kindergarten classes).

The following table gives the numbers and percentages of applications for admission to Government schools accepted and deferred in September, 1937, and in September, 1938:—

—	*September, 1937.*				September, 1938.			
	Towns.		*Villages.*		*Towns.*		*Villages.*	
	No.	%	*No.*	%	*No.*	%	*No.*	%
Applied ...	9,458	—	13,572	—	10,285	—	12,746	—
Accepted ...	4,647	49	7,723	57	4,667	45	6,885	54
Deferred ...	4,811	51	5,849	43	5,618	55	5,861	46

Lack of accommodation still retards progress in the grading of classes by age. Entries are deferred for one, two, or three years: thus the age range of the lowest class is too wide and the average age of entry too high.

The number of pupils who repeat the lowest class has been further reduced, but the number of " repeaters " for the lower elementary course is still somewhat high. The average length of school life is now over four years, even in rural schools.

13. *Town Schools.*—The following table gives figures for town schools in the school years 1936-7 and 1937-8:—

—	*1936–7.*		*1937–8.*	
	Schools.	*Pupils.*	*Schools.*	*Pupils.*
Boys	37	11,649	41	13,271
Girls	30	7,993	31	9,053
Total	67	19,642	72	22,324

The figures for 1937-8 include 1,703 children (126 boys and 1,577 girls) in kindergarten classes and 740 pupils in secondary classes.

Over 1,530 village boys and 172 village girls attended town schools. Small hostels attached to Tulkarm, Jenin and Lydda boys' schools exist for the benefit of the village boys, but, in general, villagers attending town schools are poorly lodged under their own arrangements. The boarding school for the children of Bedu sheikhs at Beersheba accommodated 56 boys.

In July, 1938, a seventh (top) elementary class existed in 20 boys' and in 14 girls' schools in towns, with 831 boys and 272 girls. The majority of children do not proceed beyond the lower elementary cycle, a self-contained unit of five classes in towns and four in villages.

The two commercial classes (3rd and 4th secondary) at the Jaffa elementary-secondary school for boys contained 6 and 12 boys, respectively. Instruction is given through the medium of English and Arabic, and French is also taught.

A school for the blind was opened in Hebron, with 14 pupils. The headmaster, who is himself blind, has had a special three years' training in England.

New Government school buildings were erected in Safad and Beersheba and completed in August, 1938. Three new school buildings were under construction in Jaffa, but were not completed by the end of the school year. An addition was also made to the Tulkarm girls' school, with Government aid.

14. *Rural Schools.*—The following table gives figures for village schools in 1936-7 and 1937-8:—

—	*1936–7.*		*1937–8.*	
	Schools.	*Pupils.*	*Schools.*	*Pupils.*
For Boys	295	21,554	305	24,974
For Girls	20	1,517	25	2,102
Totals	315	23,071	330	27,076

The figures for 1937-8 include 418 children (18 boys and 400 girls) in kindergarten classes.

Eighteen village schools were opened and two were closed in 1937-8.

A number of villages erected new buildings or made additions to existing buildings or began construction. The estimated cost to the villagers on all projects, both completed and in process of erection, was about £P9,950 to which the Government contributed approximately £P6,145.

Out of the 330 village schools, 273 included the full four years of the elementary course, or more. Higher elementary classes existed in ten village schools.

In 117 village schools there were small libraries for the use of teachers, pupils, old pupils, and adults generally.

Evening classes for illiterate adults were conducted in three villages.

15. *Secondary Schools.*—There were 740 pupils in the secondary classes of 13 Government schools, as against 626 the previous year. These figures include the students at the two teachers' colleges in Jerusalem.

16. *Government Arab College.*—The number of students was 100 during the year (85 Moslems and 15 Christians), including a post-matriculation class for teacher training.

17. *Training of Teachers.*—Teachers are trained in the following institutions:—

(i) *Government Institutions—*

(*a*) *Government Arab College, Jerusalem.*—The training class is an integral part, and at present the highest section, of the College. In 1937-8 it contained 12 students all of whom passed the diploma examination. In it, Arabic and English literature are continued beyond the matriculation level, and other general subjects are studied only in connection with the elementary school syllabus. The course of pedagogy is practical rather than theoretical. Some attention is paid to psychology but a greater part of the lesson time is given to practical training in methods of teaching and in class management.

The former system under which male teachers received their general and professional education concurrently in a special institution was generally abandoned between 1924 and 1928. Admission to training is now allowed only after the completion of the secondary course. For financial reasons the numbers at present are limited to those necessary for replacement of casualties in the existing teaching cadre.

(*b*) *Rural Teachers' Training Centre, Tulkarm.*—This Centre in normal years contains a number of selected students, who have completed the course at the Kadoorie (Arab) Agricultural School, Tulkarm, and undergo a course of one year's training with the object of fitting themselves for teaching posts in villages, more especially those where school gardens exist. The Centre did not open in 1937-8, as there were no suitable candidates available for selection from the Agricultural School following its closure in 1936 owing to the disturbances.

(*c*) *Women's Training College, Jerusalem.*—This College accommodates 60 students, all boarders, who follow a four years' course. The first three years of study, in which the medium of instruction is Arabic, follow a secondary syllabus which has been adapted for women and includes domestic science, child welfare, physiology and hygiene. In the fourth year the students, numbering about fifteen, are divided into two groups, kindergarten and class teachers respectively, and are given an intensive course in the theory and practice of teaching. Half the work is devoted to teaching practice in the largest elementary girls' school in Jerusalem.

Those women who successfully pass out of the College are appointed to posts in urban girls' schools in which the majority of teachers are graduates of the College. Over 200 women have passed out of the College since it was opened in 1920.

(*d*) *Women Rural Teachers' Training Centre, Ramallah.*—The need for specially trained teachers for village schools was met by opening the Rural Training Centre in 1935, with a particular view to improving child welfare, house management and general hygiene in villages where the ignorance of the women so gravely retards progress. Since the majority of Palestine villages are Moslem, the 25 students selected for training are at present all of the Moslem faith. The standard of entry is lower than at the Women's College and the course of study is for two years only. It aims at preparing girls to take charge of a village school of from 30-40 children of varying ages.

In addition to academic subjects, the students are given a thorough domestic training. They do all the house and laundry work of the centre and some of the cooking. They also look after the vegetable garden and the poultry. No English is taught.

In the second year of study, teaching practice is carried out at the Ramallah elementary school and at a village school near by.

Approximately twelve women students pass out of the Centre each year.

(ii) *Non-Government Institutions—*

(*a*) *The Jerusalem Girls' College* (*Anglican Mission*).

(*b*) *Schmidts Girls' College, Jerusalem* (*Sisters of St. Charles Catholic Mission*).

Each of these colleges conducts a small teacher training class after the conclusion of a full secondary course up to Matriculation standard. Instruction in these colleges is through the medium of English.

In both institutions the practical examination in teaching is conducted by examiners appointed by the Director of Education. Most of the graduates are employed by the Department of Education in urban girls' schools.

18. *Scholarships.*—Seven Government scholars were maintained in British universities and colleges. Four of the former completed their courses in the summer of 1938 and were subsequently appointed to teaching posts. Three other selected candidates were thereupon sent to England to fill the vacancies thus created. Two selected candidates were appointed to one year scholarships in England made available by the British Council. Six scholars were maintained at the American University at Beirut; two graduated in the summer and were replaced by two others. Four scholars were maintained in trade schools in Egypt. Six scholars were maintained in non-Government secondary schools in Palestine. All of these scholars are Arabs.

Hebrew Public System.

19. The Va'ad Leumi remained in control of the Hebrew Public System, the administration of which continued to be conducted as hitherto by the Executive Education Committee, consisting of representatives of the Jewish Agency, the Va'ad Leumi, the Tel Aviv Municipality and the Jewish settlements. A representative of the Government Department of Education attended all meetings of the committee. In July, 1937, another committee, known as the Va'ad Hahinnukh, was set up to deal primarily with pedagogical matters, but with advisory powers also in matters of administration. This committee represents mainly local interests and the Hebrew Teachers' Association. The Director and Senior Inspectors of the Va'ad Leumi Department of Education, and a representative of the Government Department of Education, attend the meetings of the committee.

20. The following table gives the actual recurrent expenditure and revenue of the Jewish Central authority for 1937-8. Expenditure showed an increase of £P.3,871 over the previous year.

		£P.	£P.
Revenue—			
1.	Central Authorities—		
	Jewish Agency	25,000	
	Government	46,600	
	Palestine Jewish Colonisation Association...	2,200	
			73,800
2.	Local Sources		
	Tel-Aviv Municipality	25,225	
	Other local authorities	15,640	
	School fees	19,850	
			60,715
3.	Miscellaneous		1,080
	Total		£P.135,515
Expenditure—			
1.	Administration and Inspectorate—		
	Salaries	5,660	
	Collection Office	1,850	
	Other charges	1,450	
			8,960
2.	Schools—		
	(i) *Maintained schools.*		
	Salaries	100,771	
	Rent and maintenance	3,400	
	Furniture and equipment ...	1,750	
			105,921
	(ii) *Assisted schools.*		
	Grants to Labour schools ...	8,000	
	Grants to other schools	4,422	
			12,422
3.	Miscellaneous—		
	Contribution to pension fund	4,400	
	Pensions and gratuities	1,803	
	Substitutes in cases of sickness, life insurance, etc.	800	
	Part re-payment of deficit of 1936–37 ...	750	
	Unforeseen expenditure	459	
			8,212
	Total		£P.135,515

The Government grant for the financial year April, 1937—March, 1938, was £P.44,300 for recurrent charges as against £P.42,000 in the previous financial year, the increase being due mainly to the increase of Government expenditure on Arab education. Of this sum, £P.21,000 was paid in the period April—September, 1937, leaving a balance of £P.23,300 for the period October, 1937—March, 1938, which is the first half of the school-year under review. An equal sum of £P.23,300 was paid in the second half of the school year, making a total grant of £P.46,600 for the school year.

A grant of £P.9,145 was also made by Government to the Va'ad Leumi in respect of non-recurrent expenditure on buildings and equipment.

21. The receipts and expenditure shown in paragraph 20 are only in respect of the services maintained directly by the Va'ad Leumi. Most of the expanded and new services are provided by the local authorities. The following table gives the actual cost of maintaining the schools in the Hebrew public system, mention being made of the sources of revenue:—

Grade or Type of School.	*Sources of Revenue.*						*Total Revenue.*
	Central.		*Local.*				
	£P.	*Per cent.*	*Local Bodies.* £P.	*Fees.* £P.	*Total.* £P.	*Per cent.*	£P.
Kindergartens	1,232	2·5	34,703	12,127	46,830	97·5	48,062
Elementary ...	52,443	22·0	139,666*	49,328	188,994	78·0	241,437
Training Colleges	5,568	45·0	1,621	5,305	6,926	55·0	12,494
Secondary ...	780	1·0	1,956	70,677	72,633	99·0	73,413
Trade and Vocational ...	75	1·5	3,535	1,495	5,030	98·5	5,105
Administration Central ...	16,720	100·0	—	—	—	—	16,720
Total ...	76,818†	19·0	181,481‡	138,932	320,413	81·0	397,231

* Inclusive of administration expenses incurred by Local Authorities direct.

† Includes: £P.46,600 (or 60·7 per cent.) from Government.
£P.25,000 (or 32·5 per cent.) from Jewish Agency.
£P.3,564 (or 4·7 per cent.) from the Palestine Jewish Colonisation Association.

‡ Includes about £P.600 grants-in-aid paid by Government directly to some schools.

22. The following tables give comparative figures regarding schools and pupils:—

Table I. Administrative Groups.

—	*1936–7.*		*1937–8.*	
	Schools.	*Pupils.*	*Schools.*	*Pupils.*
General	164	27,841	172	28,967
Mizrahi	67	11,323	81	12,057
Labour	142	8,124	142	8,896
Totals ...	373	47,288	395	49,920

Table II. Types of Schools.

—	1936–7.		1937–8.	
	Schools.	*Pupils.*	*Schools.*	*Pupils.*
Kindergarten ...	187	7,067	199	7,503
Elementary ...	163	34,481	174	36,685
Secondary	12	4,583	12	4,599
Training Colleges ...	4	667	4	702
Technical and vocational	5	237	5	315
Agriculture ...	2	253	1	116
Totals ...	373	47,288	395	49,920

The secondary schools also include elementary classes, and the purely secondary classes number about 2,817 pupils.

The number of teachers employed in all schools was 1,888.

23. The schools, especially the elementary schools, have continued to show improvement. The adverse economic conditions of the country have, however, been felt by local authorities and schools have suffered in consequence. Many schools were insufficiently equipped.

The local authority of Tel Aviv continued to improve its educational services in many ways. Its expenditure on education amounted to £P.120,000 in the financial year 1937-8.

The secondary school leaving examination was conducted by the Va'ad Leumi Department of Education and nine schools submitted 290 candidates. 228 students passed the examination and 62 failed.

110 out of 116 students of the top classes of three teachers' colleges were awarded diplomas. An external examination was held by the Va'ad Leumi Department for uncertificated teachers; 18 out of 28 passed.

Much was done for adult education by local authorities and by semi-public bodies.

The four new schools erected out of a loan of £P.72,000 obtained by the Tel Aviv municipal council from Barclays Bank (*see* paragraph 24, page 147 of 1937 Report) were completed by the end of the school year.

Other Schools.

24. I.—*Moslem Schools*—During the year 184 Moslem schools were maintained with an enrolment of 14,052 pupils of whom 2,332 were girls. Two of these schools have secondary classes and a number are comparable with Government elementary schools. The majority, however, are old fashioned and inefficient.

25. II.—*Christian Schools*—The following table gives comparative figures for two years. The figures are only approximately correct, as some groups of Catholic schools, not always the same groups, have for some years past failed to render statistical returns.

	1936–7.		*1937–8.*	
	Schools.	*Pupils.*	*Schools.*	*Pupils.*
Catholic	105	14,375	116	15,016
Protestant ...	41	4,994	41	5,165
Orthodox	26	2,874	27	3,238
Others	9	654	9	627
Total ...	181	22,897	193	24,046

The following tables give particulars of the Christian schools maintained by local and foreign bodies.

	1936–7.		*1937–8.*	
	Schools.	*Pupils.*	*Schools.*	*Pupils.*
(*a*) *Palestinian* :				
Latin Partriarchate	31	1,636	32	1,545
Greek Orthodox Patriarchate ...	14	800	13	774
Armenian Orthodox Patriarchate ...	4	856	4	951
Syrian Orthodox Patriarchate ...	2	255	2	251
Armenian Catholic Convent ...	1	109	1	126
Orthodox Societies	6	963	6	1,181
Custodia di Terra Santa	16	3,052	16	3,152
Greek Catholic Archbishopric ...	8	857	10	1,050
Russian Religious Schools	—	—	2	81
Others	12	793	13	829
	94	9,321	99	9,940
(*b*) *Foreign* :				
French	32	6,239	36	6,147
British	19	2,622	19	2,808
German	20	2,301	19	2,233
Italian	12	1,701	16	2,173
American	3	465	3	478
Swedish	1	248	1	267
	87	13,576	94	14,106
Total	181	22,897	193	24,046

26. III.—*Jewish Schools* (not included in the Hebrew Public System).—The following table gives comparative figures for two years:—

	1936–7.		1937–8.	
	Schools.	*Pupils.*	*Schools.*	*Pupils.*
Alliance Israélite Universelle	9	4,387	9	4,368
Anglo-Jewish Association (Eveline de Rothschild Girls' School)	1	416	1	417
Women's International Zionist Organisation	5	287	9	483
Agudat Israel Organisation	20	2,079	*19	*2,031
Under Private Control	173	12,816	189	14,157
Total	208	19,985	227	21,456

* These figures include 12 schools and 1,196 pupils of the Beit Ya'aqov girls' school type.

Secondary and Post-Secondary Education and Examinations.

27. The following summaries show the numbers of schools in which secondary education was given:—

	1936–7.				1937–8.			
	Schools.	*Secondary Classes.*	*Boys.*	*Girls.*	*Schools.*	*Secondary Classes.*	*Boys.*	*Girls.*
Arab Public System:								
Training Colleges ...	2	8	85	60	2	9	99	60
Secondary Schools ...	11	20	481	—	11	23	581	—
	13	28	566	60	13	32	680	60
Moslem Schools ...	2	6	118	—	2	6	128	—
Christian Schools:								
Teaching in English...	17	52	486	422	15	56	534	479
,, ,, French ...	9	31	282	202	9	35	305	266
,, ,, German	5	6	57	25	5	9	52	35
,, ,, Greek ...	1	2	12	—	1	3	16	1
,, ,, Italian ...	—	—	—	—	4	10	82	11
,, ,, Arabic ...	—	—	—	—	4	5	50	1
,, ,, Armenian	—	—	—	—	1	4	33	—
	32	91	837	649	39	122	1,072	793
Hebrew Public System:								
Training Colleges ...	4	18	219	448	4	18	249	453
Secondary Schools ...	12	48	1,302	1,331	12	51	1,387	1,430
	16	66	1,521	1,779	16	69	1,636	1,883
Private Jewish Schools:								
Training Colleges ...	1	3	—	62	2	5	—	118
Secondary Schools ...	8	31	337	478	15	53	458	704
	9	34	337	540	17	58	458	822
Total	72	225	3,379	3,028	87	287	3,974	3,558

28. Students are admitted to the Government law classes in Jerusalem in alternate years only; 123 (85 internal and 38 external) new students were admitted in November, 1937.

29. Out of 211 candidates who entered, 201 sat for the Palestine matriculation examination in July, 1938. Of these, 84 obtained the matriculation certificate and 61 qualified for the school certificate. Three candidates presented themselves for the Palestine intermediate examination in July; two passed and one was " referred " in one subject.

30. *Hebrew University.*—At the end of the academic year 1937-8, there were 118 members on the staff of the Hebrew University, including 31 professors and 27 lecturers.

The number of students enrolled was 734 (of whom 196 were women) as against 779 in the preceding year. Undergraduates numbered 685, of whom 462 were in the Faculty of Humanities, 223 in the Faculty of Science, and 49 were research students. About 15 per cent. of the students received their secondary education in Palestinian schools and about 85 per cent. in other countries, notably Poland and Germany. Eighteen candidates presented themselves for the University entrance examination, of whom 9 passed.

Seventeen students in the Faculty of Humanities graduated with the degree of M.A., and the degree of M.Sc. was granted to eight students in the Faculty of Science.

Through the generosity of the French Government, a lectureship in French culture was created in the Faculty of Humanities. The French Government also presented an important collection of French books, in order to promote the study of the French language.

In the Faculty of Science, laboratory accommodation was increased in chemistry and bacteriology.

In addition to the scientific publications of the University staff, the Hebrew University Press continued its series of Hebrew translations from classical philosophical texts. The series now comprises 20 volumes.

The construction of the buildings of the medical centre is nearing completion. The Nathan Ratnoff Medical School building will contain medical laboratories in pathological physiology and anatomy, cancer research, hygiene and bacteriology, and hormone research.

The aggregate expenditure for the financial year 1937-8 amounted to about £P.109,000. Government contributed a grant of £P.543 towards research in agricultural-veterinary work.

31. *Language Examinations for Government officers.*—In the lower standard Arabic examination sixteen passed both the colloquial and literary tests, and nine passed the colloquial test only. In the lower standard Hebrew fifteen passed both the colloquial and literary tests, and one passed the colloquial test only. In the higher standard examinations four out of six passed in Arabic and four out of six passed in Hebrew. The

Arabic examinations were taken by fifteen British and nineteen Jewish officials, while the Hebrew examinations were taken by seven British and eighteen Arab officials.

32. *Government (Arab) Teachers' Examinations.*—At the teachers' lower certificate examination, 24 out of 62 passed in Part I (pedagogy), and 18 out of 62 in Part II (school subjects). At the secondary teachers' certificate examination, 10 out of 18 candidates passed in Part I (pedagogy) and 9 out of 32 in Part II (school subjects). An elementary teachers' higher certificate examination, designed for older teachers was also held: two out of nine passed in both Parts I and II.

33. *Foreign Examinations.*—Eighty-six candidates entered for London University examinations conducted in Jerusalem, of whom 28 passed. Thirty-eight candidates also presented themselves for other British examinations, namely, those for the Cambridge Local Examinations Syndicate, the London Association of Certified Accountants, the Chartered Surveyors' Institution, the Chartered Institute of Secretaries, the Institute of Book Keepers, the Town Planning Institute, and Pitman's Shorthand Institute. Of those entering 23 passed.

Agricultural Education.

34. Agricultural education of an elementary nature is provided in many of the general schools, both Arab and Jewish. There are also a number of special institutions with various standards and aims:—

(*a*) *In the Arab Public (Government) School System* there were 219 gardens in general elementary or secondary schools with a total area of 2,216 dunums (about 550 acres). Of these gardens 90 were supervised by trained agricultural teachers.

The school nurseries raised over 24,000 fruit trees during the year, and distributed about 4,000 seedlings, either free or at a low price. Over 15,700 forest tree seedlings were also raised, and over 12,000 were similarly distributed. Three hundred and twelve dunums were planted with vegetables, and 120 dunums with cereals. Sixteen thousand seedlings of improved vegetable varieties were distributed.

In January, 1938, about 30,000 forest trees, 3,000 fruit trees and 5,000 grape vines were planted by Government school pupils.

Twenty-seven schools kept bees with a total of 310 hives; poultry was raised in 13 schools, and rabbits in five schools. Experiments were made with preserving home fruit and vegetables.

(*b*) Agricultural studies are as yet a less prominent part of the *Jewish Public School System* but are being steadily developed. Gardening is done in most of the rural schools and in the majority of urban schools.

35. The two Kadoorie schools, maintained partly from the Kadoorie bequest but largely by Government, are, with Mikveh Israel, the principal special institutions for vocational training in agriculture.

(*a*) *The Kadoorie Agricultural Arab school, Tulkarm,* was reopened in September, 1937, when 48 of the 60 students who had been dismissed in April, 1936, for going on strike, were readmitted. Twenty-five finished their course in January, 1938, and twenty-eight new students were admitted.

(*b*) *The Kadoorie Agricultural Jewish school, Mount Tabor,* was open throughout the year. Twenty-one students completed their course in August, 1937, and seven of them formed a co-operative farm.

(*c*) *Mikveh Israel.*—The total number of pupils in the three classes were 292, all boys and boarders coming from 22 different countries. Ninety-three finished their course in 1938. The accommodation available at the school is being enlarged so as to allow the number of pupils to be increased to 400. A shorthand course of two years has been introduced for the benefit of the more indigent students, and 76 are availing themselves of it.

36. Other Agricultural institutions which are mainly of a more elementary and practical type are as follows:

	Numbers of pupils (approximate).		
	Boys.	*Girls.*	*Total.*
(a) *Jewish*:			
Children's Village, Ben-Shemen	103	69	172
Children's Village, Meir Shefeya	60	56	116
Agricultural School, Pardess Hanna ...	57	13	70
Girls' Agricultural School, Nahalal ...	—	121	121
Wizo Girls' School for Domestic Science and Agriculture, Nahalat Yitzhaq ...	—	60	60
Five Training Farms for Girls (Wizo and Women Workers' Council)	—	186	186
Girls' Agricultural Farm School, Talpiyot, Jerusalem	—	40	40
Girls' Agricultural Farm (Women Workers' Council), Tel Aviv	—	34	34
(b) *Non-Jewish*:			
Trappists' Agricultural School, Latrun ...	16	—	16
Salesian Agricultural School, Beit Jamal...	47	—	47
Latin Agricultural School, Rafat	30	—	30

Improvements were effected in some of the girls' agricultural school farms. The Pardess Hanna school is a secondary school.

Manual Training and Technical Education.

37. Manual work is part of the general curriculum in Government schools. A weaving section has been introduced at Majdal village school. The weaving section at Bethlehem Government boys' school did not function during the year, but the industrial section of the Dura village school continued to work.

38. The Government Trade School for Arabs at Haifa was opened in October, 1937, with 50 pupils. Of these forty, selected from the higher elementary classes, constituted a first year class in general carpentry and metal work prior to specialization in various trades. The remaining ten pupils formed a special class selected from the second secondary class of technical sections of Jaffa and Nazareth, for a year's continuation course. They were trained as teachers of drawing and manual work in general schools. All the pupils were boarders, paying an inclusive fee of £P.12 a year. The course is intended to cover three years.

39. There was a considerable increase in the number of students at the Max Pine and the Mizrahi Trade Schools at Tel Aviv.

Additions were made to the new trade school in Yajur settlement, near Haifa, which is used for immigrant Jewish youth, mostly from Germany.

Higher technical education is provided at the Hebrew Technical Institute, Haifa, which trains civil engineers, architects, and mechanical or electrical engineers. The students numbered 527 of whom 45 took the final diploma examination, controlled by Government. Thirty-five students took both the written and the project parts and 20 qualified for the diploma. The trade school and technical secondary school attached to the Institute were amalgamated into one, and had 185 pupils.

40. The technical schools and institutions in Palestine are as follows:—

	Pupils.		
	Boys.	*Girls.*	*Total.*
Arab Public System:			
Government Trade School for Arabs, Haifa ...	51	—	51
Moslem Schools:			
Moslem Orphanage, Jerusalem* (Technical Section)	39	—	39
Christian Schools:			
Syrian Orphanage, Jerusalem* (Trade Section) ...	52	—	52
Salesian School, Bethlehem* (Technical Section) ...	40	—	40
Ratisbonne School, Jerusalem (Technical Section)	11	—	11
Hebrew Public System:			
New Bezalel School of Arts and Crafts, Jerusalem...	21	15	36
Rebecca Somekh Trade School for Girls, Jerusalem	—	63	63
Max Pine Trade School, Tel-Aviv	116	—	116
Mizrahi Trade School, Tel-Aviv	33	—	33
Trade School for Yemenite Girls, Shekhunat Marmorek	4	121	125
Hebrew Technical Institute, Haifa:			
i. Vocational High School	185	—	185
ii. Engineering College	507	20	527
Ludwig Tietz Trade School, Yajur	67	—	67

* Includes a boarding section.

41. *Education of defectives.*—There has been no appreciable change in the number of blind and deaf and dumb persons cared for in special schools. The following are the figures for the year:—

	Blind.	*Deaf and dumb.*
Arabs:		
Government School for the Blind, Hebron ...	14	—
Syrian Orphanage Jerusalem	4 in school (boys) 5 in workshops (boys)	—
Moslem Orphanage, Jerusalem	12 in workshops, including 4 girls	—
Sisters of St. Vincent de Paul, Jerusalem ...	18 in school, including 4 boys	15 in school including 4 boys
The "Thankful Hearts' League" School for the Deaf, Jerusalem ...	—	12 in school all boys
Jewish:		
Institute of the Blind, Jerusalem	27	—
Alliance Israélite School for the Deaf and Dumb, Jerusalem	—	26

The municipal school for mentally defective children at Tel Aviv had 110 pupils. A similar school in Petah Tiqva also continued to exist with about 50 pupils. The Jewish school for mentally defective children was transferred from Jerusalem to Ramat Gan. A special branch for retarded, problem, and mentally defective children has been established by the Tel Aviv local authority as a part of its educational service.

42. *Physical training, athletics, scouting, etc.*—Progress was made with courses for teachers of physical training in Government schools, and the general level of athletics was maintained.

Political conditions have greatly disturbed all scout and guide work and the majority of groups of the Palestine Boy Scouts' Association have been inactive during the year.

The new association of Jewish scouts (boys and girls), established in 1936, now numbers 3,000.

Probation Service.

43. The progress made in the preceding year in the development of the probation system was maintained during 1938, but further progress in actual probation work was rendered impossible owing to the disturbed condition of the country. The full time and the part time probation officers in the principal towns continued to work, although their activities were necessarily curtailed.

44. In 1937, 2,007 boys were dealt with by the courts; in 1938 the number was 1,135 of whom 776 were Moslems, 310 Jews and 49 Christians. This year's figures, owing to the

abnormal conditions, cannot be regarded as indicative of the actual amount of juvenile delinquency in the country and are not of comparative value.

45. The Juvenile Offenders Ordinance, which was enacted on the 18th February, 1937, came into operation on the 22nd September, 1938. The Ordinance provides for the establishment of juvenile courts and so legalizes the existing practice of hearing all juvenile cases *in camera*. Rules under the Ordinance have been made and court procedure is now simplified. The interest of young offenders is safeguarded both before and during trial.

46. A remand home for the detention of young offenders awaiting trial or transfer on committal to an institution has been established in Jerusalem. An important provision embodying a new principle in Palestine law is contained in section 16 of the Ordinance. This section empowers the court to deal with children and young persons who are found to be in need of care and protection. It also provides that in certain cases Government will provide for the maintenance of such children or young persons in private institutions. It is anticipated that when full use is made of these provisions an appreciable degree of preventive work will be possible.

47. The essential co-operation between police and probation officers has been maintained, and, following the enactment of the Juvenile Offenders Ordinance, instructions were issued to all police stations regarding the treatment of young offenders during interrogation and preliminary investigation.

Quarterly statistical returns of juvenile offenders are submitted from each police district to the probation office.

48. The connection between the Probation Service and the Government Boys' Reformatory School, Tulkarm, has been strengthened by the transfer of the school from the Police and Prisons Department to the Department of Education.

49. The number of boys committed to the Reformatory School was 83 compared with 177 in 1937. This represents 7·3 per cent. of the total cases dealt with as compared with 9·6 per cent. in 1937.

Boys to the number of 205 were placed on probation for periods varying from 12 months to 3 years.

50. Apart from the regular staff there are a number of Arab and Jewish Honorary Probation Officers. The Arab Honorary Probation Officers for the most part are headmasters of Government secondary schools, and the Jewish Honorary Probation Officers are the trained social workers of the Department of Social Service of the Va'ad Leumi and the Social Service Department of the Municipality of Tel Aviv. Their help and co-operation has been of great value.

XX—PUBLIC HEALTH.

1. **Epidemic Diseases.**—During the year 1938 there were 6,450 cases of notifiable disease reported with 788 deaths, as compared with 11,693 cases with 1,390 deaths in 1937.

The diseases showing the greatest incidence were typhoid fever with 1,643 cases in 1938 as compared with 2,049 cases in 1937, and measles with 3,218 cases in 1938 whereas in 1937 7,594 cases were notified.

It is recognised, however, that the notification of these diseases was incomplete owing to the unrest in the country. Movement of the population was greatly restricted, which controlled the spread of the infecton. At the same time mild and isolated cases did not seek medical aid and consequently were not reported. Nevertheless, there was an actual decrease in the incidence of both these diseases.

A system of whole blood prophylaxis was instituted against measles in the centres where the disease was most prevalent, which proved of value in preventing the spread of the disease and in modifying the severity of its course.

There was a definite decrease in the notifications received during the year of typhus and cerebro-spinal meningitis; the former with 176 cases in 1938 compared with 262 cases in 1937; the latter with 14 cases as compared with 44 cases respectively.

Notifications of influenza showed an increase to 46 cases in 1938 with one death, as compared with 22 cases with 3 deaths in 1937. The distribution of these cases was scattered and without any localized outbreak.

No case of smallpox, cholera or plague occurred during the year 1938 amongst the indigenous population. Protective vaccination was maintained in regard to these and to all new immigrants to the country.

2. *Ankylostomiasis and Village Sanitation.*—The campaign for the investigation and treatment of hookworm disease was continued during the year, although the troubled state of the country necessarily curtailed such work in new areas and considerably reduced re-surveys of treated cases and the treatment and re-treatment of infested individuals.

Three thousand, five hundred and ninety-three persons were examined for helminthic infestation from areas not previously investigated. This investigation showed an average infestation incidence of 29 per cent. with a maximum figure of 60 per cent. One thousand, five hundred new cases received treatment.

Rural sanitary measures, particularly the introduction of latrines in village areas, are important in the campaign against this disease. They therefore continued to receive the attention which their success in previous years warranted.

Some 25,000 village latrines have been installed during the last seven years.

Scavenging control in individual houses and constant inspection of latrines, with a view to proper use, are now a routine in most rural centres of population.

3. *Schistosomiasis.*—The survey of schistosomiasis infestation continued to be the duty of a special unit of the department. The work comprises field investigation in suspected localities, incidence of infested molluscs and human infestation.

During the year some 2,000 individuals were examined from the general population in one area resulting in an infestation rate of 1·2 per cent. with schistosomum haematobium. No schistosomum mansoni was found in these cases.

The principal foci in Palestine still appear to be the River Rubin and the River Auja, both in the southern district.

A previous important focus of dissemination of the disease, the annual Moslem festival which draws thousands of people to the Rubin area for some weeks, was absent during 1938.

4. *Tuberculosis.*—The modified scheme for a tuberculosis service proposed as a result of the survey carried out in 1935 had again to be deferred for reasons of economy.

The various tuberculosis clinics of the department dealt with 8,063 attendances during the year. Of these, 301 were new cases, of which 233 were pulmonary and 68 non-pulmonary, compared with 237 and 67 respectively in 1937.

Notified deaths from tuberculosis (all forms) were 211 in 1938 as compared with 234 in 1937 and 201 in 1936.

The attendances recorded are considered to be very encouraging when compared with the difficulties and dangers of travel during the period under review; and there is no doubt that the population would respond eagerly to a well-organized scheme of tuberculosis treatment and control.

Three hundred and fifty-seven artificial pneumothorax inductions and refills were administered at the Jerusalem and Haifa clinics during 1938, the phrenocectomy was carried out in two cases with very encouraging results.

Careful records are kept of all cases investigated, and effort at home control is the general rule as far as circumstances permit.

5. *Venereal Diseases.*—A total attendance of 42,161 indicated that main treatment centres continued to work in a highly satisfactory manner throughout the year in spite of the difficulties prevailing.

The routine treatment of gonorrhoea and syphilis was brought into line with the latest modern opinion, sulphanilamide being in general use for the former complaint. The following figures indicate new cases reporting for treatment during the year:—

syphillis	539
soft sore	18
gonorrhoea	400
non-venereal	640

Eight thousand and eleven serological and microscopical examinations were carried out, and an effort was made to influence " follow up " procedure, resulting in 9,781 injections of arsenic and 9,326 of bismuth.

The incidence of syphilis appeared to be proportionately high. This is due to the results of the campaign against the endemic form of the disease in the Hebron area where mass investigation and treatment is the procedure followed.

Venereal disease in women is a special feature of the campaign and is solely under the control of women medical officers.

6. *Malaria.*—The unsettled state of the country caused more difficulty in the control of malarial conditions generally than in any other sphere of work undertaken by the Department of Health. Nevertheless, routine antimalarial measures were well maintained in urban areas where the incidence continued to be negligible, while rural districts received adequate attention, although interrupted and spasmodic from time to time. That this disease has not produced any damaging effect in the country as a whole, in spite of the existing troubles, is due to the work of previous years, to the system of observation in force and to the prompt action taken on an increase in incidence in any area.

Sixty-seven mosquito-catching stations now operate and these are being considerably augmented as valuable information in regard to dangerous breeding grounds can thus be obtained.

Spleen rates for the last three years were as follows:—

Number of children examined in 1938.	*1938. per cent.*	*1937. per cent.*	*1936. per cent.*	*1935. per cent.*
Urban areas: 35,874 ...	1·4	1·5	1·8	1·7
Rural areas: 32,696 ...	4·5	4·7	6·7	7·4

Routine measures were intensified where military forces had to be stationed in potentially endemic areas, but night patrols and pickets all over the country tended to create a special problem. In all the circumstances the small number of fresh infections of malaria by the security forces may be considered to have been very satisfactory.

7. Although no new major schemes of antimalarial drainage could be undertaken owing to financial stringency and labour difficulties, progress was continued on certain works of improvement to existing schemes.

Thus the drainage of the important Birket Ramadan area received further attention, while the works in existence at Lake Tiberias, Bassah, Ra'anana, Ras el Ain, and Rubin were fully maintained.

8. The following statistical tables are of interest:—

Infectious Diseases.

Diseases.	*1936.*		*1937.*	
	Cases.	*Deaths.*	*Cases.*	*Deaths.*
Acute Poliomyelitis ...	18	4	19	1
Anthrax	25	4	20	—
Cerebro-Spinal Meningitis	44	26	14	6
Diphtheria	373	32	256	19
Dysentery	373	27	303	28
Encephalitis Lethargica ...	3	2	—	—
Influenza	22	3	46	1
Measles	7,594	669	3,219	175
Paratyphoid	201	7	132	1
Pneumonia	512	390	470	388
Puerperal Fever	45	24	22	6
Relapsing Fever	40	—	38	—
Scarlet Fever	116	—	67	—
Typhoid	2,049	194	1,643	155
Typhus	262	3	176	5
Undulant Fever	7	—	18	—
Blackwater Fever	2	1	2	2
Kala Azar	7	4	5	1
Totals ...	11,693	1,390	6,450	788

Births, Deaths and Infant Mortality—1934-8.

Year.	*Birth-rate per 1,000 living.*	*Number of births registered.*	*Estimated population Mid-Year.*	*Number of deaths registered.*	*Death-rate per 1,000 living.*	*Infant deaths.*	*Infant mortality.*
1934 ...	41·59	45,942	1,104,605	24,136	21·85	7,245	157·69
1935 ...	45·16	53,940	1,194,529	22,249	18·62	7,092	131·48
1936 ...	44·88	56,993	1,269,952	20,465	16·11	6,929	121·57
1937 ...	41·58	54,749	1,316,767	24,882	18·90	8,369	152·86
1938 ...	39·89	53,928	1,352,066	20,268	14·99	6,040	112·00

Births, Deaths and Infant Mortality, 1938.

	Christians.	*Moslems.*	*Jews.*	*Others.*	*Totals.*
Estimated settled population on 30th June, 1938	111,796	828,606	399,808	11,856	1,352,066
Deaths	1,391	15,449	3,231	197	20,268
Death-rate per 1,000 of population	12·44	18·64	8·08	16·61	14·99
Births	3,818	39,048	10,563	499	53,928
Birth-rate per 1,000 of population	34·15	47·12	26·42	42·09	39·89
Deaths—Infants under one year	397	4,983	615	45	6,040
Infant mortality-rate per 1,000 births	103·98	127·61	58·22	90·18	112·00
Natural Increase per 1,000 of population ...	21·71	28·48	18·34	25·48	24·90

9. The estimated mid-year population is based on the census of 1931 after allowing for natural increase of population and that due to migration. His Majesty's Forces and nomadic Bedouin tribes, the latter numbering 66,553 in 1931, are not included in this figure.

10. *Regulation of Trades and Industries.*—The enforcement of the provision of the Trades and Industries (Regulation) Ordinance was maintained with difficulty in the larger towns but it was suspended altogether in certain rural areas owing to the disturbed state of the country. Nevertheless licences issued during the year 1938 numbered 18,747 as compared with 21,288 in the previous year.

During the year establishments or depots for receiving goods or materials for laundering, dyeing or dry cleaning were added to schedule of controlled trades and industries.

11. *Food Control.*—This branch of the Department's activities was actively maintained in the larger towns during the year under review. Certain relaxation, however, was unavoidable in the rural districts.

Particular attention was paid to the application of food standards.

The Public Health (Rules as to Food) Ordinance and rules thereunder were amended in order to be more effective. Under the amendments *inter alia* medical officers are given powers to condemn, and have destroyed, foodstuff which in their opinion is unwholesome or unfit for human consumption.

Rules for the purpose of effecting adequate control over the importation of meat and edible viscera into Palestine, were also enacted.

12. *Drainage and Sanitation.*—Municipal sanitary services were on the whole well maintained in the principal towns, having regard to the difficult conditions prevailing from time to time and certain attempts connected with the disturbances to interfere with public services. Local and temporary interruptions occurred in the towns of Jerusalem, Jaffa and Haifa, but through the efforts of the sanitary surveyors and the loyalty of their staff, scavenging services were quickly restored. It is a matter for regret that the local staff were the victims of armed attacks by terrorists, in several cases with fatal results.

Progress was made with the Jerusalem main drainage scheme in Jerusalem in the western sections of the city, and with minor extensions of laterals in Haifa and Jaffa. Main drainage works in Tel Aviv still await the raising of funds but to relieve the insanitary conditions in certain built up areas work proceeded with temporary drainage lines designed so as to be suitable for eventual incorporation in the main scheme. Main drainage schemes for Gaza and Majdal were prepared.

The department advised on the sanitary aspects of a large number of public buildings and private enterprises.

13. *Water Supply.*—Routine laboratory examinations of public water supplies, in the various municipalities, were carried out by the department. Recommendations were made for the improvement of main supplies in the towns of Hebron, Acre, Tulkarm and Majdal. An additional bore and pumping plant were constructed in Jaffa. These will serve the southern section of the town and will be incorporated in the scheme prepared by consulting engineers for the complete supply.

The programme of work for the improvement of village water supplies was suspended owing to financial stringency and the disturbed conditions.

14. *Medical Supervision of Maritime and Air Traffic.*—There was a slight increase in the number of ships arriving at Palestine ports during the year, and air traffic expanded very considerably.

The construction of buildings at Tel Aviv port for dealing with passenger and immigrant traffic was completed, and the port was opened for all classes of arrival except those necessitating quarantine observation.

During the year, 1,777 steamships and 457 sailing vessels called at Haifa port, 794 steamships and 504 sailing vessels at Jaffa port, 769 steamships and 30 sailing vessels at Tel Aviv port, one steamship and 42 sailing vessels at Gaza, and 314 sailing vessels at Acre.

Quarantine surveillance of air traffic was carried out at the various ports. The number of aircraft dealt with was as follows: Lydda (1,722), Haifa (591), Tiberias (362), and Gaza (9). The total number of aircraft was 949 in excess of the number dealt with in the previous year.

The usual sanitary supervision of the Hejaz pilgrim traffic was carried out. Six hundred and ninety-nine Palestinian and 28 Trans-Jordan pilgrims proceeded to Mecca. All were required to undergo medical examination and vaccination against smallpox and cholera before departure. Seventy-seven foreign pilgrims passed through Palestine on their way to the Hejaz. The health of the pilgrimage was declared satisfactory by the International Quarantine Board. Three Palestinians died from non-infectious diseases in the Hejaz and one shortly after return.

In addition to Palestinians returning from the Hejaz, 250 foreigners entered Palestine in transit to their respective countries. All were kept under medical surveillance for five days after arrival or during their period of transit though the country.

15. *The Practice of Medicine, Dentistry, etc.*—During the year 68 new licences to practise medicine were granted and 46 licences were cancelled on account of death or loss of residential qualification of the holder. A further 50 licences were in process of cancellation for the latter reason at the end of the year.

The proportion of licensed practitioners to the settled population (excluding nomadic bedouin) is approximately one to 670 persons.

There were 51 new licences granted to practise dentistry and 5 were cancelled or withdrawn.

In the profession of dentistry there is one dentist to 2,000 of the population.

Thirty-three pharmacists' licences were issued and five were cancelled. The number of licensed pharmacists is 424 or one to 3,180 persons of the settled population. All these professions are seriously overcrowded.

Twenty-eight new licences to practise midwifery were granted and 9 withdrawn.

The number of persons holding licences at the end of the year are shown in the following table:—

Licences of Doctors, Dentists, Pharmacists and Midwives, 1938.

—	*Licensed until end of 1937.*	*Licensed during 1938.*	*Cancelled during 1938.*	*Cancellations withdrawn during 1938.*	*Licensed until end of 1938.*
Doctors ...	2,206	68	46	—	2,228
Dentists ...	593	51	4	1	641
Dental Practitioners ...	28	—	2	—	26
Pharmacists ...	393	36	5	—	424
Asst. Pharmacists	45	1	—	—	46
Midwives ...	513	28	9	—	532

16. *Hospitals and Dispensaries.*—The new hospital at Haifa comprising 220 beds was opened in October, 1938, and patients from the old leased buildings were transferred to it. The hospital is situated close to the sea, and is sited and constructed with special reference to the prevailing wind in the summer. Its installations and equipment are well up to the standard of modern European hospitals.

The Government Hospital at Jerusalem was extended to allow for additional beds for the wives and families of British police and soldiers.

The construction of the small infectious hospital at Jerusalem, was delayed owing to labour difficulties and disturbances, but it will be completed, it is hoped, early in 1939.

The disturbances resulted in a great increase of surgical admissions to Government and other hospitals, but this was offset by a necessary restriction in the number of admissions of medical cases and a smaller incidence of infectious disease.

All Government hospitals and clinics continued to be maintained throughout the country and were not molested. Private and voluntary hospitals also continued their activities.

The construction of the Hebrew University Hadassah Hospital on Mount Scopus, Jerusalem, was completed during the year. The building will accommodate 300 patients as well as the offices of the Hadassah medical organization.

The out-patient departments and clinics throughout the country whether Government or voluntary, worked at full pressure. The poverty of the people drove them to attend at hospitals and Government clinics, rather than at the clinics of private doctors who suffered in consequence.

The Government ophthalmic clinics and first-aid posts were fully attended and did much good work in the campaign against acute ophthalmia and trachoma. Liaison with the Ophthalmic Hospital of the Order of St. John was maintained.

There was an increase of admissions to Government hospitals, which were 20,525 as compared with 20,091 in 1937. There was, however, a decrease in the number of admissions to voluntary general hospitals which were 32,067 as compared with 35,025 in 1937.

Outpatients attending at all institutions, Government, municipal and voluntary, were 939,183, compared with 879,907 in 1937.

17. The following is a classified summary of new patients admitted to hospitals or attending dispensaries and clinics during the year:—

—	*Moslems.*	*Christians.*	*Jews.*	*Unclassified and others.*	*Totals.*
In-patients:					
Government and Municipal Hospitals	9,183	2,687	8,605	50	20,525
Voluntary Hospitals	8,874	4,465	18,703	25	32,067
Out-patients:					
Government and Municipal Dispensaries	137,341	17,182	25,601	67,613	247,737
Voluntary Organizations	85,818	33,709	571,814	105	691,446

18. The following tables provide more detailed information of the activities of:

A. Government and municipal hospitals.

B. Voluntary general hospitals.

C. Special hospitals:

(*a*) voluntary,

(*b*) Government.

(A) Government and Municipal Hospitals—1938.

Hospitals.	Nominal Bed-Strength.				Admissions.					Deaths.	Discharges.	Daily average number of beds occupied.	Number of beds occupied at end of year.
	General.	Isolation.	British.	Maternity.	Moslems.	Christians.	Jews.	Others.	Totals.				
Jerusalem, Government ...	73	11	16	16	1,790	1,073	171	3	3,037	134	2,896	90·7	100
Haifa, Government	88	76	30	26	1,769	853	509	44	3,175	188	3,028	133·5	130
Safad, Government	—	28	—	—	484	163	90	1	738	39	703	24·5	19
Jaffa, Government	67	73	7	3	2,198	480	5	—	2,683	172	2,515	91·0	75
Nablus, Government ...	59	19	4	3	2,223	49	—	1	2,273	171	2,117	97·6	83
Beersheba, Government ...	8	—	—	—	207	4	1	—	212	27	122	8·7	5
Gaza, Government	24	4	2	2	505	23	—	1	529	42	482	17·5	19
Bnei Beraq, Government ...	—	36	—	—	—	7	494	—	501	27	484	17·3	15
Tel-Aviv, Municipal ...	211	—	—	23	7	35	7,335	—	7,377	485	6,873	290·5	305
Totals ...	530	247	59	73	9,183	2,687	8,605	50	20,525	1,285	19,290	771·3	751

Hospital Organization.	*Nationality.*	*Location.*	*Nominal bed-strength.*	*Admissions.*					*Deaths.*	*Discharges.*	*Daily average number of beds occupied.*	*Number of beds occupied at end of year.*
				Moslems.	*Christians.*	*Jews.*	*Unclassified and other religions.*	*Totals.*				
Hadassah Women's Zionist Organization of America	American	Jerusalem	190	3	9	5,286	—	5,298	252	5,032	181·2	183
,, ,, ,, ...	,,	Safad	58	—	—	123	—	123	9	109	56·0	59
Church Missionary Society ...	British	Jaffa	57	477	71	1	—	549	21	539	16·2	13
,, ,, ,, ...	,,	Gaza	63	1,126	42	1	—	1,169	57	1,114	28·0	26
,, ,, ,, ...	,,	Nablus	45	572	61	—	—	633	17	627	14·1	13
British Mission to Jews	,,	Jerusalem	70	4	50	713	—	767	5	810	43·0	—
Jerusalem and the East Mission ...	,,	Hebron	32	663	8	—	—	671	41	633	18·4	13
Edinburgh Medical Mission Society	,,	Nazareth	72	1,136	215	—	—	1,351	64	1,308	46·2	30
Church of Scotland	,,	Tiberias	70	614	104	126	4	848	56	797	30·0	49
Misgab Ladach (Private donations, local and abroad)	Palestinian	Jerusalem	34	—	—	270	—	270	13	250	14·6	21
New Bicur Holim (local funds and abroad, mostly United Kingdom and U.S.A.)	,,	,,	120	—	2	1,316	—	1,318	143	1,181	50·8	49
Old Bicur Holim (local funds and abroad, mostly United Kingdom and U.S.A.)	,,	,,	20	—	—	12	—	12	10	6	19·4	16
Sick Fund of General Federation of Jewish Labour in Palestine ...	,,	Motza	84	—	—	1,217	—	1,217	—	1,156	73·3	61
,, ,, ,, ...	,,	Affula	72	3	3	1,901	—	1,907	40	1,862	64·2	67
,, ,, ,, ...	,,	Tiberias	30	7	1	1,129	—	1,137	18	1,113	31·6	32

Sick Fund of General Federation of Jewish Labour in Palestine...	Palestinian	Petah Tiqva	66	1	15	3,480	—	3,496	86	3,400	102·1	111
Jewish Community of Haifa ...	„	Haifa	53	1	9	1,797	—	1,807	82	1,703	67·5	77
French Hospital	French	Jerusalem	150	737	595	12	—	1,344	47	1,313	43·3	30
„ „	„	Bethlehem	80	400	614	—	—	1,014	22	997	42·0	25
„ „	„	Jaffa	110	828	277	13	—	1,118	53	1,079	34·2	32
„ „	„	Nazareth	56	663	282	—	—	945	37	902	26·4	28
Shaare Zedek, Tutors and Protectors of the Jewish Community in the Holy Land, Amsterdam...	German	Jerusalem	53	4	12	1,079	—	1,095	44	1,045	27·8	28
Rheinisch Westphalischer Diakonessen Verein Der Kaiserwerth am Rhein	„	„	80	697	843	13	—	1,553	62	1,504	51·2	33
Temple Society	„	Jaffa	20	48	153	2	—	203	3	200	5·1	3
Order of Sisters of St. Charles ...	„	Haifa	40	337	306	89	15	747	43	715	23·5	15
Associazione Nationale Italiana di Torino	Italian	Jerusalem	60	352	568	27	—	947	23	914	23·5	32
„ „ „ ...	„	Haifa	50	201	225	96	6	528	17	496	21·0	25
Totals			1,835	8,874	4,465	18,703	25	32,067	1,265	30,805	1,154·6	1,071

(C) Special Hospitals—1938.

Hospital Organization.	*Nationality.*	*Locations.*	*Nominal bed-strength.*	*Admissions.*					*Deaths.*	*Discharges.*	*Daily average number of beds occupied.*	*Number of beds occupied at end of year.*
				Moslems.	*Christians.*	*Jews.*	*Unclassified and other religions.*	*Totals.*				
(*a*) Voluntary Special Hospitals, Ophthalmic Hospital of the Order of St. John of Jerusalem in England	British	Jerusalem	45	614	149	5	—	768	—	782	30·7	19
Leper Hospital, International Moravian Society, London ...			60	6	—	2	—	8	4	6	23·6	24
Ezrath Nashim Society, Home for Insane and Incurables ...			60	—	—	32	—	32	—	32	62·6	61
			165	620	149	39	—	808	4	820	116·9	104
(*b*) Government Special Hospitals— Mental Hospital No. 1		Bethlehem	105	—	3	2	—	5	2	2	107·7	105
Mental Hospital No. 2		,,	52	2	—	1	—	3	1	3	51·0	51
			157	2	3	3	—	8	3	5	158·7	156

19. *Ophthalmic service.*—Ophthalmic clinics worked very satisfactorily during the year. Main centres are now stabilized in eleven towns, while first aid units operated in 23 villages. Three additional village centres functioned for short periods to deal with localized epidemics.

The mobile ophthalmic unit worked throughout the season in 12 villages not served by the more permanent centres.

The following figures indicate how little the dangers attending medical work in rural areas affected the control, by the Department of Health, of one of the most important diseases in the country:

New cases.			*Total attendances.*		
1936.	*1937.*	*1938.*	*1936.*	*1937.*	*1938.*
63,480	72,673	66,173	864,647	990,837	952,203

In schools the medical service carried out a considerable amount of eye disease treatment as a part of its normal routine, and dealt with 13,757 new cases. A total of 1,115,788 and 1,688,754 attendances were recorded in town and village schools respectively.

The ophthalmic hospital of the Order of St. John in Jerusalem dealt with 768 inpatients and 14,115 outpatients during the year under review.

20. *Nutrition.*—Nutrition problems received attention during the year and a scheme has now been introduced for the collection of certain statistics on a family visitation and infant welfare basis.

21. *Grants in aid by Government to Jewish Medical Services and Institutions.*—The annually recurrent grants were:

	£P.
School Hygiene and Ophthalmic Service	2,041
Infant Welfare Services	1,771
Contribution to Tuberculosis Hospital, Safad	1,700
Contribution to Tel Aviv Municipal Hospital	6,841
Total	£P.12,353

Owing to lack of funds no provision was made for any non-recurrent grants of assistance to voluntary institutions. A sum of £P.3,100 was, however, paid towards the cost of a radiological section of the new Hebrew University Hospital. This amount constitutes the second instalment of a total grant to the Hebrew University Hospital of £P.6,200 approved by Government in 1937, and is payable on completion of the buildings.

22. *Maternity and Infant Welfare Services.*—In spite of the conditions in the country these services were maintained and developed. Three new Government village infant welfare centres were opened and in Jewish settlements six were opened

by Jewish medical organizations. There are now 36 infant welfare centres operating mainly for Arab children and 49 for Jewish children. The number of children recorded on the registers of these centres as attending regularly was 18,200 at the close of the year. At certain of the centres, the staff undertook the administration of relief to women and children suffering from distress arising out of the disturbed conditions.

Sixteen pupils graduated from the Government training school for midwives in Jerusalem during the year.

The work of the gynaecological clinics which are held by the women medical officers in Jerusalem, Jaffa, Ramleh, Nablus and Acre and Haifa was continued. Owing to insecurity on roads, however, the visits of medical officers to these clinics were interrupted, but at the end of the year the majority of them were again working normally.

23. *Laboratory Services.*—The Department of Health continued, as in previous years, to afford the requisite facilities for the laboratory diagnosis of disease and for the scientific investigation of epidemiological conditions. Its laboratory services also undertake the analytical examination of foods, waters, drugs and the like and provide for bio-chemical, chemico-legal and medico-legal investigations, agricultural analyses and the verification of weights and measures. The central laboratories include bacteriological, chemical, entomological, agricultural, forensic, physical and bio-chemical divisions as well as the central anti-rabies manufacturing Pasteur Institute and the calf-lymph establishment. These laboratories prepare for Palestine and Trans-Jordan smallpox lymph, anti-rabies vaccine and all prophylactic and curative vaccine required, including anti-enterica, anti-cholera, and anti-plague; in addition they undertake the histo-pathological examination of morbid material and all kinds of bio-chemical studies. Port and quarantine laboratories are also established at Haifa and Jaffa and these cater for the diagnostic needs of the adjacent towns too. During 1938 additional laboratory facilities were provided at the infectious diseases hospital at Bnei Beraq near Tel Aviv. The department continues to exercise a strict control over other laboratories and scientific institutes maintained by private funds and annually renewable licences are issued to approved persons considered qualified to conduct public pathological and bacteriological laboratories.

During 1938 bacteriological examinations and investigations have totalled approximately 241,000—a number which, though somewhat lower than the figure for 1937 owing to traffic restrictions, exceeds the 1936 total by over 20,000. In addition, the bacteriological division of the central laboratories prepared 159,200 doses of calf-lymph, 159,600 c.c. of killed carbolised

anti-rabic vaccine, 85,710 c.c. of anti-enterica, 3,570 c.c. of anti-cholera, and 1,320 c.c. of anti-plague prophylactics. Vaccine issues included 177,690 doses of calf-lymph, 197,448 c.c. of anti-rabic vaccine, 78,288 c.c. of T.A.B., 20,024 c.c. of T., 144 c.c. of anti-cholera and 108 c.c. of anti-plague vaccines. The issues of anti-enterica prophylactics and of carbolised virus were considerably less than in 1937, due to a lower incidence of the typhoid-paratyphoid group of fevers and to a diminished activity among biting animals respectively. Anti-rabic vaccine was distributed to 40 towns and provincial treatment centres where 2,170 patients, bitten and at-risk, have received advice and specific treatment. Canine prophylactic also has been issued on demand by the veterinary authorities. The success rate among those receiving primary vaccinations exceeded 95 per cent. As a result of several years study and investigation, the method of preparation of anti-enterica vaccines has undergone considerable modification and the technique evolved embodies the latest ideas in this branch of bacteriology. Other activities include the performance of nearly 12,000 Wassermann reactions with, where necessary, Kahn tests in parallel series, the bi-weekly control of the Jerusalem water supply and Young Men's Christian Association swimming pool and the preparation of 170 autogenous vaccines.

In the entomological division, the identification and classification of insets of medical importance continued. Routine examination of mosquitoes in their adult and larval stages and of the several species of fleas parasitic on port rats was carried out.

In the chemical division, some 14,700 samples of all kinds were dealt with—an increase of 20 per cent. over last year's figure in spite of a certain curtailment in food sampling due to unsettled local conditions.

Under the Public Health (Rules as to Food) Ordinance, 9,196 samples were taken, of which 5 per cent. were either below standard or improperly labelled. An intensive sampling of butter in local packing establishments and retailers was undertaken, and of the 547 samples 14 per cent. failed to conform to the requirements of the Ordinance. Of 75 samples of new seasons olive oil, 20 per cent. contained more than 10 per cent. of acidity, while 6 per cent. were adulterated.

The bio-chemical branch dealt with 2,027 specimens, the agricultural branch with 1,568 samples of soil, water, fertilizers and agricultural products. Suitable accommodation is now available in the latter branch for " pot experiments " on soils and fertilizers. Time was found also for investigations on local organic manure and the effect of irrigation with saline water.

Exhibits examined in connection with criminal investigation numbered 309.

Town Planning and Housing.

24. During the year consideration continued to be given to town planning schemes throughout the country, but owing to disturbed conditions there was a noticeable decrease in the number of schemes executed. A new Town Planning Commission was set up for the Galilee and Acre administrative district which was constituted during 1937 (see paragraph 15 page 7 of Annual Report for 1937).

25. At the end of the year, the position was as follows with regard to the number of town planning areas:—

	Year declared.
Haifa and Samaria District.	
Haifa	1921 and 1931
Nablus	1921
Tulkarm	1929
Nathanya	1934
Hadera	1937
Jenin	1938
Galilee and Acre District.	
Tiberias	1922, 1929 and 1937
Beisan	1924
Affuleh	1926
Acre	1933 and 1936
Jerusalem District.	
Jerusalem	1921 and 1929
Hebron	1936
Ramallah	1937
Al Bireh	1937
Jericho	1937
Southern District.	
Jaffa	1921 and 1937
Tel Aviv	1921 and 1937
Lydda	1922 and 1937
Ramle	1922 and 1937
Petah Tiqva	1937
Lydda Air Port	1937
Beersheba	1922
Gaza	1923
Bat Yam	1938
Yahudiya	1938
Bnei Braq	1938
Ramat Gan	1938
Sheikh Muwannis	1937
State Domain (North of Auja River) ...	1937

It will be seen that during 1938 new areas were declared for Jenin in the Haifa and Samaria District and for Bat Yam, Yahudiya, Bnei Braq and Ramat Gan in the Southern District.

26. An important feature of the administration of town planning during the year was the declaration of regional areas. The Town Planning Ordinance is being amended to provide for the

declaration of such areas throughout the country. Two such areas have already been declared and the declaration of the remaining areas was under consideration at the close of the year. It is anticipated that with the declaration of such regional areas covering in extent the four administrative districts of Palestine a loose control on building development in and around urban areas throughout the country will be obtained. The existing system regarding the separate declaration of areas for urban centres continues as hitherto.

27. Both the Legal Draftsman and the Town Planning Adviser continued to serve as members on all district town planning commissions in order to ensure a unified policy in matters relating to building by-laws and other town planning principles.

28. Draft schemes for various areas were in course of preparation during the year and in cases where local authorities needed assistance the schemes were prepared by the town planning adviser in direct consultation with them.

29. Twelve district town planning meetings were held in the Jerusalem District, ten in the Haifa and Samaria District, seven in the Southern District and two in the Galilee and Acre District. In addition to these, monthly meetings of the Local Commissions were held in Jerusalem, Haifa, Tel Aviv and other centres.

30. A further measure of decentralization will be introduced by the proposed amendment of the Ordinance in regard to the final approval of schemes. Under the new amendment District Commissioners will be enabled to give final approval of detailed schemes. The authority of the High Commissioner will still be necessary, however, for the declaration of new areas and the approval of outline schemes.

31. A scheme for road widening and general improvement of road alignments for the town of Jenin was prepared following certain demolitions undertaken there.

32. As a result of the demolition of insanitary hutments in an industrial zone in Haifa, a re-housing scheme was under consideration by Government and a site was selected near Balad Es Sheikh village for housing those persons who were displaced.

Free plots in the new housing area were offered and an access road within the area of the new settlement was completed during the year. The site was also surveyed and pegged out into separate building plots and it is anticipated that with the return of normal conditions individual plot holders will be in a position to replace their temporary houses with structures built of more permanent material.

XXI.—PUBLIC FINANCE.

1. The totals of the annual revenue and expenditure from the 1st July, 1920 (the date of the formation of the Civil Government), to the 31st March, 1938, are set out below:—

	Revenue.	*Expenditure.*
	£P.	£P.
1st July, 1920, to 31st March, 1921...	1,136,951	1,259,587
1921–2	2,371,531	1,929,341
1922–3	1,809,831	1,884,280
1923–4	1,675,788	1,675,105
1924–5	2,154,946	1,852,985
1925–6	2,809,324	2,092,647
1926–7	2,451,365	2,123,568
1927 (April to December)	1,739,380	1,944,397
1928	2,584,317	3,381,993
1929	2,323,572	2,140,032
1930	2,389,546	2,536,504
1931	2,333,895	2,374,867
1932 (January to March)	657,289	511,656
1932–3	3,015,917	2,516,394
1933–4	3,985,492	2,704,856
1934–5	5,452,633	3,230,010
1935–6	5,770,457	4,236,202
1936–7	4,640,821	6,073,502
1937–8	4,897,356	7,297,688
	£P.54,200,411	51,765,614
Add:—		
Depreciation of Investments at 31st March, 1938		33,958
		51,799,572
General Revenue Balance Account at 31st March, 1938		2,400,839
		£P.54,200,411

Revenue.

2. Summaries of the Revenue and Expenditure under Heads for the years 1933-4 to 1937-8 inclusive are contained in Appendices I and II of this section.

3. The revenue for the financial year 1937-8 aggregated £P.4,897,356 and the expenditure amounted to £P.7,297,688, or an excess of expenditure over revenue of £P.2,400,332.

The revenue under Head I, Customs, amounted to £P.1,999,697 in 1937-8 as compared with £P.2,019,479 in 1936-7 or a decrease of £P.19,782. In 1937-8 the total value of imports for home consumption increased to £P.15,251,300, or an increase of £P.802,600 only over 1936-7, despite the fact that imports for home consumption in that year were affected by a six-months Arab strike. The total tonnage of cargo discharged at Haifa, Jaffa and Tel Aviv showed, however, a slight decline

from 745,703 tons in 1936-7 to 677,416 tons in 1937-8. Although the value of imports in 1937-8 were £P.802,600 in excess of that of the previous year the receipts from import duties were less, as shown above, owing to the decrease generally in the volume of imported commodities on which specific rates of duty are charged. The commodities which showed the greatest decline in yield of customs revenue were wheat, flour, rice, sugar and tobacco. The imposition of an import duty of 25 mils per bird on live poultry, with effect from the 21st April, 1937, though for a protective purpose, resulted in a yield to revenue of £P.14,010. Exports, with the exception of antiquities, are not subject to export duty. It is noteworthy that the value of export of Palestine products rose from £P.4,425,000 in 1936-7 to £P.5,593,000 in 1937-8, or an increase of £P.1,168,000. The main increases were, however, in oranges, potash, barley, dura and cakes for feeding animals.

The revenue under Head II, Port and Marine, amounted to £P.129,120 which shows an increase of £P.18,914 over the revenue collected under this Head in 1936-7. With effect from the 1st April, 1937, wharfage dues were imposed at Jaffa, and later at Tel Aviv, at Haifa rates for goods which cannot be loaded or unloaded direct from and on the wharf, namely half rates. The Oil Dock at Haifa was completed and handed over for use on the 1st January, 1938, from which date the minimum payment of £P.30,000 per annum, under the contract with the Iraq Petroleum Company, became operative. The operation of this contract in the last three months of 1937-8 resulted in an increase of £P.2,565 in the oil dues in that year over the receipts in 1936-7. The number of tons of oil loaded fell, however, from 2,002,875 in 1936-7 to 1,987,653 in 1937-8.

The revenue from Head III, Licences, Taxes, etc., amounted to £P.982,032 as compared with £P.852,948 received in 1936-7, or an increase of £P.129,084.

The main increases occur under the following subheads:— Rural Property Tax (£P.44,233); and Urban Property Tax (£P.63,979). This increase was partly due to the difficulty experienced in the previous year of collecting taxes in the areas affected by the strike and disturbances of 1936. The remissions in respect of the Rural Property Tax on citrus land which it was found necessary to make in 1936-7 applied also to 1937-8, the rate of the tax being reduced for these two years from 410 mils to 50 mils per dunum in the Acre Sub-District and from 825 to 500 mils in other areas. Other increases occurred under Stamp Duties (£P.9,409); and Tobacco Excise Duties (£P.13,641). The latter duty was, however, £P.19,664 below the receipts from this source in 1935-6 despite the fact that the rate of the tax on manufactured tobacco was increased from 250 mils to 300 mils

per kilogramme with effect from the 1st October, 1937. On the other hand there was a decrease of £P.7,111 under Intoxicating Liquors Excise Duties owing to the appreciable decrease in the production of local beer, wines and methylated spirits.

The revenue from Head IV, Fees of Court or Office, etc., amounted to £P.750,666 in 1937-8 as compared with £P.703,129 received in 1936-7, or an increase of £P.47,537. The principal increases occurred under Court Fees (£P.29,522), the number of civil cases entered rising from 84,344 in 1936-7 to 124,064 in 1937-8; Citrus Advertisement Fund (£P.6,622), due to increased exportation of citrus fruits; Passport Fees (£P.4,788); Registration of Companies and Partnerships Fees (£P.5,137); Registration of Banks Fees (£P.5,500), which was collected for the first time in the year 1937-8 under the Banking (Amendment and Further Provisions) Ordinance, 1937; Reimbursements—road contributions (£P.5,825); Sale of departmental stores (£P.5,482); and sale of water to the Jerusalem Municipality (£P.14,013). On the other hand decreases have occurred under Porterage Fees, Haifa Harbour (£P.5,398); Registration of Immigrants Fees (£P.14,213), the number of immigrants having decreased from 25,709 in 1936-7 to 13,210 in 1937-8; and Warehouse rent (£P.14,917) the fall in receipts being due to the decline in tonnage discharged from 745,703 tons in 1936-7 to 677,416 tons in 1937-8.

The revenue from Head V, Posts and Telegraphs, amounted to £P.508,887 and was £P.31,394 in excess of the receipts in 1936-7. The main increases occurred under Telephones (£P.32,587), telephone installations rising from 12,480 in 1936 to 14,848 in 1937; and Broadcast Licence Fees (£P.4,164), the number of licences held at the 31st March, 1938, being 31,218 as compared with 22,568 at the 31st March, 1937. There was, however, a decrease of £P.5,672 under Telegraphs. Despite the increase in receipts under this head, the total revenue earned by the Department of Posts and Telegraphs in 1937-8 was less by a sum of £P.185,635 than the total expenditure incurred by or on account of the department, exclusive of debt charges in respect of capital expenditure, amounting to £P.188,126 and met from loan funds, and on capital works carried out from provision made under Public Works Extraordinary votes. It should be mentioned, however, that the sum of £P.185,635 includes a sum of £P.89,262 spent prior to the 1st April, 1937, in respect of the construction of the Jerusalem post office, which was previously charged to advances in anticipation of the raising of a new loan, but which was transferred during the year under review to expenditure in accordance with the change in the colonial accounting procedure as prescribed by the Secretary of State.

The revenue under Head VI, Revenue from Government property, amounted to £P.50,363 as compared with £P.50,317 in 1936-7.

The revenue under Head VII, Interest, amounted to £P.130,284 in 1937-8 as compared with £P.150,730 in 1936-7 showing a decrease of £P.20,446. The book value of investments in stock, which was £P.4,415,993 on the 31st March, 1937, was reduced to £P.2,636,606 on the 31st March, 1938, it having become necessary during the year to realize securities, the nominal value of which amounted to £P.1,741,772, in order to meet current liabilities. This resulted in a decrease of £P.31,778 under Interest on Investments by Crown Agents. On the other hand an increase of £P.11,315 is recorded under interest from other sources of which the sum of £P.10,213 is on account of interest on advances made by Government to the Jerusalem Municipality for the construction of the Jerusalem Water Supply and the Jerusalem Drainage Schemes.

The revenue from Head VIII, Miscellaneous, amounted to £P.184,128 as compared with £P.128,020 in 1936-7, showing an increase of £P.56,108. The main increase under this Head (£P.74,870) is due to an adjustment to Loan Account of amounts previously charged to surplus balances in connection with expenditure incurred on the Jaffa Port improvements. Other increases are due to the sale of a Government tug, which was replaced by a larger and more powerful vessel (£P.6,500); Sundries (£P.3,884); and profits on sale of investments (£P.6,544).

On the other hand decreases occurred under Profits from Currency (£P.20,000) owing to a decrease in the currency in circulation and to losses on investments realized; and under overpayments recovered in respect of expenditure incurred in previous years (£P.15,692). The receipts under this latter item included, in 1936-7, £P.22,000 refunded by the Jerusalem Municipality out of grants made in previous years towards the cost of certain works which for various reasons had not been carried out in the year of payment.

The revenue from Head IX, Land Sales, amounted to £P.9,234 as compared with £P.2,441 in 1936-7. The increase is mainly due to sale of Beisan lands (£P.6,288).

The revenue from Head X, Grants-in-Aid, consisted of:—

	£P.
(*a*) *Trans-Jordan Frontier Force.*	
Three-quarters of the Expenditure under Head XXI, Trans-Jordan Frontier Force, during the year 1937–8 (£P.175,182) ...	131,386
Whole of Expenditure on capital works in Trans-Jordan under Head XXIX, Trans-Jordan Frontier Force Extraordinary, during the year, 1937–8	6,363
	£P.137,749

The total receipts amounted to £P.142,333, being £P.139,000 from the Parliamentary grant-in-aid for the year 1937-8 and £P.3,333 in respect of an over-issue of the grant-in-aid in 1936-7. The actual amount due was £P.137,749 only, the unexpended balance, together with local receipts, amounting to £P.5,098, was transferred to the Grant-in-Aid Deposit Account for adjustment of the grant in 1938-9.

(*b*) *Hydrographic Survey* £P.2,783.

This represents a moiety of the expenditure incurred on the hydrographic survey of Southern Palestine contributed by His Majesty's Government. The total expenditure on this service was charged to Expenditure Head XXVIII, Public Works Extraordinary.

The receipts under Head XI, amounting to £P.12,413, represent assistance grants given by the Colonial Development Fund in respect of interest charges on the capital cost of certain schemes. The increase in receipts under this Head over those received in 1936-7 is in respect of the assistance granted towards the Jerusalem Drainage Scheme (£P.5,865) for which no grant was received in 1936-7.

Expenditure.

4. Expenditure in 1937-8 aggregated £P.7,297,688 as compared with £P.6,073,502 in 1936-7 or an increase of £P.1,224,186. This excess is, however, more apparent than real as it was due to the introduction of a new system of colonial accounting designed to show more clearly the financial position of the country and, in particular, the cash available to meet voted expenditure. According to the new system sums amounting to £P.1,591,939 previously debited to advances and unallocated stores suspense accounts were transferred to expenditure so that in point of fact the actual expenditure in 1937-8 was smaller than that incurred in 1936-7.

The variations in expenditure in 1937-8 as compared with the expenditure in 1936-7 are due to the following causes:—

I. *Pensions.*—The expenditure under this head amounted in 1937-8 to £P.50,588 as compared with £P.37,040 in 1936-7. The excess occurred under Pensions and Gratuities (£P.13,707) and is due partly to the amendment, in 1937, of the Pensions Ordinance (1925). This amendment provided for a more favourable basis for the calculation of pensions and gratuities and the lowering of the voluntary and compulsory ages of retirement of officers in receipt of expatriation allowances. The excess is also partly due to the increase in the number of pensions and gratuities paid to dependents of officers killed in the execution of their duty.

II. *Public Debt and Loan Charges.*—Expenditure under this head amounted in 1937-8 to £P.158,896 as compared with £P.126,449 expended in 1936-7. The increase of £P.32,448 represents the contribution to the sinking fund in respect of the Railway share of the Palestine Guaranteed Loan, which was included in the Railway expenditure prior to the 1st April, 1937.

IV. *Secretariat.*—Expenditure in 1937-8 amounted to £P.76,651 as compared with £P.69,463 in the previous year. An increase of £P.7,813 occurred in the expenditure of the Civil Aviation Section which was not fully established in 1936-7.

V. *District Administration.*—Expenditure in 1937-8 amounted to £P.165,055 as compared with £P.156,931 in 1936-7. The principal increase is recorded under Personal Emoluments (£P.6,468) which is mainly due to the division, for administrative reasons, during the year, of the old Northern District into two, namely the " Haifa and Samaria " District and the " Galilee and Acre " District. The headquarters of the former remained at Haifa and the headquarters of the latter were established at Nazareth. There was also an increase of £P.915 under Passages.

It should be pointed out, however, that provision for the payment of passages was transferred from the " Miscellaneous " Head to the departmental votes.

VI. *Legal Department.*—Expenditure in 1937-8 amounted to £P.18,112 as compared with £P.14,011 in 1936-7. The main increase occurred under Personal Emoluments (£P.2,549) due to the strengthening of the staff of the Attorney-General's office during the year by the appointment of two British Crown Counsels which involved concomitant increases in the votes for extra clerical assistance, messengers and cleaners; and to the temporary employment of professional and clerical staff to assist the Official Receiver while acting as Liquidator of Companies. There was also an increase of £P.678 under Transport and Travelling, which was mainly due to unforeseen expenditure consequent upon an increase in the number of land settlement cases.

VII. *Judicial Department.*—Expenditure in 1937-8 amounted to £P.110,567 as compared with £P.100,882 in 1936-7. The principal increase occurred under Personal Emoluments (£P.6,648), largely as a result of the expansion of the department, which was designed to expedite the disposal of accumulated arrears of court cases. New Magistrates Courts were established during the year at Rehovot and Petah-Tiqvah, the administration of which entailed additional recurrent expenditure on clerks and process servers. The other increases were in respect of Transport and Travelling (£P.946) due to the reorganization of the courts; and in respect of Passages (£P.939).

X. *Customs, Excise and Trade.*—Expenditure in 1937-8 amounted to £P.250,530 as compared with £P.277,477 in 1936-7. The decreases occurred under Personal Emoluments (£P.5,755) as a result of vacancies occurring during the year and of the delay in filling new posts; and under Drawbacks of Customs Duty (£P.20,676).

XI. *Department of Health.*—Expenditure in 1937-8 amounted to £P.215,448 as compared with £P.204,350 in 1936-7. The principal increases occurred under Personal Emoluments (£P.5,755) due to the expansion of the services of this department, especially by taking over of the hospital at Gaza, which was formerly administered by the Gaza Municipality, and by the establishment at Tel Aviv of a clinic for the inoculation and medical examination of immigrants; under Transport and Travelling (£P.2,365); Hospital Diets (£P.1,583); Anti-malarial Measures (£P.1,223); and Passages (£P.1,353).

There was, however, a decrease of £P.2,846 in the Contributions to Jewish health services. The contribution amounted, in 1937-8, to £P.12,353, and was in respect of the following:—

	£P.
Grant to Municipal Hospital, Tel Aviv ...	6,841
Maintenance grant to Tuberculosis Hospital, Safad	1,700
School Hygiene and Ophthalmic Services ...	2,041
Infant Welfare Work	1,771
	£P.12,353

XII. *Department of Education.*—Expenditure in 1937-8 amounted to £P.300,742 as compared with £P.243,243 in 1936-7. The principal increase was in respect of Personal Emoluments (£P.11,048) due to the general expansion and development of urban and rural education and to the inclusion of the Probation Service, which was previously included under Judicial Department. Other increases were in respect of grants-in-aid to the schools of the Va'ad Leumi (£P.7,013); Books, stationery, scientific equipment, etc., for schools (£P.1,042); Rations for boarders (£P.3,259); Grants to local authorities for school buildings (£P.6,745); School furniture (£P.2,583); Production of Arabic text books (£P.1,960); Tools and equipment for school gardens and agricultural education in schools (£P.1,418). In comparing the expenditure of this department in 1937-8 with that of 1936-7 it must be remembered that educational conditions were abnormal in the latter year as, owing to the disturbances, schools were closed during the greater part of the year and when they were eventually re-opened the services were restricted to those approved in 1935-6. This, together with the general expansion of the department, accounts for the

increased expenditure during the year under review. A substantial increase was, however, due to the inclusion in expenditure of a sum of £P.17,843 in respect of capital grants to Jewish Institutions which was previously debited to Advances in Anticipation of a New Loan. This sum was transferred in 1937-8 to expenditure in accordance with the new colonial accounting procedure. Of this amount a sum of £P.16,625 was actually spent before the 1st April, 1937.

XIII. *Department of Agriculture and Fisheries.*—Expenditure in 1937-8 amounted to £P.321,676 as compared with £P.177,387 in 1936-7. The principal increases occurred under agricultural and beehive loans, etc. (£P.91,115) the major portion of which was expended prior to 1st April, 1937, when the loans were accounted for under Advances, but were transferred to expenditure in 1937-8 in accordance with the new colonial accounting procedure; and under long-term loans for hill areas (£P.30,666) also transferred to expenditure from Advances in Anticipation of a New Loan for the same reason. The object of these loans is to enable cultivators and settlers in the hill districts to develop and improve their lands. These loans are repayable within periods ranging between 3 and 17 years and the interest charged thereon is 8 per cent. per annum to individual cultivators and 6 per cent. per annum to co-operative societies, with an additional charge of 1 per cent. per annum on arrears.

Other increases occurred under Personal Emoluments (£P.2,901); Transport and Travelling (£P.1,386); Agricultural Demonstrations and Experiments (£P.3,042); Citrus Advertising Fund (£P.6,622); Fruit Inspection Service (£P.1,822); and Purchase of Motor Fishing Boat (£P.1,032).

The citrus advertising campaign was continued during the year and a sum of £P.33,209 was expended as compared with £P.34,325 expended in 1936-7.

During the year the following grants were made to Jewish Institutions for research and experimental work:—

	£P.
(*a*) Grants for citrus research by the experimental station of the Jewish Agency	3,000
(*b*) Grant to Jewish Agency experimental fruit-growing at hillside station, Kiryath Anavim	300
(*c*) Grant to Jewish Agency for intensive farming experiments	300
(*d*) Grant to Jewish Agency for research	2,950
(*e*) Grant to Hebrew University for field-mice investigations	200
(*f*) Grant to Hebrew University for spirochaetosis research	180
	£P.6,930

XVI. *Department of Lands and Surveys.*—Expenditure in 1937-8 amounted to £P.130,334 as compared with £P.124,878 in 1936-7. Increases were recorded under Personal Emoluments (£P.2,511); Transport and Travelling (£P.1,015); and Marks and Beacons (£P.1,516).

XVII. *Department of Development.*—Expenditure in 1937-8 amounted to £P.98,197 as compared with £P.17,244 in 1936-7. This excess of expenditure is, however, apparent rather than real. Of a sum of £P.85,796 in respect of expenditure incurred on the resettlement of displaced Arabs, the sum of £P.84,614 was expended prior to the 1st April, 1937. This sum which was previously debited to advances in anticipation of a new loan was transferred to expenditure during the year in accordance with the new colonial accounting procedure, so that the expenditure under this Head was in fact £P.3,661 smaller than in the previous year.

XVIII. *Police and Prisons.*—The significant feature of the estimates and expenditure of this department is the progressive annual increase necessitated by continued disturbances in the country. The expenditure has risen from £P.527,467 in 1935-6 to £P.744,619 in 1936-7 and to £P.941,975 in 1937-8. The principal increases occurred under Personal Emoluments (£P.100,058); Uniforms, Clothing and Equipment (£P.18,946); Criminal Investigation (£P.10,137); Forage and Forage Allowances (£P.1,472); Rations (£P.8,186); Lighting, Heating and Power (£P.1,596); Upkeep of Mechanical Transport (£P.7,496); Telegrams, Telephones and Postage (£P.1,195); Arms (£P.32,561); Wireless Telegraphy and Telephony sets and Searchlights (£P.22,675). The major increases are divisible into two categories, namely (*a*) additional expenditure directly attributable to the disturbances, and (*b*) expansion of normal services. The expenditure incurred under (*a*) above amounted to approximately £P.127,910 of which £P.87,132 was in respect of Personal Emoluments, and £P.40,778 in respect of other charges and special expenditure. As regards (*b*) there was a considerable increase in Police personnel in view of the establishment of an additional wireless section and of the expansion of the activities of the department generally.

Decreases, however, occurred under Transport and Travelling (£P.35,654) due to the strengthening of the mechanical transport section; and under Purchase of 65 Ford cars (£P.5,642).

The increased expenditure during 1937-8 included also a sum of £P.16,029 for advances to village ghaffirs and a sum of £P.3,094 for advances for purchase of police horses previously accounted for under Advances but transferred to Expenditure during the year in accordance with the new colonial accounting procedure.

XXII. *Defence.*—Expenditure in 1937-8 amounted to £P.789,738 as compared with £P.1,297,000 in 1936-7. The details of the actual expenditure of £P.789,738 (which includes a sum of £P.134,450 in respect of an under-estimate of the excess cost of Army troops in 1936-7) is made up as under:—

	£P.
Excess cost of Army troops	563,400
One-half of excess cost of Royal Air Force in Palestine and Trans-Jordan	19,000
Army works services	175,600
Royal Air Force works services	25,000
Purchase of land	6,738
	£P.789,738

XXIII. *Posts and Telegraphs.*—Expenditure in 1937-8 amounted to £P.429,127 as compared with £P.351,943 in 1936-7. The increase was mainly in respect of Personal Emoluments (£P.20,321), the increase in personnel being necessitated by the increased quantity of postal matter handled by the department, the extended use of the telegraph service and the heavy demand for new telephones; and of Conveyance of Mails (£P.20,321) due to the settlement of outstanding international accounts. The expenditure which was incurred as a direct result of the disturbances amounted to £P.2,779 and was mainly in respect of maintenance stores for repairing telephone services damaged by sabotage.

The transfer to Expenditure of amounts previously charged to Advances in accordance with the new colonial accounting procedure is responsible for excesses of £P.35,645 in respect of Unallocated Stores and £P.244 in respect of advances to officers for the purchase of various means of transport.

XXIV. *Public Works Department.*—Expenditure in 1937-8 amounted to £P.132,497 as compared with £P.76,396 in 1936-7. The increase under this Head is mainly attributable to expenditure on the Jerusalem Water Supply Section, which was not fully established (and partly included under Head XXV. Public Works Recurrent) in 1936-7. The increases occurred chiefly under Personal Emoluments (£P.2,323); Fuel, Oils and Chemicals (£P.8,937); Spares and Tools (£P.1,118); and contribution to a renewals fund. The expenditure directly attributable to the disturbances under this section amounted to £P.1,113 and was chiefly for the employment of supernumerary police to guard the pipe-line.

In addition to the excesses recorded above, a sum of £P.27,094, being the value of unallocated stores held by the department, was transferred to Expenditure during the year in accordance with the new colonial accounting procedure.

XXV. *Public Works Recurrent.*—Expenditure in 1937-8 amounted to £P.333,849 as compared with £P.320,350 in 1936-7. The principal increases occurred under the following items, Minor Works (£P.1,184); Water Supply and Conservancy (£P.2,824); Rent of Offices and Quarters (£P.18,404); Maintenance of Quays, Piers and Harbours (£P.2,340); and Maintenance of Roads and Bridges (£P.4,186). The increase under Rent of Offices and Quarters is mainly due to the payment of rent, in advance, to the Russian Ecclesiastical Mission (£P.7,500) to meet the cost of construction of an additional storey to the building leased for the Law Courts, Jerusalem; to the provision of additional accommodation, mainly for Police and the C.I.D., in consequence of the disturbances (£P.5,638); and to payment of new rentals for various buildings leased by Government (£P.3,166). The increase under Maintenance of Quays, Piers and Harbours was necessitated by the carrying out of essential dredging work at Haifa harbour. The expenditure under this head directly attributable to the disturbances amounted to £P.5,918 and represented cost of hiring of additional accommodation for the Police, the C.I.D. and other departments.

On the other hand a decrease of £P.19,830 is recorded under Maintenance of Jerusalem Water Supply which was included under Head XXIV. Public Works Department, in 1937-8, as mentioned above.

XXVI. *Miscellaneous.*—Expenditure in 1937-8 amounted to £P.466,683 as compared with £P.502,160 in 1936-7. The principal decreases occurred under Housing Allowances (£P.14,864); Passages (£P.14,930) owing to the inclusion of these two items under departmental votes in 1937-8; Sundries (£P.7,266); Emergency Relief Measures (£P.22,095); Depreciation on Investments (£P.165,704); and the write-off of irrecoverable advances of agricultural, seed, fodder and earthquake reconstruction loans.

Increases on the other hand have occurred in the expenditure on the following items:—Crown Agents' Expenses, etc., (£P.2,741) due mainly to outstanding charges from the previous year; Contribution to Trans-Jordan Government on account of share in profits from currency (£P.5,948) due to the change in the basis of apportionment of profits; Hutting Zone, Haifa (£P.3,847) for the clearance of insanitary hutments within the municipal boundaries of Haifa and in the reconstruction of housing accommodation in a new area; Interest on monies borrowed from the Joint Colonial Fund (£P.2,748); Expenses in connection with the printing of the report of the Royal Commission (£P.2,349); Compensation for loss of life and property during the disturbances (£P.50,663); Relief to Beersheba cultivators (£P.4,000); and Grants to Municipalities

(£P.27,867), due to the necessity for providing revotes mainly for the Jerusalem Municipality. The details of the actual grants paid in 1937-8 were:—

	£P.
Jerusalem	32,296
Hebron	750
Ramallah	750
Bethlehem	493
Beit Jala	400
Jaffa	15,000
Tel Aviv	25,000
Ramleh	750
Gaza	750
Beersheba	250
Majdal	250
Khan Yunis	1,000
Petah Tiqva	500
Haifa	20,383
Acre	742
Beisan	325
Jenin	400
Nablus	4,500
Nazareth	750
Shefa 'Amr	188
Safad	110
Tiberias	188
	£P.105,775

The expenditure under this Head resulting directly from the disturbances amounted to £P.61,828, the principal items of which being Compensation for Loss of Life and Property (£P.50,663); and Compensation for Loss of Property caused by the demolition of buildings at Jaffa (£P.6,088).

To give effect to the new colonial accounting procedure the following items, which were previously accounted for under Advances in anticipation of the raising of a new loan or under Advances proper, were transferred to expenditure under this Head:—

	£P.
Investment in Land Mortgage Company	150,000
Earthquake and flood reconstruction loans	6,853
Loan to the Augusta Viktoria Stiftung	40,000
Advances for purchase of various means of transport ...	5,365
Sundry minor items	1,277
	£P.203,495

The whole amount of the first two items and a portion of the last two were expended, however, before the 1st April, 1937.

XXVII. *Posts and Telegraphs Extraordinary.*—Expenditure in 1937-8 amounted to £P.112,031 as compared with £P.129,002 in 1936-7, or a decrease of £P.16,971. The following summary shows the variations in the works during 1936-7 and 1937-8:—

	1936–7 £P.	1937–8 £P.
(*a*) Additional trunk lines, reconstruction of routes, trunk and distribution cables and underground cables	46,973	32,675
(*b*) Additional subscribers' circuits and additional exchange switchboards	36,346	27,310
(*c*) Development of underground cables and ducts, Jerusalem, Haifa, Jaffa and Tel Aviv	28,130	14,874
(*d*) Installations of automatic exchanges and conversion of subscribers to automatic apparatus ...	12,596	34,449
(*e*) Broadcasting Station, Jerusalem	3,305	673
(*f*) Other works	1,652	2,050
	£P.129,002	112,031

The decrease is explained by the completion of certain of the works commenced in the preceding year and partly by unexpected balances which were carried over to 1938-9. The increases under (*d*) are in respect of the new telephone exchange, Jerusalem, 1st extension (£P.14,299) and Tel Aviv automatic exchange (£P.13,693).

XXVIII. *Public Works Extraordinary.*—Expenditure in 1937-8 amounted to £P.1,614,885 as compared with £P.705,094 in 1936-7, or an increase of £P.909,791. This amount includes, however, in accordance with the new colonial accounting procedure sums previously charged to Advances in anticipation of the raising of a new loan or to Advances proper. These transfers aggregated £P.1,079,845, which included expenditure of £P.948,413 incurred prior to the 1st April, 1937, so that the expenditure on the years working was actually £P.38,622 less than the expenditure incurred in 1936-37. A summary is given below of the works so adjusted showing the amounts expended thereon prior to the 1st April, 1937, and the total amounts which were accounted for under expenditure in 1937-8:—

	Expenditure prior to 1st April, 1937. £P.	*Expenditure accounted for in 1937–8.* £P.
Government Trade and Technical School, Haifa	37,712	40,000
Construction of town schools	59,531	71,396
Government Arab College	24,096	24,096
Construction of Post Office, Jerusalem ...	89,262	144,313
Jerusalem Water Supply	370,000	370,000
Hebron Water Supply	10,000	10,000
Haifa Oil Dock and East Reclamation Area ...	210,000	210,000
Haifa Main Drainage Scheme	4,438	15,415
Jerusalem Main Drainage Scheme	51,875	93,987
Improvements to village water supply schemes	60,990	70,129
Haifa Water Supply Scheme	3,698	3,698
Haifa Municipality, road construction in oil storage area	9,143	9,143
Tiberias Municipality, construction of roads ...	6,297	6,297
Jerusalem Municipality, slaughter house and incinerator	10,737	10,737
Minor items	634	634
	£P.948,413	1,079,845

The approved provision in 1937-8 aggregated £P.639,653 and this was supplemented by further provision under Special Warrants to the amount of £P.1,241,188 (chiefly to provide for the adjustments referred to above), thus raising the total provision to £P.1,880,841 of which the sum of £P.1,614,885 was expended or brought to account under expenditure, and falls into the following categories:—

	£P.
(1) Works and buildings	418,921
(2) Construction of roads and bridges ...	226,195
(3) Miscellaneous	969,769
	£P.1,614,885

The increase of £P.909,791 is made up as follows:—Works and Buildings (increase £P.331,699); Construction of Roads and Bridges (decrease £P.7,513); and Miscellaneous (increase £P.585,605). The major services carried out under Works and Buildings were the Construction of Town Schools (£P.71,399); Government Trade and Technical School, Haifa (£P.42,822); Government Arab College (£P.24,096); Government Hospital, Haifa (£P.60,000); Construction of Police Station, Tel Aviv (£P.5,719); Construction of Urban Police Married Quarters (£P.15,275); Construction of semi-permanent buildings for Northern Frontier Division (£P.9,738); Additions and Improvements to Detention Camp, Acre (£P.5,996); Construction of Post Office, Jerusalem (£144,313); Construction of Post Office, Tel Aviv (£P.7,151). The major road works carried out were the Widening of Tel Aviv-Petah Tiqva Road (£P.8,009); Construction of section of Affula-Beisan Road (£P.13,842); Construction of a section of the road from the Haifa-Nazareth Road to Jinujar through Nahalal (£P.10,990); Construction of Jaffa-Haifa Road (£P.87,058); Transfer of Allenby Bridge to and erection at Damiya and construction of a new bridge in lieu of present Allenby Bridge (£P.6,210); Construction of Northern Frontier Road (£P.61,573); Haifa Municipality—Construction of road in oil storage area (£P.9,143); and Tiberias Municipality—Construction of roads (£P.6,297).

Under Miscellaneous, the continuation of the construction of the Lydda and Haifa airports accounted for £P.59,825; the Jerusalem Water Supply £P.375,907; the Hebron Water Supply £P.10,343; the Cargo Jetty and Ancillary Works at Haifa Harbour £P.50,390; the Jaffa Port Improvements £P.6,324; the Haifa Oil Dock and East Reclamation Area £P.214,375; the Jaffa Housing Scheme £P.5,412; Investigations, Haifa Water Supply £P.11,779; Haifa Main Drainage £P.15,415; Jerusalem Main Drainage £P.93,987; Improvements to Village

Water Supplies (including the resources survey and the underground water investigations) £P.70,142; Jerusalem Municipality—Slaughter-house and Incinerator £P.10,737; Hydrographic Survey of Southern Palestine £P.5,566; and Relief Works £P.9,866.

Of the total expenditure of £P.1,614,885 under this Head it is estimated that expenditure amounting to £P.146,654 may be regarded as directly attributable to the disturbances. This includes the Construction of Jaffa-Haifa Road, and Construction of Northern Frontier Road (£P.118,587); and the Accommodation for Northern Frontier Division of Police (£P.9,738).

XXIX *Trans-Jordan Frontier Force Extraordinary.*—Expenditure in 1937-8 amounted to £P.12,828 as compared with £P.9,944 in 1936-7. Apart from the reconstruction of Zerka Camp (£P.2,060) two other camps—namely the Jisr Majamie and Beisan—were reconstructed and accounted for the major part of the increased expenditure.

XXXI. *Colonial Development.* — Expenditure in 1937-8 amounted to £P.18,919 as compared with £P.32 in 1936-7. The increase is due to the transfer to the credit of the Jerusalem Municipality of its share in the assistance grants received from the Colonial Development Fund in respect of the Jerusalem Drainage Scheme (£P.16,365); and the Jerusalem Water Supply Scheme (£P.2,525).

Railways.

5. The Railway deficit charged to Government expenditure in 1937-8 was £P.230,123, as compared with £P.69,631 in 1936-7.

The final results in 1937-8 of the four Railway systems, operated by the General Manager, Palestine Railways, were as under:—

	Revenue.	*Expenditure.*	*Surplus.*	*Deficit.*
	£P.	£P.	£P.	£P.
Palestine Railway ...	478,953	669,836	—	190,883
Kantara-Rafa Railway...	109,507	109,435	72	—
Hejaz Railway	80,930	120,170	—	39,240
Petah Tiqva Railway ...	3,637	840	2,797	—

In order to arrive at the deficit charged to Revenue the accounts of the Kantara-Rafa Railway and the Petah Tiqva Railway are excluded, as the surpluses are subject to special arrangement. In the case of the latter Railway there is an obligation to pay interest to the colonists and to Government on their respective advances for the construction of the line. The surpluses in previous years have been insufficient to pay the interest in full and at the 31st March, 1938, after distribution of the year's surplus, there was an outstanding debt of £P.10,905 due to the Petah Tiqva colonists.

The agreement provides for the repayment to the colonists of the amount advanced (£E.20,000) with interest at the rate of 6 per cent. per annum, but a prior charge exists in favour of the Government of Palestine in respect of interest on the excess cost of the line met by Government over the contribution by the colonists. That excess was £P.33,846. Any deficiency in the payment of interest to Government, together with interest at 5 per cent. thereon, has first to be met before the claim of the colonists is due for payment and any deficiency in respect of such payment also bears interest at the rate of 5 per cent. per annum. The agreement also provides that after meeting the charges for interest the net surplus shall be set aside to repay the loan of £E.20,000 made by the colonists. In 1923-4 £P.568 was repaid to the colonists and £P.267 in the year 1924-5. An amount of £P.1,692 of the net surplus of £P.2,797 in 1937-8 was absorbed in the repayment of interest to Government and is included in the revenue of the Palestine Railway.

Special arrangements were entered into regarding the Kantara-Rafa Railway with effect from the 1st April, 1933, whereby a commuted annual payment of £P.4,000 by way of rental is made by the Palestine Railway for the use of this section of the line. The profits (£P.144) resulting from the operation of the Kantara-Rafa Railway were divided equally between the Kantara-Rafa Railway Special Fund and Palestine Railway revenue.

The net deficit charged to Government expenditure under this Head was, therefore, £P.230,123 consisting of the deficits on the Palestine and Hejaz Railways, which were £P.190,883 and £P.39,240 respectively.

The following comparison is afforded between the revenue of the four sections of the line in 1937-8 and 1936-7:—

	Palestine Railway.	*Kantara-Rafa Railway.*	*Hejaz Railway.*	*Petah Tiqva Railway.*	*Total.*
	£P.	£P.	£P.	£P.	£P.
Coaching :					
1937–8	128,144	68,913	30,394	—	227,451
1936–7	201,872	79,103	37,138	—	318,113
Goods :					
1937–8	314,372	38,416	43,833	3,641	400,262
1936–7	434,507	99,437	56,732	6,209	596,885
Miscellaneous :					
1937–8	36,437	2,178	6,703	4	45,314
1936–7	80,375	2,405	7,530	205	90,515
Total :					
1937–8 ...	£P.478,953	109,507	80,930	3,637	673,027
1936–7 ...	£P.716,754	180,945	101,400	6,414	1,005,513
Decrease during 1937-8 compared with 1936-7 ...	33·2%	39·5%	20·2%	43·3%	33%

It should be pointed out that the revenue in respect of goods traffic during the year 1936-7 was considerably in excess of the normal revenue owing to military traffic and to the diversion of Jaffa cargoes to Haifa.

The serious economic crisis following the disturbances of 1936 was the primary cause of the fall in railway receipts during 1937-8. Other contributory factors were the opening of the new road between Haifa and Jaffa-Tel Aviv and the development of the Tel Aviv port.

The following table affords a comparison between the expenditure of the Railways on all sections in 1937-8 and 1936-7:—

	Palestine Railway.	*Kantara-Rafa Railway.*	*Hejaz Railway.*	*Petah Tiqva Railway.*	*Total.*
	£P.	£P.	£P.	£P.	£P.
Maintenance and Renewal of Ways and Works:					
1937–8 ...	64,459	33,072	26,478	214	124,223
1936–7 ...	79,980	34,573	27,175	214	141,942
Maintenance and Renewal of Locomotives and Rolling Stock:					
1937–8 ...	101,324	22,005	35,512	140	158,981
1936–7 ...	87,217	18,250	31,104	140	136,711
Transportation Expenses:—					
1937–8 ...	160,919	26,428	43,189	377	230,913
1936–7 ...	153,973	26,086	39,309	377	219,745
General Charges:					
1937–8 ...	59,229	27,858	14,408	109	101,604
1936–7 ...	61,288	29,348	15,555	109	106,300
Debt Charges:					
1937–8 ...	124,705	—	50	—	124,755
1936–7 ...	157,140	—	63	—	157,203
Extraordinary Expenditure:					
1937–8 ...	85,200	—	533	—	85,733
1936–7 ...	152,992	—	7,989	—	160,981
Contribution to Palestine Railway Renewals Fund:					
1937–8 ...	74,000	—	—	—	74,000
1936–7 ...	74,000	—	—	—	74,000
Contribution to Kantara-Rafa Railway Special Fund:					
1937–8 ...	—	72	—	—	72
1936–7 ...	—	36,344	—	—	36,344
Total:—					
1937–8	£P.669,836	109,435	120,170	840	900,281
1936–7	£P.766,590	144,601	121,195	840	1,033,226

The increases in expenditure on the maintenance and renewal of locomotives and rolling stock and transportation expenses are due to increased overhauls of locomotives and rolling stock to cover arrears of maintenance in the previous years, and to the higher cost of coal and other materials in the United Kingdom.

The financial position of the four sections of the Railway for the two years under review is summarised below:—

	1936–7. *Surplus (+)* *Deficit (–)* £P.	*1937–8.* *Surplus (+)* *Deficit (–)* £P.
Palestine Railway	– 49,836	–190,883
Kantara-Rafa Railway	+ 36,344	+ 72
Hejaz Railway	– 19,795	– 39,240
Petah Tiqva Railway	+ 5,574	+ 2,797

The revenue and expenditure of the Palestine Railway proper for the period 1st April, 1937, to 31st March, 1938, were as under:—

	£P.	£P.
Revenue.		
Coaching and Goods	442,516	
Miscellaneous	36,437	
		478,953
Expenditure.		
Operation Expenses	385,931	
Debt Charges	124,705	
Capital Improvements	85,200	
Renewals	74,000	
		669,836
Deficit		£P.190,883

It will be observed from the comparative table of the Railway expenditure that there has been a net decrease of £P.96,754 in Palestine Railway expenditure in 1937-8 as compared with that of the previous year. The net decrease is made up as under:—

	£P.	£P.
Decreases:		
Debt Charges	... 32,435	
Capital Improvements	... 67,792	
		100,227
Increase:		
Operation Expenses		3,473
Net Decrease		£P.96,754

The decrease in Debt Charges is accounted for by the fact that in the year under review, railway expenditure was relieved of Sinking Fund Charges in respect of Loan Funds, following the recommendations made by Messrs. Price, Waterhouse and Company. This payment is now being met from general revenue under Head II, Public Debt and Loan Charges.

There is a decrease of £P.67,792 in capital expenditure, and the main works and services carried out in 1937-8 were:—

	£P.
(*a*) Purchase of and improvements to Locomotives and Rolling Stock	60,624
(*b*) Construction of Sheds and Station Alterations and Improvements	10,020
(*c*) Water Supply at Lydda	4,355
(*d*) Construction of new crossing loop between Athlit and Zikhron Ya'akov (Tantura)	2,377
(*e*) Extension of dual gauge to Kiryat Motzkin	1,639
(*f*) Minor New Works	3,387
(*g*) Other Works and Services	2,798
	£P.85,200

In addition to the above expenditure the following amounts were disbursed from the Renewals Fund:—

	£P.
(*a*) Permanent Way Renewals (Sleepers, etc.)	25,465
(*b*) Renewals of Locomotives and Rolling Stock	18,460
(*c*) Maintenance of Kishon Workshops	1,491
	£P.45,416

6. The capital expenditure on the Palestine Railway proper to the 31st March, 1938, is appended:—

	£P.	£P.
From Loan Funds.		
Purchase of Assets from His Majesty's Government (included in Item II of Appendix VI)	784,854	
Other Expenditure (see Item I of Appendix VI)	1,639,021	
		2,423,875
From Revenue.		
Capital Improvements to 31st March, 1937 ...	938,792	
Capital Improvements in 1937–8	85,200	
		1,023,992
		£P.3,447,867

7. The revenue and expenditure of the Kantara-Rafa Railway for the year ended the 31st March, 1938, were as under:—

	£P.	£P.
Revenue.		
Coaching and Goods	107,329	
Miscellaneous	2,178	
		109,507
Expenditure.		
Operation Expenses		109,363
Net Earnings		£P. 144

These earnings were apportioned as under, in accordance with the special arrangement regarding this Railway:—

	£P.
Renewals Fund	72
Palestine Railway	72
	£P.144

There has been a decrease of £P.72,544 in the net earnings as compared with the previous year's figure due mainly to the decreased military traffic on this section of the Railways.

8. The revenue and expenditure of the Hejaz Railway for the year 1937-8 were as under:—

	£P.	£P.
Revenue.		
Coaching and Goods	74,227	
Miscellaneous	6,703	
		80,930
Expenditure.		
Operation Expenses	119,587	
Capital Improvements	533	
Debt Charges	50	
		120,170
Deficit		£P.39,240

The decrease in revenue is primarily due to the serious economic crisis following the disturbances of 1936.

The capital expenditure of £P.533 represents improvements to stations and erection of gang posts (£P.300) and minor new works (£P.233).

9. The revenue and expenditure of the Petah Tiqva Railway for the year under review were as under:—

	£P.	£P.
Revenue.		
Goods	3,637	
Miscellaneous	—	
		3,637
Expenditure.		
Operation Expenses		840
Net Earnings...		£P.2,797

Defence.

10. A sum of £P.351,250 was provided in the estimates for 1937-8 to cover the contribution to His Majesty's Government towards the excess cost of the Royal Air Force Units and Army Units stationed in Palestine and Trans-Jordan and the cost of Army and Royal Air Force works services in Palestine. The amount due is usually paid quarterly on the basis of one-fourth of the sum provided in the United Kingdom Estimates in respect of Palestine's contribution towards the cost of Defence; and the amount due for the last quarter is adjusted so as to allow for the latest estimate of excess cost received from the War Office and Air Ministry and such contribution is then demanded as is sufficient to cover the balance of the excess according to those Estimates. In the year under review, however, the contribution for the two first quarters only was paid on approximately the basis of one-fourth of the sum provided in the Estimates, namely £P.86,000 for each quarter; but in November, 1937, the sum of £P.161,000 was claimed and paid and in March, 1938, the sum of £P.450,000, which included

an adjustment of £P.134,450 in respect of an under-estimate of the excess cost in 1936-7. In addition to the above payments to His Majesty's Government certain payments, amounting to £P.6,738, were made locally, in respect of purchase and rent of land, etc., for the Army. The total payments made, therefore, in respect of 1937-8 amounted to £P.655,288.

The following contributions have been made during the years 1928 to 1937-8 inclusive:—

Financial period in which payment was made.	*Amount.*	*Financial year in which liability is incurred.*	*Amount.*
	£P.		£P.
1928	53,500	1927–8 (1 year)	31,000
		1928–9 (9 months)	22,500
1929	30,375	1928–9 (3 months)	7,500
		1929–30 (9 months)	22,875
1930	24,375	1929–30 (3 months)	7,625
		1930–1 (payment for 6 months at the original rate of £P.33,500 p.a., which was subsequently revised to £P.75,250 p.a.)	16,750
1931	86,000	1930–1 (payment of balance of contribution for the year at the revised rate of £P.75,250 p.a.) ...	58,500
		1931–2 (6 months)	27,500
1932 (January to March) ...	27,500	1931–2 (6 months)	27,500
1932–3 ...	90,000	1932–3 (1 year)	90,000
1933–4 ...	101,000	1933–4 (1 year)	101,000
1934–5 ...	103,875	1934–5 (1 year)	103,875
1935–6 ...	145,289	1935–6 (1 year)	145,289
1936–7 ...	1,297,000	1936–7 (1 year)	1,297,000
1937–8 ...	783,000	1937–8 (1 year)	783,000
Total	£P.2,741,914		

Assets and Liabilities.

11. The Assets and Liabilities are set out in Appendix III. At the 31st March, 1938, the surplus balance amounted to £P.2,400,839 as under:—

	£P.	£P.
Surplus Balance at 1st April, 1937		4,835,129
Revenue for the period 1st April, 1937, to 31st March, 1938	4,897,356	
Expenditure for the period 1st April, 1937, to 31st March, 1938	7,297,688	
Deficit for the period 1st April, 1937, to 31st March, 1938		2,400,332
		2,434,797
Deduct: Depreciation of investments on 31st March, 1938		33,958
General Revenue Balance Account at 31st March, 1938		£P.2,400,839

Assets.

12. The outstanding Advances which figured on the statement of Assets and Liabilities at the 31st March, 1937, namely (i) Municipalities, (ii) Agricultural Loans, and (iii) Earthquake Reconstruction Loans were adjusted in 1937-8 in compliance with the new colonial accounting procedure and transferred to Heads XXVIII. Public Works Extraordinary; XIII. Department of Agriculture and Fisheries; and XXVI. Miscellaneous, respectively, as shown in the relevant sub-paragraphs of paragraph 4. Recoveries of these advances are accounted for as general revenue.

Investments.

13. The value of stocks held by the Crown Agents for the Colonies on account of Government surplus balances at the 31st March, 1938, was as under:—

	£P.
Value of stocks held on 31st March, 1937, at middle market price	4,415,993
Stocks sold during the year 1937–8	1,745,429
	2,670,564
Depreciation of book values of investments held on 31st March, 1938	33,958
Value of stocks held on 31st March, 1938, at middle market price	£P.2,636,606

Investments sold during the year realized £P.1,745,429. Realization was necessary to meet the deficit for the year and to reduce the debt to the Joint Colonial Fund, which, standing at £P.675,000 on the 1st April, 1937, was reduced to £P.30,000 on the 31st March, 1938. Investments held on behalf of funds in the custody of Government consist of stocks forming the Endowment Fund of the Palestine Archaeological Museum valued at £P.263,968; and the investment of the surplus balance of the Police Fines Fund, valued at £P.3,382. The total investments, therefore, at the mean market value on the 31st March, 1938, amount to £P.2,903,956 as shown in Appendix V, as compared with total investments amounting to £P.4,683,207 held on the 31st March, 1937.

Advances in anticipation of the New Loan.

14. The balances which were shown under this account in the Report for the year 1937, have also been transferred to Expenditure in compliance with the new colonial accounting procedure. A statement is appended showing the provision in the proposed loan schedule, the total expenditure to the 31st March, 1938, on the works included therein and the Head of Expenditure to which the balances were transferred:—

Work.	*Total Provision in proposed Loan Schedule.* £P.	*Total Expenditure to 31st March, 1938.* £P.	*Transferred to Expenditure Head.*
1. Resettlement of Displaced Arabs	250,000	85,796	XVII. Department of Development
2. Water Supply and Drainage Schemes, etc. :—			
(i) Jerusalem Water Supply	370,000	370,000	XXVIII. Public Works Extraordinary
(ii) Jerusalem Drainage Scheme	150,000	93,987	do.
(iii) Haifa Drainage Scheme	130,000	15,415	do.
(iv) Haifa Water Supply ...	200,000	3,698	do.
(v) Hebron Water Supply	10,000	10,000	do.
(vi) Water Resources Survey	6,000	5,936	do.
(vii) Underground Water Investigations... ...	22,000	22,000	do.
(viii) Improvements of Village Water Supplies ...	45,000	42,193	do.
3. Agricultural Credits :—			
(i) Investment in Land Mortgage Company	150,000	150,000	XXVI. Miscellaneous
(ii) Long-Term Loans for Hill Areas	50,000	30,666	XIII. Department of Agriculture and Fisheries
4. Construction of Oil Berth and Reclamation Scheme at Haifa :—			
(i) Haifa Oil Dock ...	150,000	155,565	XXVIII. Public Works Extraordinary
(ii) Haifa East Reclamation Area...	60,000	54,435	do.
5. Public Buildings, including Jerusalem Post Office and various Educational Buildings and purposes incidental to, or connected with, any of the purposes mentioned in this Schedule, including the raising of the Loan :—			
(i) Government Arab College	27,000	24,096	do.
(ii) Government Schools in Towns	106,000	71,396	do.
(iii) Government Technical and Trade School ...	40,000	40,000	do.
(iv) Capital Grants to Jewish Institutions... ...	20,000	17,843	XII. Department of Education
(v) Jerusalem Post Office...	156,000	144,313	XXVIII. Public Works Extraordinary
(vi) Cost of Raising of Loan	56,000	—	
(vii) Unallocated	2,000	—	
	£P.2,000,000	1,337,339	

Liabilities.

Deposits.

15. *Citrus Fruit Advertisement Fund.*—The balance in this account represents the difference between the amount received by way of fees on exported citrus fruit and the amount expended on advertising. The gross amounts appearing in the account during the year under review were as under:—

	£P.	£P.
Balance of the fund at 1st April, 1937	14,319	
Fees collected during 1937–38	40,947	
		55,266
Advertising expenditure during 1937–38		33,209
Balance of the fund at 31st March, 1938		£P.22,057

16. *Palestine Archaeological Museum Endowment Fund.*—The balance of the account is now made up as under:—

	£P.
Amount of the fund at the 31st March, 1937	263,754
Plus:	
Profit on investments realized during the year 1937–38 ...	1,308
	265,062
Less:	
Depreciation of investments held at the 31st March, 1938, based on the mean market value ruling at that date ...	1,094
	£P.263,968

17. *Palestine Archaeological Museum Construction Fund.*—When Mr. John Rockefeller, Junior, undertook to provide $2,000,000 for the cost of construction and endowment of this Museum, it was estimated that the building would be completed in 1930, and the gift was promised on the understanding that the last payment would be called for not later than the 1st January, 1931. Owing, however, to unforeseen difficulties, construction did not proceed according to schedule and the building had not been completed at the 31st March, 1935. Nevertheless, a sum of $1,000,000 was received in November, 1929, and an endowment fund created. Subsequent building grants, on a dollar basis, were also made from time to time with an extension of the period of call to the 1st January, 1933.

Owing, however, to the fall in the value of sterling, the dollar values of the building grants were considerably in excess of the original sterling equivalents, while the enactment of the United States Gift Tax Law in June, 1932, increased by almost 100 per cent. the cost to Mr. Rockefeller of his benefaction. Moreover, the delay in construction of the Museum had postponed the necessity for maintenance, and interest thereby accrued on the Endowment Fund, although certain expenditure was inevitably incurred on staff and research work in connection with the classification and arrangement of archaeological material, records, and library.

In view of these changes, it was suggested that the original pledge should be replaced by a new arrangement which ultimately took the following form:—

(*a*) The cost of construction of the Museum estimated at £P.200,000 should be reduced to £P.193,000. This was made possible by economies on certain items of equipment and fittings.

(*b*) £P.14,000 of the unexpended balance of income derived from the Endowment Fund at 31st March, 1934, should be transferred to the construction account.

(*c*) The Endowment Fund should be reduced by the amount required to complete construction (this reduction was effected in 1934-5) after taking into account the sum of £P.149,308 already paid by Mr. Rockefeller and the transfer of £P.14,000 from the balance of the current account.

The amount of £P.2,683, shown in the Statement of Assets and Liabilities, is made up as under:—

	£P.
Amounts received from Mr. Rockefeller to 31st March, 1935	149,308
Amount transferred from accumulated interest in current account	14,000
Amount transferred from the Endowment Fund ...	29,692
	193,000
Less:	
Amount expended to 31st March, 1938	190,317
	£P.2,683

18. *Moslem University of Palestine.*—In March, 1935, His Highness the Nizam of Hyderabad donated a sum of £P.7,543 to form an Endowment Fund for the maintenance of a Moslem University in Palestine. This sum is now on sight deposit with Barclays Bank (D.C. & O.), Jerusalem, bearing interest at ½ per cent. per annum.

19. *Sir Ellis Kadoorie Bequest.*—The bequest was made to His Majesty's Government, who appointed the Officer Administering the Government of Palestine to be the local representative for the administration of the trust.

The bequest is for the construction and the endowment of Agricultural Training Schools at Tulkarm and Mt. Tabor. The total amount received was £P.121,551, but the bequest was enhanced in value by transactions on investments and by accumulation of interest to a total of £P.179,321. Of this total the sum of £P.93,084 had been remitted by the Crown Agents for the Colonies at the 31st March, 1938, for the construction and

equipment of the schools, leaving an amount of £P.86,237 in the fund, which was held partly on deposit at call (£P.427) and partly in Trustee Securities (£P.85,810).

Prior to the year 1934-5, interest from the Endowment Fund, together with school and farm receipts supplemented by a Government grant-in-aid, were utilized both for construction and maintenance. With effect, however, from the 1st April, 1934, these receipts were credited to Revenue, and recurrent expenditure on the schools was provided for in the Estimates of the Department of Agriculture and Forests. There remained, however, a balance of £P.4,756 in the current account at the 1st April, 1935, which was utilized during 1935-6 and 1936-7 for capital work on school construction, with the result that a balance of £P.1,299 only remained in the account at the 31st March, 1938. The estimated cost of construction and equipment of the two schools is £P.80,148, of which the sum of £P.78,424 had been expended to the 31st March, 1938. A further sum of £P.1,724 is, therefore, required to complete the work. Of this sum a balance of £P.1,299 remains in the current account, and it may be necessary, therefore, to draw on the Endowment Fund in the hands of the Crown Agents for the Colonies to the extent of £P.425 in order to complete the construction and equipment of the schools.

Loan Expenditure.

20. The expenditure from Loan Funds is shown in Appendix VI. The Palestine 5 per cent. Guaranteed Loan of £4,475,000, issued at £100 10s. per cent., realized £P.4,497,375.

The net charge to expenditure during the year amounted to £P.74,703 and was incurred on the following works:—

	£P.
Jaffa Port Improvements	74,870
Government Printing Press	592
	75,462
Less:	
Credits received in respect of Haifa Harbour Construction	759
	£P.74,703

The charge of £P.74,870 to the Jaffa Port Improvements was in respect of works carried out prior to 1st April, 1937, and met from funds provided from surplus balances under the vote for Public Works Extraordinary. Owing to savings on the estimated cost of the construction of Haifa harbour it has been found possible to re-allocate the expenditure on items in the loan schedule by utilizing the savings on the Haifa harbour construction to cover part of the excess expenditure on

the Jaffa port improvements, with the corresponding credit to surplus balances through revenue under Head VIII. Miscellaneous.

21. The total expenditure from Loan Funds at the 31st March, 1938, amounted to £P.4,497,124, leaving a balance of £P.251.

Currency.

(See paragraphs 29 and 30 on pages 28 and 29 of the Annual Report for 1929.)

22. During the year under review the Currency Board paid a contribution of £P.80,000 to the revenues of the Government of Palestine in respect of the year ended the 31st March, 1937.

23. It will be seen from the particulars appended that the total value of currency in circulation at the 31st March, 1938, amounted to £P.5,009,134, or a decrease of £P.617,000 as compared with the value of currency in circulation at the 31st March, 1937:—

Denomination.	*Coins and Notes in Circulation at 31st March, 1937.*	*31st March, 1938.*
Coins :—		
Silver coins :—	£P.	£P.
100 mils	232,400	206,000
50 mils	213,000	205,100
Face value of silver coins	£P.445,400	£P.411,100
Nickel-bronze coins :—		
20 mils	24,100	22,000
10 mils	33,300	33,600
5 mils	21,700	22,100
Face value of nickel-bronze coins ...	£P. 79,100	£P. 77,700
Bronze coins :—		
2 mils	2,896	2,892
1 mil	5,104	5,608
Face value of bronze coins	£P. 8,000	£P. 8,500
Face value of all coins	£P.532,500	£P.497,300
Notes :—		
£P.100	20,600	14,700
£P.50	76,200	53,400
£P.10	962,340	734,340
£P.5	1,701,355	1,484,355
£P.1	2,031,230	1,926,530
£P.½ (500 mils)	301,909	298,509
Face value of notes	...£P.5,093,634	£P.4,511,834
Face value of coins and notes	...£P.5,626,134	£P.5,009,134

Monopolies.

24. (See paragraphs 33 and 34 on page 31 of the Annual Report for 1929 and paragraph 29 on page 165 of the Annual Report for 1933).

Banks.

25. In the Annual Report for 1937 reference was made to the provisions in the Banking (Amendment and Further Provisions) Ordinance, 1937, relating to minimum capital of banks. During 1938 the first effects of these provisions became apparent. It will be recalled that the minimum capital of local banks was fixed at £P.50,000 subscribed, of which not less than £P.25,000 had to be paid up in cash. Local banks which at the date of enactment of the Ordinance were not complying with this requirement and whose paid-up capital was less than £P.10,000 were, within nine months from the date of enactment, required to raise their subscribed capital to £P.20,000, of which £P.10,000 should be paid up in cash.

On the termination of this first period of grace, 32 local banks had ceased to function as banks. The combined resources of these 32 banks were unimportant, and the reduction in the number of banks was effected without detriment to the economic life of the country.

The number of banks operating in the country is now 43 of which six are incorporated abroad. Each of the six foreign banks has a paid-up capital in excess of £P.100,000 which is the minimum fixed by the Ordinance for such banks. Of the 37 surviving local banks, 20 are not as yet complying with the full capital requirements of the Ordinance and it is provided that these banks must raise the minimum paid-up capital by October, 1939.

Appendices IX and X contain tables compiled from the statutory returns submitted to Government by banks.

APPENDIX I.

Summary of Revenue for the years 1933–34 to 1937–38.

Heads of Revenue.	*1933–34 (1st April, 1933, to 31st March, 1934).*	*1934–35 (1st April, 1934, to 31st March, 1935).*	*1935–36 (1st April, 1935, to 31st March, 1936).*	*1936–37 (1st April, 1936, to 31st March, 1937.)*	*1937–38 (1st April, 1937, to 31st March, 1938).*
	£P.	£P.	£P.	£P.	£P.
1. Customs	1,868,598	2,600,370	2,751,246	2,019,479	1,999,697
2. Port and Marine ...	56,488	90,701	107,597	110,206	129,120
3. Licences, Taxes, etc. ...	857,180	1,075,295	1,082,427	852,948	982,032
4. Fees of Court or Office, etc.	534,355	845,923	913,027	703,129	750,666
5. Posts and Telegraphs ...	287,843	355,817	418,896	477,493	508,887
6. Revenue from Government Property ...	14,420	21,618	23,952	50,317	50,363
7. Interest	56,896	97,102	141,279	150,730	130,284
8. Miscellaneous	121,337	177,886	154,021	128,021	184,128
9. Land Sales	26,609	31,640	18,874	2,441	9,234
10. Grant-in-Aid	137,760	141,368	140,345	139,686	140,532
11. Colonial Development Grants	24,006	14,913	18,793	6,371	12,413
£P.	3,985,492	5,452,633	5,770,457	4,640,821	4,897,356

APPENDIX II.

Summary of Expenditure for the years 1933–34 to 1937–38.

Heads of Expenditure.	*1933–34 (1st April, 1933 to 31st March, 1934).*	*1934–35 (1st April, 1934 to 31st March, 1935).*	*1935–36 (1st April, 1935 to 31st March, 1936).*	*1936–37 (1st April, 1936 to 31st March, 1937).*	*1937–38 (1st April, 1937 to 31st March, 1938).*
	£P.	£P.	£P.	£P.	£P.
1. Pensions	24,193	28,747	34,243	37,040	50,588
2. Public Debt and Loan Charges	127,198	126,904	126,449	126,449	158,896
3. His Excellency the High Commissioner ...	9,313	10,694	9,103	10,254	10,552
4. Secretariat	25,433	24,735	39,487	69,463	76,651
5. District Administration	97,712	108,790	154,840	156,931	165,055
6. Legal Department ...	10,451	10,294	11,000	14,011	18,112
7. Judicial Department ...	89,534	91,545	94,151	100,882	110,567
8. Treasury	15,746	16,553	17,095	20,495	22,762
9. Audit Department ...	12,181	12,793	13,628	17,998	16,746
10. Customs, Excise and Trade	94,395	147,620	243,449	277,477	250,530
11. Department of Health	135,838	166,311	194,632	204,350	215,448
12. Department of Education	179,635	201,498	221,087	243,243	300,742
13. Department of Agriculture and Fisheries...	—	—	—	177,387	321,676
Department of Agriculture and Forests ...	115,076	147,286	181,003	—	—
14. Department of Forests...	—	—	—	24,322	25,201
15. Antiquities Department	8,359	17,197	18,340	23,920	22,150
16. Department of Lands and Surveys	—	—	115,823	124,878	130,334
Land Settlement ...	27,298	26,541	—	—	—
Lands Department ...	20,024	21,455	—	—	—
Survey Department ...	60,007	62,810	—	—	—
17. Department of Development	7,822	6,901	8,304	17,244	98,197
18. Police and Prisons ...	486,605	506,712	527,467	744,619	941,975
19. Department of Migration	21,392	29,437	32,424	36,965	39,226
20. Office of Statistics ...	—	—	1,499	4,765	6,418
21. Trans-Jordan Frontier Force	172,318	165,165	171,187	179,257	175,182
22. Defence	110,125	144,118	145,289	1,297,000	789,738
23. Posts and Telegraphs ...	167,245	225,048	310,778	351,943	429,127
24. Public Works Department	49,496	48,944	58,694	76,396	132,497
25. Public Works Recurrent	189,369	228,875	288,086	320,350	333,849
26. Miscellaneous	189,908	257,868	297,473	502,160	466,683
27. Posts and Telegraphs Extraordinary ...	27,487	71,623	132,301	129,002	112,031
28. Public Works Extraordinary	134,359	262,878	645,044	705,094	1,614,885
29. Trans - Jordan Frontier Force Extraordinary...	13,075	26,592	18,477	9,944	12,828
30. Railways (excess of Expenditure over Revenue)	59,259	33,805	124,159	69,631	230,123
31. Colonial Development ...	24,003	271	690	32	18,919
£P.	2,704,856	3,230,010	4,236,202	6,073,502	7,297,688

APPENDIX

Statement of Assets and

Liabilities.	£P. Mils.	£P. Mils.
JOINT COLONIAL FUND		30.000.000
DEPOSITS—		
Citrus Fruit Advertisement Fund	22,056.602	
Command Paymaster (Talavera Barracks Drainage Scheme)	4,606.904	
Contractors' Deposits	8,606.131	
Court Deposits	74,066.980	
Customs Deposits...	12,008.863	
Grants-in-Aid (unspent balances)		
Colonial Development Fund	9.379	
Hydrographic Survey	7,216.974	
Trans-Jordan Frontier Force	5,097.716	
Gaza Development Scheme	2,027.693	
Haifa Harbour Reclaimed Area, Building Deposits ...	950.000	
Immigrants' Guarantees	8,639.057	
Insurance Companies' Guarantees	14,736.205	
Land Registry Deposits	7,016.484	
Local Education Committees	13,267.009	
Mecca Pilgrims' Deposits	879.901	
Moslem University of Palestine (contribution by H.H. the Nizam of Hyderabad)	7,600.401	
Municipalities	12,514.311	
Other Governments	2,630.176	
Orthodox Patriarchate	1,189.392	
Ottoman Agricultural Bank	25,394.661	
Official Receiver	14,130.409	
Palestine Archaelogical Museum (Endowment Fund)...	263,968.121	
Palestine Archaeological Museum (Construction Fund)	2,682.956	
Police Fines Fund	4,754.078	
Posts and Telegraphs Deposits Account	59,088.010	
Private Waqfs	417.542	
Renewal Funds		
Posts and Telegraphs	82,718.000	
Jerusalem Water Supply	12,323.000	
Russian State Property	7,705.019	
Sir Ellis Kadoorie Bequest (Construction Fund) ...	1,299.337	
Special Police Posts	1,823.815	
Supreme Moslem Sharia Council	1,199.442	
Trans-Desert motor route, Palestine-Iraq (security lodged by Haim Nathaniel)	10,000.000	
Unclaimed Property	148.622	
Undistributed Assets of Companies in Liquidation ...	18.957	
Village Water Supplies and Roads	8,443.889	
Sundry Accounts	6,944.221	
		708,180.257
DRAFTS AND REMITTANCES		605.264
LOAN ACCOUNT		251.549
GENERAL REVENUE BALANCE ACCOUNT		
Balance on 1st April, 1937	4,835,129.154	
Deduct Balance of Surplus and Deficit Account, 1937–38 (Deficit)	2,400,332.121	
	2,434,797.033	
Deduct Depreciation of Investments at 31st March, 1938	33,958.260	
Balance of General Revenue Balance Account as at 31st March, 1938		2,400,838.773
		£P.3,139,875,843

FUNDED DEBT.

	£P.
Palestine Loan Stockholders	4,475,000

The amount of the Sinking Fund at the 31st March, 1938, for the redemption of the Stock was £483,566 8s. 2d.

III.

Liabilities at 31st March, 1938.

Assets.	*£P. Mils.*	*£P. Mils.*
CASH		84,500.023
ADVANCES—		
Bank Deposits—		
Trans-Desert motor route, Palestine-Iraq (security lodged by Haim Nathaniel)	10,000.000	
Insurance Companies' Guarantees	14,736.205	
Moslem University of Palestine (contribution by H.H. the Nizam of Hyderabad)	7,600.401	
Undistributed Assets of Companies in Liquidation	18.957	
Crown Agents	4,575.000	
Government Officers	1,494.658	
Other Governments	962.643	
Postmaster-General	6,936.159	
Posts and Telegraphs Advance Accounts	21,645.162	
Railways	61,168.649	
Sundry Accounts	710.987	
		129,848.821
IMPRESTS		21,571.074
INVESTMENTS AT MIDDLE MARKET PRICE ON 31ST MARCH, 1938—		
Available Balances	2,636,606.124	
Palestine Archaelogical Museum Endowment Fund...	263,968.121	
Police Fines Fund	3,381.680	
		2,903,955.925
		£P.3,139,875.843

APPENDIX IV.

Statement of the Assets and Liabilities of the Railways operated by the Palestine Government at 31st March, 1938.

Liabilities.	£P. mils	*Assets.*	£P. mils
1. Palestine Railway Renewals Fund	42,313.234	1. Cash	5,763.836
2. Sinai (Kantara-Rafa) Railway Renewals Fund	84,226.785	2. Egyptian State Railways	4,591.234
3. Petah Tiqva Colony—Loan Account	19,677.981	3. Advances	15,322.989
4. Deposits	8,157.635	4. Unallocated Stores and Materials	193,627.209
5. Fines Fund	1,773.680		
6. Treasurer's Account	63,155.953		
	£P.219,305.268		£P.219,305.268

Reconciliation of Treasurer's Account in the Railway Accounts with the General Manager's Advance Account in the Treasury.

	£P. mils
Treasurer's Account as shown in Statement above	63,155.953
Less : Items not yet adjusted	1,987.304
Balance of General Manager's Advance Account as shown in the Statement of Assets and Liabilities (Appendix II)	£P.61,168.649

APPENDIX V.

Statement of Investments.

Securities held by Crown Agents.

	Nominal Value.	*Cost Price.*	*Middle market Price on 31st March, 1938.*	*Market Value on 31st March, 1938 (at middle market price on that date).*
(1) *Available Balances*—	£ s. d.	£P. Mils.		£P. Mils.
British Guiana 1959/69 3 per cent. Stock	23,000 0 0	22,253.500	94	21,620.000
Ceylon 1959 3¼ per cent. Stock ...	123,236 8 1	124,345.757	98	120,771.676
Ceylon 1959/64 3 per cent. Stock	75,000 0 0	75,000.000	94	70,500.000
Federated Malay States 1960/70 3 per cent. Stock	250,000 0 0	250,000.000	94	235,000.000
Trinidad 1965/70 3 per cent. Stock	50,000 0 0	50,000.000	92	46,000.000
Uganda 1955/65 3½ per cent. Stock	19,727 7 8	21,017.350	102	20,121.931
Commonwealth of Australia 1939/41 3 per cent. Stock ...	121,579 3 1	122,867.657	100	121,579.154
Commonwealth of Australia 1955/58 3 per cent. Stock ...	82,581 3 11	77,655.964	88	72,671.452
Commonwealth of Australia 1943/48 4 per cent. Stock ...	17,000 0 0	17,486.538	101	17,170.000
Commonwealth of Australia 1946/49 3¾ per cent. Stock ...	21,184 13 9	21,666.125	100	21,184.688
Commonwealth of Australia 1941/43 2¾ per cent. Stock ...	12,500 0 0	12,625.000	98	12,250.000
Bradford 1940/60 4¾ per cent. Stock	14,126 10 2	15,492.996	105	14,832.833
Brighton 1940/60 4½ per cent. Stock	7,007 6 9	7,543.634	104	7,287.632
Burton 1953 3 per cent. Stock ...	35,000 0 0	33,445.192	95	33,250.000
Canada 1940/60 4 per cent. Stock	74,310 13 5	77,400.944	102	75,796.884
Canada North. Ontario Railway 1961 3½ per cent. Stock ...	5,037 13 5	5,173.703	98½	4,962.106
Cardiff 1914/54 3 per cent. Stock	34,000 0 0	34,383.471	94½	32,130.000
Cardiff 1952/55 3 per cent. Stock	10,238 16 7	10,268.149	96	9,829.276
Colwyn Bay 1953/55 3 per cent. Stock	24,000 0 0	23,640.000	95	22,800.000
Conversion Loan 1944/64 5 per cent. Stock	40,828 15 1	47,667.570	112¾	46,034.420
Conversion Loan 1948/53 3 per cent. Stock	222,482 2 7	236,388.035	101	224,706.950
Conversion Loan 1944/49 2½ per cent. Stock	303,616 6 10	302,119.897	97½	296,025.933
Edinburgh 1940/60 4½ per cent. Stock	18,800 0 0	20,233.500	105½	19,834.000
Funding Loan 1956/61 2½ per cent. Stock	121,327 2 11	112,812.633	88½	107,374.524
Hertfordshire 1948/53 3 per cent. Stock	12,061 3 5	12,450.458	100	12,061.171
Hull 1941/61 5 per cent. Stock ...	50,000 0 0	55,039.100	106½	53,250.000
Hull 1921/51 3 per cent. Stock ...	700 0 0	702.725	97	679.000
India 1954/59 3½ per cent. Stock...	24,065 13 0	25,449.758	103½	24,907.948
Liverpool 1955/58 3 per cent. Stock	45,200 0 0	44,974.000	96	43,392.000
London Electric Transport 1950/55 2½ per cent. Stock ...	118,200 0 0	114,654.000	92	108,744.000
Middlesex 1948/53 3 per cent. Stock	66,846 17 9	68,594.755	99	66,178.419

APPENDIX V—*contd.*

Statement of Investments—*contd.*

SECURITIES HELD BY CROWN AGENTS—*contd.*

	Nominal Value.	*Cost Price.*	*Middle market Price on 31st March, 1938.*	*Market Value on 31st March, 1938 (at middle market price on that date).*
	£ s. d.	£P. Mils.		£P. Mils.
New Zealand 1945 4½ per cent. Stock	4,446 8 7	4,768.796	102	4,535.358
New Zealand 1943/63 4 per cent. Stock	10,000 0 0	10,325.600	100	10,000.000
New Zealand 1955/60 3½ per cent. Stock	1,506 17 10	1,537.029	96	1,446.616
New Zealand 1949/54 3½ per cent. Stock	71,351 0 8	70,807.396	96	68,496.992
New Zealand 1945 3 per cent. Stock	102,639 18 7	100,801.334	95	97,507.933
New Zealand 1952/55 3 per cent. Stock	193,881 3 10	191,988.774	88	170,615.449
Nuneaton 1953/56 3 per cent. Stock	51,259 13 8	50,499.459	93	47,671.505
Palestine 1942/67 5 per cent. Stock	9,518 17 7	11,268.571	111½	10,613.550
Plymouth (Devonport), 1920/60 3 per cent. Stock	8,500 0 0	8,574.875	93½	7,947.500
Salford 1954/56 3 per cent. Stock	35,680 18 7	35,432.375	95	33,896.883
St. Helens 1915/55 3 per cent. Stock	600 0 9	604.608	95	570.036
Stoke 1955/65 3½ per cent. Stock	18,681 15 1	19,150.248	98	18,308.119
Stretford 1955/65 3½ per cent. Stock	10,000 0 0	10,031.450	97½	9,750.000
Swansea 1955 3 per cent. Stock ...	4,117 3 11	4,107.200	94	3,870.164
Union of South Africa 1954/64 3 per cent. Stock	140,000 0 0	140,417.871	95	133,000.000
Victoria 1929/49 3½ per cent. Stock	6,000 0 0	6,056.004	96	5,760.000
Victoria 1929/49 3 per cent. Stock	12,880 6 4	12,466.256	94	12,107.498
Wakefield 1955 3 per cent. Stock	23,262 18 7	23,645.030	96	22.332.412
Western Australia 1935/55 3½ per cent. Stock	15,701 2 11	15,937.046	97	15,230.112
Total	£2,743,686 5 4	£P.2,761,772.333		£P.2,636,606.124
(2) *Securities held in trust on behalf of the Palestine Archaeological Museum.*				
Birmingham 1946 or after 3½ per cent. Stock	22,477 1 1	23,849.804	100	22,477.054
British Guiana Demerara Railway Perpetual 4 per cent. Stock ...	2,653 0 0	2,756.134	99	2,626.470
Bristol Perpetual Debenture 3½ per cent. Stock	7,079 2 6	7,124.738	99	7,008.334
Commonwealth of Australia 1948/53 3½ per cent. Stock ...	10,000 0 0	9,921.975	100	10,000.000
Canada 1953/58 4 per cent. Stock	193 1 3	203.762	108	208.508
Consolidated 1957 or after 4 per cent. Stock	22,177 0 9	18,462.827	109	24,172.971
Croydon Irredeemable 3½ per cent. Stock	2,355 12 4	2,466.242	101	2,379.173

APPENDIX V—*contd.*

Statement of Investments—*contd.*

SECURITIES HELD BY CROWN AGENTS—*contd.*

	Nominal Value.	*Cost Price.*	*Middle market Price on 31st March, 1938.*	*Market Value on 31st March, 1938 (at middle market price on that date).*
	£ s. d.	£P. Mils.		£P. Mils.
Glasgow Irredeemable 3½ per cent. Stock	21,550 0 0	22,880.506	100	21,550.000
Hull Irredeemable 3½ per cent. Stock	7,803 10 9	8,298.430	99	7,725.503
India 1948 or after 3 per cent. Stock	37,718 7 11	29,636.958	77	29,043.165
Liverpool Irredeemable 3½ per cent. Stock	51,083 5 1	53,535.436	100	51,083.254
London County Consolidated 1920 or after 3 per cent. Stock ...	24,914 12 6	20,927.025	85	21,177.431
Manchester Irredeemable 4 per cent. Stock	32,722 1 4	37,053.482	110	35,994.274
Swansea Irredeemable 3½ per cent. stock	13,817 17 8	14,631.226	100	13,817.883
West Australia 1935/55 3½ per cent. Stock	15,158 17 4	15,386.621	97	14,704.101
Total ...	£271,703 10 6	£P.267,135.166		£P.263,968.121
(3) *Securities held in trust on behalf of the Police Fines Fund*—				
Commonwealth of Australia 1946/49 3¾ per cent. Stock ...	1,800 0 0	1,755.000	100	1,800.000
Commonwealth of Australia 1964/74 3¼ per cent. Stock ...	497 8 1	504.770	90	447.664
New Zealand 1955/60 3½ per cent. Stock	1,181 5 4	1,204.892	96	1,134.016
	£3,478 13 5	£P.3,464.662		£P.3,381.680

APPENDIX

Loan Account Statement

Date.	*Receipts.*			*Amount.* £P. Mils.
1938 31st March	Proceeds of 5 per cent. Loan of £4,475,000 Stock, issued at £100 10s. 0d. per cent.			4,497,375.000
	Revised Allocation of Loan as approved by the Secretary of State in his telegram No. 187 of 10th May, 1938.			
		£P.	£P.	
	Item I.			
	Railways :—			
	1. Railway Workshops	245,042		
	2. Other Railway Works	1,393,979		
			1,639,021	
	Item II.			
	Purchase of Railway and other capital assets from His Majesty's Government		1,000,000	
	Item III.			
	Harbour Construction and Port Improvements :—			
	1. Jaffa Port Improvements	278,870		
	2. Haifa Harbour Construction	1,210,413		
			1,489,283	
	Item IV.			
	Telegraphs and Telephones	188,126		
	Government Offices and Construction and Equipment of Printing Office	60,642		
	Cost of raising Loan ...	120,303		
			369,071	
			£P.4,497,375	
				£P.4,497,375.000

VI.

at 31st March, 1938.

Date.	*Expenditure.*	£P. Mils.	*Amount.* £P. Mils.
1938 31st March	Item I. Railways :—		
	1. Railway Workshops	245,041.458	
	2. Other Railway Works (completed)...	1,393,979.057	1,639,020.515
	Item II. Purchase of Railway and other capital assets from His Majesty's Government		1,000,000.000
	Item III. Harbour Construction and Port Improvements :—		
	1. Jaffa Port Improvements ...	278,870.000	
	2. Haifa Harbour Construction	1,210,161.984	1,489,031.984
	Item IV. Telegraphs and Telephones	188,126.494	
	Government Buildings :—		
	Acquisition of site	21,300.000	
	Government Printing Press ...	39,342.000	
	Cost of raising Loan	120,302.458	369,070.952
			4,497,123.451
	Balance		251.549
			£P. 4,497,375.000

APPENDIX VII.

Statement of Loan Balances at 31st March, 1938.

Works.	*Schedule to Palestine and East Africa Loans Act, 1926.*	*Re-allocation approved by the Secretary of State.*	*Allocation of actual proceeds of Loan.*	*Actual Expenditure at 31st March, 1938.*	*Unexpended Balance.*
	£	£P.	£P.	£P.	£P.
1. Railways	1,640,000	1,639,021	1,639,021	1,639,021	—
2. Purchase of railway and other capital assets from His Majesty's Government	1,000,000	1,000,000	1,000,000	1,000,000	—
3. Harbour Construction and Port Improvements	1,115,000	1,489,283	1,489,283	1,489,032	251
4. Public buildings, telegraphs and telephones, surveys, minor works of development, and purposes incidental to or connected with any of the purposes mentioned in this Schedule, including the raising of the loan	745,000	371,696	369,071(*a*)	369,071(*a*)	—
	4,500,000	4,500,000	4,497,375	4,497,124	251

(*a*) Made up as under :—

	£P.
Telegraphs and Telephones	188,126
Government Offices and Construction and Equipment of Printing Office	60,642
Cost of raising Loan	120,303
	£P.369,071

Special Statistics.

Financial or Administrative year.	Public Debt (latest figures).	Revenue from External Sources.		Revenue other than from external sources.	Amount spent on			
		Loans and Advances.	Non-recoverable Grants.		Education.	Agriculture Fisheries and Forests	Public Health.	Public Works.
	£P.	£P.	£P.	£P.	£P.	£P.	£P.	£P.
1st July, 1920, to 31st March, 1921	—	—	—	1,135,884	50,079	31,046	121,272	157,600
1921–22	—	—	—	2,371,531	90,418	46,337	146,596	104,394
1922–23	—	—	295,000	1,809,831	91,520	38,610	117,074	219,385
1923–24	—	—	240,622	1,675,788	99,772	36,530	93,698	147,566
1924–25	—	—	195,126	1,959,820	102,666	35,691	84,440	154,354
1925–26	—	—	204,878	2,604,446	103,992	37,089	85,411	217,074
1926–27	—	—	86,476	2,364,889	116,810	65,312	91,676	311,131
April to December, 1927	4,475,000	—	30,345	1,709,035	100,039	52,490	73,858	502,628(*a*)
1928	4,475,000	—	35,797	2,548,520	137,115	72,360	98,581	342,714
1929	4,475,000	—	24,523	2,299,049	139,789	76,714	101,864	300,947
1930	4,475,000	—	41,286	2,348,260	143,555	102,518	105,481	382,982
1931	4,475,000	—	222,909	2,110,986	146,988	81,227	105,918	334,352
January to March, 1932	4,475,000	—	27,734	629,555	30,322	20,463	26,161	65,031
1932–33	4,475,000	—	127,788	2,888,129	159,520	86,515	111,052	317,451
1933–34	4,475,000	—	161,766(*b*)	3,823,727	179,635	115,076	135,838	373,224
1934–35	4,475,000	—	156,281(*c*)	5,296,352	201,498	147,286	166,311	540,696
1935–36	4,475,000	—	159,138(*d*)	5,611,319	221,087	181,003	194,632	991,824
1936–37	4,475,000	—	146,057(*e*)	4,494,764	243,243	201,709	204,350	1,101,840
1937–38	4,475,000	—	152,945(*f*)	4,744,411	300,742(*g*)	346,877(*g*)	215,448	2,081,231(*g*)

(*a*) Includes an adjustment of £P.262,921 in respect of various works undertaken in previous years and charged to Loan Funds.

(*b*) Includes £P.24,006 grant plus interest from the Colonial Development Fund to cover the cost of an aerial survey, by a party of Royal Engineers, of a possible railway route between Haifa and Baghdad.

(*c*) Includes £P.14,522 assistance grants from the Colonial Development Fund in respect of the Jerusalem Water Supply and Drainage Schemes and Hebron and Village Water Supplies Schemes.

(*d*) Includes £P.18,793 assistance grants from the Colonial Development Fund in respect of the Jerusalem Water Supply and Drainage Schemes and the Hebron and Village Water Supply Schemes and Survey, Zerka Valley.

(*e*) Includes £P.6,371 assistance grants from the Colonial Development Fund in respect of the Jerusalem, Hebron and Village Water Supplies Schemes and Survey, Zerka Valley.

(*f*) Includes £P.2,783 grant-in-aid from His Majesty's Government of the moiety of the expenditure incurred on the hydrographic survey of Southern Palestine, and £P.12,413 assistance grants from the Colonial Development Fund in respect of the Jerusalem, Hebron and Village Water Supplies Schemes and the Jerusalem Drainage Scheme.

(*g*) Includes adjustment of amounts charged to Advances prior to 1st April, 1937, but transferred to expenditure in 1937–38 in compliance with the new Colonial accounting procedure, which are distributed as follows:—

	£P.
(i) Education	17,843
(ii) Agriculture, Fisheries and Forests	121,781
(iii) Public Works	1,106,939
	£P.1,246,563

APPENDIX IX.

Summary of Assets and Liabilities of Foreign and Local Banks carrying on business in Palestine as at the 30th September, 1937, and the 30th September, 1938.

Liabilities.	30th September, 1937.	30th September, 1938.	Assets.	30th September, 1937.	30th September, 1938.
	£P.	£P.		£P.	£P.
Capital paid up*	1,172,332	1,167,374	Currency and bullion on hand ...	664,769	1,176,431
Reserve Fund*	186,606	183,297	Balances held with Banks	3,772,757	3,044,774
Debentures*	142,783	158,767	Bills Discounted	2,744,645	2,298,892
Balances held for Banks	4,134,346	3,643,586	Advances	7,740,336	8,187,305
			Investments	5,186,477	4,455,623
Demand Deposits	10,446,373	9,972,617	Bank Premises	220,872	259,493
Time Deposits	3,464,708	3,388,928	Liabilities of Customers for acceptances (as per contra)	22,187	16,841
Total Deposits	13,911,081	13,361,545	Liabilities of Customers for Guarantees, Endorsements and other obligations (as per contra)	1,407,987	1,248,779
Bills Payable	234,789	286,774	Other Accounts	254,879	185,113
Advances from Banks or other parties ...	207,962	271,099			
Acceptances on account of customers ...	22,187	16,841			
Guarantees, Endorsements and other obligations on account of customers...	1,407,987	1,248,779			
Other Accounts	594,836	535,189			
	22,014,909	20,873,251		22,014,909	20,873,251

* Local Banks only.

APPENDIX X.

Distribution of Bank Loans (Bills Discounted and Advances to Customers) as at 30th September, 1937, and 30th September, 1938.

	30th September, 1937.			30th September, 1938.		
	Number of Customers.	Amount.	Per cent. of Total.	Number of Customers.	Amount.	Per cent. of Total.
		£P.			£P.	
To Municipalities, Local Councils and Village Authorities	63	264,711	2·5	72	323,235	3·1
To gas, electricity, water, harbour, dock and other general utility bodies	89	41,961	0·4	90	78,483	0·8
For Agriculture						
On or for the citrus grove or its fruit	2,617	1,641,173	15·6	2,622	1,599,297	15·3
On or for live stock	461	34,432	0·3	404	27,937	0·3
On or for agricultural holdings	18,684	1,015,767	9·7	18,373	925,103	8·8
For Manufacture of						
Food, drink and tobacco products	927	287,814	2·7	798	286,642	2·7
Textiles and clothing	952	144,580	1·4	1,021	160,928	1·5
Wood and paper products (including furniture factories) ...	946	105,783	1·0	773	104,146	1·0
Soap and oils	148	83,690	0·8	155	106,021	1·0
Printed matter	420	65,145	0·6	435	72,739	0·7
Metal products (including machinery)	650	173,447	1·7	628	162,097	1·5
Chemical products	187	32,817	0·3	205	44,362	0·4
Stone, cement and bricks	609	142,088	1·4	542	112,674	1·1
Other manufactured products	829	120 143	1·1	814	132,955	1·3

Distribution of Bank Loans (Bills Discounted and Advances to Customers) as at 30th September, 1937, and 30th September, 1938.—*contd.*

	30th September, 1937.			30th September, 1938.		
	Number of Customers.	Amount.	Per cent. of Total.	Number of Customers.	Amount.	Per cent. of Total.
		£P.			£P.	
Construction						
For buildings in course of erection	1,197	418,840	4·0	793	321,193	3·1
General Commerce						
To wholesale merchants	4,324	1,684,631	16·1	3,854	1,519,073	14·5
To retail merchants	6,444	538,275	5·1	5,751	496,033	4·7
Miscellaneous: to or for						
Motor vehicles and transport services	1,153	263,001	2·5	953	213,552	2·0
Hotels, restaurants and boarding houses	759	59,260	0·6	559	62,111	0·6
Religious and charitable institutions	149	71,104	0·7	182	76,163	0·7
Financial concerns, including insurance companies, banks, credit co-operative societies, etc.	500	572,971	5·5	545	811,341	7·7
Professional and private individuals	24,196	1,086,685	10·4	24,585	1,040,682	9·9
Entertainment concerns	295	22,789	0·2	108	25,773	0·3
Purchase of Land	958	576,524	5·5	1,202	731,273	7·0
Buildings (mortgages)	818	448,113	4·3	873	501,546	4·8
Other items	4,985	589,237	5·6	4,105	550,838	5·2
	73,360	10,484,981		70,442	10,486,197	

XXII.—DEMOGRAPHIC, VITAL AND MIGRATION STATISTICS AND OFFICE OF STATISTICS.

Demographic Statistics.

NOTE.—*For the latest full account of the population, its development up to* 1931 *and its geographical distribution, reference should be made to Chapters I and II of Volume I of the Census of Palestine,* 1931.

The *de facto* population of Palestine, exclusive of members of His Majesty's Forces, was estimated to be 1,435,328 at 31st December, 1938, the division by religions being as follows:—

Moslems	900,260
Jews	411,253
Christians	111,976
Others	11,839
Total	1,435,328

The classification by religion has been adhered to in population statistics since the beginning of the British Occupation. This classification of vital occurrences is socially necessary because the law of personal status in Palestine is the law of the particular religious community to which a person belongs.

2. It was recognized at the census of 1931 that classification by " race " or " nationality " into the broad groups, Arabs, Jews, and Others, is a political necessity. At that census, persons were asked to state to which of the three groups (Arabs, Jews, and Others) they belonged. The following table shows the inter-connection between the religious communities and the " racial " groups that the census revealed among the settled population. Nomads, who numbered 66,553 at the census and were practically all Moslems, are omitted:—

Race.	*Religion.*				
	All Religions.	*Moslems.*	*Jews.*	*Christians.*	*Others.*
All Races ...	969,268	693,159	174,610	91,398	10,101
Arabs... ...	772,904	690,420	87	73,281	9,116
Jews	174,809	21	174,378	25	385
Others ...	21,555	2,718	145	18,092	600

Out of a total of 693,159 Moslems, 690,420 or 99·6 per cent. described themselves as Arabs. The remainder were principally Egyptians and Turks. Out of a total of 91,398 Christians, 73,281 or 80·2 per cent. were Arabs, while the remainder were principally members of European races and Armenians. The members of other non-Jewish religions in the population, who are principally Druze by religion, numbered 10,101 of whom 9,116 described themselves as Arabs.

3. If it be assumed that now, as in 1931, the Arab population is made up of 99·6 per cent. of all settled Moslems, 80·2 per cent. of all Christians, 90 per cent. of all other settled non-Jews, and the whole Beduin population, the following rough estimate of the population at 31st December, 1938, classified by " race," is reached:—

Arabs	...	997,000
Jews ...	...	411,000
Others	...	27,000
Total	...	1,435,000

4. A census of population was taken on 23rd October, 1922, and again on 18th November, 1931. In the intervening years statistics of births and deaths and of migration were used to estimate mid-year populations. The adjusted series of estimated populations for inter-censal and post-censal years are as follows:—

POPULATION OF PALESTINE (EXCLUDING MEMBERS OF HIS MAJESTY'S FORCES) AT THE CENSUS OF 1922, AND AS ESTIMATED AT 30TH JUNE IN EACH OF THE YEARS 1923–38, BY RELIGIONS.

Year.	*All Religions.*	*Moslems.*	*Jews.*	*Christians.*	*Others.*
1922	752,048	589,177	83,790	71,464	7,617
1923	778,989	609,331	89,660	72,090	7,908
1924	804,962	627,660	94,945	74,094	8,263
1925	847,238	641,494	121,725	75,512	8,507
1926	898,362	663,613	149,500	76,467	8,782
1927	917,315	680,725	149,789	77,880	8,921
1928	935,951	695,280	151,656	79,812	9,203
1929	960,043	712,343	156,481	81,776	9,443
1930	992,559	733,149	164,796	84,986	9,628
1931	1,023,734	753,812	172,028	87,870	10,024
1932	1,052,872	771,174	180,793	90,624	10,281
1933	1,104,884	789,980	209,207	95,165	10,532
1934	1,171,158	807,180	253,700	99,532	10,746
1935	1,261,082	826,457	320,358	103,371	10,896
1936	1,336,518	848,342	370,483	106,474	11,219
1937	1,383,307	875,951	386,074	109,762	11,520
1938	1,418,619	895,159	399,808	111,796	11,856

5. There has been unrecorded illegal immigration both of Jews and of Arabs in the period since the census of 1931, but no estimate of its volume will be possible until the next census is taken.

6. The estimated total population has increased in the 16 years from the census of 1922 to the end of 1938, by 683,293 persons or 91 per cent. The increase is due to immigration and to the excess of births over deaths, the allocation of the total increases between these two factors being estimated to be as follows:—

	All Religions.	*Moslems.*	*Jews.*	*Christians.*	*Others.*
Total increase of population ...	683,293	311,079	327,473	40,519	4,222
Increase by migration ...	287,111	18,281	259,371	9,208	251
Natural increase	396,182	292,798	68,102	31,311	3,971

The precision of these figures is not great, but they indicate that all three religions have gained by migration, the smallest proportional gain being among the Moslems. It is of interest that the Jewish increase by migration in the 16-year period was less than the Moslem natural increase in the same period and that the total increase of the Jewish population was only slightly larger than the total increase of the Moslem population.

The figures of increase by migration include about 10,000 people, who were added to Palestine by an alteration of the boundary with Syria in 1923. The Jewish settlements of Tel Hai, Kfar Giladi and Metulla are in this area and had a total Jewish population of about 300, the remaining inhabitants of the area being Moslems.

Vital Statistics.

7. Records of vital occurrences are compiled for the settled population, statistics being available, classified by religion, from the year 1922.

The nomadic population, among which vital occurrences are not recorded, numbered 66,553 at the census of 1931.

The accompanying tables give the average number of births and deaths, as well as the average crude birth and death rates and infant mortality rates, in the quinquennial periods since 1922 and in the individual years 1935, 1936, 1937 and 1938:—

Year.	*All Religions.*	*Moslems.*	*Jews.*	*Christians.*	*Others.*
			Births.		
1922–25 average	32,338	25,976	3,388	2,669	406*
1926–30 average	41,831	33,023	5,296	3,089	423
1931–35 average	47,096	36,319	6,893	3,413	471
1935	53,940	39,918	9,867	3,688	467
1936	56,993	41,543	11,009	3,869	572
1937	54,749	40,261	10,297	3,683	508
1938	53,928	39,048	10,563	3,818	499
			Deaths.		
1922–25 average	16,612	13,950	1,340	1,185	183*
1926–30 average	20,930	17,472	1,796	1,433	229
1931–35 average	22,066	18,306	2,101	1,433	226
1935	22,249	17,823	2,748	1,449	229
1936	20,465	15,624	3,271	1,345	225
1397	24,884	20,091	3,003	1,527	263
1938	20,268	15,449	3,231	1,391	197

* Average 1923–25.

ANNUAL RATE OF BIRTHS AND DEATHS PER THOUSAND OF SETTLED POPULATION BY COMMUNITIES, 1922–38.

Year.	*All Religions.*	*Moslems.*	*Jews.*	*Christians.*	*Others.*
			Birth rate.		
1922–25 average	46·34	50·09	34·81	36·37	49·36*
1926–30 average	48·58	53·45	34·29	38·55	46·17
1931–35 average	44·66	50·24	30·33	35·84	44·92
1935	45·16	52·54	30·80	35·61	42·86
1936	44·88	53·14	29·71	36·34	50·98
1937	41·59	49·74	26·67	33·55	44·10
1938	39·89	47·12	26·42	34·15	42·09
			Death rate.		
1922–25 average	23·73	26·83	13·62	16·13	22·10*
1926–30 average	24·34	28·31	11·66	17·91	25·06
1931–35 average	20·98	25·34	9·32	15·04	21·48
1935	18·63	23·46	8·58	13·99	21·02
1936	16·11	19·98	8·83	12·63	20·05
1937	18·90	24·82	7·78	13·91	22·83
1938	14·99	18·64	8·08	12·44	16·61

* Average 1923–25.

INFANT MORTALITY: DEATHS OF INFANTS UNDER ONE YEAR OF AGE PER THOUSAND LIVE BIRTHS, 1922–38.

Year.	*All Religions.*	*Moslems.*	*Jews.*	*Christians.*	*Others.*
1922–25 average	178·70	190·39	122·90	144·35	115·92*
1926–30 average	178·09	193·46	95·83	158·56	146·73
1931–35 average	151·35	166·41	77·99	136·28	161·05
1935	131·48	148·10	64·15	125·81	177·73
1936	121·57	136·17	68·85	113·72	129·37
1937	152·85	179·30	57·20	127·34	179·13
1938	112·00	127·58	58·22	103·98	90·18

* Average 1923–25.

8. The very high birth-rate of Palestine is established by the preponderance of the Moslems, who show the highest birth-rate of all the religions. The Moslem settled population rose by natural increase at an average rate of 18,000 per annum, or about 2½ per cent. per annum in the five years 1931-5. The Jewish birth-rate is considerably lower than the Moslem, but it was higher for the same quinquennium than in any European country except Rumania.

9. A very great disproportion is evident between the Moslems and Jewish death-rates and has been accentuated by a steady decline in the Jewish death-rate over the period under review. While it is undoubted that the difference reflects a greater expectation of life, particularly in infancy, among Jews than among Moslems, it must be noted that the Jewish population is made up largely of young adult immigrants who are in those years of life when the risk of dying is at its lowest, and the smaller proportion of infants and old people which this immigration has produced is itself a cause of a low crude death-rate.

10. The celebration of marriages in Palestine, together with the granting of divorces, is governed by the law of the religious community to which the parties belong. The Government requires only that every marriage celebrated and every divorce granted be registered by the religious authority and that copies of all registrations be sent to the office of the District Commissioner. The numbers of marriages celebrated and divorces granted in 1936, 1937 and the first nine months of 1938, together with the corresponding rates, are shown in the following tables:—

Year.	*All Religions.*	*Moslems.*	*Jews.*	*Christians.*	*Others.*
			Number of Marriages.		
1935	13,777	8,923	4,408	446	—
1936	10,780	5,968	4,445	367	—
1937	13,461	8,072	4,805	504	80
1938 (9 months)	8,025	4,295	3,406	282	42
			Number of Divorces.		
1935	2,938	1,183	1,755	—	—
1936	3,167	900	2,261	6	—
1937	3,891	1,105	2,781	1	4
1938 (9 months)	2,433	634	1,794	5	—

Year.	All Religions.	Moslems.	Jews.	Christians.	Others.
	Marriage Rate (Per Thousand of Population).				
1935	11·53	11·74	13·76	4·31	—
1936	8·49	7·63	12·00	3·45	—
1937	10·21	10·00	12·38	4·59	—
1938 (9 months)	7·93	6·92	11·40	3·37	—
	Divorce Rate (Per Thousand of Population).				
1935	2·46	1·56	5·48	—	—
1936	2·49	1·15	6·10	0·06	—
1937	2·75	1·37	7·16	0·01	—
1938 (9 months)	2·40	1·02	6·00	0·06	—
	Divorce Rate (Per Thousand Marriages).				
1935	213	133	398	—	—
1936	294	151	509	16	—
1937	289	137	579	2	—
1938 (9 months)	342	148	527	18	—

The high marriage-rate among the Jewish community is largely explained by the age composition of that community, the proportion of young adults being very much higher than among Moslems or Christians. The Christian marriage-rate is too low as registration of marriages has been incomplete. Divorce-rates among Moslems are high, though not so high as in Egypt. Divorce-rates among Jews are very high indeed and both in 1936 and 1937 there were more than 500 divorces to every 1,000 marriages.

Migration.

11. *De facto* population records are kept, the increase by migration being taken as the excess of arrivals over departures. However, no person is allowed to stay indefinitely in Palestine unless he falls into one of the categories of immigrants, and over a long period the excess of authorized immigrants over emigrants gives approximately the same result as the *de facto* excess of arrivals over departures, which takes account of the movements of travellers and of residents making trips abroad.

The following table shows the recorded immigration and emigration of Jews and others in the years since 1920:—

Year.	Recorded Immigration.		Recorded Emigration.	
	Jews.	*Others.*	*Jews.*	*Others.*
1920 (part) ...	5,514	202	—	—
1921–25	71,071	2,581	7,575*	5,382*
1926–30	28,165	5,425	18,029*	7,338*
1931–35	148,168	8,921	1,062	1,067
1933	30,327	1,650	—	—
1934	42,359	1,784	—	—
1935	61,854	2,293	396	387
1936	29,727	1,944	773	405
1937	10,536	1,939	889	639
1938	12,868	2,395	1,095	716

* Incomplete.

Emigration statistics by race were not compiled prior to 1922 nor in the years 1932-4 inclusive. After 1934, the figures of emigrants are those of " residents departing for a period of more than one year ".

12. According to the records of the Department of Migration—supplemented by figures supplied by the Jewish Agency in respect of early post-War migration and the classification of migrants by citizenship in the years prior to 1935—the total number of Jewish immigrants authorized to enter and to remain in Palestine in the years 1919-37, inclusive, was 313,030. Of these immigrants, 131,289 were of Polish citizenship, 30,718 of Russian, 15,528 of Rumanian, 9,642 of Lithuanian, 9,181 of Yemenite and 7,909 of United States citizenship. The number of German citizens (not including persons of Austrian citizenship) was 35,346. Many persons migrating to Palestine from Germany are of other citizenship than German. In the same period the total number of Jewish migrants whose previous residence was in Germany (not including Austria) was 43,764.

Office of Statistics.

13. The Office of Statistics was set up in accordance with the Statistics Ordinance of 1935. It operates under the general supervision of the Commissioner for Migration and Statistics, but is directly administered by the Government Statistician.

14. The duties of the Office are defined in the Statistics Ordinance as follows:—

(*a*) to collect, compile, abstract and publish statistical information relative to the commercial, industrial, social, economic and general activities and condition of the people;

(*b*) to collaborate with all other departments of the Government in the compilation and publication of statistical records of administration according to the rules;

(*c*) to take any census in Palestine.

15. In certain spheres of operation, notably those of wholesale and retail prices, wage rates and employment, the Office collects information directly from the public on a voluntary basis. In making these collections the Office has received cordial co-operation from municipal corporations, chambers of commerce and manufacturers' associations, from the Jewish Agency and from merchants, employers and trade unions, both Arab and Jewish.

Other groups of statistics are compiled and tabulated from primary data supplied by other departments of Government. In particular, trade statistics, migration statistics, vital statistics, shipping statistics and judicial statistics are compiled on the card-punching, sorting and tabulating machines installed in the Office and much detail on these subjects which was not previously available has been brought to light and published.

16. The Office publishes statistics prepared by other departments, which would not otherwise be made public until the appearance of annual departmental reports. Statistics of banks and credit co-operative societies supplied by the Treasurer and the Registrar of Co-operative Societies, statistics of the production of fisheries, statistics of land transfers and of mortgages registered, railway statistics, postal, telephone and wireless statistics, and statistics of " true " offences, furnished by the appropriate departments, are published monthly.

17. The printed publications of the Office consist of the general monthly bulletin of current statistics, in which is incorporated the Palestine commercial bulletin formerly issued by the Department of Customs, Excise and Trade; an annual statistical abstract, the second edition of which appeared in August, 1938; and the Palestine Blue Book, the latest two issues of which have been prepared by the Government Statistician.

The general monthly bulletin includes the latest statistical material available under the headings of demography, production, trade, transport and communication, prices, employment, finance, general business, police and judicial activities, and labour.

18. Other publications, issued in mimeographed form, include special monthly bulletins on trade, wholesale and retail prices, employment, banking and security prices. Quarterly bulletins are published dealing with vital statistics, judicial statistics and labour disputes, half-yearly bulletins dealing with wage rates, and annual bulletins dealing with real wages and industrial accidents.

19. All statistical material published is issued originally in the English language; monthly summaries of retail prices and employment bulletins, and a quarterly general summary of current statistics are, however, issued in Arabic and in Hebrew.

20. Printed publications are on sale to the public, through the medium of the Government Printer; stencilled publications are issued only by the Office and no charge is made for them. Free distribution of publications is made under three heads:—

(*a*) to Government Offices for the general guidance and information of officers in the course of their work. Under this head are included consular and commercial representatives of other governments in Palestine and also British Government institutions and British Consular Offices abroad;

(*b*) for educational and publicity purposes, to certain recognized libraries abroad and to some local libraries. Stencilled bulletins are distributed locally to interested persons and surplus copies of the 1936 Statistical Abstract have been issued to secondary schools;

(*c*) in return for the supply of regular statistical information or in exchange for publications of an economic or statistical nature. By this means the Office receives free copies of many economic and statistical publications and of local periodicals, while the issue of stencilled bulletins to merchants' manufacturers, etc., provides a *quid pro quo* in respect of the information which they voluntarily contribute.

21. The library of the Office is an essential part of its equipment, not only on account of the valuable information which it contains but also because of its usefulness as a guide to statistical method. Though at present small, it is steadily growing, mainly as the result of the exchange of publications with corresponding institutions and scientific societies in other countries. Its resources are at the disposal of all departments of the Government and of members of the public.

XXIII.—CUSTOMS, EXCISE AND TRADE.

1. The political uncertainty in Palestine during the year under review is reflected in the decrease in the volume and value of trade, which became particularly marked in the months of July, August and September. Towards the end of the year, however, there was an improvement as illustrated by the following figures of imports into Palestine (excluding imports by His Majesty's Forces and the Navy, Army and Air Force Institutes):

	£P.
January	1,071,609
February	1,092,476
March	1,089,542
April	980,970
May...	956,941
June	826,892
July...	778,455
August	879,997
September	705,527
October	879,244
November	905,024
December	1,190,286
Total	£P.11,356,963

The normal working of the department was considerably hampered by considerations of security and the disorganization of rail and road traffic.

2. At Haifa a new cargo jetty, designed chiefly with a view to the direct landing of coal and shipping of potash, was completed and put into use during the year. A transit shed was removed from Jaffa during the year and re-erected at Haifa in time for the citrus export season.

3. Traffic at the Jaffa port has been reduced owing to the increasing use made of Tel Aviv lighter basin, and the decline in passenger traffic has led to the laying up of a number of lighters. A new tobacco store was acquired in the port during the year.

4. Traffic at Tel Aviv port showed an increase and constructional work is still in progress. Passengers of all categories are now landed there.

5. The tonnage of import and export cargo handled at the ports of Haifa, Jaffa and at Tel Aviv jetty and lighter basin during 1934-8 was:—

Year.	*Haifa.*		*Jaffa.*		*Tel Aviv jetty and lighter basin.*	
	*Discharged**	*Loaded.**	*Discharged.*	*Loaded.*	*Discharged.*	*Loaded.*
	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.
1934 ...	589,203	99,756	486,974	120,967	—	—
1935 ...	787,307	138,427	402,263	171,819	—	—
1936 ...	756,723	165,029	135,493	115,302	27,514	1,854
1937 ...	698,430	296,492	126,842	152,427	97,304	26,795
1938 ...	502,853	291,438	113,041	149,766	139,448	57,049

* Exclusive of crude oil.

6. The net revenue collected by the department in the last five years was: 1934, £P.2,936,513; 1935, £P.3,459,164; 1936, £P.2,589,544; 1937, £P.2,720,719; 1938, £P.2,289,819.

7. The principal articles imported, from which the bulk of the import duty is derived, and the amount of import duty received from each in 1938 are set out below:—

Article.	Unit.	Total Imports.*		Present Rate of Duty.	Duty Collected.
		Quantity.	Value.		
			£P.		£P.
Benzine	Litre	45,981,590	173,342	11 and 12 mils per litre	463,255
Sugar	Kilo	26,137,448	206,375	5 and 7·5 mils per kilo	152,925
Kerosene	Litre	58,449,737	182,477	1·75 and 2·03 mils per litre	113,212
Wheat flour	Kilo	18,595,872	242,742	Various rates	37,900
Cotton piece goods	Kilo	2,374,958	322,672	Various rates	71,270
Wearing apparel (all sorts)	—	—	335,617	Various rates	35,315
Tobacco leaves, unmanufactured	Kilo	89,163	29,602	400 and 500 mils per kilo	39,710
Cigarettes	Kilo	41,264	25,421	1,000 mils per kilo	41,070
Motor cars and motor trucks (including chassis)	No.	1,273	279,813	30 and 40 mils per kilo	45,248
Butter	Kilo	1,968,208	203,420	20 mils per kilo	39,214
Wheat	Kilo	39,211,660	296,386	Various rates	44,466
Silk tissues (excluding pongee)	Kilo	343,787	131,253	Various rates	22,801
Fish in brine, dry, salted, fresh and tinned	Kilo	5,081,840	163,343	5 and 10 mils per kilo	28,717
Wood for building	M^3	112,888	357,122	300 mils per M^3	30,482
Rice	Kilo	22,454,896	230,454	0·5 and 1·5 mils per kilo	20,211
Iron bars, angles, rods and girders	Kilo	20,470,459	217,706	0·5 and 0·8 mils per kilo	14,832
Fruits, fresh	Kilo	12,500,748	174,372	1 and 3 mils per kilo	17,226
Electrical goods, other than radios and refrigerators	—	—	186,860	Various rates	12,233
Woollen tissues	Kilo	225,787	141,790	12 per cent. *ad valorem*	15,573
Wood prepared for citrus cases	M^3	129,213	572,716	355 mils per M^3	44,556
Parts and accessories of motor cars and motor trucks	—	—	80,813	Various rates	11,542
Rubber tyres and tubes	Kilo	550,986	80,119	30 and 35 mils per kilo	15,881
Coffee beans	Kilo	1,972,389	73,111	10 mils per kilo	19,751
Potatoes	Kilo	18,879,313	88,915	1 and 3 mils per kilo	15,772
Beer	Litre	625,690	16,129	Various rates	13,901

Rye	Kilo	7,285,137	48,174	Various rates	13,546
Radios and parts	—	—	46,208	12 per cent. *ad valorem*... ...	5,491
Lubricating oil	Kilo	3,266,057	66,860	Various rates	8,312
Poultry	No.	728,656	46,763	25 mils per bird...	9,339
Cheese, other than cheese in brine	Kilo	538,552	37,331	20 mils per kilo	9,764
Whisky	Litre	37,843	9,257	Various rates	7,406
Tea	Kilo	278,604	41,578	20 and 30 mils per kilo... ...	6,159
Tombac leaves, unmanufactured...	Kilo	42,298	4,389	100 mils per kilo	4,230
Iron sheets, black and galvanised	Kilo	4,104,852	68,793	1 and 2 mils per kilo	6,032
Paper for packing and printing	Kilo	5,603,777	117,169	8 and 12 per cent. *ad valorem* ...	9,663
Perfumery and toilet preparations	—	—	20,842	Various rates	4,988

* Excludes imports by Military and N.A.A.F.I., but includes imports by Government, 'Iraq Petroleum Company and other institutions entitled to exemption.

8. The value of exemptions (excluding Military and N.A.A.F.I.) granted during the year 1938 was:—

	Exemptions under the Customs Tariff and Exemption Ordinance.	*Exemptions under the Syria-Palestine Customs Agreement.*	*Total.*
	£P.	£P.	£P.
Food, drink and tobacco ...	534,000	474,000	1,008,000
Goods mainly unmanufactured	781,000	2,000	783,000
Goods mainly manufactured ...	2,672,000	423,000	3,095,000
Animals living, not for food ...	31,000	—	31,000
Totals ...	£P.4,018,000	899,000	4,917,000

These exemptions do not include benzine and other oils supplied free of duty from bonded installations in Palestine to certain undertakings.

9. The value of goods imported by charitable and religious institutions, consuls and archaeological societies during the past five years is shown below:—

Year.	*Under the Ottoman Law Religious Orders.*	*Under the Customs Tariff and Exemption Ordinance.*		*Total.*
		Charitable and other Institutions.	*Consuls.**	
	£P.	£P.	£P.	£P.
1934 ...	30,779	16,331	6,574	53,684
1935 ...	31,492	23,330	8,167	63,439
1936 ...	27,905	26,409	4,910	59,224
1937 ...	27,198	25,675	9,467	62,340
1938 ...	28,822	43,039	11,778	83,639

* Including benzine, etc., delivered to consuls from bonded oil installations.

10. In addition to the importation duty free of all articles consigned to them direct, the following goods were also supplied from bonded oil installations to His Majesty's Forces, the Navy, Army and Air Force Institutes, the Iraq Petroleum Company, and other institutions entitled to exemption:—

Supplied in 1938 free of duty to:—

	Benzine. Litres.	*Kerosene. Litres.*	*Amount of Duty involved.* £P.
His Majesty's Forces ...	9,783,678	720,436	117,590
Navy, Army and Air Force Institutes	322,134	108,944	4,030
Iraq Petroleum Company ...	925,112	81,897	10,986
Other institutions	1,917,082	48,010	22,799

11. The following are analyses of Customs taxation and of imports into Palestine for the years 1934-8.

Analysis of Customs Taxation.

Imports into Palestine are subject either to specific or *ad valorem* rates of duty, or are exempt from duty. In the case of exempted goods, there are three main groups:—

A. Government: Military; N.A.A.F.I. and Iraq Petroleum Company stores. (Of which Military and N.A.A.F.I. imports are now excluded from statistical compilations.)

B. Goods exempted under the Customs Tariff and Exemption Ordinance, other than imports at " A ".

C. Goods, otherwise dutiable, exempted under the Syria-Palestine Customs Agreement.

Taking the total import duty collected for each of the last five years as a basis, the equivalent *ad valorem* rates of duty, calculated in respect of the value of the Total Imports for Home Consumption less the value of goods imported free of duty under the three groups A, B and C, are shown in the following table:—

	1934.	1935.	1936.	1937.	1938.
Import duty collected	£P. 2,430,000	£P. 2,870,000	£P. 2,012,000	£P. 2,133,000	£P. 1,747,000
*Value of Total Imports for Home Consumption	14,856,000	17,561,000	13,213,000	15,435,000	11,357,000
A. Value of Government, and Iraq Petroleum Company stores ...	896,000	997,000	895,000	778,000	731,000
(i) Value of Total Imports for Home Consumption less "A"	13,960,000	16,564,000	12,318,000	14,657,000	10,626,000
Equivalent *ad valorem* rate of duty for Imports at (i) ...	Per cent. 17·5	Per cent. 17·3	Per cent. 16·3	Per cent. 14·6	Per cent. 16·4
B. Value of goods exempted under the Customs Tariff and Exemption Ordinance, other than Imports at "A"	3,854,000	4,739,000	4,034,000	4,927,000	3,287,000
(ii)* Value of Total Imports for Home Consumption less "A" and "B"	10,106,000	11,825,000	8,284,000	9,730,000	7,339,000
Equivalent *ad valorem* rate of duty for Imports at (ii) ...	Per cent. 24	Per cent. 24·3	Per cent. 24·3	Per cent. 21·9	Per cent. 23·8
C. Value of Goods, otherwise dutiable, exempted under the Syria-Palestine Customs Agreement	921,000	1,101,000	1,274,000	1,166,000	899,000
†(iii) Value of Total Imports for Home Consumption less "A", "B" and "C"	9,185,000	10,724,000	7,010,000	8,564,000	6,440,000
Equivalent *ad valorem* rate of duty for Imports at (iii) ...	Per cent. 26·5	Per cent. 26·6	Per cent. 28·7	Per cent. 24·9	Per cent. 27·1

* Excludes imports by Military and N.A.A.F.I.

† Note.—This represents the value of all imports on which duty was levied.

*Analysis of Imports into Palestine.

	1934.	1935.	1936.	1937.	1938.
A. *Value of Imports for Home Consumption*	£P. 14,856,000	£P. 17,561,000	£P. 13,213,000	£P. 15,435,000	£P. 11,357,000
I. Value of goods exempted under the Customs Tariff and Exemption Ordinance	4,750,000	5,736,000	4,929,000	5,705,000	4,018,000
Percentage of "A" represented by I	32	32·7	37·3	37	35·4
II. Value of goods, otherwise dutiable, exempted under the Palestine-Syria Customs Agreement	921,000	1,101,000	1,274,000	1,166,000	899,000
Percentage of "A" represented by II	6·2	6·3	9·6	7·6	7·9
III. Value of imports exempted from duty	5,671,000	6,837,000	6,203,000	6,871,000	4,917,000
Percentage of "A" represented by III	38·2	38·9	46·9	44·5	43·3
B. *Value of Imports for Home Consumption less Government and Iraq Petroleum Company stores*	13,960,000	16,564,000	12,318,000	14,657,000	10,626,000
I. Value of goods exempted under the Customs Tariff and Exemption Ordinance, other than Government and Iraq Petroleum Company stores	3,854,000	4,739,000	4,034,000	4,927,000	3,287,000
Percentage of "B" represented by I	27·5	28·6	32·7	33·6	30·9
II. Value of goods, otherwise dutiable, exempted under the Palestine-Syria Customs Agreement	921,000	1,101,000	1,274,000	1,166,000	899,000
Percentage of "B" represented by II	6·5	6·6	10·3	8	8·5
III. Value of imports exempted from duty at I and II ...	4,775,000	5,840,000	5,308,000	6,093,000	4,186,000
Percentage of "B" represented by III	34	35·2	43·1	41·6	39·4

* Note.—Excludes imports by Military and N.A.A.F.I.

12. Excise duties are leviable on tobacco, intoxicating liquors, methylated spirits, salt and matches. The receipts during the last five years were:—

	1934. £P.	*1935.* £P.	*1936.* £P.	*1937.* £P.	*1938.* £P.
Tobacco:					
Duty	255,588	246,677	230,582	223,367	219,568
Licence Fees	7,420	8,437	8,707	8,893	8,650
Intoxicating Liquors:					
Duty	42,260	49,586	66,337	61,734	52,363
Licence Fees	3,753	3,819	3,797	4,009	4,135
Methylated Spirits, Duty	7,406	8,900	9,066	7,980	7,571
Salt, Duty	14,300	15,550	13,500	14,900	11,671
Matches:					
Duty	21,785	29,173	27,459	30,604	25,221
Licence Fees	50	50	50	50	150
Totals ... ...£P.	352,562	362,192	359,498	351,537	329,329

13. The number of licensed tobacco, tombac and snuff factories during 1934-8 was:—

	1934.	*1935.*	*1936.*	*1937.*	*1938.*
Tobacco and Cigarettes	10	10	12	12	10
Cigars	2	2	2	2	2
Tombac	1	1	1	1	1
Snuff	1	1	1	1	1
Totals	14	14	16	16	14

Their output in kilogrammes was:—

Year.	*Cigars.*	*Cut Tobacco.*	*Cigarettes.*	*Tombac.*	*Snuff.*	*Heisheh.*	
						Tobacco.	*Cigarettes.*
	Kilos.	*Kilos.*	*Kilos.*	*Kilos.*	*Kilos.*	*Kilos.*	*Kilos.*
1934 ...	1,032	15,852	636,832	75,294	6,848	4,021	7,766
1935 ...	1,748	18,095	791,264	89,392	7,819	672	694
1936 ...	2,142	16,480	815,196	77,883	8,471	102	205
1937 ...	1,937	14,192	756,907	74,671	8,612	—	30
1938 ...	1,742	13,872	619,259	51,631	7,649	—	—

The number of tobacco growers in Palestine in 1938 was 2,962, as compared with 4,198 in the previous year.

The annual crops for 1933-7, in kilogrammes, were:—

	Tobacco.	*Tombac.*
1933	402,623	17,905
1934	958,344	52,829
1935	956,248	43,594
1936	1,232,689	4,178
1937	2,486,588	17,615

14. The production of salt at Athlit (by sea evaporation) and at Jebel Usdum (rock formation) and of methylated spirits and matches during the last five years was as follows:—

	Unit.	*1934.*	*1935.*	*1936.*	*1937.*	*1938.*
Salt ...	Kilo	9,389,040	10,375,700	9,148,399	9,855,780	7,888,000
Methylated Spirits.	„	493,712	593,307	604,398	532,032	504,743
Matches ...	Gross of boxes.	175,758	221,275	217,433	237,220	208,047

Commerce and Industry.

15. Disturbed conditions adversely affected trade and industry during 1938. Despite a continued influx of capital, there was a general reluctance to invest money in commercial enterprises which was clearly expressed in the curtailment of building activity and in the sharp drop in the number of new companies formed. As a result, considerable reserves of capital are lying idle.

Banks generally pursued a policy of caution and reduced the amount of credit given. Credit co-operative societies continued to develop, however, and now cover many aspects of the economic life of the country. There were until recently no Arab co-operative societies, but in the year under review a number of Arab agricultural co-operative societies were formed with the assistance of Government.

During the year, 163 new Palestinian companies, as compared with 207 in 1937, were registered with an authorised capital of £P.1,173,597, and 52 companies increased their authorized share capital from £P.1,384,579 to £P.2,258,251, while two reduced their capital from £P.13,064 to £P.11,056. The net total new capital during 1938 was £P.2,045,261.

Foreign buying was considerably restricted during the year, and imports showed a decrease of over £P.4,000,000. There was a tendency to meet current demand by the selling of stocks acquired during the previous year; these stocks are now rapidly nearing depletion. The export trade faced additional difficulties in the form of trade and currency restrictions imposed by various countries.

16. Negotiations were begun for the revision of the Palestine-Syria Customs Agreement which was due to expire on 1st March, 1939; and reciprocal trade agreements, with the object of obtaining increased citrus import quotas, were made by the Citrus Industry with Poland and Roumania. The latter country supplies some 50 per cent. of Palestine's requirements of wood.

17. Palestine participated in trade fairs at Izmir and Bari during 1938 and extensive preparations have been made by private enterprises for participation at the world fairs of New York and San Francisco in 1939.

18. Where local enterprises were concerned, appreciable progress was made in several cases, in spite of the general curtailment of trade. Consumption of electricity continued to increase, and potash production expanded considerably.

Local pharmaceutical products, perfumery and toilet preparations, and plastics are being sold in increasing quantities in the home market. Another growing industry is that of women's ready-made dresses and coats. The standard of quality has risen, and the local trade now supplies 50 per cent. of the home demand.

There were encouraging results in the expansion of the export trade, resulting in increased production of rice milling and in the manufacture of chocolate, razor blades, electrical goods and apparatus, cotton piece goods and books.

The manufacture of textile articles, hosiery and knitted wearing apparel continued on a more restricted scale. The following were the imports of yarn during 1937 and 1938:—

Imports.	*1937.*		*1938.*	
	Kilos.	*Value.*	*Kilos.*	*Value.*
		£P.		£P.
Silk and artificial silk yarn	165,641	60,741	119,541	43,519
Cotton yarn*	558,317	80,833	557,039	78,872
Woollen yarn	118,971	63,505	120,838	67,931
Cotton, raw and waste...	820,075	44,501	655,783	29,712
Wool, raw and waste ...	24,137	1,525	35,125	2,076
Totals	1,687,141	251,105	1,488,426	222,110

* Exports of locally manufactured cotton yarn and thread decreased in value by £P.13,273.

The extraction of oil, however, was considerably diminished as the decline in imports of the raw materials illustrates:—

Imports.	*1937.*		*1938.*	
	Tons.	*Value.*	*Tons.*	*Value.*
		£P.		£P.
Copra	2,180	44,872	2,754	34,431
Sesame and gingelly seed	1,452	24,407	375	5,229
Linseed	1,119	13,963	620	8,126
Sunflower seed ...	9,769	78,840	957	6,241
Groundnuts, shelled ...	15,783	226,382	15,560	184,734
Totals ...	30,303	388,464	20,266	238,761

19. The construction of an oil refinery by the Anglo-Iranian Oil Company was begun towards the end of the year and is giving employment to some 2,000 workers. Other new enterprises include a flour mill, two additional match factories, factories for the manufacture of electrical apparatus, tapestry work, textile printing, and margarine. An attempt has also been made to encourage the diamond trade in Palestine where cutting and polishing has already begun on a small scale.

Building Activity.

20. There was a further decline in building activity during 1938. The figures given below show the approximate cost of private, commercial and industrial buildings in the four principal towns during 1937 and 1938:—

	1937. Value. £P.	*1938. Value.* £P.
Jerusalem	844,000	412,000
Haifa	1,757,000	543,000
Jaffa	126,00	64,000
Tel Aviv	1,034,000	793,000

Production of cement fell from 160,869 tons in 1937 to 98,445 tons in 1938 and imports of building materials showed the following trend:—

Imports.	*1934.*	*1935.*	*1936.*	*1937.*	*1938.*
	£P.	£P.	£P.	£P.	£P.
Timber and wood for building	460,410	500,137	202,569	403,111	357,122
Iron bars, angles, rods and girders	520,604	614,407	289,707	384,985	217,706
Sanitary ware	177,999	130,199	119,350	127,166	41,618
Electrical fittings and insulated tubes and pipes ...	100,609	133,457	91,581	114,884	53,461
Cement	267,624	288,968	133,328	145,753	83,229
Paints and colours	57,664	64,150	41,257	61,487	34,765
Plate glass and window glass	58,419	68,041	32,831	46,569	19,845
Tiles and bricks	88,334	125,483	61,752	83,334	38,709
Door and window fittings* ...	60,000	69,510	32,172	39,979	16,853

* Figures in respect 1934 are approximate.

Citrus Trade.

21. The date of the beginning of the export season 1938-9 for oranges was 20th November, 1938. During the year 1938, 9,765,159 cases of oranges and 1,798,485 cases of grapefruit were exported as compared with 10,156,078 and 1,747,790 respectively during 1937. Exports of citrus fruit comprised over 70 per cent. of the total exports from Palestine.

Palestine is now the principal single supplier of citrus fruit to the United Kingdom market, to which some 60 per cent. of the exports were despatched.

Intensive research on the utilization of citrus fruit waste continues. Citrus oils are manufactured commercially by one company in Palestine.

The manufacture of citrus juices expanded considerably, and exports of fruit juices, of which 80-90 per cent. are citrus fruit juices, increased from £P.9,924 in 1937 to £P.17,220 in 1938.

Imports.

22. The value of imports for home consumption in 1938, excluding imports by Military and N.A.A.F.I., was £P.11,356,963, a decrease of £P.4,077,744 as compared with 1937. This decrease is principally accounted for by the uncertainty prevailing as a result of the political situation. Traders were in general unwilling to take risks and disposed of stocks remaining from the previous year to meet the restricted current demand.

The only increase of importance amounted to £P.110,138 for wood for citrus cases. Imports of paper for packing citrus fruit rose by £P.10,619.

Decreases were shown for nearly every other commodity. Depreciation in prices accounted for the decrease in the value of barley and wheat. The drop of £P.52,883 in the value of cattle was due to an increase in the number of imports of the small lower-priced animals from 'Iraq. The heavy crop of the 1937-8 season and the development in local flour milling found a reflection in the reduction of £P.173,180 in the imports of wheat flour; while the drop of £P.120,157 shown in the imports of eggs, poultry, butter and fruit was in part an indication of the development of dairy farming and horticulture. Imports of sheep and goats, which for the most part are consigned for the Arab section of the population, suffered a decrease of some £P.186,000 as a result of a diminished demand. The decline of imports of building materials (wood for building, paving tiles, sanitary ware, cement, iron bars, angles, rods and girders, iron and cast iron pipes and fittings and electrical goods and fittings) by the amount of £P.669,105 was indicative of the curtailment of building activity in the country. In the industrial field, coal, fuel oil, benzine, iron sheets, printing and packing paper, all showed decreases of over £P.50,000 each, and imports of industrial machinery dropped by £P.186,000. Another serious decline occurred in the imports of seeds for expressing oil, which were reduced by £P.49,845. Imports of textiles were reduced by £P.245,369 and of wearing apparel by £P.185,640, but these were in part offset by the extension of the corresponding local industries.

The following table shows the principal commodities imported into Palestine during 1937 and 1938:—

Commodity.	*Unit.*	*1937.*		*1938.*	
		Quantity.	*Value.*	*Quantity.*	*Value.*
			£P.		£P.
Barley	Ton	12,143	80,015	11,419	51,036
Rice	,,	20,104	202,088	22,455	230,454
Wheat	,,	37,164	364,844	39,212	296,386
Wheat flour	,,	27,285	415,922	18,596	242,742
Cattle for slaughtering (oxen, cows, and calves)	No.	26,443	329,574	28,104	276,691
Sheep and goats	,,	305,144	275,045	106,658	89,292
Eggs	1,000	92,909	182,529	76,391	140,791
Fish in brine, dry, salted, fresh, and tinned ...	Ton	5,236	177,460	5,082	163,343
Poultry, alive	1,000	1,261	89,070	729	46,763
Butter	Ton	2,364	229,390	1,968	203,420
Fruits, fresh	,,	13,961	184,514	12,501	174,372
Coffee	,,	1,745	83,272	1,972	73,111
Sugar	,,	24,072	201,060	26,137	206,375
Potatoes	,,	17,681	85,320	18,879	88,915
Coal	,,	96,123	141,368	56,935	91,343
Wood for building ...	M^3	138,988	403,111	112,888	357,122
Seeds, beans and nuts for expressing oils	Ton	30,313	388,629	20,269	238,784
Fuel oil	,,	87,922	258,699	66,457	196,735
Paving tiles	M^2	334,958	70,394	137,594	30,824
Sanitary ware	—	—	127,166	—	41,618
Cement	Ton	69,877	145,753	42,037	83,229
Iron bars, angles, rods, and girders	,,	40,500	384,985	20,470	217,706
Iron and cast iron pipes, and fittings thereof ...	,,	19,808	336,106	10,133	214,351
Dental, medical, surgical, and optical instruments and appliances... ...	—	—	76,609	—	50,218
Radios and parts thereof	—	—	79,271	—	46,208
Refrigerators and parts thereof	—	—	54,545	—	29,393
Electrical goods and fittings	—	—	333,300	—	186,860
Agricultural machinery ...	—	—	49,715	—	26,907
Industrial machinery ...	—	—	710,688	—	524,684
Wood prepared for citrus cases	M^3	105,988	462,578	129,213	572,716
Plywood	Ton	3,283	65,679	1,845	34,341
Yarn, cotton, silk and woollen	Kilo	842,910	205,069	797,518	190,322
Cotton piece goods ...	,,	3,023,488	443,886	2,374,958	322,672
Woollen tissues	,,	411,554	265,945	225,787	141,790
Silk tissues	,,	565,592	245,697	343,787	131,253
Apparel, all sorts... ...	—	—	521,257	—	335,617
Drugs	—	—	133,400	—	103,016

Commodity.	Unit.	1937.		1938.	
		Quantity.	Value.	Quantity.	Value.
			£P.		£P.
Benzine	Litre	56,506	231,529	45,982	173,342
Kerosene	1,000	60,841	189,409	58,450	182,477
Lubricating oil	Ton	4,018	71,064	3,266	66,860
Upper leather	Kilo	185,816	96,517	146,181	51,921
Motor cars and motor trucks	No.	1,547	319,468	1,273	279,813
Parts and accessories of motor cars and motor trucks	—	—	95,019	—	80,813
Rubber tyres and tubes...	Kilo	698,591	104,196	550,986	80,119
Chemical fertilizers ...	Ton	14,698	128,719	10,243	86,819
Maize	,,	14,514	90,807	6,498	37,295
Asphalt	,,	14,771	89,228	9,708	55,649
Iron sheets, black and galvanised	,,	6,211	120,369	4,105	68,793
Paints, colours, varnishes, lacquers and ochre ...	,,	1,731	61,487	1,065	34,765
Tanned hides and sole leather	Kilo	550,951	69,677	381,257	41,572
Paper for packing citrus fruit	Ton	3,387	91,018	3,959	101,637
Paper, printing and packing	,,	9,721	196,573	5,604	117,169
Stationery...	—	—	64,554	—	36,714
Used personal effects ...	—	—	318,056	—	340,615

Note.—This table includes figures of imports by Government, I.P.C. and other institutions entitled to exemption, with the exception of Military and N.A.A.F.I.

Exports.

23. The value of exports of Palestine produce during 1938 amounted to £P.5,020,368, a decrease of £P.793,168 under the preceding year.

Few commodities showed appreciable increases, the only important item being potash, exports of which rose by £P.110,304. Exports of cotton piece goods rose by £P.10,234, of books by £P.8,548, of fruit juices by £P.7,296, and of chocolate by £P.6,729.

The most serious decrease in the exports was that of citrus fruit, not so much in the quantity as in the value which fell by £P548,000. Exports of barley and maize dropped by £P.100,838 as a result of poor crops. The drop of £P.101,503 shown in the exports of hides and skins is not in fact so great as it appears, since the export statistics for previous years included re-exports. There were decreases amounting to £P.62,033 for metal scrap and £P.55,417 for olive and other

oils. Other reductions were £P.18,411 for paper and cardboard manufactures, £P.17,150 for cake and meal for feeding animals, and £P.13,273 for cotton yarn and thread.

A table showing the principal exports of local produce and manufacture during the last five years is given below:—

Commodity.	*1934.*	*1935.*	*1936.*	*1937.*	*1938.*
	£P.	£P.	£P.	£P.	£P.
Barley	19,270	421	1	56,650	1,887
Lentils...	744	3,384	566	5,954	2,729
Maize	4,734	14,792	6,448	53,317	7,238
Rice	—	—	4,288	57,573	60,779
Wheat	1,857	1,000	57	9,762	49
Cake and meal of meat, fish, etc., for feeding animals	14,637	9,630	2,205	37,937	20,787
Citrus fruit	2,672,603	3,550,735	2,853,946	4,329,703	3,781,103
Grapes...	2,346	1,368	697	2,098	3,832
Melons and watermelons	30,003	30,869	20,138	16,065	17,115
Almonds, unshelled ...	1,584	2,278	2,875	3,459	458
Vegetables, fresh ...	6,031	5,589	9,600	6,413	3,702
Fruit juices	6,751	9,145	8,589	9,924	17,220
Brandy and cognac ...	5,721	852	2,671	1,842	3,525
Wines	23,214	20,551	20,000	18,689	21,131
Biscuits and cakes ...	1,256	1,007	1,143	1,219	874
Passover bread ...	1,903	1,924	1,636	1,909	2,320
Chocolate	266	548	941	4,594	11,323
Fish, fresh and frozen	2,538	5,277	4,500	3,574	309
Olive oil, edible ...	18,687	32,787	26,223	91,067	77,733
Oil, edible, other ...	35,978	23,808	51,129	112,400	70,317
Olive oil, other than edible	—	570	3,482	8,501	12,530
Olives, fresh and preserved	555	2,008	1,208	1,870	1,828
Confectionery and sweets	1,489	7,117	15,147	21,895	17,374
Sulphur	8	377	1,582	2,585	6,122
Metalliferous ores and scrap	6,762	4,993	9,388	95,349	33,316
Wool, raw	1,088	1,961	6,323	12,767	3,452
Animal grease ...	221	696	2,417	3,325	3,574
Sesame seed	8,455	16,827	4,877	28,321	23,315
Hides and skins, undressed	22,845	48,466	108,524	189,712	88,209
Bones and horns ...	76	178	255	1,563	1,528
Fenugreek (hilbeh) ...	2,287	1,666	864	1,703	110
Animal hair	129	192	1,329	1,405	1,625
Intestines	13,326	24,531	17,943	24,031	17,458
Seeds, agricultural ...	466	396	346	1,171	927
Cement	1,700	2,650	765	1,640	7,726
Mirrors	1,973	2,775	1,311	1,907	665
Iron wire, all kinds ...	267	103	464	3,176	979
Aluminium domestic ware...	2,053	2,665	3,186	4,820	6,563
Razor blades	23	21	—	977	4,339
Electrical goods and apparatus	510	384	202	1,152	4,972

Commodity.	*1934.*	*1935.*	*1936.*	*1937.*	*1938.*
	£P.	£P.	£P.	£P.	£P.
Furniture	624	1,062	997	2,025	1,264
Olive wood manufactures	1,691	3,435	1,928	3,952	4,999
Cotton yarn and thread	1,931	1,678	19,298	40,574	27,301
Cotton piece goods ...	45	49	177	4,145	14,379
Artificial silk crepe and tissues	30	4,668	4,299	8,254	7,949
Socks and stockings ...	8,920	11,095	7,533	10,378	3,554
All other wearing apparel	38,124	63,459	47,449	34,460	26,147
Bromine	22,600	18,751	35,097	42,026	37,958
Potash...	56,724	80,231	132,857	174,672	284,976
Drugs	632	531	816	1,743	1,161
Chemicals, other ...	994	737	3,194	4,505	1,247
Flavouring essences and other essential oils	7,447	6,360	13,685	20,003	17,902
Soap	71,532	79,311	53,798	76,296	68,532
Leather handbags, purses, wallets, portfolios, and belts ...	6,035	6,731	4,006	5,724	4,382
Paper and cardboard and manufactures thereof	4,142	5,011	4,430	26,810	8,399
Antiquities	701	1,240	492	1,660	693
Books	3,217	9,609	8,543	11,086	19,634
Buttons	162	187	1,126	2,308	3,559
Curios and articles of piety	5,742	6,993	5,852	5,602	5,513
Jewellery, all kinds ...	1,819	2,000	1,205	1,996	2,632
Mother of pearl goods	6,877	3,778	5,310	6,513	4,759
Pictures, albums, and postcards	645	833	1,442	3,414	2,797
Stationery	989	1,066	330	1,320	2,201
Straw mats	530	982	2,007	1,476	1,078
Artificial teeth ...	28,585	33,762	32,200	34,431	30,732
Dentifrices	46	390	277	1,008	1,018
Perfumery and toilet preparations ...	740	1,998	2,303	3,654	3,713
Works of art	654	398	403	1,360	2,087

The increase in exports of undressed hides and skins from Palestine during recent years was mainly due to the fact that Palestine was (until April, 1938) on Turkey's list of free exchange countries. Large consignments of foreign hides and skins were imported into Palestine and re-exported to Turkey as goods of Palestinian origin.

This practice has now ceased as a result of the adoption by the Palestine Government at the beginning of 1938 of the requirement that local hides and skins should be sealed before being granted certificates of Palestinian origin. Exports consequently declined from £P.189,712 in 1937 to £P.88,209 in 1938.

24. Value of Total Imports and Exports, 1934-8.

Imports.	*1934.* £P.	*1935.* £P.	*1936.* £P.	*1937.* £P.	*1938.* £P.	*Increase over 1937.* £P.	*Decrease under 1937.* £P.
Imports for Home Consumption* ...	14,855,998	17,561,676	13,213,208	15,434,707	11,356,963	—	4,077,744
Goods in Transit†	239,558	823,088	513,252	828,149	671,915	—	156,234
Imports of Specie	273,430	521,900	157,490	403,927	469,907	65,980	—
Totals ... ... £P.	15,368,986	18,906,664	13,883,950	16,666,783	12,498,785	Net 1938 decrease under 1937, 4,167,998	

Exports.	*1934.* £P.	*1935.* £P.	*1936.* £P.	*1937.* £P.	*1938.* £P.	*Increase over 1937.* £P.	*Decrease under 1937.* £P.
Exports of Palestine Produce ...	3,217,562	4,215,486	3,625,233	5,813,536	5,020,368	—	793,168
Goods in Transit†	239,558	823,088	513,252	828,149	671,915	—	156,234
Re-Exports from Bond	49,047	68,445	84,904	115,075	99,432	—	15,643
Re-exports of Foreign Goods‡ ...	283,946	300,671	642,293	636,092	663,216	27,124	—
Exports of Specie	850,260	466,504	251,207	429,757	366,712	—	63,045
Totals ... ... £P.	4,640,373	5,874,194	5,116,889	7,822,609	6,821,643	Net 1938 decrease under 1937, 1,000,966	

* Excludes imports by Military and N.A.A.F.I.

† The figures for the years 1935 to 1938 include Goods in Transit from 'Iraq by the Trans-Desert Motor Route.

‡ Over 80 per cent. of these consist of goods imported and subsequently re-exported by Military.

25. Value of Imports and Exports, by Classes, 1934-8.

*Imports.**	*1934.*	*1935.*	*1936.*	*1937.*	*1938.*	*Increase over 1937.*	*Decrease under 1937.*
	£P.	£P.	£P.	£P.	£P.	£P.	£P.
Class I: Food, drink, and tobacco	2,902,093	3,646,877	3,939,350	4,076,129	3,209,287	—	866,842
Class II: Raw materials and articles mainly unmanufactured	1,076,894	1,322,846	971,813	1,605,076	1,138,375	—	466,701
Class III: Articles wholly or mainly manufactured	9,168,281	10,789,934	6,551,489	9,695,483	6,978,617	—	2,716,866
Class IV† :—							
Previous to 1937 :—							
Animals, living, not for food	93,982	94,471	103,129				
Miscellaneous and unclassified, other... ...	1,614,748	1,707,548	1,647,427	—	—	—	—
1937 and 1938 :—							
Animals, living, not for food				58,019	30,684	—	27,335
Totals	14,855,998	17,561,676	13,213,208	15,434,707	11,356,963	Net 1938 decrease under 1937, 4,077,744	

* Excludes imports by Military and N.A.A.F.I.

† In 1937 and 1938 imports by Government, 'Iraq Petroleum Company and other institutions entitled to exemption, previously included in Class IV, were re-distributed within the other classes according to commodities.

Exports.	*1934.*	*1935.*	*1936.*	*1937.*	*1938.*	*Increase over 1937.*	*Decrease under 1937.*
	£P.	£P.	£P.	£P.	£P.	£P.	£P.
CLASS I: Food, drink, and tobacco	2,865,314	3,741,439	3,047,831	4,875,277	4,172,078	—	703,199
CLASS II: Raw materials and articles mainly unmanufactured	55,405	101,014	158,541	377,283	207,912	—	169,371
CLASS III: Articles wholly or mainly manufactured	294,243	370,184	417,078	558,753	639,604	80,851	—
CLASS IV*:—							
Previous to 1937:—							
Animals, living, not for food	2,321	1,875	1,753				
Miscellaneous and unclassified, other... ...	279	974	30	—	—	—	—
1937 and 1938:—							
Animals, living, not for food				2,223	774	—	1,449
Totals	3,217,562	4,215,486	3,625,233	5,813,536	5,020,368	Net 1938 decrease under 1937, 793,168	

* In 1937 and 1938 exports other than Animals, living, not for food, were re-distributed within the other classes according to commodities.

26. Imports, by Countries, during 1937 and 1938.

Country of Origin.	*1937.*		*1938.*	
	Value.	*Percentage of total Imports, 1937.*	*Value.*	*Percentage of total Imports, 1938.*
	£P.		£P.	
United Kingdom	2,518,669	15·84	1,495,800	13·17
British Possessions... ...	731,331	4·60	726,417	6·40
Austria	151,907	0·95	125,914	1·11
Belgium	495,372	3·11	338,568	2·98
Bulgaria	193,275	1·22	75,699	0·67
China	117,304	0·74	29,811	0·26
Czechoslovakia	473,527	2·98	347,298	3·06
Denmark	83,710	0·53	63,186	0·56
Dutch East Indies	90,556	0·57	160,258	1·41
Egypt	630,520	3·96	405,249	3·57
France	270,099	1·70	207,774	1·83
Germany	2,628,226	16·53	1,644,838	14·48
Holland	229,779	1·45	232,011	2·04
Hungary	116,438	0·73	76,355	0·67
Iran	223,358	1·40	114,864	1·01
'Iraq...	361,160	2·27	172,835	1·52
Italy...	320,503	2·01	236,242	2·08
Japan	494,013	3·11	303,402	2·67
Lithuania	131,682	0·83	100,321	0·88
Poland	475,269	2·99	419,478	3·69
Roumania	1,372,044	8·63	1,253,021	11·03
Russia	98,921	0·62	89,785	0·79
Sweden	125,646	0·79	106,212	0·94
Switzerland...	148,674	0·93	107,720	0·95
Syria...	1,374,450	8·64	1,014,953	8·94
Turkey	254,159	1·60	78,535	0·69
United States of America...	1,099,061	6·91	969,573	8·54
Yugoslavia	189,074	1·19	110,861	0·98
Other Countries	504,939	3·17	349,983	3·08
Totals	15,903,666	100·00	11,356,963	100·00

* Excludes imports by Military and N.A.A.F.I.

27. Exports, by Countries, during 1937 and 1938.

Destination.	*1937.*		*1938.*	
	Value.	*Percentage of total Exports, 1937.*	*Value.*	*Percentage of total Exports, 1938.*
	£P.		£P.	
United Kingdom	3,150,283	54·19	2,468,854	49·18
British Possessions	105,670	1·82	144,921	2·89
Belgium	177,344	3·05	229,539	4·57
Czechoslovakia	76,825	1·32	90,318	1·80
Denmark	58,709	1·01	43,001	0·86
Egypt...	99,243	1·71	101,725	2·03
France	139,422	2·40	82,413	1·64
Germany	106,094	1·82	73,837	1·47
Holland	324,825	5·59	402,040	8·01
Italy	70,402	1·21	54,897	1·09
Japan...	35,847	0·62	35,680	0·71
Norway	80,153	1·38	124,144	2·47
Poland	157,384	2·71	133,981	2·67
Roumania	112,784	1·94	115,966	2·31
Sweden	155,447	2·67	171,881	3·42
Syria	625,258	10·75	412,825	8·22
Turkey	114,656	1·97	44,073	0·88
United States of America ...	35,223	0·61	108,541	2·16
Other Countries	187,967	3·23	181,732	3·62
Total	5,813,536	100·00	5,020,368	100·00

Re-exports.

28. In compliance with the request of the Permanent Mandates Commission at its thirty-fourth session, a table showing the principal commodities re-exported from Palestine during 1938 is appended:—

Serial No. of Customs Tariff.	*Commodity.*	*Unit.*	*Quantity.*	*Value.*
	CLASS I: FOOD, DRINK AND TOBACCO.			£P.
17	Rice	Kilo	24,350	362
43	Goats and kids	No.	139	380
45	Sheep and lambs	,,	220	260
47	Butter	Kilo	2,773	364
49	Cheese, other	,,	9,811	762
50	Eggs	No.	511,480	850
56	Semneh	Kilo	9,062	1,079
57	Apples	,,	151,376	4,073
71	Fruits fresh, n.e.s.	,,	20,799	634
130	Fish dry, salted or smoked	,,	15,862	630
	All other Articles of CLASS I	—	—	3,449
	Total CLASS I			12,843
	CLASS II: RAW MATERIALS AND ARTICLES MAINLY UNMANUFACTURED.			
210	Felspar	—	—	929
226	Wood and timber, other	M^3	2,055	12,193
227	Cotton, raw	Kilo	18,725	934
239	Groundnuts, decorticated	,,	138,679	1,215
	All other articles of CLASS II	—	—	1,274
	Total CLASS II			16,545
	CLASS III: ARTICLES WHOLLY OR MAINLY MANUFACTURED.			
334	Iron bars, rods and angles	Kilo	99,782	972
348	Iron pipes, other	,,	627,610	10,267
349	Iron pipe fittings and drawn tubes	,,	84,143	2,902
360	Iron and steel manufactures	—	—	3,412
412	Cinema film, synchronised with sound on film	Kilo	5,171	10,341
419	Medical, optical and veterinary instruments	—	—	6,478
423	Other tools and implements	—	—	2,670
425	Welding machines	—	—	1,380
433	Electric refrigerators and parts	—	—	1,295
435	Electric apparatus, n.e.s.	—	—	1,310
436	Electrical goods, other	—	—	4,907
437/46	Machinery	—	—	53,959
470	Veneer wood	Kilo	22,176	1,501
482	Cotton piece goods, grey, bleached, printed and dyed	,,	13,746	2,126
490	Woollen tissues	,,	4,664	3,518

Serial No. of Customs Tariff.	*Commodity.*	*Unit.*	*Quantity.*	*Value.*
	CLASS III—(*contd.*).			£P.
493/4	Silk and artificial silk yarn	,,	6,831	1,807
525	Other carpets of cotton, silk, wool or a mixture thereof	,,	4,377	3,403
533	Sacks and bags empty	,,	54,600	1,002
559	Wearing apparel of wool, n.e.s. ...	—	—	1,553
564	Other wearing apparel of materials, n.e.s.	—	—	2,724
595	Drugs, raw and prepared	—	—	5,972
603	Paints and colours	Kilo	50,561	1,700
606	Lubricating oil and grease	,,	63,473	2,541
658	Aeroplanes and aerial gliders ...	—	—	49,486
666	Motor cars, omnibuses, lorries, and vans	No.	164	29,483
668	Chassis and tractors	,,	23	9,278
669	Parts of motor vehicles and tractors	Kilo	30,782	7,578
671	Motor cycles and motor tricycles ...	—	—	2,609
674	Ships and boats and parts thereof ...	—	—	1,698
675	Vehicles and parts, n.e.s.	—	—	21,329
679	Rubber tyres and tubes, for mechanically-propelled vehicles	Kilo	26,989	4,365
689	Arms, n.e.s.	—	—	20,540
694	Books	—	—	1,951
704	Used personal effects	—	—	92,241
717	Jewellery and imitation jewellery ...	—	—	1,270
752	Goods, manufactured, n.e.s.	—	—	183,559
	All other articles of CLASS III ...	—	—	39,105
	Total CLASS III			592,232
	CLASS IV: ANIMALS, LIVING, N.E.S.			
755	Camels	No.	5,346	37,422
758	Horses	,,	290	3,749
	All other animals, living, n.e.s. ...	,,	44	426
	Total CLASS IV			41,597
	Total Merchandise		—	663,217

Note.—Over 50 per cent. of these re-exports are comprised of Military goods.

29. Area of Palestine: 10,429 sq. miles (27,009 km.²).

Calendar year.	Estimated Population at mid-year.	Imports.*		Exports.		Re-exports.		Transit to Syria.		Transit from Syria.	
		Merchandise.	Specie.	Merchandise.	Specie.	Merchandise.	Specie.	Merchandise.	Specie.	Merchandise.	Specie.
		£P.	£P.	£P.	£P.	£P.	£P.	£P.	£P.	£P.	£P.
1933 ...	1,104,884	10,700,622	145,306	2,591,617	841,878	319,302	—	8,996	—	3,050	—
1934 ...	1,171,158	14,855,998	273,430	3,217,562	850,260	283,946	—	12,284	—	892	—
1935 ...	1,261,082	17,561,676	521,900	4,215,486	466,504	300,671	—	5,131	—	778	—
1936 ...	1,336,518	13,213,208	157,490	3,625,233	251,207	642,293	—	2,353	—	251	—
1937 ...	1,383,320	15,434,707	403,927	5,813,536	429,757	636,092	—	1,624	—	741	—
1938 ...	1,420,259	11,356,963	469,907	5,020,368	366,712	663,216	—	6,679	1,650	913	—

* Excludes imports by Military and N.A.A.F.I.

Price Movements.

30. Monthly index-numbers of wholesale prices and cost of living are shown below:—

1938.	*Wholesale prices. (Basis, June, 1936 = 100 per cent.)*	*Cost of living. (Basis, January, 1922 = 100 per cent.)*
January	107·3	58·2
February	107·1	58·2
March	104·3	58·4
April	104·8	56·4
May...	103·5	55·9
June	100·8	56·3
July...	99·8	56·7
August	98·8	56·4
September	99·4	57·1
October	100·9	58·1
November	101·2	61·4
December	98·6	58·3
Average	102·2	57·6

The average index-number of cost of living in 1938 was 57·6 as compared with 59·1 in 1937.

31. Changes in Rates of Import Duty During 1938.

The following are the changes in the rates of import duty made during 1938:—

Description of Article.	*Former Duty.*	*New Duty.*
Wood prepared for citrus cases	250 mils per M^3	355 mils per M^3
Blankets, sheets, pillow cases, towels and patients' clothing intended for use within a hospital or asylum and not for free distribution.	Various rates	Exempt
Kerosene :—		
(*a*) In tins or drums not exceeding 18·2 litres (4 gallons).	32 mils each	37 mils each
(*b*) In other containers or in bulk ...	1·75 mils per litre	2·03 mils per litre
Motor spirits :—		
(*a*) In containers not exceeding 18·2 litres (4 gallons).	200 mils each	219 mils each
(*b*) In other containers and in bulk ...	·11 mils per litre	12 mils per litre
Matches :—		
(*a*) For every gross of boxes (of each point of ignition) not exceeding 10,000 matches.	200 mils per gross	240 mils per gross
(*b*) For every gross of boxes (of each point of ignition) exceeding 10,000 matches.	200 mils per 10,000 matches	240 mils per 10,000 matches
(*c*) For every ten booklets of matches where each booklet contains not more than 24 matches of one point of ignition.	5 mils per 10 booklets	6 mils per 10 booklets
(*d*) Where matches are imported in booklets containing more than 24 matches of one point of ignition.	200 mils per 10,000 matches	240 mils per 10,000 matches
Artificial silk staple fibre...	12 per cent. *ad valorem*	Exempt
Sugar, including raw sugar, invert sugar and icing sugar.	5 mils per kilogramme	7·5 mils per kilogramme
Tobacco :—		
Leaves, unmanufactured	400 mils per kilogramme	500 mils per kilogramme
Leaves, manufactured, including chewing tobacco.	750 mils per kilogramme	1,000 mils per kilogramme

Dental, surgical and medical appliances and apparatus; veterinary instruments.	Exempt	12 per cent. *ad valorem*
Cotton surgical dressings...	Exempt	12 per cent. *ad valorem*
Epsom salts, including inner containers	0·50 mils per kilogramme	12 per cent. *ad valorem*
Drugs, raw and prepared, other than certain anti-malaria drugs, which remain exempt, and drugs not elsewhere specified.	Exempt	12 per cent. *ad valorem*
Lanolin	Exempt	12 per cent. *ad valorem*
Medical liquid paraffin	Exempt	12 per cent. *ad valorem*
Disinfectants	Exempt	12 per cent. *ad valorem*
Wheat, other than hard wheat (triticum durum).	Where the value per ton as determined by the Director of Customs, Excise and Trade under the powers vested in him, is :—	Where the value per ton as determined by the Director of Customs, Excise and Trade under the powers vested in him, is :—

£P. *Mils.*		£P. *Mils.*		*Rate of Duty.* £P. *Mils.*	*Unit.*	*Rate of Duty.* £P. *Mils.*	*Unit.*
9.000 or over			...	Exempt		8.000 or over ...	1.000 ton
8.750 or under		9.000	...	.250	ton	7.750 or under 8.000 ...	1,250 ,,
8.500	,,	8.750	...	.500	,,	7.500 ,, 7.750 ...	1.500 ,,
8.250	,,	8.500	...	.750	,,	7.250 ,, 7.500 ...	1.750 ,,
8.000	,,	8.250	...	1.000	,,	7.000 ,, 7.250 ...	2.000 ,,
7.750	,,	8.000	...	1.250	,,	6.750 ,, 7.000 ...	2.250 ,,
7.500	,,	7.750	...	1.500	,,	6.500 ,, 6.750 ...	2.500 ,,
7.250	,,	7.500	...	1.750	,,	6.250 ,, 6.500 ...	2.750 ,,
7.000	,,	7.250	...	2.000	,,	6.000 ,, 6.250 ...	3.000 ,,
6.750	,,	7.000	...	2.250	,,	5.750 ,, 6.000 ...	3.250 ,,
6.500	,,	6.750	...	2.500	,,	5.500 ,, 5.750 ...	3.500 ,,
6.250	,,	6.500	...	2.750	,,	5.250 ,, 5.500 ...	3.750 ,,
6.000	,,	6.250	...	3.000	,,	Under £P. 5.250 mils ...	4.000 ,,
5.750	,,	6.000	...	3.250	,,		
5.500	,,	5.750	...	3.500	,,		
5.250	,,	5.500	...	3.750	,,		
5.000	,,	5.250	...	4.000	,,		
Under £P. 5.000 mils			...	4.250	,,		

Description of Article.	*Former Duty.*	*New Duty.*
Wheat flour, and Semolina (including semoule) and crushed or ground wheat.	Where the value per ton as determined by the Director of Customs, Excise and Trade under the powers vested in him, is :—	Where the value per ton as determined by the Director of Customs, Excise and Trade under the powers vested in him, is :—
	Rate of Duty.	*Rate of Duty.*
	£P. *Mils.* £P. *Mils.* £P. *Mils.* *Unit.*	£P. *Mils.* £P. *Mils.* £P. *Mils.* *Unit.*
	10.500 or over 2.000 ton	11.500 or over 2.000 ton
	10.250 or under 10.500 ... 2.250 ,,	11.250 or under 11.500 ... 2.250 ,,
	10.000 ,, 10.250 ... 2.500 ,,	11.000 ,, 11.250 ... 2.500 ,,
	9.750 ,, 10.000 ... 2.750 ,,	10.750 ,, 11.000 ... 2.750 ,,
	9.500 ,, 9.750 ... 3.000 ,,	10.500 ,, 10.750 ... 3.000 ,,
	9.250 ,, 9.500 ... 3.250 ,,	10.250 ,, 10.500 ... 3.250 ,,
	9.000 ,, 9.250 ... 3.500 ,,	10.000 ,, 10.250 ... 3.500 ,,
	8.750 ,, 9.000 ... 3.750 ,,	9.750 ,, 10.000 ... 3.750 ,,
	8.500 ,, 8.750 ... 4.000 ,,	9.500 ,, 9.750 ... 4.000 ,,
	8.250 ,, 8.500 ... 4.250 ,,	9.250 ,, 9.500 ... 4.250 ,,
	8.000 ,, 8.250 ... 4.500 ,,	9.000 ,, 9.250 ... 4.500 ,,
	7.750 ,, 8.000 ... 4.750 ,,	8.750 ,, 9.000 ... 4.750 ,,
	7.500 ,, 7.750 ... 5.000 ,,	8.500 ,, 8.750 ... 5.000 ,,
	7.250 ,, 7.500 ... 5.250 ,,	8.250 ,, 8.500 ... 5.250 ,,
	7.000 ,, 7.250 ... 5.500 ,,	8.000 ,, 8.250 ... 5.500 ,,
	6.750 ,, 7.000 ... 5.750 ,,	7.750 ,, 8.000 ... 5.750 ,,
	6.500 ,, 6.750 ... 6.000 ,,	7.500 ,, 7.750 ... 6.000 ,,
	6.250 ,, 6.500 ... 6.250 ,,	7.250 ,, 7.500 ... 6.250 ,,
	6.000 ,, 6.250 ... 6.500 ,,	7.000 ,, 7.250 ... 6.500 ,,
	5.750 ,, 6.000 ... 6.750 ,,	6.750 ,, 7.000 ... 6.750 ,,
	Under £P. 5.750 mils ... 7.000 ,,	6.500 ,, 6.750 ... 7.000 ,,
		6.250 ,, 6.500 ... 7.250 ,,
		Under £P. 6.250 mils ... 7.500 ,,
Tehini	12 per cent. *ad valorem*	8 mils per kilogramme
Pearls, unset	15 per cent. *ad valorem*	Exempt

Stones, precious or semi-precious, unset	15 per cent. *ad valorem*		Exempt
Iron rivets	4 mils per kilogramme		7·5 mils per kilogramme
Crown corks	12 per cent. *ad valorem*		8 mils per gross
Cotton damask, gobelin, chenille and similar tissues, not elsewhere specified :—			
(*a*) Not exceeding 300 grammes per square metre.	12 per cent. *ad valorem*		40 mils per kilogramme*
(*b*) Exceeding 300 grammes and not exceeding 450 grammes per square metre.	12 per cent. *ad valorem*		70 mils per kilogramme*
(*c*) Exceeding 450 grammes per square metre.	12 per cent. *ad valorem*		80 mils per kilogramme*
(*d*) Manufactured articles of damask, gobelin, chenille and similar tissues.	12 per cent. *ad valorem*		20 per cent. *ad valorem*

Cotton piece goods, not elsewhere specified :—

Exceeding grammes.	*Not exceeding.*		*Printed or dyed.*		*Dyed in one colour excluding dyed in black and Flannelette.*	*Dyed in black ; dyed in more than one colour and printed ; Flannelette.*	
			Mils.		*Mils.*	*Mils.*	
(*a*)	25	grammes per M²	150	per kilogramme	150	150	per kilogramme
(*b*) 25	30	,, M²	115	,,	115	115	,,
(*c*) 30	50	,, M²	110	,,	110	110	,,
(*d*) 50	70	,, M²	100	,,	100	100	,,
(*e*) 70	90	,, M²	55	,,	55	55	,,
(*f*) 90	110	,, M²	47	,,	47	47	,,
(*g*) 110	140	,, M²	38	,,	57	44	,,
(*h*) 140	170	,, M²	33*	,,	57	44	,,
(*i*) 170	200	,, M²	31*	,,	54	42	,,
(*j*) 200	240	,, M²	30*	,,	52	40	,,
(*k*) 240	280	,, M²	28*	,,	49	38	,,
(*l*) 280 grammes per M²			27*	,,	47	36	,,

Description of Article.	*Former Duty.*	*New Duty.*
Cotton manufactures, other, not elsewhere specified	12 per cent. *ad valorem*	
(*a*) Turkish towelling and manufactures thereof.		40 mils per kilogramme†
(*b*) Cotton waste scourers, exceeding 350 but not exceeding 600 grammes per square metre.		25 mils per kilogramme
(*c*) Cotton wick		35 mils per kilogramme
(*d*) Cotton manufactures, other, not elsewhere specified.		12 per cent. *ad valorem*
Oxygen	3 mils per litre	20 mils per M^3 at atmospheric pressure
Fuel and	12 mils per litre	
Oil	3 mils per kilogramme	
(*a*) Contained in the tanks installed in any aircraft operating to or through Palestine, or		
(*b*) Intended for use by such aircraft on departure from a customs aerodrome in Palestine for a destination abroad.		
Wheat, hard (triticum durum)	3 mils per kilogramme	Exempt Where the value per ton as determined by the Director of Customs, Excise and Trade under the powers vested in him, is :—

£P. *Mils.*		£P. *Mils.*	*Rate of Duty.* £P. *Mils.*	*Unit.*
8.000 or over	...		1.000	ton
7.750 or under	8.000	...	1.250	,,
7.500 ,,	7.750	...	1.500	,,
7.250 ,,	7.500	...	1.750	,,
7.000 ,,	7.250	...	2.000	,,

		6.750 ,, 7.000 ... 2.250 ,, 6.500 ,, 6.750 ... 2.500 ,, 6.250 ,, 6.500 ... 2.750 ,, 6.000 ,, 6.250 ... 3.000 ,, 5.750 ,, 6.000 ... 3.250 ,, 5.500 ,, 5.750 ... 3.500 ,, 5.250 ,, 5.500 ... 3.750 ,, Under £P. 5.250 mils ... 4.000 ,,
Poultry, live and dressed	25 mils per bird	1st July to 31st January, 5 mils per bird. 1st February to 30th June, 25 mils per bird.
Stores, equipment, materials, etc., necessary for the work of the undertaking of the Anglo - Iranian Oil Company Limited.	Various rates	Exempt
Meat, frozen and chilled, excluding game and poultry.	Exempt	6 mils per kilogramme
Cattle (oxen, cows, and calves)	Exempt	750 mils each
Goats and kids	Exempt	50 mils each
Sheep and lambs	Exempt	50 mils each

* Or 25 per cent. *ad valorem*, whichever is the greater.

† Or 20 per cent. *ad valorem*, whichever is the greater.

Shipping.

32. The number and tonnage of steam and sailing vessels entered and cleared in the foreign trade of Palestine during the years 1937 and 1938 were:—

		Entered.		*Cleared.*	
		1937.	*1938.*	*1937.*	*1938.*
Steam	Number	1,992	1,971	2,001	1,954
	Tonnage	4,817,829	5,201,473	4,849,637	5,171,275
Sailing	Number	1,545	1,169	1,509	1,174
	Tonnage	44,291	40,336	43,218	40,961
Totals	Number	3,537	3,140	3,510	3,128
	Tonnage	4,862,120	5,241,809	4,892,855	5,212,236

		1937.	*1938.*
Total shipping dealt with in foreign trade.	Number ...	7,047	6,268
	Tonnage ...	9,754,975	10,454,045

Business Names.

33. During 1938, 236 applications under the Registration of Business Names Ordinance, 1935, were received, thus bringing the total number of applications to 2,384. The sum of £P.98,975 mils was paid in fees.

Trade Marks.

34. Applications for registration of trade marks numbered 380 during 1938, bringing the number of applications filed to £P.98.975 mils was paid in fees.

The following table shows the countries of origin of applications in the last five years:—

Country.	*Number of applications.*				
	1934.	*1935.*	*1936.*	*1937.*	*1938.*
Palestine	137	145	114	147	119
United Kingdom	144	255	107	63	35
Germany	44	206	68	66	114
United States of America ...	25	64	36	33	37
Switzerland	39	30	5	15	24
France	12	21	32	10	24
Holland	11	12	6	7	12
Hungary	11	4	1	4	1
Austria	9	13	4	1	—
Poland	6	9	4	1	—
Sweden	6	5	1	1	—
Italy	6	5	3	1	—
Egypt	5	46	10	2	—
Czechoslovakia	5	5	7	3	—
Portugal	4	1	2	1	—
India	4	1	—	—	1
Japan	3	17	6	1	—
Denmark	2	5	2	1	4
Spain	2	—	1	—	—
Syria	2	8	2	3	—

Country.	*Number of applications.*				
	1934.	*1935.*	*1936.*	*1937.*	*1938.*
Ceylon	2	—	—	—	—
Trans-Jordan...	2	—	—	1	—
Belgium	1	3	3	1	2
Australia	1	—	1	1	—
Latvia...	—	2	1	—	—
South Africa	—	4	—	1	—
Finland	—	1	—	—	—
Trinidad	—	1	—	—	—
Norway	—	—	1	1	1
Tunis	—	—	3	—	—
Lebanon	—	—	—	4	3
Turkey	—	—	—	5	—
Luxembourg	—	—	—	—	1
Canada	—	—	—	—	1
Bahamas Islands	—	—	—	—	1
Totals	483	863	420	374	380

Patents.

35. During 1938, 164 applications for patents (of which 65 were from local residents) were received, as compared with 230 in 1937. The total number of applications now filed amounted to 1,446. Receipts from fees were £P.1,468. The main interest lies, as in previous years, in the chemical and building industries.

CLASSIFICATION OF PATENTS.

Subject Matter.	*Number of applications received.*
Chemical processes and apparatus	25
Manufacture of fuel	21
Oil wells	2
Purification of liquids	4
Insecticides	2
Building	13
Pipe manufacture	2
Water supply	1
Washing floors, device for	1
Heating apparatus, burners, fireboxes	8
Matches, tobacco	2
Electric apparatus and lamps	10
Radio, sound recording, telephone and cinema systems	5
Signals and alarms	1
Advertising	3
Road vehicles	3
Aircraft...	1
Metal working...	1
Wood working...	2
Paper manufacture	1
Containers, packing and wrapping	10
Food preparations	5
Cleaning, grading and preserving fruit	9
Agriculture, irrigation, feeding of animals	11
Air conditioning	1
Furniture	5
Locking systems	1
Sliding fasteners	3

CLASSIFICATION OF PATENTS—*contd.*

Subject Matter.	*Number of applications received.*
Wearing apparel, arch supports	3
Dentistry	2
Scientific instruments...	1
Printing	3
Accounting systems	1
Games	1
Total	164

Designs.

36. Eighteen applications for the registration of designs were received during 1938, bringing the total number of applications to 192. Fees amounting to £P11,500 mils were collected.

37. The following are the numbers of detentions made during the last four years for contraventions of the Merchandise Marks Ordinance, together with the countries concerned:—

Country.	*1935.*	*1936.*	*1937.*	*1938.*
Austria	42	27	10	4
Belgium	14	7	8	8
Bulgaria	1	—	—	—
China	—	1	—	1
Czechoslovakia	79	37	40	19
Danzig	1	—	—	—
Denmark	2	1	3	—
Dutch East Indies	—	—	1	—
Egypt	11	7	21	8
Estonia...	—	1	—	—
Finland...	—	—	1	—
France	2	8	1	2
Germany	156	75	114	99
Great Britain	4	4	5	3
Greece	2	4	—	1
Holland	7	12	7	9
Hungary	15	9	8	7
India	1	1	—	—
Italy	27	3	8	17
Japan	179	116	144	87
Luxembourg	2	—	—	—
Norway...	3	—	—	1
Lebanon	5	5	7	3
Poland	21	3	2	3
Portugal	—	—	2	1
Roumania	2	3	—	1
Russia	1	1	—	—
Spain	—	—	—	1
Sweden...	7	2	—	1
Switzerland	2	1	—	1
Syria	11	1	14	7
Trans-Jordan	—	2	—	—
United States of America ...	2	2	—	—
West Indies	1	—	—	—
Yugoslavia	—	2	2	—
Other countries	5	1	—	—
Totals	605	336	398	284

Of these, the following related to wines and spirits:—

Country.	*1935.*	*1936.*	*1937.*	*1938.*
Holland	—	1	—	—
Italy	—	—	—	1
Palestine	—	—	1	—
United Kingdom	—	1	—	—
Syria	—	—	2	—
Totals	—	2	3	1

XXIV.—POSTS, TELEGRAPHS AND TELEPHONES.

The year under review was important from the point of view of development of the services rendered to the public by the Department of Posts and Telegraphs. After some four years of preliminary work the Empire air mail scheme by which all first class mail for participating countries is conveyed by air, was inaugurated; and arrangements for uniform rates on telegrams to all countries in the British Empire via the system of Cable and Wireless, Limited, were introduced.

Two major telephone exchanges were converted from manual to automatic working.

The new General Post Office building in Jerusalem, accommodating the headquarters administration and the local postal services, was completed and occupied in June.

Overshadowing all activities, however, was the unsettled state of the country and the continuation of the disturbances. Trade and development were adversely affected and the Department's business did not escape the consequences.

The arrival of a considerable number of British troops for security purposes threw burdens on the Department which are not wholly reflected in the financial returns. Comparison of the financial results of the year's workings with the revenue and expenditure returns of previous years does not, therefore, present as accurate a picture of the work performed as would normally be the case. Nevertheless, there was a surplus of revenue over expenditure of £P.75,158. In 1937 the surplus amounted to £P.112,650.

2. *Revenue.*—Revenue amounted to £P.532,562 compared with £P.507,586 in 1937, and £P.450,456 in 1936.

The principal increases were as follows:—

	£P.
Telephones	23,646
Sales of Stamps	3,816
Wireless Receiving Licences	3,555

Decreases were:—

	£P.
Telegraphs	3,659
Parcel Post	2,619

3. *Expenditure.*—Expenditure amounted to £P.457,404 compared with £P.394,936 in 1937 and £342,580 in 1936.

The principal increases were:—

	£P.
Unallocated Stores	40,687
Restoration of Lines	18,332
Personal Emoluments	9,020

The increase under unallocated stores was due to the fact that formerly the amount represented by these stores was not inserted in the departmental budget. Following a change in the system of colonial accounting introduced during the course of the year, this item had however to be included. It follows that no similar item of expenditure had appeared in the accounts of previous years.

The increases for restoration of lines and personal emoluments were due respectively to extensive damage by sabotage to telephone lines and to normal increments.

Extraordinary expenditure on capital works showed a decrease of £P.78,370 as compared with the previous year.

4. The value of free services rendered to other Government departments was £P.12,021 compared with £P.13,553 in 1937.

5. The total value of cash transactions was £P.1,786,600 compared with £P.1,859,297 in 1937.

Posts.

6. *Inland Mails.*—Due to the disturbed conditions in the country and the continuous sabotage of the railway, the Kantara-Haifa travelling post office was discontinued during the year. The interchange of mails between the settlements in the Sharon Plain and Haifa and Tel Aviv was effected by a road mail service, whilst direct exchange of mails between the head post offices in Palestine and offices of exchange in other countries maintained the international mail services. The abolition of the travelling post office in July had thus no disadvantageous effect upon the existing mail services.

By September the insecurity of transit by road and rail had reached a point which necessitated a drastic reduction in postal services generally. The conveyance of mails by contractors ceased in many cases and a daily mail service by departmental road transport between Jerusalem and Haifa via Jaffa and Tel Aviv in each direction was introduced. Mail services by rail were correspondingly curtailed.

7. *Overseas Mails.*—During October the train service between Kantara and Lydda was reduced from a daily frequency to three times a week, and the restricted service was still in force at the close of the year. The Adriatica Company resumed the

use of Jaffa as a port of call for its mail steamers and the disembarkation of mails for Jaffa, Tel Aviv and Jerusalem was effected there.

8. *Air Mails.*—The Empire air mail scheme, which had been in operation over the African section since the previous year, was extended to India in March and Palestine came within its scope. The frequency of the service was increased to provide for three flying boat services a week operating via Tiberias, and two land services a week via Lydda.

Difficulties of road transport during the height of the disturbances seriously interfered with the forwarding of mails to and from Tiberias to meet the flying boat services. In consequence the mails, by special arrangement, were embarked and disembarked at Alexandria during September, October and November and forwarded between Egypt and Palestine by alternative means. By the end of the year, however, the normal services had been resumed.

The Polish air service " Lot " augmented its services to thrice weekly during the summer, but reduced them again in the winter to twice weekly.

The summer air service to Cyprus by Misr Air Lines was in operation from the middle of June to the middle of September.

Two machines carrying Palestine mails were wrecked during the year. In one accident the mails were totally destroyed, whilst in the other, part of the mail was salvaged and, after suitable treatment, duly delivered.

The total weight of surcharged air mails despatched to all destinations was 19,866 kilogrammes and that of " all up " mails (i.e., mails carried under the Empire scheme without surcharge) was 16,820 kilogrammes.

9. *Parcel Mails.*—The number of parcels to and from other countries showed a slight decrease as compared with the previous year.

The number of inland parcels fell from 42,300 in 1937 to 38,600 in 1938.

10. *Registered and Insured Correspondence.*—£P.24 was paid as compensation for loss or damage to registered and insured correspondence.

11. *Returned Letter Office.*—The number of undelivered articles amounted to 381,238, approximately 12,600 of which were registered. The value of articles found in undeliverable correspondence was £P.2,472.196 mils of which £P.2,192.015 was represented by cheques and bills of exchange. The value of articles, other than cheques and bills of exchange, returned to senders amounted to £P.201.660 mils, and the balance of £P.78.565 remained unclaimed and undelivered owing to inadequate address.

12. *Post Offices and Postal Agencies.*—A departmental post office was opened at Sarafand, and postal agencies at Beer Tuviya and Nahariya. A new branch office was also opened in Haifa.

Nine departmental post offices, one branch office and two postal agencies in various parts of the country had to be closed down owing to the disturbed conditions. They remained closed at the end of the year.

The number of licensed postage stamp vendors was 238 at the end of the year, a decrease of 20 as compared with 1937.

Telegraphs.

13. *Traffic.*—There was a decrease in the total number of telegrams transmitted during the year, namely 406,992 in 1937 and 401,326 in 1938.

Telegraph revenue also fell from £P.32,154 in 1937 to £P.28,495 but this is largely accounted for by delay in the settlement of certain international accounts.

Greeting telegrams written on special ornamental forms for each of the three official languages, English, Arabic and Hebrew, were introduced during the year. These proved attractive and popular, particularly on festival occasions.

14. A new central telegraph office was opened in the General Post Office at Jerusalem. The transfer was effected on the 11th June without any interruption or fault.

A telegraph office was also installed and brought into use at Tel Aviv. Formerly, telegrams to and from Tel Aviv were signalled through the Jaffa telegraph office.

Telephones.

15. The demand for telephone service was maintained at a fairly high rate and applications were received at the rate of 131 a month during the first seven months of the year. Later, however, the demand fell to an average of 98 a month. The total number of applications received was 1,409.

16. During the year 1,557 additional exchange lines were installed and 733 recovered, the net increase being 824 lines, or 9·8 per cent. The large proportion of recoveries was due to unsettled conditions. The number of telephone stations was increased from 14,848 to 16,266.

At the beginning of the year there was a long list of applicants waiting for telephone service at Tel Aviv, and a smaller, though increasing list, at Jerusalem. These waiting lists were due primarily to a shortage of exchange equipment, a condition which it would not have been economic to remedy because of the approaching replacement of the manual exchanges by automatic instruments. An early result of the opening of the

automatic exchanges was a considerable reduction in the waiting lists, the lowest level for many years being reached in September.

17. *Revenue and Traffic.*—Telephone revenue increased from £P.205,461 in 1937 to £P.229,107 in 1938.

The number of local telephone calls increased from 36,673,196 in 1937 to 36,689,558 in 1938. The relatively small increase compared with that recorded in 1937 may be regarded as due in some measure to the introduction at Jerusalem of the message rate system.

The number of trunk calls during 1938 was 2,122,531, an increase of 13·9 per cent. compared with the previous year. The trunk service was extensively used by the Government and His Majesty's Forces. The use of the service by the public had to be restricted during the latter half of the year owing to official requirements for security purposes and the frequent and widespread sabotage of the trunk lines resulting in heavy delay. The disturbances also affected the number of trunk calls to places outside Palestine, the total for the year being 61,438 as compared with 73,750 in 1937.

18. During the latter part of the year the manual exchanges at Hebron, Khan Yunis and Lydda and the automatic exchanges at Bethlehem and Jericho ceased working on account of their destruction by saboteurs, whilst the service was temporarily suspended at Beisan, El Majdal, Qalqilya, and Ramallah owing to the necessity for removing the exchange equipment as a precautionary measure.

19. The hours of service at Beersheba and Kinneret were extended early in the year and the opening of automatic exchanges at Jenin and Nes Tsiyona resulted in continuous service at those places being provided for the first time.

20. *Telephone Kiosks.*—The number of street kiosks affording call office service was increased from 17 to 27.

21. *Private Extensions.*—During the year a private automatic exchange was installed for post office use at the new General Post Office headquarters, Jerusalem, and a 30-line private automatic branch exchange was installed at Haifa Government Hospital under Post Office supervision.

Commercial Wireless.

22. The marine, aviation and police transmitters at Ramallah, together with associated equipment at Lydda and Jerusalem, were satisfactorily maintained during the year. Difficulties connected with the sabotaging of the land line communication

between Ramallah and Lydda (from which the aviation and marine services are remotely controlled) were successfully overcome by suitable technical devices which enabled the land lines to be dispensed with and a radio link substituted for them.

Engineering.

23. *External Plant.*—The principal trunk routes were maintained in a satisfactory condition during the earlier months of the year and a great deal of work was done in improving them. Unfortunately, the summer witnessed repeated and extensive acts of sabotage to the lines to such an extent that towards the end of September 300 kilometres of damaged route had to be abandoned. In the last two months of the year the situation improved. The international circuits between Jerusalem and Amman were restored in December, while the work of restoring the railway and police circuits on the Jerusalem-Lydda railway route, which had been completely destroyed, was put in hand.

The cost of the restoration of lines and plant wilfully damaged amounted to over £P.18,000. Much of the work was necessarily of a temporary nature and the cost of effecting permanent repairs will probably amount to a further £P.27,000. Extensive repair works, coupled with heavy demands by the security forces for telephone and telegraph communication, strained the resources of the department considerably. In spite of the abnormal conditions, however, it is gratifying to record that normal activities were not neglected although they were unavoidably curtailed or postponed in certain instances.

The main telephone trunk routes between Jerusalem and Haifa, Jerusalem and Jaffa, and Jaffa and Haifa were fully loaded at the beginning of the year and, in order to augment the number of channels, six single channel carrier sets were installed, thereby providing two additional channels between each of the main centres. Transmission on these additional channels proved satisfactory and the installation of the equipment greatly increased the flexibility of the telephone trunk system as carrier equipment can be readily transferred from routes which are interrupted to alternative routes. The effects of breakdowns were thereby minimised and the carrier equipment proved invaluable in assisting the maintenance of communications at a time when routes were being repeatedly damaged.

Main local cables and ducts were laid in Jerusalem, Haifa, Jaffa and Tel Aviv.

24. *Internal Plant.*—During the year the manual telephone exchanges at Tel Aviv and Jerusalem were replaced by automatic exchanges. The Tel Aviv manual exchange was replaced in February by a 2,500 line automatic exchange, provision for the

trunk traffic being made at Jaffa as hitherto. The erection of the first extension of Tel Aviv automatic exchange of 1,000 lines was also put in hand. The extension will be brought into use early in 1939. The Jerusalem manual exchange was replaced in June by an automatic exchange of 3,500 line capacity, with a 60 line satellite exchange at Bethlehem to serve Bethlehem and Beit Jala. The installation also comprised a trunk exchange with operating positions specially designed for trunk demand working and for the more accurate timing of calls.

Automatic exchanges were also brought into service at Jenin, Rishon le Tsiyon and Nes Tsiyona.

Extensions were provided to the existing equipment at Jaffa, Ra'anana and Kefar Saba manual exchanges and at the Petah Tiqva and Haifa Bay automatic exchanges.

The classes formed in Jerusalem and Tel Aviv in 1937 for the instruction of the staff in the principles and details of automatic telephony were continued during the year and were well attended.

Broadcasting.

25. The broadcasting service continued to give programmes for five hours daily in the three official languages until October, when a mid-day programme was introduced.

Minor alterations were made in the periods allotted to the three languages, English, Arabic and Hebrew, in which programmes are emitted. These alterations afforded greater elasticity in programme building.

Improvements were made in the local news service, and towards the end of the year arrangements were concluded for obtaining a still more extended news service from Reuters. As a result more comprehensive and up-to-date emissions will be given early in 1939.

Recording equipment was installed in the studios and brought into service. This apparatus not only allows the recording of special events, etc., out of the normal hours of broadcasting, but is of value in the compilation of programmes. Artists, moreover, may now hear " play backs " of their performances and have benefited considerably from the experience.

Developments of special interest during the year included the formation of an orchestra and a choral society for the Palestine Broadcasting Service. The former gives occasional concerts from the studios but more frequently from an outside hall. Licensed listeners are granted facilities to attend these performances and are availing themselves in increasing numbers of the opportunity.

The choral society numbers eighty voices and comprises English, Arab and Jewish members. Concerts were broadcast from the Young Men's Christian Association and St. George's Cathedral, and on both occasions drew large audiences.

Programmes from the British Broadcasting Corporation and other broadcasting organizations were relayed on 30 occasions and outside broadcasts were successfully undertaken on 66 occasions.

Village receiving sets were maintained in 88 villages.

The number of licenced listeners increased from 28,516 in 1937 to 35,708 in 1938.

XXV.—AGRICULTURE, FORESTS AND FISHERIES.

1. The agricultural year of 1938 was abnormal from several points of view. Wheat yields were the lowest obtained for many years. On the other hand barley and leguminous crop yields, with the exception of those in the Judean hills, were satisfactory and the summer crops were generally above the average as the result of favourable rains in the spring.

2. The cultivation of potatoes continued to make steady progress. The area under cultivation showed a distinct increase over that planted during the previous year. The crop suffered severely from fungus diseases, but the autumn-sown crops gave farmers the good returns expected. The melon crop was good and the olive crop, which was much above the average, made up for losses on the wheat crop.

3. Heavy and well distributed winter rains gave indications of favourable and satisfactory winter crop growth, but spells of dry weather early in the year caused appreciable damage to cereal crops in the Judean hills to the south and east of Jerusalem and in the Ramallah district. On the coastal plains, and even as far east as Beersheba, light showers, not experienced in the hills after the initial rains had germinated the crops, caused heavy and rapid growth, but the spring rains of early April, followed by a rise in temperature, brought on a universal attack of rust (*puccinia graminis*) which adversely affected the wheat crop from Dan to Beersheba. Such a disaster has not been known for twenty years. The wheat crop, which in early spring gave prospect of being 20 per cent. higher than the high yields of 1937, realized only about 44,000 tons and unfortunately what little grain was harvested was of very poor quality.

4. During the year there was no shortage of *tibn* (chaff) for feeding farm stock, nor of grain used for feeding with it. Following the onset of the winter rains in 1937, hill side grazing was abundant and there was little or no mortality amongst lambing ewes and kidding goats. Both working and domestic stock were in good condition throughout the year.

5. The yields of the major crops in 1938, compared with those of the preceding three years, are given in the following table:—

	1935.	*1936.*	*1937.*	*1938.*
	Tons.	*Tons.*	*Tons.*	*Tons.*
Wheat	104,353	76,059	127,420	44,435
Barley	68,905	55,169	75,417	66,736
Melons and Water Melons ...	68,799	81,335	102,859	114,805
Lentils	2,698	2,379	3,830	3,278
Durra	46,135	22,122	61,023	60,849
Sesame	6,914	1,847	9,317	4,011
Olives	45,092	15,755	47,247	38,572
	1934–35.	*1935–36.*	*1936–37.*	*1937–38.*
Citrus Exports (cases)... ...	7,330,846	5,897,310	10,790,110	11,415,490

6. Unfortunately all agricultural and horticultural stations, except those at Acre and Sarafand, were subjected to attacks by armed bands, which took the form of the periodic destruction and burning of crops, the shooting of mules and the demolition of buildings. These attacks eventually brought operations to a standstill and entailed the evacuation and closing of all other stations. The old established station at Jericho continued to be worked in spite of the fact that the office buildings and stores had been destroyed by arson. As the result of the destruction of crops by saboteurs and the severe attack of rust on wheat, only 53 tons of cereals and two tons of legumes were reaped on Government agricultural stations. Of this quantity 33½ tons were distributed to farmers and of the remainder some 14 tons were burnt in transit to distribution centres. Up to the time that agricultural stations were destroyed or closed, some 500,000 vegetable and other seedlings had been distributed. Extension work in Arab villages became more and more difficult owing to the inability of the field staff to travel in safety: towards the end of the year field activities had to be suspended altogether.

7. *Syringopais temporatella* (ed duda) caused little damage to cereal crops, but fungus diseases were responsible for appreciable losses in field crops of tomatoes and potatoes. The summer crops of durra, maize and sesame gave very satisfactory yields which was attributable to the excellent spring rain. An interval of fine weather, following the first rains which were exceptionally heavy, gave farmers the opportunity of turning over their land and sowing winter cereals, but it is anticipated that through shortage of seed wheat there will be an appreciable decrease in the area under this crop. It is anticipated, however, that the deficiency will be made good by an increase in the area sown to barley. No seed potatoes for sale to farmers at cost price were imported as had been the custom for some years,

but merchants are importing large quantities of suitable varieties from the United Kingdom, Holland and Central Europe. There was no lack of vegetables on local markets throughout the year and prices, though showing a slight increase over normal, were not such as to cause any hardship.

8. Extensive co-operative trials were continued in Jewish settlements. These trials have included demonstration work on forage crops and vegetables, and manurial and rotational tests on leguminous and cereal crops. The early rains of November, 1938, resulted in an ample and good supply of natural pasture for all stock.

9. *Loans for Development in the Hills.*—Seventy five applications totalling £P.2,342 were approved by the Hill Loan Board, for the development of hill areas. Most of the loans were under £P.100 and were approved for a period of five years each; but where the loans exceeded £P.100, the period of the loan was normally extended to 10 years in order that the annual repayments should not be too onerous. So far, most of the loans have been for terracing hill sides, levelling rocky land and their planting with fruit trees and vines. Almost all the loans were made to individuals at 8 per cent. and in a few cases to co-operative societies at 6 per cent. Loans were usually paid to borrowers in three instalments.

Having regard to the disturbed conditions in the country and the difficulty of obtaining adequate security, it was decided that for the present no further loans should be approved by the Board.

10. *General Agricultural Council.*—The General Agricultural Council held only three meetings, all during the first six months of the year. The disturbed state of the country, coupled with curtailment of departmental activities, precluded any other meetings from being held.

11. *The Agricultural Economics and Marketing Committee* held five meetings during the year and dealt with questions relating to the encouragement of vegetable growing, and the protection of locally canned fruits, vegetables, olive oil and oil seeds.

12. *The Citrus Fruit Committee* held six meetings and dealt with a number of important subjects. The Rules relating to the export of citrus were amended to provide for a reduction in the number of sizes of boxes for oranges and grapefruit, restriction of packing to the " American " system and destruction of fruit totally unfit for export.

Other matters dealt with by this Committee included trade relations with foreign countries.

13. *The Animal Husbandry Committee* held one meeting during the year and discussed, among other subjects, pasture improvement, grazing legislation, and the introduction into Palestine of the Guernsey breed of cattle with a view to increasing the fat content of milk.

14. *The Agronomy Committee* held two meetings and considered proposals for the co-ordination of extension work carried out by the Department and other agricultural institutions.

15. *The Agricultural Education Committee* held two meetings during the year, and submitted to Government recommendations regarding the classification of agricultural schools.

Arrangements have been made on the Committee's recommendations for co-ordination in matters of rural broadcasting between the Committee and the Government Departments of Agriculture and Education.

16. *The Plant Protection Committee* held one meeting during the year and submitted draft legislation to prohibit the import of certain vegetables on phyto-sanitary grounds from adjacent countries.

17. *The Agricultural Chemists Committee.*—The Agricultural Fertilisers Ordinance and regulations thereunder, which were designed to protect farmers against adulteration of fertilisers and had been dealt with in detail in its early stages by this Committee, was enacted towards the end of the year.

Agricultural Education and Research.

18. The two Kadoorie Agricultural Schools were able to complete the school year in July, but the buildings at both schools had subsequently to be occupied by the security forces and thus remained closed to students up to the end of the year. Co-operation with the Department of Education on matters concerning agricultural education was, however, continued. The Department continued to supply planting material and advice where necessary to school gardens, but this service had to be suspended towards the end of the year because security conditions prevented further field activities.

19. The Agricultural Supplement to the Palestine Gazette continued to be published at regular intervals throughout the year. Weekly talks to farmers in the Arabic and Hebrew languages were broadcast throughout the year from the Jerusalem studio of the Palestine Broadcasting Service. The subjects dealt with were numerous and varied, and were selected to cater for all types of farmers and fruit growers.

20. *Kadoorie Agricultural School, Tulkarm.*—The School re-opened in October, 1937, and continued until the end of July, 1938, when it was occupied by the security forces. The second term began on the 17th January, 1938, and the numbers of

students in residence were 21 second year pupils who had completed their interrupted first year's studies at the end of the previous term, and 29 newly selected first year students. This meant that both first and second year students had to complete their studies in two terms instead of the usual three terms. Certain modifications were made in the syllabus to suit the short, two term course, but the enthusiasm of staff and students enabled the work to proceed in a most satisfactory manner. Final examinations were held during the first week in July and 17 out of the 21 second year students passed and obtained their diplomas. The remaining four passed at a "re-sit" examination in certain subjects which was held at a later date. Of the 29 first year students, 25 passed their examinations.

21. Practical work by students was continued in the laboratory, the fruit canning section and on the school farm on approved lines. Scientific excursions were made during the year and proved of value.

22. An armed band attacked the farm during the night of 13th/14th July, stole 33 head of cattle comprising almost the entire dairy herd, and abducted two watchmen. Eight of the cattle were found wandering in the vicinity five days later, but 25 head have not been heard of since.

The fruit canning building was later attacked and completely gutted by fire.

23. *Kadoorie Agricultural School, Mount Tabor.*—The first six months of the year passed without incident and the staff and students worked peacefully and satisfactorily. There were 42 students at the school during this period, 27 of whom were in their first year and 15 in their second and final year. All students underwent a thorough course, including theory and practice, in all branches of Palestinian agriculture to fit them for the farm work which they will perform later on the Jewish intensive farms.

24. Thirteen out of fifteen second year students passed their examinations successfully and were awarded diplomas. It is gratifying to record that out of the fifteen boys thirteen have been already employed in agriculture. Eight of them joined an agricultural co-operative settlement, three cultivate their parents' farms and two were employed by farmers. The school buildings were occupied by troops in the latter part of the year and on this account the beginning of the new school year had to be postponed indefinitely. Twenty-five new students were selected by examination and are ready to enter the school when it re-opens.

25. All branches of the school farm have developed satisfactorily and a new water pump was installed to supply water for domestic and irrigation purposes. The area under crop cultivation is now 500 dunums. The production of the vegetable

garden amounted to 15 tons in all, of many varieties. The horticultural section gave promising results and good crops of plums, grapes and grapefruit were harvested.

26. The dairy herd comprised about 40 head of cattle of different ages. It yielded 90,400 litres of milk during the year. The average yield per cow was 4,235 kilograms with a milk fat content of 4 per cent. The sheep flock consisted of 100 head, a number of which were destroyed by poisoning towards the end of the year. The poultry flock, consisting of white Leghorns, Rhode Island Reds and cross breeds, numbered 559 hens and 48 cocks. The average egg production was approximately 150 eggs per hen. The school apiary remained in good condition.

27. *Research.*—Apart from the research work on entomological problems carried out by the departmental plant protection service, grants-in-aid of the Jewish Agency for research work at the agricultural research station, Rehovot, and of the Hebrew University for similar purposes were continued. Work at the former institution has included research into citrus problems such as irrigation, manuring, inter-cropping, behaviour of root stocks and the utilization of citrus by-products. Other experiments in progress include field and garden crop trials, animal nutrition experiments, experimental farm units on the plains and in the hills. Grants to the Hebrew University were made for field-mice investigations and research into spirochaetosis in poultry.

Veterinary Service.

28. The year was particularly good for live stock. Rainfall was adequate and well distributed with the result that pasture was comparatively abundant. Both winter and summer crops were good and the stubbles provided a fair amount of grazing. No deaths due to starvation during late summer and autumn occurred.

29. As a result of the good early rains of last winter good grazing was available and there is every prospect that adequate grazing will be available until the early summer months of 1939.

30. Owing to the disturbed state of the country and the lack of security, activities had to be considerably curtailed, especially as regards Arab stock raisers. Towards the end of 1938 it was necessary to close the majority of the animal quarantine stations and poultry stations and apiaries.

31. The following table gives a comparative statement of imports of various categories of stock for the years 1937 and 1938:—

	1937.	*1938.*
Cattle for slaughter	28,500	29,500
Sheep and goats	333,000	226,000
Horses, mules, camels and donkeys ...	22,300	16,500
Poultry	1,346,000	768,000

32. No outbreaks of serious epizotic diseases occurred.

33. The introduction of special measures for controlling bovine tuberculosis, which were under consideration in the previous year, could not be implemented as funds for the purpose were not available.

34. Foot-and-mouth disease broke out towards the end of the previous year and gradually spread throughout the country. The local type of foot-and-mouth disease is mild and causes comparatively little damage.

35. Precautionary measures were taken to reduce to a minimum the danger of the introduction of other types of foot-and-mouth disease through slaughter cattle imported chiefly from Europe.

36. Until recently imports of slaughter cattle from any country in which foot-and-mouth disease appeared were prohibited. Imports of cattle had so to be prohibited during the year from Poland, Yugoslavia, Roumania and other countries. Towards the end of the period, however, the danger of a serious meat shortage was such that the importation of slaughter cattle by sea route from infected countries was permitted subject to stringent precautions at the port of entry.

37. Further progress was made in the control and eradication of bovine contagious abortion. This disease is well under control and the activities of the Department have been of great value to stock raisers.

Some 32,000 agglutination tests were carried out in connection with the control of bovine contagious abortion, while 2,400 complement fixation tests were carried out in connection with the control of dourine.

38. Thirty-two outbreaks of anthrax were reported involving 5,390 animals of which 149 died.

39. Mortality among village livestock owing to tick borne diseases was not considerable owing to the good condition of animals. With very few exceptions, dipping operations, were not, through lack of security, conducted in Arab villages as in previous years.

40. For the same reason it was not possible to carry out tests for possible infection with dourine on as many horses as intended. Some 1,500 animals were, however, tested and the use of 46 diseased mares for breeding purposes was prohibited.

41. Sixteen cases of epizotic lymphangitis and twenty-seven cases of glanders were detected and the affected animals were destroyed.

42. Rabies is endemic in the country but every effort continues to be made to keep it under control. Ninety-three cases were confirmed as rabies by Government veterinary officers during

the year, of which fourteen were diagnosed by laboratory examination. Seventeen thousand dogs and cats were destroyed with the assistance of the police and local authorities.

43. The development of the poultry industry continued to make satisfactory progress and no serious outbreak of disease came under notice. Government continued to render as much assistance as possible for the development of this industry on modern lines.

The poultry industry in the Jewish farming community also showed progress and several new settlements where poultry farming is the main source of income were established.

44. The distribution of hatching eggs and breeding stock was less than in previous years owing to transport difficulties and the unsettled conditions. Government poultry stations were seriously affected: out of eleven stations, four were entirely destroyed by armed bands and five others had to be closed down.

45. Over 45,000 hatching eggs, 13,000 day-old chicks, 1,000 cocks and cockerels, 1,000 hens and pullets, 300 ducks and turkeys, 150 rabbits and 150 swarms were sold by Government poultry stations at production cost.

46. Bee-keeping continued to develop satisfactorily. The year's yield of honey was 100 tons in excess of that of 1937—an increase of 25 per cent. This increase was due to favourable weather conditions and to the efforts of bee-keepers who have become more proficient in this newly introduced industry. As in previous years, duty-free sugar was imported by Government and sold to bee-keepers at cost price in order further to assist this industry.

47. The stock breeding section continued to extend its services to the public through different channels including the gratis service of animals brought to the stock farm at Acre, the sending of sires to different centres throughout the country during the breeding season, the issue on loan to villagers of first-class stud animals and the sale of selected sires of all classes of livestock to bona fide breeders at nominal prices.

48. *Government Stock Farm, Acre.*—The establishment of breeding stock at this farm was increased. One Arab stallion, one Arab mare, eight Cyprian mares and jackasses, eighteen cows of the Lebanese breed, and forty-five Damascus goats were acquired during the year.

49. Good use was made of the Government's Arab and West Highland pony stallions. Six jackasses were at stud in different districts during the breeding season. Forty-four bulls were issued on loan to villages.

50. Sales of stock from the farm included 223 sheep and goats, 41 head of cattle and 57 pigs.

51. Government continued to grant premiums to owners of selected village bulls and jackasses to be used for general stud purposes in the villages.

Horticultural Service.

52. There was an increase of 1,500 dunums at the end of 1938 in the area under citrus cultivation.

53. Citrus exports for the season which ended at the 30th June, 1938, amounted to 11,415,490 boxes as compared with 10,790,110 boxes for the previous season. The general condition of arrivals of shipments on the markets abroad was on the whole much better than in the previous year.

54. The United Kingdom continued to be the most important market, absorbing 6,908,985 boxes. This was, however, 701,860 boxes less than in the previous season. Exports to continental countries were 1,326,411 boxes more than in the previous year. Norway, Czechoslovakia, Poland, Finland, Roumania and Switzerland were markets in which the expansion of the citrus trade was most marked. Exports to Germany and France declined as the result of import restrictions.

55. The 1938-9 export season began on the 1st October for grapefruit and the 20th November for oranges. Both grapefruit and oranges were in better condition than at the beginning of the previous season.

56. An export of 13½ million boxes is expected this season and 4,436,173 boxes were exported by the 31st December, or 476,400 more than for the same period last season, despite difficulties in road and rail transport due to the disturbed condition of the country.

57. Prices for grapefruit were good at the beginning of the season but soon dropped. The sale of oranges on the United Kingdom market realized fair prices at the beginning of the season but soon after Christmas prices dropped also.

58. The state of insecurity at the beginning of the 1938-9 season seriously upset normal arrangements for picking the crop. There was a strike of Arab transport during the same period which also to some extent affected movement of the picking gangs in Arab areas. These factors caused a slight increase in cost of production, but fortunately this was offset by reduction in the costs of packing materials and ocean freights.

59. The drawback on imported wood used in the make-up of citrus cases was increased from 2½ mils to 3½ mils for every box exported as from the 1st October, 1938, and the Rural

Property Tax was further reduced from 410 to 50 mils per dunum in the Acre sub-district and from 825 to 500 mils in other parts of the country. These measures gave much needed relief to the citrus industry.

60. The work of citrus fruit inspection continued without much difficulty. For reasons of security it was necessary to limit the places of inspection to the large railway stations and ports only as from the beginning of the 1938-9 export season.

61. The citrus fruit advertising programme for the previous year, referred to on page 273 of the Annual Report for 1937, was carried out according to plan with satisfactory results. A similar programme for the 1938-9 season has been arranged and advertising is being conducted in the United Kingdom, and in fifteen other countries in Europe on the basis of a total estimated expenditure of £P.36,000. The campaign again includes films, radio advertising, press, and other means.

62. The first year's programme for an investigation into citrus fruit wastage, which was referred to on page 273 of the Annual Report for 1937, was carried out by the Department of Scientific and Industrial Research in the United Kingdom and the Jewish Agency Agricultural Research Station, Rehovot, Palestine, according to plan. The reports which have been received from these two institutions were given due consideration by Government and a further year's programme of research for the 1938-9 season has been decided upon. The scheme is financed from the citrus fruit advertisement fund. The rate of fee collected under the Citrus Fruit Advertisement Ordinance was changed from $3\frac{1}{2}$ mils to $2\frac{1}{2}$ mils from the 1st August, 1938.

63. The maintenance of the nine horticultural stations in the country was seriously affected by continued disturbances and six had to be closed down and abandoned. The plantations and buildings at several stations were almost totally destroyed by armed bands. At the close of the year only three stations were operating.

64. 100,000 vines and 91,000 fruit trees were raised in these stations during the year for distribution to the public in the 1938-9 planting season. Some thousands of these were looted before the proper lifting time. Preparations for nursery work for the ensuing year were started on a much reduced scale.

65. The plant protection service assumed control of private plant nurseries and inspection work was carried out by the horticultural staff.

66. The olive crop was good in the Jerusalem and Samaria districts and normal in the Galilee district. Picking started later than usual, resulting in a higher percentage of better quality oil.

67. The vine crop was later than usual owing to cooler weather conditions which also favoured a heavy infection of mildew. The crop was, however, good in the Hebron sub-district, but in the Ramallah sub-district it was seriously damaged by heavy rain in November. The crop was marketed irregularly due to transport difficulties: this caused considerable price fluctuations.

68. Banana plantations recovered from the damage caused by the 1937 frost but the yields were poor and the fruit of inferior quality. Banana plantations in the Beisan sub-district were neglected owing to the unsuitability of the area to this crop as well as to the unsettled conditions prevailing.

Plant Protection Service.

69. As in the case of other services of the Department extension work of the plant protection service was greatly restricted by the disturbed conditions of the country. It was possible, however, during the first six months to carry out some pest control demonstrations in the hilly country against fig scale insects, vine pests and diseases and vegetable insect pests.

70. *Citrus Pests.*—Investigations on the biology of the Mediterranean fruit fly in the hilly areas were continued. An inspection of fruit on the trees in citrus groves at Acre, in the third season after a double fumigation experiment against black scale, was carried out and the fruit found to be commercially clean. Investigations on black scale have also been continued in the Jaffa district. Considerable outbreaks of mealy bugs on oranges have been reported from the coastal plain.

71. *Deciduous Fruit Pests.*—Spraying experiments against Mediterranean fruit fly, which were carried out on apples and quinces in the Emek, gave promising results. *Aphelinus mali,* the parasite of woolly aphis, survived the comparatively cold winter of 1937 at Hebron and established itself also in villages near Jerusalem. Studies on the biology of the woolly aphis have been continued and it is hoped to publish preliminary results in the near future. Research work on the biology and control of *capnodis sp.* was continued.

72. *Miscellaneous Pests and Diseases.*—Investigations on pests attacking vegetables were continued. Studies on the bionomics of the grape berry moth were completed and methods of control advised. A biological study of *ed duda* (syringopais temperatella) and methods of control were begun.

Fisheries Service.

73. The number of fishing licences issued showed a slight decrease as compared with the previous year. Approximately 5 per cent. of the total number of licences issued, however, were granted to new applicants who have taken up fishing as

a means of livelihood. There was an increase in the fishing craft, sixteen sailing and two motor boats having been newly registered.

74. Eight permits to land fish in Palestine were granted to foreign trawlers as compared with eighteen last year.

75. The following table shows the total production and value of sea and lake fisheries as compared with 1937:

Year	Lake Fish	Sea Fish landed by		Total Fish landed
		Local Fishermen	Foreign Fishermen	
	Quantity of Fish Landed			
	(Kgs.)	(Kgs.)	(Kgs.)	(Kgs.)
1937	277,496	1,012,584	758,068	2,048,148
1938	304,000	954,472	221,156	1,479,628
	Value of Fish Landed			
	£P.	£P.	£P.	£P.
1937	7,990	40,553	15,660	64,203
1938	8,358	37,678	7,376	53,412

76. A motor trawler was purchased by a local company and arrived in Palestine in the autumn. She was commissioned during the month of November with promising results. Two more locally-built vessels, fitted with imported marine engines, are being completed and will, it is expected, be put to work shortly.

77. During the year the fisheries service carried out a full programme of investigations, in co-operation with local fishermen, for the expansion of the fishing industry.

78. An exclusive fishing licence to take sponges off the Palestine coast was granted to a newly formed local company, and arrangements are being made by the company to begin sponge fishing in April, 1939.

79. The preparation of the special fishermen's charts which was started in 1937, was concluded during the year. Three sheets on a scale of 1 in 100,000 for the area from Ras en Naqura to Rafa are now available. A similar chart for Lake Tiberias is under preparation.

80. Widespread interest in the raising of fish in ponds was displayed. A natural pond at Ein el Tina, near Tabgha, was selected and converted into an experimental pond for rearing carp.

81. There was a decrease in the number of persons convicted for contraventions under the Fisheries Ordinance. Most of the offences were of a minor nature, such as fishing in prohibited areas or fishing without licences. It is satisfactory to note that fishing by means of explosives and poisoned bait was negligible during the year.

Meteorological Service.

82. Towards the end of the year the Meteorological Service began to provide pilots of aircraft leaving Lydda Airport with forecasts of the weather conditions anticipated along their proposed routes. For this purpose, three synoptic weather maps are drawn up daily, in addition to special maps showing the upper air wind conditions. Upper wind currents are calculated from observations made with a theodolite of pilot balloons which are released from Lydda Airport twice daily.

83. Observations of weather conditions in Palestine and Trans-Jordan are made each hour, but are broadcast twice in each hour. The times and radio frequencies of these reports are those allocated for the regional system by the International Meteorological Organization.

84. The development of the meteorological and climatological network was seriously hampered by the situation in the country. Two official stations at Beersheba and Jericho were totally destroyed, one station at Beisan had to be closed down, and about thirty other rainfall stations were destroyed. A number of the rainfall stations were re-erected and re-equipped. The unsettled state of the country also prevented the expansion of the system of observing stations, which it was intended to carry out during the year.

85. A new average rainfall map for Palestine and Trans-Jordan, reduced to the international standard period 1901-30, was constructed. The figures used were those relating to the period from the middle of last century up to the end of the rainfall season 1937-8: they were collected, checked and reduced to the above period.

86. The rainfall at official meteorological stations up to the 31st December, 1938, as compared with that for the same period last year, was:—

Station.	*1st June, 1937, to 31st December, 1937.* *Millimetres.*	*1st June, 1938, to 31st December, 1938.* *Millimetres.*
Acre	335·1	255·4
Beit Gemal	137·7	216·4
Gaza	173·2	272·4
Haifa	348·1	335·0
Jerusalem	71·8	211·6
Jenin	122·2	178·4
Tel-Aviv	235·0	469·8

Forest Service.

87. The comprehensive forest policy was continued so far as the situation in the country permitted. More than 1¾ millions of plants were raised in ten forest nurseries. Government plantations in forest reserves absorbed 1,152,000 plants and 625 kilogrammes of pine seed. The total area which had been subjected to afforestation operations up to the end of the 1937-8 planting season was 22,400 dunums. Fifty-four plantations on 2,600 dunums were formed by private persons and institutions mainly Jewish. 767,000 plants were issued free from forest nurseries to the public during the year.

88. In 1938, one new forest reserve was proclaimed, bringing the total to 278 reserves with a nominal area of 740,639 dunums.

89. An area of 3,950 dunums of State Domain lands disclosed by land settlement and land court decisions, were allocated to the State Forests during the year, bringing the total area to 8,221 dunums.

90. The reclamation of sand dunes was continued on a small scale at Gaza, but all experiments were hampered by the disturbances.

91. Forest revenue totalled £P.3,030, mainly derived from felling fees collected from the owners of trees on private land.

The estimated value of forest produce extracted from Forest Reserves by right-holders for their domestic needs was £P.2,290, and the value of forest produce, extracted from reserves under trade licences, for sale was £P.376. The estimated value of produce sold from privately-owned plantations and woods was £P.31,000.

12,313 forest licences were issued by District Officers, including 1,954 to right-holders.

20,871 animals were licensed to graze in Forest Reserves. Of these 19,323 belonged to right-holders. Estimating the value of grazing at 100 mils a head per annum, the value of forest grazing was £P.2,087.

833 persons were convicted for forest contraventions.

92. 14,000 wild olive suckers were extracted from forest reserves at Government expense and planted at Government Horticultural Stations for budding and issue to cultivators.

39,000 carob plants were issued from Government nurseries to the public, and for planting in forest reserves.

Imports of forest produce, including manufactures, mounted in value to £P.1,226,537 and exports to £P.6,633.

XXVI.—PUBLIC WORKS AND GEOLOGY.

The total expenditure by the Public Works Department during the year was approximately £P.773,000 compared with £P.1,070,000 in 1937. With the exception of the completion or continuation of a small number of major works begun before 1938, and normal recurrent and maintenance services, almost the whole of the works executed by the department during the year were services connected, directly or indirectly, with public security. A number of these services, principally road works, will remain a permanent asset to the country after a return to normal conditions.

2. Recurrent and maintenance services were generally carried out satisfactorily, although in view of the state of insecurity buildings and roads have unavoidably not received the full regular attention given in normal times. In connection with road maintenance much work was undertaken in connection with the repair of damage caused by acts of sabotage. The most important of the maintenance services was the upkeep of roads, the road mileage having increased as a result of extensive construction undertaken on grounds of public security. Sections of main roads situated within municipal areas were maintained, as in the past, from funds provided jointly by Government and the municipalities concerned.

3. Second to the vote for maintenance of roads and bridges, the largest annual recurrent vote of the department was that for rent of offices and quarters under which the total expenditure during the year was £P.99,000. As the result of insecurity, increase in the police force, curtailment of departmental activities, etc., there was an unusually large number of changes in tenancy, involving numerous leases of new premises and consequential adaptation and renovation works. Several Government offices and institutions were moved on grounds of public security from one town to another, or to premises situated in more central and less vulnerable localities of the same town. The latter include the central offices of Government in Jerusalem, which were moved at the end of December from the offices which they have occupied at the Damascus Gate since 1924.

4. The continued disturbances in 1938 seriously affected the activities of the Department of Public Works, and most works were executed under difficult and strenuous circumstances.

5. The execution of numerous works connected with military operations, especially new road construction and repair of damage caused by acts of sabotage, were carried out in close co-operation with the military authorities.

The total length of security roads constructed by the department was about 165 kilometres representing an expenditure of approximately £P.90,000.

6. The construction of the General Post Office, Jerusalem, which was started in 1934, was completed and the building occupied and formally opened to the public in June 1938.

7. The construction of three town schools at Jaffa, begun in 1936 and interrupted owing to the disturbances, was resumed and the buildings were practically completed at the end of the year.

8. The construction of a police station and police married quarters at Tel Aviv was completed. The erection of similar buildings in Haifa is approaching completion.

9. At Lydda Air Port the construction of the terminal building was continued throughout the year and the construction of a power house and a guard house was started.

10. Work began on the construction by contract of a Government isolation hospital near Jerusalem and on seven police posts of a special type on the northern frontier. Six of these were completed.

11. Designs were prepared for, and work was also started on the temporary shoring and bracing of the Basilica of the Holy Sepulchre to render the structure safe from the danger of collapse until such time as permanent work of preservation of the ancient structure can be undertaken.

12. Various projects and plans were completed for a number of buildings, the construction of which has been postponed for the present and for others projected in the near future.

13. In view of the continued state of disorder the department was called upon to carry out throughout the country a wide range of services for the protection of persons, of public and private property, Government offices and institutions. Numerous services of a protective nature were also undertaken for the police authorities in connection with the maintenance of public order. These services vary from small works such as fencing of Government offices and the strengthening of doors and windows, to works of considerable magnitude involving a large expenditure.

A wide range of other security works carried out included the construction of watch towers and machine gun posts in various towns and the installation of searchlights on police posts and on buildings in various parts of the country, including in most cases the installation of generating sets for the supply of electric energy.

14. Buildings to accommodate rural automatic telephone exchanges were constructed at Rishon le Tsiyon, Ness Tsiyona and Tel Mond. A new lighthouse was erected and put into operation at Jaffa, close to the existing lighthouse which was

later demolished. Schools were constructed in two villages in the Tulkarm Sub-District, and additional rooms were constructed at the girls' school at Tulkarm.

15. The large triple-bay steel and corrugated iron shed of an area of 6,000 square metres, which was erected in Jaffa at the beginning of 1935 for the accommodation of goods exported and imported through the Jaffa Port, was dismantled and re-erected in the Haifa Harbour Area in the form of three separate sheds. One of these sheds is to be used exclusively for citrus fruits and the remainder for other mixed goods. These three new sheds provide a valuable and much needed addition to the facilities for merchandise in transit through the port of Haifa.

16. A " dog unit " was constructed at Affula. The buildings erected comprise accommodation for four dogs, a sick bay, quarters for dog masters and trail boys and a garage.

17. One hundred and thiry-nine armoured cars for the use of the police force were manufactured in the workshops of the Public Works Department at Jerusalem and Haifa.

18. Work was completed on the fencing, water supply and construction of road approaches to State land near Haifa allotted by Government for the accommodation of persons evicted from insanitary hutments in various parts of the town. (See Chapter XX, paragraph 32.)

19. Towards the end of the year, work was started on the construction of a road from Gaza to Beersheba (38 kilometres), and from Gaza to Khan Yunis (25 kilometres).

20. The construction of a road from the Hertsliya-Qalqiliya road near Ra'anana to Miske, begun in the previous year, was completed. This road serves an intensively cultivated area, mostly planted with citrus trees, and the Jewish bodies interested contributed half the cost.

21. The Department of Public Works undertook, on behalf of and at the expense of the local Jewish settlements, the construction of a road at a cost of £P.6,000 from the Jaffa-Gaza road to Gan Yavneh in the Jaffa district. About half the work was completed at the end of the period under review.

22. Work was completed on the construction of a new road from Kfar Sirkin to Petah Tiqva in the Jaffa district. The cost, £P.2,000, was met by the settlers.

23. During the first quarter of the year work was started, and completed to the extent of funds available, on the construction and improvement of a number of secondary roads throughout the country.

Altogether work was carried out on 25 roads, including the reconstruction of the road from the Zikhron Ya'aqov Settlement to the Zikhron Ya'aqov railway station, at a cost of £P.1,900, towards which the settlement contributed £P.800.

24. The construction of a new bridge on the Tel Aviv-Petah Tiqva road in substitution of the existing narrow structure was completed. The new bridge forms part of a scheme for the widening of this road, which carries the heaviest traffic in Palestine, in order to reduce congestion.

25. The erection of a new bridge over the Jordan near Jericho on the Jerusalem-Amman trunk road was completed and opened to traffic in May, 1938. It is intended to dismantle the old bridge and re-erect it further north at Jisr Damiya, in order to provide improved communications between Samaria and Trans-Jordan.

26. The Jerusalem water supply was operated satisfactorily throughout the year and 410 million gallons of water were supplied. The pipeline was sabotaged on a number of occasions and three of the pumping stations were raided by armed men. The main pumping units were not interfered with, although slight damage was done. In November a section of the pipeline near Ras el Ain was carried away during an exceptionally severe storm and the supply to Jerusalem was interrupted for eight days.

The Municipality of Jerusalem made further progress on improving the water supply articulation system within the town and about 5,000 metres of new piping were laid.

27. Further progress was made on the Jerusalem drainage scheme which is being carried out by the Municipality under the supervision of the Public Works Department.

28. Three village water supply schemes were completed, and work is now in progress on the only scheme remaining to be carried out. This brings the number of all schemes carried out under the programme of permanent improvements to village water supplies to 204, representing a total expenditure of about £P.56,300. Owing to the financial and security situation no new schemes were approved in 1938.

29. A chlorination plant has been purchased for the water supply of the town of Acre and will be installed as soon as public security conditions make it possible to undertake the work. This service forms part of the water supply scheme for the town of Acre: it provides for the substitution of a 12 inch pipe for the existing old Turkish aqueduct which conveys water from the Kabri springs to the town.

30. Work on the improvement of the water supply scheme for Nazareth proceeded during the year and resulted in an increase of the yield by 50 per cent.

31. A section of the drainage scheme for the town of Haifa was completed. Consideration is being given to carrying out the detailed scheme.

32. Preliminary investigations were carried out and plans, specifications and contract documents were prepared in connection with the construction of the fence along the northern frontier. The actual construction was, however, carried out directly by contract under the control of the district administration, technical supervision being supplied by the Department of Public Works.

33. During the year compensation claimed under the Workmen's Compensation Ordinance for accidents to labourers employed by the Public Works Department was paid in 53 cases including three cases of fatal accidents.

34. Under the Steam Boilers Ordinance 44 boilers and four prime movers were examined and licensed.

35. The district engineers, as inspectors under the Machinery (Fencing) Ordinance, examined a number of factories in which mechanical plant is installed. Several applications for oil storage installations for which licences are issued under the Petroleum Regulations (Trades and Industries (Regulation) Ordinance) were dealt with.

36. The four Government drilling plants continued in operation during the year and for the greater part of the time were employed on the hydrographic survey of southern Palestine and the Jordan valley referred to in Chapter V, paragraph 82.

One rig was employed until March on cleaning out operations at Faluja and Anebta wells, and was then used on the hydrographic survey.

One rig was used on the borehole at Yabed which had reached a depth of 250 feet at the beginning of the year and was continued to a depth of 320 feet in hard limestone. It had then to be temporarily closed down in March on account of security conditions and the rig was transferred to the hydrographic survey.

Two rigs were employed on the hydrographic survey from the beginning of the year.

A borehole at Sufta Adi, sunk by the Consulting Engineers in connection with the Haifa water supply scheme, was abandoned at a depth of 390 metres on account of technical difficulties. At this depth it had still failed to reach the base of the bituminous limestone. No water was found.

Geology.

37. In the early part of the year geological mapping was carried out in the Jordan valley from the Dead Sea and northwards beyond Jericho. Later in the year attention was concentrated on the eastern portion of the Tel Aviv sheet of the contoured 1:100,000 maps issued by the Survey Department.

The deterioration in the security situation towards the end of August prevented field work after that date.

The geological mapping of the Haifa, Safad, Zikhron Ya'aqov, Tulkarm, and Nablus sheets of the contoured 1:100,000 maps issued by the Survey Department has been completed. It has so far not been possible to publish these maps, but hand-coloured copies may be obtained by special arrangement.

38. There was a production of 1,215 tons of refined sulphur from the sulphur mine south of Gaza, and 444 tons of rock salt from Jebel Usdum in the Dead Sea region.

39. *Quarries.*—The number of quarry licences in force during the year were as follows:—

Stone (limestone, sandstone and basalt)	77
Sand (including zifzif and clay)	36
Gypsum	2

40. An Ordinance to regulate the mining of oil was enacted during the year.

This Ordinance repeals, and re-enacts with considerable amendments and additions, the law relating to prospecting and mining for oil which was included in the Mining Ordinance, 1925. That Ordinance is now concerned with prospecting and mining for minerals other than oil only. The regulation of oil prospecting and mining operations by an Ordinance independent of that dealing with operations in respect of other minerals conforms with the legislation of most other countries where oil is mined, and is desirable since the operations in respect of oil and the development of oil fields differ radically from those of other minerals.

The amendments and new provisions include provision for the grant of oil prospecting licences covering the operations hitherto dealt with separately under exploration permits, prospecting permits and prospecting licences; and include amendments in respect of the areas which may be granted under oil prospecting licences or oil mining leases, the periods for which such licences or leases may be granted, and the fees, dead rents and royalties payable. Provision has also been made for the right of pre-emption of oil by the Government in the event of grave emergency.

Several applications have been received for oil prospecting licences under the new Ordinance and these are at present receiving consideration.

Haifa Harbour (Reclaimed Area) Estate.

41. The development of the Haifa Harbour (Reclaimed Area) Estate continued during the year.

42. The unsettled and economically depressed conditions existing in Palestine were not favourable for the inauguration of new development. The first stage of the building on the site leased by the Jewish Agency was completed during the year and large extensions to three warehouse buildings are in progress.

43. Eleven certificates of completion and two certificates for additions to existing buildings were issued during the year, making, with those previously issued, a total of 67 buildings.

44. Two applications by lessees for leave to assign and five for permission to mortgage their interests were approved. A large number of applications for permission to sublet were received and 225 subleases were approved.

45. The total amount collected in rent during the year was £P.16,845.500 mils, while £P.18,468.038 mils was outstanding on 31st December, 1938. This amount includes £P.887.538 mils outstanding on 31st December, 1937. The large volume of arrears was due to non-collection of the rents of shop and office sites, pending a decision of representations submitted to Government by the Harbour Estate Lessees Union in regard to the reduction of rents payable and other kindred matters.

46. Fires suspected of being due to incendiarism occurred in certain buildings in the reclaimed area. The losses have been agreed in all cases on behalf of the lessor with the insurance companies concerned. One of the most serious fires in Palestine for many years occurred when the Levant Bonded Warehouse within the customs enclosure, the site of which is leased from the Government, was destroyed on the 6th November.

47. A composite town planning scheme was prepared by the local town planning authorities involving the land to the west of Plumer Square which will be available for development when the Harbour is completed.

Haifa Harbour Development.

48. The construction of the cargo jetty and ancillary and shoreworks was completed towards the end of the year.

49. Remedial works to the main quay wall in the harbour are being carried out by the Public Works Department.

50. The construction of concrete fire walls around the Iraq Petroleum Company's oil tanks on the 20-acre reclaimed area and a reinforced concrete boundary wall enclosing the whole area, which was begun in April, 1937, was completed early in 1938.

51. The expenditure on works carried out by the Harbour Development Works Department during the year was approximately £P.50,000.

52. Owing to the completion of all works in connection with the development of Haifa Harbour, the Harbour Development Works Department is being closed down and all works handed over to the Public Works Department.

XXVII—RAILWAYS.

The system known as the Palestine Railways and Operated Lines is divided as follows:—

(a) *In Palestine*:—

	Standard Gauge (4 ft. 8½ inches).	*105 cm. Gauge (Hejaz Railway)*
	Kilometres (excluding sidings).	
Rafah—Haifa	229·5	—
Jaffa—Jerusalem	87	—
Ras el Ein—Petah Tiqva ...	6·5	—
Sarafand Line	4·5	—
Beit Nabala Line	5·5	—
Haifa—Samakh	—	88
Haifa—Acre	—	18
Nablus—Tulkarm*	—	38
	333	144

(b) *In Sinai*:—

El Kantara (Suez Canal)—Rafah	203	—

(c) *In Trans-Jordan*:—

Nassib—Amman—Ma'an† ...	—	323
Total length of system (exclusive of sidings)	536	467

2. The lines operated by the Palestine Railways administration traverse three States—Egypt, Palestine and Trans-Jordan—and serve country of widely differing character, namely, the long stretch of dune sand desert in Sinai, one of the most difficult, as regards maintenance, with which any railway has to contend; the alluvial plains of Palestine where the foundation consists of treacherous clays and black cotton soil; the mountainous country of the Judean hills through which Jerusalem, at 2,468 feet above sea level, is approached by steep and narrow valleys; the valleys of the western slopes of the Jordan cleft through which the line of the Hejaz Railway descends to 824

* The section of the Hejaz Railway from Affula, on the Haifa—Samakh line to El Mas'udiya near Nablus, a length of 60 kilometres, was closed in 1932 for economy and owing to the lack of traffic, but the rails have not yet been removed.

† The connecting link between Samakh in Palestine and Nassib in Trans-Jordan runs through Syria as part of the line from Haifa to Damascus and from Damascus to Trans-Jordan. This is administered and operated by the Syrian Authorities. The Trans-Jordan line formerly continued southwards from Ma'an to Mudawara (113 kilometres south of Ma'an) on the border of Trans-Jordan and the Hejaz, and thence to Medina; but this section of the line has not been reconditioned since the War and is not in use.

feet below sea-level; the rocky highlands and plateaux of Trans-Jordan on the way to Amman and Ma'an; and the desolate sandy clay wastes through which the line runs along the western fringes of the desert of Arabia.

3. The system which serves Palestine comprises three lines of separate and distinct origin:—

(*a*) The sections of the Hejaz Railway in Palestine.
(*b*) The Jaffa-Jerusalem line.
(*c*) The Palestine Railways.

(*a*) The Hejaz Railway in Palestine was built by the Turkish Government as a feeder line from the port of Haifa to the main line of the Hejaz Railway which was constructed principally to carry pilgrim traffic from Damascus to Medina and Mecca. Its origin was a length of standard gauge line starting from Haifa which an English company had built, but had not completed, under an Ottoman concession. The original concessionaires were bought out by the Hejaz Railway administration and the 105 centimetre gauge Hejaz Railway system was laid out of Haifa on the formation completed or partly completed by the English company.

(*b*) The Jaffa-Jerusalem line was laid originally as a metre gauge railway by a French company, also under an Ottoman concession. At the outbreak of the War it was taken over by the Turkish army and converted to 105 centimetre gauge to serve as part of the projected extension southwards of the Hejaz Railway as a military track. Subsequently the line was converted by the British army to standard gauge and incorporated in the line of that gauge built during the War from the Suez Canal to Palestine and referred to in (*c*) below.

(*c*) The Palestine Railway comprises the standard gauge system in Palestine which was completed to Haifa by the British Army in 1918 as the northern extension of the line which had followed the Army during the advance from Egypt.

At Haifa and at Tulkarm the standard and 105 centimetre gauge lines come together and at Haifa, in order to use the space available for shunting to the best advantage, it is necessary to make use of many dual gauge tracks.

4. In 1938 the railway suffered severely from the effects of the political situation and the disturbed state of the country. There was a great decrease in practically all commercial and industrial activites, particularly in the building trade.

5. Frequent acts of sabotage necessitated a constant patrol of the line in front of and between trains by armoured motor trolleys, whilst train movement had to be restricted to hours of daylight.

A summary of the principal and statistical results compared with 1937 is given below:—

	Gross Revenue.		*Working Expenses.*	
	1938.	*1937.*	*1938.*	*1937.*
	£P.	£P.	£P.	£P.
(*a*) Palestine Railway ...	321,514	592,442	543,014	609,022
(*b*) Sinai (El Kantara—Rafah) Railway ...	94,474	120,436	95,225	116,350
(*c*) Hejaz Railway	71,804	88,390	103,155	122,924
(*d*) Petah Tiqva Railway ...	2,741	4,335	840	840

Notes.

The figures are for the calendar year.

Working expenses of the Palestine Railway (include interest and management charges on loan) and annual contribution to Palestine Railway Renewals Fund.

The Sinai (El Kantara—Rafah) Railway pays rental charges for the use of Palestine Railway engines and rolling stock.

The working expenses for the Petah Tiqva Railway Line represent a flat annual charge for maintenance.

		Year ended 31st December,	
		1938.	*1937.*
Passengers carried (excluding Season Tickets)	No.	810,249	1,945,000
Freight Handled	Tons	765,762	1,102,194
Trains run	No.	23,955	32,613
Engine Mileage (including Sentinel Cammell Cars)	Miles	1,428,273	1,930,105
Total Staff (as at 31st December) ...	No.	4,357	4,510
Total Salaries and Wages	£P.	360,125	396,987

	1938.	*1937.*
	£P.	£P.
Passenger Traffic.		
Palestine Railway	59,877	153,736
Sinai (El Kantara—Rafah) Railway	55,076	72,148
Hejaz Railway	21,909	32,473
Petah Tiqva Railway	—	—
	£P.136,862	258,357
Goods Traffic.		
Palestine Railway	230,734	359,536
Sinai (El Kantara—Rafah) Railway... ...	36,956	45,612
Hejaz Railway	44,514	48,493
Petah Tiqva Railway	2,711	4,463
	£P.314,915	458,104

The principal commodities carried during the year were:—

Commodity.	*Tons.*
1. Barley	16,453
2. Wheat	37,513
3. Maize	6,600
4. Other cereals	11,605
5. Tibben	8,862
6. Oil cakes	1,228
7. Flour	9,144
8. Rice	21,998
9. Sugar	12,360
10. Groceries and Provisions	30,680
11. Sand	2,770
12. Stone	7,192
13. Lime	4,359
14. Cement	65,117
15. Asphalt	4,545
16. Other building materials	27,686
17. Wooden planks for boxes	18,332
18. Manure	6,980
19. Oranges	228,527
20. Grape-fruit	5,644
21. Lemons	373
22. Melons	11,984
23. Grapes	447
24. Kerosene	77,954
25. Coal	33,859
26. Petrol	10,246
27. Firewood	1,508
28. Soap	1,532
29. Salt	5,774
30. Potash	44,200
31. Bromine	1,402
32. Chlorine	354
33. Caustic soda	122
34. Nitrate of soda	501
35. Magnesium chloride	54
36. Sulphur	946
37. Empties	2,845
38. Machinery	935
39. Miscellaneous	43,131
Total	765,762

The principal increases and decreases in goods traffic in 1938 compared with 1937 were as follows:—

Commodity.	*Increases. Tons.*
Wheat...	3,074
Rice	5,667
Grapes	139
Soap	531
Potash	15,492
Bromine	20
Chlorine	100
Nitrate of soda	422
Sulphur	378
Total	25,823

Commodity.	*Decreases. Tons.*
Barley...	2,190
Maize	8,765
Other cereals...	2,557
Tibben	3,819
Oil Cakes	1,734
Flour	12,793
Sugar	4,200
Groceries and Provisions	8,141
Sand	13,471
Stone	10,702
Lime	1,801
Cement	61,377
Asphalt	7,783
Other building materials	58,588
Wooden planks for boxes	8,432
Manure	13,149
Oranges	51,060
Grape-fruit	11,915
Lemons	579
Melons	1,826
Kerosene	12,569
Coal	11,786
Petrol	2,016
Firewood	951
Salt	5,430
Caustic soda	211
Magnesium chloride	376
Empties	2,081
Machinery	1,427
Miscellaneous...	40,526
Total	362,255

XXVIII.—CO-OPERATIVE SOCIETIES.

1. New legislation to amend the Co-operative Societies Ordinance, 1933, and the Regulations made thereunder is under consideration by Government.

2. A comprehensive report on the development of co-operative societies in Palestine covering the period of 1921-37 was published by the Department towards the end of 1938.

Arab Movement.

3. Owing to the disturbed conditions no new credit and thrift societies were formed in Arab villages during the year. This, coupled with poor crops and difficulties in disposing of their crops, resulted in all but six of the existing Arab village societies failing to meet their liabilities to Barclays Bank in due time and arrangements had to be made to postpone payments until next season.

Four village societies which acted in bad faith were ordered into liquidation and attachments were placed on the properties of their members.

4. In the towns two Arab societies were registered, six were ordered into liquidation and one was declared defunct. One of the societies registered is a society of citrus shippers whose object is to organize collective shipping of fruit. This society entered into contracts with steamship companies for the shipment of 1,500,000 cases during the 1938-9 season.

The other society is a co-partnership of labourers employed in the slaughter house at Haifa.

5. An application for the registration of a society of Arab banana growers in the Jordan valley was received and considered, but registration had to be deferred until the return of more normal conditions.

6. The citrus marketing society, the formation of which was referred to on page 291 of the Annual Report for 1937, did not come into existence owing to the inability of the growers to reach agreement on essential conditions.

Jewish Movement.

7. The number of societies affiliated with Audit Unions rose during the year to 440 as compared with 396 at the end of 1937 and 312 at the end of 1936.

8. The number of new societies registered was 81, as compared with 151 during 1937 and 129 during 1936. During the same period the number of societies struck off the Register,

as a result of liquidation, amalgamation, conversion into companies, or having been declared defunct, amounted to 71 as compared with 50 during 1937 and 53 during 1936.

9. The following table shows the number of Jewish societies registered and struck off the Register during 1938 as compared with the previous two years:—

—	Registered.			Liquidated.			Defunct, amalgamated or converted.		
	1936.	1937.	1938.	1936.	1937.	1938.	1936.	1937.	1938.
Agricultural settlement societies ...	23	31	23	—	5	—	6	4	6
General agricultural, miscellaneous agricultural, marketing and agricultural contracting societies	10	30	16	3	1	7	7	2	3
Irrigation societies...	10	7	—	—	—	—	2	1	2
Co-partnerships of labour	34	32	15	11	18	15	8	6	13
Housing societies ...	34	33	12	3	9	10	5	—	8
Credit and thrift societies (urban and rural) ...	6	6	9	2	2	1	2	1	3
Consumers' societies	10	9	3	1	1	—	—	—	1
Miscellaneous societies	2	3	3	1	—	2	1	—	—
Totals ...	129	151	81	21	36	35	31	14	36

10. The above figures show that 39 societies, or 48 per cent. of the total societies registered during 1938, are societies for agricultural purposes. This high proportion is due mainly to the establishment of new agricultural settlements on lands acquired by the Jewish colonizing agencies.

11. Negotiations for the joint shipping and marketing of citrus fruit and for the joint purchase of packing materials by all Jewish citrus marketing societies were concluded towards the end of the year.

12. Credit societies were put to great strain during the critical month of September owing to heavy withdrawals of deposits. To meet this emergency, co-operative credit societies had to reduce their balances with other banks and to obtain additional funds by borrowing from commercial banks. By the end of the year a large part of the withdrawn deposits were returned, however, and the position of credit societies again

became normal. The following table shows assets and liabilities of Jewish co-operative credit societies as at the end of December, 1938:—

Liabilities.	£P.	*Assets.*	£P.
Share capital	377,620	Cash in hand	135,359
Reserve fund	276,133	Balances with other financial institutions...	871,530
Allocated reserves ...	119,754	Advances to members ...	2,801,420
Unallocated reserves ...	57,858	Bills discounted... ...	621,144
Debentures	90,824	Investments	155,809
Balances for other financial institutions ...	69,417	Premises and fixtures ...	191,744
Demand deposits ...	1,865,793	Other accounts	205,230
Time deposits	1,264,234		
Loans received	663,511		
Other accounts	197,092		
	£P.4,982,236		£P.4,982,236

13. In addition to the 71 societies which were struck off the Register as stated in paragraph 8 above, 41 societies, which went into liquidation in previous years, completed their liquidation and were cancelled.

General.

14. The following statements show the position of the co-operative movement at the end of 1938 as compared with the periods ending 1937 and 1936:—

	1938.	*1937.*	*1936.*
Total number of active societies—			
Jewish	882	871	770
Arab	123	127	74
German	5	5	5
Others	2	3	3
Total	1,012	1,006	852
Total number of societies in liquidation—			
Jewish	82	86	64
Arab	12	10	5
Total	94	96	69
Total number of societies struck off the Register (not including societies in liquidation)—			
Jewish	207	133	105
Arab	13	8	6
Others	2	—	—
Total	222	141	111

Classification of active societies—			
I. *Credit and Thrift Societies—*			
(*a*) Urban	58	52	49
(*b*) Rural	178	185	126
II. *Agricultural Societies—*			
(*a*) Settlement societies	208	191	169
(*b*) Marketing societies	59	55	34
(*c*) Irrigation societies	59	61	55
(*d*) General agricultural societies	37	32	29
(*e*) Agricultural insurance societies	5	5	3
(*f*) Agricultural contracting societies	6	5	5
(*g*) Miscellaneous agricultural societies	12	15	14
III. *Diverse Societies—*			
(*a*) Co-partnerships of labour ...	131	145	145
(*b*) Contracting societies... ...	10	11	9
(*c*) Housing societies	172	177	153
(*d*) Consumers' societies	59	56	48
(*e*) Mutual insurance societies ...	2	3	3
(*f*) Audit Unions	6	6	5
(*g*) Miscellaneous societies ...	10	7	5
Totals	1,012	1,006	852

XXIX.—CIVIL AVIATION.

The construction of the terminal building at Lydda Airport has been retarded by labour difficulties arising out of the disturbed condition of the country. Until this building is completed, the full facilities for aerial navigation which will be available when it is in use cannot be provided. These facilities will include wireless direction-finding, and lighting for night arrivals and departures by aircraft. The terminal building will include offices for the Departments of Immigration, Customs, Health, Police and Aviation. A fully-equipped meteorological section and weather-forecasting organization will also be accommodated in the building, and offices will be provided for the air transport companies. Lounges, bedrooms and dining-rooms will be included for the convenience of the passengers and crews of aircraft. A restaurant will be available for visitors to the Airport and for the Airport staff.

2. Increased use of Haifa Airport has been made during the year by Misr Airlines, Palestine Airways and the aircraft of the 'Iraq Petroleum Company. The Ala Littoria Company propose in future to use land-machines instead of flying-boats on their existing service between Italy and Palestine, and their machines will use Haifa Airport, when the contemplated change is made. As a temporary measure, a camp of the Royal Air Force has been established at this Airport.

3. The regular air services operating in, to and through Palestine are as follows:—

Imperial Airways, Ltd.—Three services a week in each direction between Southampton and Singapore by flying-boats calling at Tiberias.

Two services a week in each direction between Southampton and Alexandria by flying-boat, and thence to Calcutta by land-machines calling at Lydda.

K.L.M.—Three services a week in each direction between Amsterdam and the Dutch East Indies. These services call at Lydda, and are extended to Australia twice weekly by the K.N.I.L.M.

Lot.—Maintain a service between Lydda and Warsaw thrice weekly in each direction in summer and twice weekly in each direction in winter.

Ala Littoria.—This company operates at present a service by seaplanes between Italy and Haifa thrice weekly in each direction.

Misr Airlines.—A daily service is maintained between Egypt and Palestine. In addition a service between Egypt and 'Iraq *via* Lydda is run twice weekly, and for three months in the summer a connection with Cyprus is maintained once a week.

Palestine Airways Ltd.—This Company maintains a service between Tel Aviv, Haifa and Beirut.

This route was opened on the 22nd September, 1938, with a service thrice weekly in each direction. The frequency of the service was later increased to once daily and then to two services daily, in order to meet the volume of traffic resulting from the low fare charged and the insecurity of the roads caused by the disturbed condition of the country.

TRANS-JORDAN

INTRODUCTORY.

Position, Etc.

1. Trans-Jordan is bounded on the west by Palestine, on the north by Syria and the Jebel Druze, on the north-east by 'Iraq, and on the east and south by Saudi Arabia. It has a desert frontier of about 900 kilometres. In length the country is some 380 kilometres from north to south and in breadth from east to west is 150 kilometres at its broadest. It has an area of some 90,000 square kilometres.

Area and Climate.

2. Trans-Jordan is divided into two natural zones, the cultivated or rain-fed zone and the uncultivated or dry zone. The cultivated zone is that in which the rainfall, in a normal year, is sufficient for the raising of cereal crops. The heaviest rainfall occurs on the top of the Jordan escarpment, and the cultivated zone stretches eastward from this escarpment. The rainfall decreases rapidly towards the east, and the width of the cultivated zone in its widest part, i.e., the north, is not more than 30 miles. This width decreases rapidly towards the south, and the zone ultimately tapers a short distance south of Ma'an into the southern desert. The area of the cultivated zone is about 7,700,000 dunums and that of the uncultivated zone about 82,300,000 dunums.

The fiscal survey of Trans-Jordan, which was completed about six years ago, was sufficiently extended, both to the east and the west, as to include land in the eastern desert and on the slopes of the Jordan valley which, though usually uncultivated, may be cultivated in years of exceptionally good rainfall. The total area covered by the fiscal survey was 10,000,000 dunums, and the cultivated zone of 7,700,000 dunums falls within this larger area covered by the fiscal survey. The area to which the fiscal survey extended falls into the following classes: —

		Dunums
(i)	The cultivated zone	
	(*a*) Irrigated	260,000
	(*b*) Vineyards	80,000
	(*c*) Rain-fed cereals	4,150,000
	(*d*) Uncultivable land including forests...	2,800,000
	(*e*) The Shera	440,000
	Total .	7,730,000
(ii)	Land bordering the eastern desert and land of the Jordan valley slopes.	2,270,000
	Total	10,000,000

Within the cultivated zone there is an area of 400,000 dunums which is in a class by itself. This area is situated at an average altitude of 900 metres (nearly 3,000 feet) and enjoys a rainfall adequate to ensure a good crop. The remainder of the rain-fed cereal area is not so favourably situated as regards rainfall and moisture. For instance, the crops in the Husn-Remtha plain, east of Irbid, and the Madaba plain, south of Amman, where the soil is very fertile, frequently suffer from inadequate rain and high temperatures, and in some years these adverse factors have a disastrous effect on the crops. The Shera lies at the southern end of the cultivated zone and is used by the Howeitat tribe as their summer grazing ground. The land of the Shera rises from about 3,000 feet near Ma'an to nearly 5,000 feet in the west and south, and it is only in the higher ground that the rainfall is at times enough for the cultivation of cereal crops.

The land bordering the desert and along the Jordan valley slopes only gives a crop in a year of exceptionally ample and reasonably well distributed rainfall, and the percentage of crop failures is exceedingly high.

3. The desert area comprises some 72,000 square kilometres. There are oases at Azraq and Jafar which lie respectively 80 and 45 kilometres east of the railway line, but, apart from these, there are very few water points other than rain-pools. The grazing is sufficient, after a year of good rain, to support the camels, sheep and goats of the nomads who spend their time between the highlands to the west in summer and the Wadi Sirhan and the Ghor in winter.

4. The climate generally is pleasant. In summer the shade temperature seldom reaches 100° F. and the nights are always cool. In winter it is cold in the uplands and the rain, which is often insufficient for the agricultural needs of the country, only falls from November to April. Between the rainy days the sky is bright, and in the sun and out of the wind it is warm. The winter climate in the Ghor is mild and that of Aqaba is most attractive, although in both places it is hot and oppressive in summer.

The High Commissioner.

5. General Sir Arthur Grenfell Wauchope, G.C.B., G.C.M.G., C.I.E., D.S.O., was succeeded as High Commissioner for Trans-Jordan by Sir Harold Alfred MacMichael, K.C.M.G., D.S.O., with effect from the 3rd March.

Changes in Personnel, 1938.

6. A change of Government occurred in September with the resignation of the Chief Minister, Ibrahim Pasha Hashem, C.B.E., and the members of the Executive Council. Tewfik Pasha Abul Huda, Director of the Agricultural Bank, was called

upon by the Amir to form a new Government. With the exception of the Chief Minister and the Qadhi el Qudha the members of the Executive Council are Trans-Jordanians by birth.

Mr. R. S. Champion, O.B.E., Financial Adviser to the Trans-Jordan Government, was appointed Assistant British Resident, and was succeeded in the post of Financial Adviser by Mr. G. H. Shelswell-White, formerly Chief Assistant Secretary, Gibraltar.

The Amir Jamil bin Naser, who had held the appointment of Rais el Diwan for several years, resigned in August and was replaced by Mohamed Bey el Unsi.

Public Security.

7. Having regard to the identity of race, language and interests between the people of Trans-Jordan and the Arabs of Palestine it is satisfactory to record that internal security in the country showed no signs of deterioration in 1938 as compared with previous years, except in the Ghor where the hydrographic survey had to be stopped. The schedule of principal crimes occurring during the past five years which is given in Chapter VIII of this Report indicates that the conduct of the people of Trans-Jordan was little affected by events in Palestine. The order and tranquillity in Trans-Jordan are in no small measure due to the wise rule of His Highness the Amir and to the determination of his Government to suppress every incipient disorder. These happy results were not obtained without constant vigilance by the Administration against subversive elements outside the country. It is probable that the Report of the Palestine Partition Commission and the renewed hope of a favourable solution of the Palestine problem which people saw in the abandonment of partition and in the summoning of the London Conferences also contributed to the maintenance of calm.

8. There were twelve incursions by armed bands into Trans-Jordan from Palestine of which five occurred in November. The most serious were the wanton attack on a survey camp in the Jordan valley on the 22nd August when three surveyors were killed, and armed raids on police posts at Kreimeh in May, and at El Rumman and Shunet Nimrin in November, in all of which police rifles and horses were stolen.

The authorities have been at pains, and with some success, to instil into the people the conviction that such incursions must be actively resisted and that the peaceful conditions and relative prosperity which good administration has secured for Trans-Jordan during recent years must not be jeopardized by the spread of disorder from across the Jordan.

By these means active participation in disturbance in Palestine has been kept to a minimum; and while every Trans-Jordanian is strongly sympathetic towards the Arab cause in Palestine, prudence and wisdom have continued to prevail. For the same reason the sense of contentment with present conditions, which is daily strengthened by the visible contrast provided by Palestine and Syria, has proved an effective barrier against the somewhat half-hearted attempts by Trans-Jordanian dissidents in Damascus to create disorders in the country.

9. In addition to an economic strike of car and garage owners in August, which was called off immediately, there were a few political strikes in the principal towns, notably in June on the arrival of the Palestine Partition Commission, in July after bomb outrages in Haifa, and in November (in Amman) on the occasion of the funeral of a notable's son who had joined the bandits and been killed in Palestine. None was accompanied by disturbance.

The 'Iraq Petroleum Company pipe-line was punctured on two occasions in the Jordan valley: there were five cases of sabotage to telephone lines and one of arson of a large quantity of asphalt for road surfacing.

10. Several changes were made during the course of the year in the disposition of security and military forces. In July the Jordan valley on both sides of the river was constituted a single military tactical area, and the headquarters of the Trans-Jordan Frontier Force were moved to Jisr el Majamie, a detachment being placed at Kreime, east of the river in Trans-Jordan.

The Reserve of the Arab Legion was increased from 115 to 160 of whom 80 are desert and 80 rural police; and a supplementary force consisting of 284 reserve police and 50 desert police was formed for temporary service in the Arab Legion during the disturbances.

11. The international crisis in the autumn was watched with anxiety in Trans-Jordan, but had no direct repercussions on the security situation save still further to charge the atmosphere in which dispositions had to be made to meet developments in the local situation.

12. The Explosives Law came into force on the 1st March: it provides:—

(1) that with the exception of retail purchases from a licensed dealer no person shall import, transport, possess, purchase, sell or otherwise deal in any explosive substance except under a licence to do so;

(2) that no person other than a licensed dealer shall purchase or otherwise obtain any explosive substance except from a licensed dealer and unless he has obtained from the licensing authority a permit to do so;

(3) that two months from the coming into force of the law all explosives in the possession of any person must be declared, when they will either be licensed or taken over by the Government at the market price;

(4) that amongst the other penalties any person using any explosive substance with the intention of endangering life or of causing destruction of property shall be punished with hard labour for a term not exceeding 15 years.

Constitution and Legislature.

13. The Constitution of the Amirate of Trans-Jordan is embodied in the Organic Law of 1928. His Highness the Amir Abdulla Ibn Hussein, G.C.M.G., G.B.E., the second son of His late Majesty King Hussein (formerly King of the Hejaz) is the Amir of Trans-Jordan and exercises authority through an Executive Council composed of the Chief Minister, appointed by the Amir, who presides, and other members, not exceeding five in number, appointed by the Amir on the recommendation of the Chief Minister, either from among the principal officers of the Administration or the elected representatives of the people.

The Mandatory responsibilities of His Majesty's Government are discharged by means of the Agreement of 1928 between His Majesty the King and His Highness the Amir, as amended by the Agreement of 1934. (See pages 238 and 239 of the Report for 1934.)

The Mandatory is represented in Trans-Jordan by a British Resident acting under the direction of the High Commissioner for Trans-Jordan (who is also the High Commissioner for Palestine). The British Resident lives at Amman and is assisted by two British officials and a small clerical staff.

Legislative power is vested in the Legislative Council with His Highness the Amir. The Legislative Council consists of:—

(*a*) sixteen representatives elected in accordance with the Electoral Law, which has regard to the proper representation of minorities; and

(*b*) the Chief Minister and other members of the Executive Council not being elected representatives.

The Electoral Law provides that the sixteen elected members shall comprise nine Moslem Arabs, three Christian Arabs, two Circassians, and two nomad Beduin.

Normally the Council has one annual session which lasts for three months from the 1st November. The duration of the Council is three years, but His Highness the Amir has power to prorogue or dissolve it in accordance with the law.

The election of members is conducted by primary and secondary elections. Every male Trans-Jordanian, not being a Beduin, who has attained the age of 18 is entitled to vote at the primary elections, and any person may be elected as a secondary elector provided he is on the register of primary electors for his particular district.

14. There are no political parties in Trans-Jordan within the ordinary meaning of the word, and elections are influenced less by clear-cut political ideas than by approbation or disapprobation of the conduct of members of the Government or of the Legislature. In this sense, the keenness of the elections for the present Legislative Council (to which reference was made on page 302 of the Report of 1937) represented the widespread personal interest taken in candidates, rather than any awakening of political consciousness.

15. The first ordinary session of the fourth Legislative Council terminated at the end of January, 1938. The second ordinary session was convened on the 1st November and after an adjournment for the month of Ramadhan and the succeeding Feast, the Council re-assembled on the 1st December until the 31st of the month when it was prorogued on account of the departure of the Chief Minister to attend the London Conferences.

16. The following important legislation was enacted during the year:—

(*a*) The Organic Law (Amendment) Law, No. 21 of 1938 (see paragraph 14 on page 301 of the Annual Report for 1937), the most important provisions of which are as follows:—

(1) Article 41 of the Principal Law is repealed and the following substituted therefor:—

"41. His Highness the Amir-in-Council shall have power when the Legislative Council is not sitting to enact such Ordinances as may be necessary on any subject. These Ordinances which shall not contravene the terms of the Organic Law shall have the force of law and shall be submitted to the Legislative Council at the beginning of its next session. Provided, however, that Ordinances passed for the purpose of securing the fulfilment of the treaty obligations of His Highness the Amir shall not be so submitted.

"If the Legislative Council shall not pass at its said session any such Ordinance so submitted, the same shall, unless His Highness-in-Council shall decide to withdraw the same, again be submitted at the beginning of the subsequent session. In the event of an Ordinance being so withdrawn, or if at such subsequent session the Legislative Council shall again not pass the same, His Highness the Amir-in-Council shall forthwith notify the cessation thereof and from the date of such notification such Ordinance shall cease to be in force.

"In the event of the Legislative Council proposing at any session amendments to an Ordinance and of His Highness the Amir-in-Council agreeing to such amendments, the Ordinance as amended shall have the force of law.

" In the event of the Legislative Council refusing to pass any Law placed before it with a view to securing the fulfilment of the treaty obligations of His Highness the Amir, His Highness-in-Council shall have the power to enact the necessary legislation in the form of an Ordinance which shall not be submitted to the Legislative Council.

" Ordinances shall take effect in the same way as Laws as provided in Article 38 hereof."

(2) The following sentence has been added to the end of Article 48(1) of the Principal Law:—

" Matters regarding personal status are those matters which in the case of Moslems are assigned to the exclusive jurisdiction of the Moslem Courts."

(3) (*a*) The last paragraph of Article 50 of the Principal Law is repealed.

(*b*) Articles 52, 53, and 54 of the Principal Law are repealed and the following Articles substituted therefor:—

" 52. Religious Community Councils shall be the Councils of such non-Moslem Religious Communities as are or shall be recognized by the Government as being established in Trans-Jordan."

" 53. Religious Community Councils shall be composed in the manner provided in special Laws regulating the same. Such Laws shall define their jurisdiction whether exclusive or otherwise regarding such matters of personal status as may be assigned to them by the said Laws, and regarding waqfs constituted for the exclusive benefit of the community concerned. Matters of personal status are matters which in the case of Moslems are assigned to the exclusive jurisdiction of the Moslem Courts."

" 54. Such Laws shall also determine the procedure to be followed and the fees to be levied by the Religious Community Councils."

(*c*) The Religious Community Councils Law, No. 22 of 1938, amends and re-enacts a former law for reasons largely arising out of the amendments to the Organic Law.

(*d*) The Municipal Law, No. 9 of 1938, amends and codifies previous municipal legislation.

(*e*) The Explosives Law, No. 12 of 1938, regulates the possession, sale and purchase of explosives.

(*f*) The Roads Law, No. 15 of 1938, deals with control over and encroachments upon public roads.

Other notable legislation or administrative acts are referred to elsewhere in this Report.

Administrative Affairs.

17. The country is divided into the Desert Area, and four Districts, namely: Ajlun, Belqa, Kerak, and Ma'an, with headquarters respectively at Irbid, Amman, Kerak, and Ma'an.

Ajlun, the ancient Gilead, is bounded on the north by the River Yarmuk and on the south by the Wadi Zerka, and is divided into the sub-districts of Ajlun, Irbid, Jerash, Deir Abu Said and Samar.

Belqa, the ancient Ammon, lies between the Wadi Zerka and the Wadi Mojib (the Arnon), and is divided into the sub-districts of Amman, Salt and Madaba.

Kerak, the ancient Moab, lies to the south of the Belqa and includes the sub-district of Tafileh.

Ma'an is the most southerly of the four districts, and includes the villages of Shobek (Montreal) and Aqaba and the ruins of Petra.

District Administrative Officers have no magisterial powers except under the Tribal Courts Law of 1936, but it is on their recommendation that the Collective Punishment Law and the Prevention of Crime Law would be brought into operation.

The duties of District Administrative Officers include the responsibility for tax collection, the examination of demands for tax remission under the Land Tax Law and the application of relief so granted, and the execution of the provisions of the Protection of Crops and Plants Law.

District Administrative Officers administer their districts with the help of an Administrative Council which sits under their presidency and is composed, in addition to the President, of two official and four non-official members, the latter being selected by a committee presided over by the Administrative Officer and composed of two Government officials, the President and Members of the Municipal Council, the Heads of religious communities and the Mukhtars. When the male Christian population of the area exceeds 500 persons, one of the selected members must be a Christian, and when the number exceeds 1,000, two members must be Christians.

18. The classified and unclassified officials of the Trans-Jordan Government other than British, including the officers of the Arab Legion, but excluding other ranks, number 927, are classified as follows:—

539 Arabs born in Trans-Jordan.
68 Circassians born in Trans-Jordan.
313 Arabs born outside Trans-Jordan.
1 Circassian born outside Trans-Jordan.
1 Yugo-Slavian.
3 Greeks.
1 Italian.
1 German.

The 313 Arabs born outside Trans-Jordan include: —
11 Tripolitanians.
12 Hejazis.
17 Turks.
60 Syrians.
130 Palestinians.
75 Lebanese.
8 Egyptians.

The British Staff of the Government is as follows:—

The *Judicial Adviser,* who attends all meetings of the Executive Council, drafts all laws and regulations, and supervises their translation into English; advises the Government in legal matters; advises the Minister of Justice; is a member of the Senior Judicial Council which is concerned in the appointment and discipline of officials of the Judicial Department, and is a member of the Diwan Khas which decides questions regarding the interpretation of laws or regulations.

The *Financial Adviser,* who attends all meetings of the Executive Council, prepares the annual Estimates of Revenue and Expenditure, advises the Government on matters of revenue collection and expenditure, ensures compliance with the Financial Regulations, and is in close touch with the Treasurer.

The *Officer Commanding the Arab Legion,* who is in executive command of the Arab Legion and is a member of the Tribal Court of Appeal.

The *Second in Command of the Arab Legion,* who is in charge of the Desert Area wherein he has the powers of a Mutessarrif under the Tribal Courts Law, 1936, and the powers in regard to nomads granted to the Officer Commanding the Arab Legion under the Beduin Control Law, 1936.

An *Officer of the Arab Legion* in charge of motor transport.

An *Officer of the Arab Legion* in charge of musketry.

An *Officer of the Arab Legion,* who is Traffic Inspector and Registrar of Vehicles.

The *Director of Lands,* who is in charge of Land Registry, Survey, Land Settlement and Partition and State Domains, and Forestry.

The *Assistant Director of Lands.*

The *Director of Customs, Trade and Industry,* who is also President of the Tenders Board.

The *Chief Curator of Antiquities,* on whose advice the Director acts in all matters requiring expert technical knowledge.

The *Chief Audit Examiner,* who audits the accounts of the Government, the Municipalities and the Agricultural Bank.

The *Chief Forest Ranger,* who is responsible under the Director of Lands for the conservation of forests.

The *Bacteriologist,* who acts as Director of Health in the latter's absence.

The *Medical Officer* in charge of the desert mobile unit.

In addition to the foregoing British Officers, there are the *Director of Development,* one *English Driller,* and a *British Survey Officer* of the Land Development, who are paid from a grant made by the Colonial Development Fund.

19. A new Municipal Law, designed to consolidate and, where necessary, elucidate previous legislation was enacted at the beginning of the year and came into force on the 1st April. During the course of the year a number of regulations under the new law were issued, notably with regard to municipal elections, powers of municipal councils, control over streets and buildings, and collection of Octrol; and the preparation of other Regulations required to bring municipal legislation up to date, including those relating to finance, auctions, tenders and stores, was continued by the Government.

Neither municipal councils under the new Law, nor existing village councils have judicial powers; nor have the latter any formal legal standing or jurisdiction, although their executive duties are considerable, extending to marking out the land in villages where it is held in Masha' tenure, in dividing among individual taxpayers the tax assessed as payable by the whole village, and in assisting in the distribution amongst the different persons who own a block of land, according to the degree of loss suffered by each, of any remission of taxation which may have been granted in respect of that block on account of crop failure. These duties no longer exist in respect of villages in which land settlement has been completed.

20. Trans-Jordan has maintained satisfactory relations with her neighbours and in the desert public security has been excellent. In only one instance was there risk of an incident, when a small section of the Beni Sakhr tribe threatened forcibly to disturb the course of the land settlement in the Madaba area. Prompt and sudden disciplinary action by security forces immediately restored order; and the result has been the enhancement of Government's prestige.

Tribal Affairs.

21. The Tribal Courts Law, which was enacted in 1924, set up mixed Courts of officials and tribal sheikhs to deal, in first instance and on appeal, with the following matters:—

(*a*) Cases of aggression and differences in regard to movable property and matters of " blood " and questions of compensation and guarantees relating thereto, arising between nomadic tribes and groups of members of non-nomadic tribes.

(*b*) Cases of " honour " between nomadic tribes or their members.

(*c*) Cases of horse partnerships provided that, if the agreement of partnership between the parties was in a written document, the case should be decided by the Civil Courts.

(*d*) Cases of compensation for blood when the defendant is a member of a nomadic tribe or a person who ordinarily follows the customs of nomadic tribes.

22. This Law was never effectively operated and in 1929 the Beduin Control Law was enacted. This set up a Beduin Control Board, with powers to hear actions within the jurisdiction of the Tribal Courts and to withdraw and deal with any action pending in a Tribal Court, and also powers:—

(1) to determine the places in which nomads shall camp, and

(2) to investigate any raids or other breaches of the peace in which nomads were concerned

whether occurring before or after passing of the Law and wherever the same might have taken place.

23. In 1931, the desert areas of Trans-Jordan were placed under the effective administrative control of an officer of the Arab Legion, and by the Tribal Offences (Settlement) Law, 1933, the Beduin Control Board, of which this officer was a member, delegated to him the authority granted to the Board under (1) and (2) above, with powers of punishment not exceeding three months imprisonment or £P.5 fine.

The former President of the Beduin Control Board, His Highness the Amir Shaker, who died in 1934 has not been replaced, and a new set of Tribal Laws was drawn up and enacted in February, 1936, in the form of—

The Tribal Courts Law, 1936.
The Tribal Court of Appeal Law, 1936.
The Beduin Control Law, 1936.

24. The first of these three Laws constituted a Tribal Court in each of the four administrative districts and in the desert area as well. A Tribal Court is composed of one or three judges selected by the parties to the case from a panel of Sheikhs drawn up by the Administrative Officer in charge of the District (the Mutessarrif) and approved by His Highness the Amir.

Tribal Courts have jurisdiction:—

(*a*) in all cases of whatever nature between members of the nomadic tribes with the exception of:—

(1) cases relating to the ownership and possession of immovable property;

(2) cases which, in the opinion of the Mutessarrif, should be referred to the Civil Courts;

(*b*) in all cases of compensation for blood, honour and horse partnerships, except where the agreement has been reduced to writing, in circumstances where the Mutessarrif is of opinion that the parties by ancient custom follow tribal procedure, if such cases occur between members of nomadic and non-nomadic tribes or between members of non-nomadic tribes.

25. The judgment of the court must be sent to the Mutessarrif who may order its execution by the Arab Legion or refer the matter back to the Court for further examination or appeal to the Tribal Court of Appeal or, in a criminal case, order the guilty party to be punished with a fine not exceeding £P.20 or imprisonment for a year. In cases where the value of the subject matter is more than £P.50, or the sentence is imprisonment for more than three months or a fine of £P.10, the parties have the right to appeal to the Tribal Court of Appeal.

Under this system, whereby a case is tried and decided by a court of Sheikhs, it is possible to administer justice in a manner which could not be achieved by a Court of which a Government official is a member since the tribal Sheikhs are intimately acquainted with the affairs of local litigants and are thus in a position readily to judge the truth or otherwise of the submissions made to them.

26. The jurisdiction of the Court is now more strictly limited than before in dealing with cases of compensation for blood, honour and horse partnerships, and this is important as it would be improper, for example, to allow a townsman who had killed a man to appear before a Tribal Court and have the matter settled by the payment of blood money.

27. The Beduin Control Law allows the officer of the Arab Legion in charge of the Desert Area to control the movements of the nomads and to deal summarily with cases of raiding, whether they occur in Trans-Jordan or elsewhere, and to arrest and impound the movable property of nomads suspected of preparing for a raid.

28. The work of these Tribal Courts during the year is illustrated by the following figures:—

	Ajlun Court.	*Belqa Court.*	*Kerak Court.*	*Ma'an Court.*	*Desert Court.*
Cases brought forward	22	22	20	14	—
Cases heard	31	34	32	48	352
Cases finished ...	13	45	28	20	320
Appeals	4	5	1	—	—
Cases carried forward	40	11	23	42	32

29. The progress made in encouraging nomads to take up cultivation has been considerable within the past two years. It is not the ultimate purpose of Government to transform the bedouin completely into settled cultivators, for while the breeding of livestock remains a necessary and useful occupation,

nomadism will continue to be essential to its profitable pursuit in such a country as eastern Trans-Jordan, with its sparse grazing and uncertain rainfall. Moreover the bedouin are experts in the breeding of livestock and form a class who afford a valuable contribution to the economic life of Trans-Jordan. The objects of the encouragement of bedouin cultivation are briefly (*a*) to broaden the basis of their economy and to prevent the whole of their livelihood depending upon one somewhat fickle form of capital, and (*b*) to give them a fixed stake in immovable property in the country, which will be not only an economic insurance but also a social anchorage. It is satisfactory that at the present time not only every tribe but every section of every tribe in Trans-Jordan has been put into possesion of a certain amount of cultivation.

Economic Affairs.

30. The agricultural season 1938 after a most hopeful beginning proved to be most disappointing in respect of the winter cereal crops which provide the bulk of the country's agricultural produce. Wheat, and to a less extent barley, already affected by an unequal rainfall, suffered extensive damage by rust throughout the country; and remissions on account of crop failure, which afford a measure of harvest results generally, were in the neighbourhood of £P.16,000 as compared with approximately £P.8,500 in the previous year. Cereal prices were, however, maintained at a satisfactory level, and with this factor, and the excellent agricultural results of the previous year, the economic situation of the cultivators nowhere became serious, and no works were provided specifically for relief. Labour demanded by the Military Authorities on the Haifa—Baghdad Road Construction work in Trans-Jordan, and by the Department of Public Works on road construction in the Ajlun District and at the Wadi Mojih has, however, provided welcome assistance.

31. On the 1st August car and garage owners in Trans-Jordan called a strike in protest against the disproportionately high burden of taxation borne by the industry. The strike was called off immediately on the issue of an undertaking by the Government that the grievances would be actively considered; and after negotiations which lasted during the remainder of the year, it was decided to grant a reduction of various fees which are estimated to afford relief of approximately £P.2,500 a year.

32. With the great simplification of procedure for the application for, and issue of, agricultural loans which has been effected, the operations of the Agricultural Bank have been much improved. The preparation of a new Agricultural Bank Law and Regulations thereunder has continued to receive consideration but was not completed. A valuable report on the activities of the Bank, which contains a survey of its history from its initiation under the Ottoman régime up to the end of the

financial year 1937-8 was written by Tewfik Pasha Abul Huda (the former Director, now Chief Minister) and issued in August. The Report shows the capital of the Agricultural Bank to have increased from £P.15,500 in 1922-3 to £P.69,000 in 1937-8; and the benevolence of its operation appears from the fact that the value of lands in its possession amounts only to some £P.3,000, a considerable part of which represents land which is being re-acquired by borrowers under easy terms provided by the law.

33. It is indicated in the chapter of this Report relating to Customs, Trade and Industry that trade between Palestine and Trans-Jordan, which was much reduced in 1936 and revived somewhat in 1937, continued firm. Customs Revenue, which rose from £P.104,434 in 1936 to £P.118,405 in 1937, dropped to £P.113,057, the decrease representing principally revenue on direct imports. Statistics for 1938 show that the sum payable by Palestine to Trans-Jordan on account of duty paid in Palestine on foreign goods re-exported for consumption in Trans-Jordan will not be less than that paid in 1937.

34. The export of Trans-Jordan raisins for the European market, which began encouragingly in 1937 and of which much was expected, did not substantially increase in 1938, owing to transport difficulties in Palestine.

Agriculture, Forests and Lands.

35. The Director of the Departments of Agriculture and Forests was formerly responsible for the care of all forest areas except those acquired by the Government in the course of settlement operations which were placed under the control of the Director of Lands and Survey immediately after they were registered as State Domain. The area of forest land to which the Government had acquired a clear title during settlement amounted at the end of 1937 to 66,000 dunums, and was rapidly increasing as settlement proceeded. It was therefore arranged, as a logical consequence of the changing situation, to place the whole administration of forests owned or controlled by Government in the charge of the Director of Lands, in anticipation of the formation of a Sub-Department of Forests which would be in the charge of an expert Forest officer. The transfer of control was effected on the 1st April. By the end of 1938 the area of forest and scrub land owned by Government had risen to nearly 113,000 dunums.

36. The question of soil erosion and its prevention has been actively pursued by the Government. District administrative and agricultural officers have done what was possible by warning and advice to prevent harmful methods of cultivation and to encourage cultivators in anti-erosion practice. The British Director of Development prepared a series of lectures on the

subject which has been issued in pamphlet form and widely distributed; and the Department of Education has also co-operated by arranging periodical lectures for cultivators at village schools and by including the subject in its curriculum. There are signs that this campaign of education and propaganda is having some effect.

37. The output of the Department of Lands continued at a highly satisfactory level, due to the further maintenance of low land values and to expansion in the Department provided both by assistance from the Colonial Development Fund and by an increase of the local vote which it was happily found possible to make in 1938.

Official Languages.

38. Under the terms of Article 15 of the Organic Law, Arabic is the official language of Trans-Jordan.

Miscellaneous.

39. The Palestine Partition Commission spent nine days in Trans-Jordan in June during which they made extensive tours through the cultivated areas of the country. The Commission's Report was published in Trans-Jordan on the 9th November.

40. His Excellency the High Commissioner paid his first formal visit to His Highness the Amir at Amman on the 15th March, on which day the Royal Commission was read with appropriate ceremony at the British Residency.

Holy Days.

41. The following is a list of the days which are recognized as holy days:—

GENERAL.

Waqfet 'id el Fitr	30 Ramadan.
'Id el Fitr (3 days)	1-3 Shawwal.
Waqfet 'id el Adha	9 Dhil Hijja.
'Id el Adha (4 days)	10-13 Dhil Hijja.
El Miraj el Sherif	27 Rajab.
New Year's Day (Hijira) ...	1 Moharram.
Mawlad en Nebi	12 Rabi el Awwal.
Anniversary of Arab Revolt	9 Sha'ban.
Independence Day	25 May.

FOR CHRISTIANS.

New Year's Day.	Ascension Day.
Epiphany.	Whit Monday.
Good Friday.	Christmas Day.
Easter Monday.	Boxing Day.

Christians are also granted the day before and the first day of 'Id el Fitr and the day before and the first day of 'Id el Adha.

Weekly Day of Rest.

Friday is the official day of rest for all officials of whatever creed. Christian officials are permitted to leave their work to attend their places of worship on Sundays, and on Feast Days not recognized as holidays.

I.—AUTONOMOUS ADMINISTRATION.

The Administration of Trans-Jordan is autonomous in its nature.

2. There are Municipal Councils at Irbid, Jerash, Ajlun, Amman, Zerqa, Es Salt, Madaba, Kerak, Tafileh, and Ma'an.

3. Under the terms of the new Municipal Law which came into force on the 1st April, each Municipal Council contains a majority of elected members, the remainder, including the President and certain persons having official status, such as the Medical Officer, the Engineer and the Veterinary Officer, being nominated by the Chief Minister. This procedure is made necessary by the dearth of prospective candidates for election who have adequate technical knowledge or experience in municipal administration, and by the consideration that the Presidents of the Councils, thus chosen, and being independent of the electorate, will be able to act more energetically in the performance of their duties.

4. One Municipal Council has so far been reconstituted under the new arrangements, the other Councils are to be dealt with as and when the necessity arises.

5. Following the example of the Electoral Law for the Legislative Council, provision is made in the Municipal Law that the number of seats for elected members shall be allotted between Moslems, Christians and Circassian Moslems in proportion to the male adult population for each community.

6. A general municipal rate was provided in the new Municipal Law in the form of a tax on land and buildings at a rate, to be fixed from time to time by the Executive Council, not exceeding 5 per cent. of the rental value of the property. The present rate adopted is 5 per cent. This tax is the only municipal charge upon property owners under the law apart from those which by their nature concern only the individuals directly affected thereby.

7. In 1937 a separate Law was enacted providing for the imposition of an education rate, not exceeding 3 per cent. on the rental value of immovable property in such municipal areas as should be selected by the Executive Council. The effect and results of the imposition of this rate are explained in the Chapter relating to Education.

II.—IMMIGRATION AND EMIGRATION.

The control of travel to and from Trans-Jordan is the duty of a special section of the Arab Legion. The following table indicates the work of this section during the years 1936, 1937 and 1938:—

	1936.	1937.	1938.
New passports issued	790	715	1,156
Emergency visas issued	326	597	844
Ordinary visas issued	94	117	174
Return visas issued	47	93	233
Foreign passports registered	2,040	2,668	3,435
Endorsements	119	251	400
Passport contraventions passed to court	560	968	1,162
Trans-Jordan passports renewed ...	424	434	452
Temporary passports issued to 'Iraq Petroleum Co.	300	250	250

The notable increase in the number of passport transactions during 1938 was the result of stricter control of movement between Trans-Jordan and Palestine and necessitated the appointment of three additional passport control officers for duty at the bridges which cross the Jordan.

2. The labour market which formerly existed in Palestine for men who were unable to find work in Trans-Jordan at the end of the harvest or the ploughing season, or in years of drought, remained closed as the result of the enforcement of rigid immigration control measures by the Palestine Government. Extraordinary travel restrictions imposed by the Military Authority in Palestine during 1938 have also reduced migration to a minimum.

3. For the purpose of ensuring a closer control over persons entering Trans-Jordan, an order was made under the Passport Law, and came into force on the 17th September, requiring habitual residents of Palestine to obtain visas for direct entry into Trans-Jordan. Such visas are given by the Palestine Department of Migration in Jerusalem.

III.—LANDS.

General.

1. The new offices of the Department of Lands and Surveys in course of erection last year were completed and occupied in August. The building includes special fireproof accommodation for land settlement records.

2. The expenditure of the Department of Lands and Surveys since the amalgamation of the Departments of Survey, Land Registry and State Domain in 1929 is shown below:—

	£P
1929	10,937
1930	13,464
1931	14,402
1932	14,164
1933	14,744
1934	15,718
1935	16,331
1936	20,600
1937	22,438
1938 (Estimated)	29,934

Land Settlement.

3. The Land Settlement Law enacted in 1933 has now been applied to 140 villages covering an area of 1,935,000 dunums.

The cultivated zone of the country comprises 450 villages covering an area of 7,700,000 dunums. With the present rate of progress it is estimated that land settlement will be completed in 1947.

The areas partitioned and settled annually are as follows:—

	Masha's land. dunums.	*Mafruz land. dunums.*	*Total. dunums.*
1933 (5 months) ...	17,540	18,363	35,903
1934	155,070	39,139	194,209
1935	268,954	31,006	299,960
1936	269,809	48,352	318,161
1937	291,225	61,237	352,462
1938	334,735	74,685	409,420
Totals	1,337,333	272,782	1,610,115

In 1938 the cost of settlement and survey amounted to 41 mils per dunum, as compared with 42 mils in 1937.

4. The following data have been compiled from records of work completed in 1938:—

Villages settled	36
Claims recorded...	14,737
Number of appeals	218
Appeals allowed	51

There are no appeals outstanding.

The attendance of the Land Settlement Court in public at each village minimises frivolous claims and facilitates their amicable settlement. During the year, the Court visited 23 villages, and the sittings occupied a total of 67 days.

5. A grant from the Colonial Development Fund of £P.30,000 to be spread over six years for the acceleration of land partition and settlement was approved in 1936. The expansion of the

Department has been completed and the staff finally trained. In view of the success of the scheme a sum of £P.3,960 was provided for additional staff in the current estimates to give effect to a further acceleration of land settlement.

6. The Land Settlement Law provides for the settlement of all questions or differences in regard to any estate in land, or title thereto, or interest therein or any rights connected therewith. Such rights and interests are recorded in the schedule of rights and subsequently transferred to the land registers.

The system of registration is based on the Torrens system, and adequate provision is made for the accurate recording of subsequent transactions and mutations.

The total number and value of the properties recorded in the new registers since the commencement of settlement is shown below:—

	Number	*Value* £P
1934	422	20,987
1935	634	51,810
1936	929	52,171
1937	2,222	135,391
1938	2,040	137,436
Totals.	6,247	£P 397,795

7. The Land Settlement Law provides that land used for general purposes, with the exception of roads, shall be registered in the name of the Government on behalf of those who have interest therein. This procedure allows the administrative authorities to settle any dispute or encroachment in respect of public land and thus frivolous actions in the Court, often due to village intrigue, are avoided.

The various categories of public land so registered since the beginning of settlement are shown below:—

Categories.	*Dunums.*
Grazing grounds	15,410
Thrashing floors	175
Springs and watering pools	330
Cemeteries	107
Village school gardens	115
Land assigned for upkeep of mosque or church ...	276

8. The following regulation was made under Article 12 of the Land Settlement Law:—

"All roads, whether public or private, which are aligned during land settlement shall be surveyed and shown on the cadastral maps which are prepared during settlement operations. The cadastral map shall be the sole document to which reference shall be made in the event of any dispute or encroachment affecting public or private roads".

This procedure obviates the inclusion of a mass of superfluous data in the land registers while safeguarding against encroachment by landowners on public and private roads.

9. Evidence of the importance attached to settlement and land registration is indicated by the record of transactions in paragraph 17 below. The peasant landowner who has suffered insecurity of title for so many years now realises the importance of a clear title and no case of unregistered disposition has yet come to notice in " settled " villages.

10. The people are rapidly learning the value of survey and demarcation resulting from settlement, and in order to avoid expensive litigation they are encouraged to apply for the inspection of their properties in cases of encroachment. Inspection is carried out by the survey staff of the Land Registry on payment of a small fee; during the year 33 cases were referred to the Land Registry and of these only nine were eventually taken to Court.

11. As the land registers are indexed on a territorial basis, an auxiliary loose-leaf register which records the total property of each landowner is also maintained.

The following data have been compiled from these registers of proprietors. The figures are recorded to illustrate relative holdings and although land prices are at present stable the values shown are of course liable to fluctuate:—

	Number.	*Per cent.*
Holdings of value exceeding £P.300 ...	479	3
Holdings of value between £P.200–300 ...	750	5
Holdings of value between £P.100–200 ...	2,082	13
Holdings of value under £P.100	12,649	79

12. Landowning statistics are prepared on completion of settlement in each village. In view of the high rate of natural increase in the population these statistics are maintained up to date as changes are recorded in the land registers. The resulting figures of distribution of land at the time of settlement and in 1938 are given below:—

Villages settled during	*Number of landowners at settlement.*	*Average holding dunums.*	*Number of landowners in 1938.*	*Average holding dunums.*	*Number having sold total property.*
1934	2,769	69	2,905	66	104
1935	2,221	97	2,280	95	65
1936	3,946	29	3,944	29	113
1937	6,190	40	6,237	39	67

13. In addition to landowning statistics a record of the number of dependants of each landowner and the number of landless persons are compiled by Settlement Officers during the preparation of the Schedule of Rights in the village.

14. Satisfactory progress has been made in securing land for State Forest Reserve during settlement operations. During the year a further 46,444 dunums of forest and scrub land were recorded as State Domain, making a total of 112,814 dunums since the inception of land settlement.

Land Settlement Fees.

15. Registration and Court fees arising out of settlement from the commencement of operations in 1933 to the end of December, 1938, are as follows:—Payable £P.23,634; Collected £P.5,853; Outstanding £P.17,781.

Registration fees are only collected as and when owners apply for certificates of registration or when they desire to effect further transactions in the Land Registry. The following is a comparative statement of the fees and collections thereof, to date, in respect of schedule of rights and of partition passed to the Land Registry in each successive year:—

Villages settled during	*Payable £P.*	*Collected £P.*	*Per cent.*
1933	459	272	59
1934	3,728	1,235	33
1935	4,173	1,179	28
1936	2,557	616	24
1937	6,796	1,757	26
1938	5,921	794	13

Land Registry.

16. Transactions passing through the Land Registry numbered 10,016 and a sum of £P.5,894 was collected in fees, as compared with 9,499 and £P.6,296, respectively, in the previous year.

17. The following is a comparative statement of Land Registry transactions in the Ajlun District where land settlement is in progress:—

	Number.	*Fee £P.*
1934	2,146	1,349
1935	2,583	1,817
1936	4,543	2,255
1937	6,651	4,809
1938	7,275	4,998

A duplicate register of rights recorded during settlement and in all subsequent transactions is maintained at a central registry at Amman as a precaution against loss by fire or otherwise of the registers in the districts. The total number of properties entered in the registers is 8,391 and the number of mutations and annotations recorded is 7,564.

Land Tax.

18. The Land Tax Law has been introduced throughout the country (454 villages), with the exception of 32 villages, where the variation between the amount of the old and new tax is small enough to allow postponement until the arrival of land settlement. The lands of these 32 villages are held in undivided ownership (Masha'a) and the method of distribution of the tax amongst individuals will not be affected by the new law, so that postponement does not adversely affect the owners concerned.

The Land Tax Law limits the increase in taxation to £P.10,000. The assessment of the tax amounts to £P.88,186. The assessment of the taxes it has replaced amounts to £P.78,641 a resulting increase of £P.9,545.

The limitation of increase to £P.10,000 does not apply to State Domain which has been sold to the cultivators. The assessment of the tax on these lands is £P.3,076 so that the gross assessment of land tax amounts to £P.91,262.

19. The loose-leaf register of proprietors referred to in paragraph 11 above also shows the tax assessment on each landowner, and ensures an expeditious and economical compilation of the annual tax Collection Lists in respect of each settled village. The tax Collection Lists modified by the calculation of remissions on account of failure or partial failure of crops are compiled at the central archives at Amman. In " settled " villages the remissions in the last three years were as follows:—

1936	... ...	£P.7,083	affecting 4,958 taxpayers
1937	... ...	£P.703	affecting 1,124 taxpayers
1938	... ...	£P.2,333	affecting 5,367 taxpayers

The above figures show the effect of a disastrous agricultural season in 1936, an excellent harvest in 1937 and a poor harvest in 1938.

The following data in regard to Land Tax have been compiled from the record of taxpayers in villages where land settlement has been completed:—

	Number.	*Per cent.*
Owners paying under £P.1	10,581	66
Owners paying £P.1–2	3,103	19
Owners paying £P.2–3	1,047	7
Owners paying £P.3–4	567	4
Owners paying over £P.4	662	4

Forests and State Domain.

20. The Forestry Section of the Department of Agriculture was transferred to the Department of Lands and Surveys on 1st April, 1938. Hitherto the Director of Agriculture was responsible for the control of private forests while State Forests to which Government had acquired title during land settlement were under the management of the Director of Lands and Surveys. With the rapidly increasing area of State Forests acquired during settlement it was evident that a comprehensive forest policy would be simplified by the inauguration of a Sub-Department of Forests of the Department of Lands and Surveys.

21. Financial stringency made it impossible in previous years to exercise an efficient control of wood cutting with the result that the supply has always been greater than the demand. Trees have been considered valueless and the price of the produce has been determined solely by the cost of transport to the place of

consumption. Under such conditions the people have never realized the value of forest produce and landowners were mainly interested in converting forest land into cultivable land. The administration of forests has been decentralized and all forest staff have been attached to the six district offices of the Department of Lands and Surveys. The officials in charge of the various offices are responsible for the supervision of forest guards, issue of licences and prosecutions for forest offences.

22. During the year strict control was exercised over all forest lands, with the result that fuel and timber prices have risen and the economic value of the tree is gradually being stabilised. The majority of landowners have been quick to realize that trees growing naturally on their properties are of greater benefit than inferior crops, and they are now intent on the preservation of trees in contrast to indiscriminate clearing for agricultural purposes. Even more encouraging is the activity of an appreciable number of landowners who have sown pine seeds and acorns in the waste patches within their properties.

23. The number of prosecutions for forest offences amounted to 921 during the year as compared with 393 in 1937.

24. Forest Revenues totalled £P.1,128 as compared with £P.822 in 1937. The estimated value of forest produce sold was £P.2,049.

25. The following data have been compiled from the records of State Forests which have been secured to Government during settlement operations:—

	Number.	*Area.*
Reserves over 1,000 dunums	12	26,043
Reserves 500—1,000 dunums	27	18,375
Reserves 100—500 dunums...	217	50,686
Reserves under 100 dunums	471	17,710
Totals	727	112,814

The reserves classified according to density of trees are as follows:—

Thick forests	54 per cent.
Well timbered	18 per cent.
Scattered trees	10 per cent.
Scrub land	18 per cent.

This figure of 112,814 dunums represents 7 per cent. of the total area settled to date. Excluding the plains, which comprise an area of 81,700 dunums devoted to cereal cultivation and unsuitable for afforestation, the percentage of forest is 14 per cent.

26. A progressive policy was initiated for the re-afforestation of State Forests which have been despoiled in the past although a number of root stocks have survived. The total area fenced and re-afforestated to date is 2,983 dunums in which 30,000

trees have been planted. A further 2,000 dunums of scrub land have been selected for the planting of 250,000 two-year-old seedlings which are now available in the forest nurseries.

An area of 3,427 dunums has been fenced to permit natural regeneration and in addition juniper and pistachio seeds and the seeds of indigenous scrub have been freely sown throughout the enclosure.

27. All irrigable State Domain has been sold to the cultivators who have developed the land. In all cases a reasonable purchase price has been fixed, the payment of which has been spread over a number of years. Instalments are being paid regularly and the lands are being further developed by the grantees.

28. The low ground between the River Jordan and the Jordan Plain, which is State Domain, is being leased for development by irrigation by means of water pumped from the river. An annual rental of 50 mils per dunum is charged. The lessee has the right of purchase at 50 mils per dunum within the period of the lease as soon as 75 per cent. of the area is cultivated by irrigation. Six contracts of lease have been concluded covering an area of 15,000 dunums. Three contracts have been terminated and the land has been finally sold; development is proceeding in the three other areas.

29. During the year various holdings of State Domain, mostly uncultivated, comprising a total area of 22,819 dunums, were sold to encourage cultivation and facilitate building. Since the completion of survey the proceeds of the sale of State Domain are £P.33,102; the average annual rent from the properties sold was £P.1,571. As a result of disposal, the present owners have improved the methods of cultivation, and in many instances the revenue from land tax exceeds the tithe and rental tithe collected prior to disposal.

Surveys.

30. Ten students completed their training during the year and were appointed to classified posts. On an average 28 surveyors were engaged on cadastral survey, eight on land settlement and five in the Land Registries.

The cadastral survey is carried out on the scale 1/2,500. The scale has been reduced to 1/10,000 for the survey of a few villages comprising large estates in order that land settlement may be further accelerated. During the year 512 cadastral plans were completed making a total of 1,824 plans since the inception of land settlement, details of which are as follows:—

	Number of Blocks.	*Number of Parcels.*	*Average Area of Parcels. Dunums.*		*Marks Erected.*
			Masha'a	*Mafruz.*	
Masha'a Land ...	572	5,498	55	—	12,436
Mafruz Land	99	3,181	—	24	8,835
From commencement of settlement ...	1,919	33,398	61	23	79,590

In " mafruz " villages the work of settlement and survey is carried out simultaneously. This procedure allows settlement officers to delegate the recording of undisputed claims to the survey party, expedites the work, and in addition enables the surveyor to acquire experience in land settlement. Index maps on a scale 1/10,000 are made of each village by reduction from the 1/2,500 cadastral maps. These are primarily for use in the Land Registry but are also on sale to the public.

31. A contour survey on a scale of 1/10,000 with a vertical interval of one metre is being carried out in the Rift Valley. The survey will cover all potentially irrigable land on the east side of the River Jordan and south-east of the Dead Sea.

All field work has been suspended owing to continued unsettled conditions in the Jordan Valley.

The following is a summary of the work completed:—

Precise Levelling—78 kilometres: 31 bench marks.
Secondary Levelling—673 kilometres: 66 bench marks.
Contouring—165,792 dunums.
Final plans—42,870 dunums.

The total area to be contoured is estimated at 450,000 dunums.

32. The Major Triangulation of Palestine has been extended across the Jordan Valley and both third and fourth Order triangulation work has been commenced to provide a closer control of the cadastral survey. The computation and plotting of points is carried out by the Survey of Palestine so that a satisfactory joint network of the two countries may be secured.

33. Sales of maps amounted to £P.240 as compared with £P.71 in 1937.

The third and final sheet of the 1/250,000 map series is in course of preparation and will be published early in 1939. The three sheets cover the whole country with the exception of the desert area east of longitude 36° 31′ E.

IV.—NATIONALITY.

Article I of the Trans-Jordan Nationality Law provided that all Ottoman subjects habitually resident in Trans-Jordan on the 6th August, 1924, were to be deemed to have acquired Trans-Jordan nationality. The term " habitually resident in Trans-Jordan " was deemed to include any person who had his usual place of residence in Trans-Jordan for the period of 12 months preceding the 6th day of August, 1924.

2. Provision existed in the law permitting persons who had acquired Trans-Jordan nationality under Article I of the Law to opt for other nationality before the 6th day of August, 1926, but, in fact, no use was made of this permission.

3. Naturalization is granted at the discretion of the Chief Minister to applicants who fulfil the following conditions:—

(*a*) two years' residence in Trans-Jordan immediately prior to the application for naturalization;

(*b*) that the applicant is of good character;

(*c*) that the applicant intends to reside in Trans-Jordan;

(*d*) that the applicant knows the Arabic language.

In special circumstances the Chief Minister may, with the approval of His Highness the Amir, dispense with the condition of two years' previous residence.

The figures for the issue of Nationality and Naturalization Certificates during the last four years are as follows:—

	1935.	*1936.*	*1937.*	*1938.*
Nationality certificates applied for	792	675	661	934
Nationality certificates issued ...	578	537	588	893
Naturalization certificates issued...	90	117	42	26

No applications for Trans-Jordan nationality by naturalization were refused.

4. In connection with a question asked at the thirty-fourth session of the Permanent Mandates Commission,* the previous nationality of the persons who acquired Trans-Jordan nationality by naturalization during the past four years was as follows:—

	1935.	*1936.*	*1937.*	*1938.*
Syrian	42	54	17	13
'Iraqi	2	3	—	—
Lebanese	4	6	4	4
Palestinian	3	3	1	3
Turkish	35	49	11	3
Egyptian	—	—	—	1
Russian	1	—	1	—
Persian	—	—	—	1
Greek	2	—	—	—
Afghan	—	—	—	1
American	1	—	—	—
Saoudi Arabian ...	—	1	5	—
Chinese	—	—	1	—
Yemenite	—	—	2	—
Italian	—	1	—	—
Totals ...	90	117	42	26

The issue of Nationality Certificates is, by Article I of the Nationality Law, confined to former Ottoman subjects.

Minutes, page 68.

V.—JUDICIAL SYSTEM.

Civil Courts.

1. The Civil Courts consist of Courts of First Instance and Magistrates' Courts. The present organization of the Courts largely follows the Turkish model, which was inherited from the former Ottoman system. The organization of the Ottoman Courts was based upon a Court of First Instance, which had jurisdiction to try all criminal matters where the maximum punishment which could be awarded exceeded one year and the fine £T.90, and all civil cases the value of which exceeded £T.50.

Criminal cases in which the maximum punishment which could be awarded was less than one year and the maximum fine less than £T.90, and civil cases where the value of the subject matter of the action was less than £T.50, were triable by courts known as Magistrates' Courts or Courts of the Justice of the Peace.

Courts of First Instance were established in towns of any importance or size in the Ottoman Empire. Magistrates' Courts were established in towns possessing Courts of First Instance and also in other smaller towns.

Appeal from Magistrates' Courts lay to Courts of First Instance, and appeal from Courts of First Instance lay to Regional Courts of Appeal. In certain cases appeal lay from Regional Courts of Appeal to the Court of Cassation in Constantinople. In addition to appeal, this Court had a jurisdiction by way of cassation from Courts below. These Courts were known generally as Civil Courts to distinguish them from the Sharia and other Religious Courts.

2. The principal modifications of this system in Trans-Jordan consist in the substitution of one Central Court of Appeal for the Regional Courts of Appeal, and the transfer from Courts of First Instance to the Court of Appeal of the duty of hearing appeals from the Magistrates' Courts. Appeal by way of cassation has been abolished.

Sharia Courts.

3. Sharia Courts were those Courts which had exclusive jurisdiction to deal with personal-status cases of Moslems. This jurisdiction was and still is in Trans-Jordan exercised in accordance with the provisions of the Ottoman Law of Procedure of the Moslem Religious Courts of the 25th of October, 1333 A.H. By personal status is meant matters concerning the personal and domestic relations of the parties, such as marriage, divorce, alimony, maintenance, guardianship, legitimization and adoption of minors, interdiction, succession, wills and legacies. These Courts also have jurisdiction in cases of " Diya " (blood money), this being a cash payment to the relatives of any person killed or injured as the result of the wrongful act of any other person;

it is additional to any penalty imposed by the Civil Courts under the terms of the criminal law. " Diya " is a part of Mohammedan Law and as such is administered by the Sharia Courts. The Sharia Courts also had jurisdiction to deal with cases of waqf, established by and belonging to Moslems. A waqf is a pious foundation instituted by the founder, in most cases, from pious and religious motives.

Religious Community Council Courts.

4. In addition to the Sharia Courts, there were certain Courts known as the Courts of the Religious Community Councils which exercised in respect of the various non-Moslem religious communities dwelling within the Ottoman Empire much the same jurisdiction as that exercised by the Sharia Courts. Each separate community had its own council, which had power to set up a Court with jurisdiction to hear personal-status cases arising between members of the particular religious community concerned. The jurisdiction of these Courts is now set out in the Non-Moslem Religious Community Councils Law passed in 1938. This law empowers five communities, and any others which may later be granted such powers, to establish Courts, and three, the Greek Orthodox, the Greek Catholic and the Latin have in fact done so.

Courts at present established in Trans-Jordan.

5. *Civil Courts.*—The Courts at present established in Trans-Jordan are as follows:—

(1) A Court of Appeal at Amman having jurisdiction to hear appeals from all lower Courts in Trans-Jordan.

(2) Courts of First Instance having jurisdiction in criminal matters where the maximum punishment which can be awarded is imprisonment for more than three years or a fine, and in civil matters where the value of the subject matter of the action exceeds £P.50.

These Courts are established in Amman, Irbid and Kerak. Members of Courts of First Instance proceed to places where Magistrates' Courts only are in existence in order, when necessary, to constitute Courts of First Instance in those places, thereby saving litigants and others concerned the trouble and expenses of coming to the headquarters of a Court of First Instance.

(3) Magistrates' Courts having jurisdiction in criminal cases where the maximum punishment which can be awarded is imprisonment up to three years or a fine, and in civil cases where the value of the subject matter of the action is not more than £P.50, although if the parties agree in writing, the Court has jurisdiction up to any amount.

Magistrates' Courts are established in Amman, Irbid, Kerak, Es Salt, Jerash, Ajlun, Madeba, Tafileh, and Ma'an.

Sharia Courts.—Sharia Courts having jurisdiction to hear personal-status cases of Moslems, cases relating to waqf (pious foundations) and " Diya " (blood money) are established in Amman, Kerak, Irbid, Es Salt, Ajlun, Tafileh, Jerash and Ma'an.

Tribal Courts.—Tribal Courts are at present established in Amman, Irbid, Kerak, Ma'an and the Desert Area.

Religious Community Council Courts.—Religious Community Council Courts are established in the following places:—

Place.	*Community.*
Amman	Greek Orthodox, Greek Catholic and Latin.
El-Husn	Greek Orthodox and Greek Catholic.
Es Salt	Greek Orthodox.
Kerak	Greek Orthodox.

Special Courts.—The only Special Court at present working in Trans-Jordan is the Land Settlement Court, which is a travelling court and is set up in districts which are declared to be land settlement areas under the terms of the Land Settlement Law, 1933.

Nature of the Law in Force in Trans-Jordan.

6. Article 58 of the Organic Law provides that Ottoman Laws promulgated before the 1st November, 1914, and laws promulgated after that date and declared by public notice to be in force in Trans-Jordan, shall remain in force until repealed or amended. Thus Ottoman Law is the base of that of Trans-Jordan, though amending legislation, as well as the spirit which has been infused into the working of the administration and of the Courts, has effected very considerable changes.

The Ottoman system itself has developed from several entirely different sources.

Of these the principal is the Moslem Law, which in the early days of the Turkish State was practically the only law, and which at the present time suffices for the needs of the less advanced Arab States. This law had its origin in the precepts of the Koran as applied by the Prophet Mohammed himself, and was later developed into a formal legal system by Moslem jurists. In course of time this law was very considerably altered on many topics, and on some was entirely superseded. Little alteration, however, was made in the law governing the personal status of Moslems, and that concerning pious foundations (waqf), and in Trans-Jordan it is the Moslem law which governs these topics.

As the Ottoman Empire extended and relations with other countries increased, the Moslem system was found in some cases to be insufficient to meet modern conditions, and in others to be somewhat inaccessible, and in consequence it was decided to follow the lead of France which, after the Revolution, had codified the more important topics of French law.

The most famous of the French codes is the " Code Civil," but as the Moslem law dealt very fully with the matters contained in that code, it was decided to codify the Moslem Law on such topics, rather than adopt a foreign code. A committee of Moslem jurists was therefore appointed, and a civil code, known as the " Mejelle," was the result of their labours. This codifies the Moslem Law dealing with the principal contracts such as sale, hire (including employment), pledge, guarantee, gift, etc. It also covers civil injuries, the law of evidence, and certain parts of the law of procedure.

On other topics, however, it was thought necessary to draw on foreign sources. The Moslem Criminal Law is primitive, the law of procedure both civil and criminal is fragmentary, whilst commercial law hardly exists. In consequence the French codes on these matters were translated, and passed with little change into the Ottoman system.

In addition laws were enacted to suit Turkish local requirements. This is especially the case in the sphere of administration, the Ottoman Wilayet Administrative Law being a typical example.

It has been mentioned above that matters concerning the personal status of Moslems were governed by Moslem Law. As this law was unsuitable for Christians, Christian communities were allowed to establish their own Courts, and to deal with such matters affecting members of their communities in accordance with the religious law of the community.

The foregoing is an outline of the system which by the terms of the Organic Law became, or rather remained, the law of Trans-Jordan. In addition, that law, promulgated in 1928, declared valid all legislative acts of the constituted authority in Trans-Jordan, during the previous ten years; and the legislative authority constituted by the Organic Law was competent, within the limits of that law, to effect such changes as it thought proper.

The basic change in the Ottoman system was effected by the Organic Law itself, and whole topics of the Ottoman Law were superseded by legislation based on British models. The fact that important laws are approved by the Mandatory Power, that a British Adviser is responsible for drafting all new legislation, and that he advises the Government generally on legal matters, naturally tends to favour the introduction of British legislation and methods.

The adapting of a system intended for the Ottoman Empire to a small country, combined with the introduction of entirely foreign ideas into the system has resulted in certain inconvenience which has been experienced principally in the sphere of procedure. Considerable local alterations have been made to the codes of civil and criminal procedure, with the result that these codes have become out of date, and the law of procedure uncertain. The question of the introduction of new codes is under consideration.

The Diwan Khas for the Interpretation of Laws and Regulations.

7. The Diwan Khas is a body established under the terms of an addendum to the Organic Law, and it is now regulated by the Organic Law (Amendment) Law of 1938. It meets at the request of the Chief Minister for the interpretation of points of law submitted to it, which have not been already interpreted by the Courts. It is composed of the Minister of Justice as President and two senior administrative officials and two senior officials of the Ministry of Justice. Its decisions when published in the Official Gazette have the force of law; but decisions affecting any provision of the Organic Law are only valid after confirmation by His Highness the Amir.

Ministry of Justice.

8. The general control and supervision of the Civil Courts is vested in the Ministry of Justice, presided over by a Minister who is a member of the Executive Council and *ex-officio* member of the Legislative Council. This Ministry has no control over the other Courts mentioned in paragraph 5, but its execution department is responsible for the execution of their judgments, with the exception of those of Tribal Courts.

Following a change of Government in September, the Minister of Justice, Ibrahim Pasha Hashem, C.B.E., who was also Chief Minister and Supreme Judge of the Sharia Courts, was replaced by the new Chief Minister Tewfik Pasha Abul Huda as Minister of Justice, while Seyyid Ahmed es Saqqaf was appointed Supreme Judge of the Sharia Courts. Attached to the Minister of Justice is a British Judicial Adviser who is responsible for the drafting of all new laws and regulations. As legal draftsman he attends meetings of the Executive and Legislative Councils and gives his advice on legal points at meetings of the former. In addition he is a member of the Diwan Khas for the interpretation of laws and regulations, and also of the Senior Judicial Council established for the appointment, transfer and removal of judicial officials, subject to confirmation by His Highness the Amir. Moreover he assists the Minister in conducting the routine work of the Ministry and examines petitions containing complaints with regard to specific cases, or cases in

which the Amir is asked to exercise his prerogative of pardon. The majority of new laws have their origin in departments other than the Ministry of Justice, and are sent to the Judicial Adviser for drafting.

9. Full statistics showing the activities of the Courts and the fines, fees and costs received by them are shown below. There has been a slight decrease in comparison with the previous year in the number of cases of the most serious category of crimes; an increase of 118 in cases of the second category; and an increase of 1,429 of petty cases. The increase represents a more stringent enforcement of the law, especially as regards petty cases, rather than a real increase in crime. There was a slight increase in the number of civil cases. Revenue increased from all sources, being about £P.1,000 more than in 1937 and about £P.100 more than in 1936.

10. The increased funds allotted to the Ministry of Justice have enabled all the Courts to be accommodated and equipped in a more satisfactory manner, and the staff to be brought up to strength. As a result all avoidable delay has been eliminated from the despatch of business. The Court of Appeal was brought up to its full strength of four. As all cases in Trans-Jordan are appealable, and the Court of Appeal hears appeals not only from the Courts of First Instance, but also from the Magistrates' Courts its business is considerable. It is satisfactory to record that notwithstanding an increase of 346 appeals over 1937, there were no appeals pending at the end of 1938. The number of appeals pending at the end of 1937 was 109. The post of Court Inspector in the Ministry has not yet been filled.

11. Apart from what may be termed formal pardons, such as those granted on account of the youth of a person sentenced *in absentia*, three pardons were granted by His Highness the Amir during the year. In Trans-Jordan the system of the payment of blood money in cases of manslaughter under the Sharia Law exists side by side with the punishment of the offender by the Civil Courts, and pardons granted usually concern cases of manslaughter, where blood money has been paid to the family of the deceased. Such pardons however are granted in as few cases as possible. The death penalty is rarely inflicted and usually only in cases of murder where there is no doubt that the killing was premeditated. There was one execution during the year.

12. One company and 11 partnerships were registered at the Ministry of Justice. The absence of commercial activity and of commercial cases before the Courts continue to be a marked feature.

Revenue of Civil Courts, 1938.

Name of Court.	Criminal.				Civil.				Notary Public Fees.		Total.	
	Costs.		Fines.		Fees on Actions.		Fees on Execution.					
	£P.	Mils.	£P.	Mils.	£P.	Mils.	£P.	Mils.	£P.	Mils.	£P.	Mils.
Court of Appeal	—	—	—	—	220	320	—	—	—	—	220	320
Court of First Instance and Magistrate's Court combined—												
Amman	293	940	880	385	1,392	155	348	420	592	330	3,507	230
Irbid	88	345	189	250	654	920	105	720	195	230	1,233	465
Kerak	78	100	36	550	702	365	84	805	42	355	944	175
Totals	460	385	1,106	185	2,749	440	538	945	829	915	5.684	870
Magistrates' Courts—												
Es Salt...	41	600	70	905	310	055	72	050	62	350	556	960
Jebel Ajloun	139	450	395	025	430	970	22	880	23	600	1,011	925
Jerash	24	285	71	220	263	770	26	355	28	015	413	645
Madeba	48	980	31	800	169	650	21	765	20	845	293	040
Tafileh	11	980	5	700	94	405	13	090	3	805	128	980
Ma'an & Akaba	6	800	9	800	73	510	9	020	19	135	118	265
Totals	273	095	584	450	1,342	360	165	160	157	750	2,522	815

Court of Appeal.

Particulars of Appeals entered in the four years 1935, 1936, 1937, and 1938.

	Civil Appeals.		*Criminal Appeals.*		*Total.*
	From Courts of First Instance.	*From Magistrates' Courts.*	*From Courts of First Instance.*	*From Magistrates' Courts.*	
1935	30	726	184	885	1,825
1936	49	719	189	767	1,724
1937	43	773	147	896	1,859
1938	50	953	165	1,037	2,205

Total Number of Actions in Civil Courts, including Court of Appeal.

Year.	*Pending at beginning of year.*	*New actions entered.*	*Actions decided.*	*Pending at end of year.*
1935	1,193	25,802	25,995	1,000
1936	1,000	25,420	25,326	1,094
1937	1,094	26,244	26,460	878
1938	878	25,972	26,104	746

Courts of First Instance.

Particulars of Cases entered in the four years 1935, 1936, 1937 and 1938.

Year.	Amman.				Irbid.				Kerak.				Total in all Courts.
	Civil.	Criminal.		Total.	Civil.	Criminal.		Total.	Civil.	Criminal.		Total.	
		Crimes.	Misdemeanours			Crimes.	Misdemeanours			Crimes.	Misdemeanours		
1935 ...	137	41	379	557	34	53	208	295	35	29	91	155	1,007
1936 ...	141	46	281	468	30	53	146	229	32	14	51	97	794
1937 ...	100	49	338	487	45	49	129	223	28	10	46	84	794
1938 ...	127	43	321	491	32	39	273	344	37	17	37	91	926

Magistrates' Courts.

Particulars of cases entered in the four years 1935, 1936, 1937 and 1938.

Name of Court.	1935.			1936.			1937.			1938.		
	Civil.	*Criminal*	*Total.*	*Civil.*	*Criminal*	*Total.*	*Civil.*	*Criminal*	*Total.*	*Civil.*	*Criminal*	*Total.*
Amman	2,731	3,287	6,018	2,688	3,297	5,985	3,168	3,096	6,264	3,176	3,450	6,626
Irbid	2,013	2,802	4,815	2,440	3,451	5,891	2,631	2,933	5,564	2,673	2,485	5,158
Kerak	1,730	1,088	2,818	1,656	799	2,455	1,953	782	2,735	1,558	807	2,365
Es Salt	1,780	1,309	3,089	1,593	1,721	3,314	1,535	1,312	2,847	1,212	1,470	2,682
Jebel Ajloun ...	858	830	1,688	835	938	1,773	1,038	904	1,942	861	977	1,838
Jerash	793	706	1,499	602	662	1,264	919	738	1,657	733	906	1,639
Madeba	716	432	1,148	734	561	1,295	722	638	1,360	722	496	1,218
Ma'an	377	524	901	312	377	689	227	278	505	185	249	434
Tafileh	555	439	994	651	317	968	554	163	717	485	396	881
Totals ...	11,553	11,417	22,970	11,511	12,123	23,634	12,747	10,844	23,591	12,469	12,273	24,742

CIVIL ACTIONS, 1938.

	Pending 1/1/38.	*New Cases Entered.*	*Cases Decided.*	*Pending 31/12/38.*
Appeals from Courts of First Instance	5	50	55	—
Appeals from Magistrates' Courts	59	953	1,012	—
Totals	64	1,003	1,067	—
Courts of First Instance—				
Amman	29	127	126	30
Irbid	4	32	30	6
Kerak	10	37	26	21
Totals	43	196	182	57
Magistrates' Courts—				
Amman	139	3,176	3,170	145
Irbid	55	2,673	2,694	34
Kerak	73	1,558	1,594	37
Es Salt	36	1,212	1,221	27
Jebel Ajloun	26	861	864	23
Jerash	7	733	722	18
Madeba	49	722	770	1
Ma'an and Akaba ...	5	185	188	2
Tafileh	12	485	487	10
Totals	402	11,605	11,710	297

CRIMINAL CASES, 1938.

	Pending 1.1.38.	*New Cases Entered.*	*Cases Decided.*	*Pending 31.12.38.*
Appeals from Courts of First Instance	14	165	179	—
Appeals from Magistrates' Courts	31	1,037	1,068	—
Totals	45	1,202	1,247	—
Courts of First Instance :—				
Amman	24	364	362	26
Irbid	2	312	310	4
Kerak	1	54	53	2
Totals	27	730	725	32
Magistrates' Courts :—				
Amman	146	3,450	3,358	238
Irbid	54	2,485	2,496	43
Kerak	27	807	815	19
Es Salt	18	1,470	1,474	14
Jebel Ajloun	22	977	973	26
Jerash	5	906	904	7
Madeba	19	496	512	3
Tafileh	5	396	397	4
Ma'an	1	249	244	6
Totals	297	11,236	11,173	360

CRIMINAL INVESTIGATION MADE BY THE PUBLIC PROSECUTORS

Year.	*Cases Pending at beginning of year.*	*New Cases Received.*	*Cases Decided.*	*Cases Pending at end of year.*	*Particulars of cases Decided.*						
					Cases sent for trial.			*Cases Filed.*			
					Crimes.	*Mis-demeanours.*	*Contra-ventions.*	*Insufficient Evidence.*	*No Offence Disclosed.*	*Accused Abandoned.*	*Lack of Jurisdiction.*
1935	66	1,771	1,791	*46	103	507	153	624	273	76	44
1936	46	1,738	1,728	†56	107	596	193	691	192	106	29
1937	56	1,718	1,727	‡47	93	463	117	716	201	95	36
1938	47	1,861	1,874	34	90	589	118	767	138	39	124

* 11 cases amalgamated.
† 14 cases amalgamated.
‡ 6 cases amalgamated.

Public Prosecutor—Executions, 1938.

Name of Court.	Carried forward from 1937.					Cases entered in 1938.					Cases disposed of in 1938.					Carried forward to 1939.				
	Criminal Judgments.	Administrative Order.	Civil Judgments.	Sharia Judgments.	Notary Public Documents.	Criminal Judgments.	Administrative Order.	Civil Judgments.	Sharia Judgments.	Notary Public Documents.	Criminal Judgments.	Administrative Order.	Civil Judgments.	Sharia Judgments.	Notary Public Documents.	Criminal Judgments.	Administrative Order.	Civil Judgments.	Sharia Judgments.	Notary Public Documents.
Amman ...	102	—	2,247	44	124	1,398	—	1,783	39	49	1,350	—	1,747	41	77	150	—	2,283	42	96
Irbid ...	266	—	649	10	39	1,117	—	904	23	54	1,245	—	945	24	49	138	—	608	9	44
Kerak ...	20	90	843	7	64	280	4	723	5	33	283	90	790	9	66	17	4	776	3	31
Es Salt ...	25	61	777	22	107	564	93	533	14	41	551	41	695	16	32	38	113	615	20	116
Madeba ...	29	—	230	1	10	247	—	237	2	34	273	—	274	2	18	3	—	193	1	26
Jerash ...	44	7	285	4	10	268	43	342	10	11	279	50	358	6	11	33	—	269	8	10
Ajloun ...	8	21	198	—	4	449	62	472	2	28	441	83	527	2	22	16	—	143	—	10
Tafileh ...	7	60	79	4	—	114	103	117	6	—	102	160	133	10	—	19	3	63	—	—
Ma'an ...	3	—	103	4	—	75	—	84	8	—	73	—	120	5	—	5	—	67	7	—
Totals ...	504	239	5,411	96	358	4,512	305	5,195	109	250	4,597	424	5,589	115	275	419	120	5,017	90	333

TOTAL REVENUE OF CIVIL COURTS FOR THE FOUR YEARS 1935, 1936, 1937 AND 1938.

Year.	Criminal.				Civil.				Notary Public Fees.		Total.	
	Fines.		Costs.		Fees on Actions.		Fees on Execution.					
	£P.	Mils.	£P.	Mils.	£P.	Mils.	£P.	Mils.	£P.	Mils.	£P.	Mils.
1935 ...	2,052	064	1,408	525	3,522	250	1,303	410	1,142	025	9,428	274
1936 ...	1,862	383	1,372	936	3,435	345	713	450	952	445	8,336	559
1937 ...	1,438	918	674	445	3,765	090	588	049	975	465	7,441	967
1938 ...	1,690	635	733	480	4,319	120	704	105	987	665	8,435	005

VI.—ECONOMIC EQUALITY.

The posts, telegraphs and telephones and the roads of Trans-Jordan are in public ownership and are administered by the Trans-Jordan Government.

The town water supplies are administered, in all cases, by the municipal councils concerned.

The Turkish tobacco monopoly has been discontinued.

2. Articles 67 and 68 of the Organic Law, as amended by Articles 12 and 13 of the Organic Law (Amendment) Law, No. 21, of 1938, provide that all rights in State land, subject to other prior vested interests, and all rights in mines and minerals, subject to prior concessionary rights, shall vest in and may be exercised by His Highness the Amir in trust for the Trans-Jordan Government.

Grants or leases for the exploitation of the mineral resources of the country are made under a Mining Law of 1926, the terms of which follow generally those of the Palestine Mining Ordinance, 1925.

3. Article XVII of the Agreement between His Majesty the King and His Highness the Amir provides that His Highness shall be guided by the advice of His Britannic Majesty in all matters concerning the granting of concessions, the exploitation of natural resources, the construction and operation of railways and the raising of loans.

4. There is no economic discrimination in the fiscal regime or in the customs laws of the Trans-Jordan Government. Certain exemptions from State and Municipal taxation and tithes which were enjoyed by certain foreign charitable, religious and educational institutions under the Ottoman regime are maintained, but no new privileges of this type have been granted.

Moreover, Trans-Jordanians are liable to the same taxation, State or Municipal, as are foreign nationals.

VII.—FREEDOM OF CONSCIENCE.

There is complete liberty of conscience and of religious observance throughout Trans-Jordan.

2. Articles 10 and 14 of the Organic Law read as follows:—

"*Article* 10.—Islam shall be the religion of the State and there shall be insured to all dwellers in Trans-Jordan complete freedom of belief and freedom to practise forms of worship in accordance with their customs unless detrimental to public safety or order or contrary to morals."

"*Article* 14.—The various communities shall have the right to establish and maintain their schools for the teaching of their members in their own language provided that they conform to the general requirements prescribed by law."

3. Under the provisions of the Electoral Law, three of the 16 elected representatives are Christians. The Law relating to the election of members of the Administrative Councils provides that the Heads of religious communities shall be members of the selection committees, and that where the Christian male population comprises 500 persons there shall be one, and where it comprises 1,000 there shall be two, Christians in the Council. The new Municipal Law which came into force on the 1st April provides that the elected members of Municipal Councils shall be composed of Moslems, Christians and Circassian Moslems in proportion to the number of males over 20 years of age in these communities. If this would not give the minorities representation, they will be given representation if their numbers are 10 per cent. or more of the whole.

4. Cases of personal status in non-Moslem religious communities are within the jurisdiction of the appropriate Religious Community Councils according to the provisions of the Non-Moslem Religious Community Councils Law, No. 22 of 1938. This Law, which replaces that of 1933, came into force on the 2nd May concurrently with certain amendments of the Organic Law to which it relates.

5. Community and private schools may be opened only after a licence has been obtained from the Department of Education. Before a licence is granted the applicant is required to satisfy the Health Authority of the suitability of the building to be used, and to submit details of the qualifications of the teachers to be appointed and copies of the syllabus to be used. After a school has been licensed and opened, the Department of Education has the right of inspection. Of recent years there have been no difficulties in regard to licensing or inspection, though this latter right is seldom exercised.

6. Christians and Circassians are well represented in the Government services and hold some of the highest posts.

7. The following is a list of missions—excluding recognized religious communities—operating in Trans-Jordan:—

1. Christian Missionary Trust Association, Ltd.
2. Jerusalem and the East Mission Trust, Ltd.
3. Custodian of the Terra Santa.
4. Societe Nazionali di Missionari Italiani.
5. Christian Missionary Alliance (Palestine) and Arabian Border Missions.
6. Bible Evangelistic Mission.
7. Seventh Day Adventists.

The Institutions named under 1 and 2 are controlled by the Church of England, those under 3 and 4 by the Roman Catholic Church, and those under 5, 6 and 7 by various American Churches. The numbers of foreign adults in these missions are as follows:—Anglican 20, American Churches 8, and Roman Catholic 38, including 32 in the Italian Hospitals at Amman and Kerak. These figures do not include Trans-Jordanian workers or employees.

There was no change in the number of missions in 1938, and the number of persons connected with them remained approximately the same as in the previous year.

VIII.—MILITARY CLAUSES.

1. *The Arab Legion Duties and Responsibilities.*—The Arab Legion is the Police Force of Trans-Jordan. It is responsible to the Government of Trans-Jordan for public security and the maintenance of law and order, the custody of prisoners, immigration and passport control, and the licensing of vehicles.

2. *Strength and Composition.*—The establishment of the Arab Legion comprises 44 officers (five of whom are British), three cadet officers, and 1,577 other ranks, who are disposed as follows:—

	Officers.	*Cadet Officers.*	*Other Ranks.*
Mounted	25	3	680
Dismounted	15	—	381
Desert Police	2	—	299
Prison Staff	2	—	98
Clerical Staff	—	—	40
Paid for by the 'Iraq Petroleum Company, Royal Air Force, and Commanders, Royal Engineers.	—	—	79
	44	3	1,577

The total strength, numbering 1,624, comprises regular establishment 1,130, reserve 160, and a supplementary force which amounted to 334 at the end of the year.

3. *Organization and Command.*—Trans-Jordan is divided normally into five Police Districts, corresponding with those used for administrative purposes, namely, Ajlun, Belqa, Kerak, Ma'an and the Desert Area. Towards the end of the year it was found advisable to create two more Police Districts in the Jordan Valley as a temporary measure.

The Arab Legion is organized as follows, in accordance with these Administrative Districts:—

In Amman, the capital of Trans-Jordan.
Arab Legion Headquarters.
Amman City Police.
Arab Legion Depot for recuiting and training purposes.
Arab Legion Motor Transport Garage and Repair Workshops.
The Central Jail.

Ajlun District.
Headquarters at Irbid, and 8 Police Stations.

Jordan Valley District (North).
Headquarters at Kreimeh, and 6 Police Stations.

Belqa District.
Headquarters at Es Salt, and 11 Police Stations.

Jordan Valley District (South).
Headquarters at Jisr Damieh, and 3 Police Stations.

Kerak District.
Headquarters at Kerak, and 11 Police Stations.

Ma'an District.
Headquarters at Ma'an, and 5 Police Stations.

Desert Area.
Headquarters and 10 Police Stations.
Motor Transport Repair Sub-Depot, Jaffer.

The majority of Police Stations are in telephonic or wireless telegraphic communication with their District Headquarters.

Wireless.—The Arab Legion operates 14 wireless stations, of which 13 are fixed and one is a mobile set mounted on a Ford tender. During the year a class was started for training ten Bedouin boys in wireless telegraphy.

Motor transport.—The Arab Legion possesses 47 motor vehicles, distributed as follows:—

Desert Area	13
Districts	6
Arab Legion Depot and Reserve	28
Total	47

The vehicles are generally repaired in the Arab Legion Workshops in Amman; but facilities for minor repairs are available at the Jaffer Sub-Depot.

4. *Courses of Instruction.*—Members of the Arab Legion attended the following courses of instruction during the year:—

Subject.	*Place.*
Motor Mechanics	Ford Company, Alexandria.
Wireless Operators ...	Arab Legion Depot.
First Aid	Royal Air Force, Amman.
Veterinary and Shoeing ...	Trans-Jordan Frontier Force, Zerqa.

Promotion to non-commissioned rank is based upon the results of annual examination, three classes of Certificate of Education being obtainable.

5. *Road Transport Licences.*—The Arab Legion is responsible for the testing and licensing of all motor drivers and vehicles; the following table indicates the progressive increase in this work during recent years:—

Year.	*Cars.*	*Buses.*	*Lorries.*	*Motor Cycles.*	*Pedal Cycles.*	*Totals.*
1926 ...	110	4	16	5	—	135
1934 ...	269	19	109	7	—	464
1937 ...	300	38	133	14	120	605
1938 ...	335	24	230	18	193	800

6. *Criminal Investigation Department.*—The following is a table of the principal crimes reported in each of the last five years:—

Nature of Crime.	*1934.*	*1935.*	*1936.*	*1937.*	*1938.*
Murder	47	19	29	21	25
Wounding	444	346	308	260	133
Abduction	45	43	29	55	36
Theft...	1,646	715	882	942	801
Car Accident ...	118	111	112	101	83
Smuggling	37	7	13	20	25
Drunkenness ...	70	60	55	77	80

The following enquiries as to criminal antecedents were made during the last three years:—

	1936.	*1937.*	*1938.*
Enquiries by Courts	1,436	1,630	1,820
Enquiries traced	605	627	700
Enquiries not traced	831	1,003	1,120

The following numbers of fingerprints of suspects were taken:—

1936	431
1937	399
1938	283

7. *Prisons.*—There are nine prisons in Trans-Jordan. Any prisoner sentenced to more than three months' imprisonment is transferred to the Central Jail, Amman. The average population of the Central Jail during 1938 was 260 prisoners.

The following prisoners, who had no skilled trade when they entered prison, were instructed in the trades shown below:—

Stone quarrying	16
Stone cutting and trimming	14
Masons (building)	2
Plastering	6
Carpentry	5
Painting	6
Blacksmithing	4
Telephone operators	13
Carpet making	12
Shoemaking	4
Local mat making	10
Gardening and poultry rearing	3
Washing and ironing	22
Cooking	12
Printing	6

Towards the end of the year a reform was introduced whereby all prisoners sentenced to one month or more are able to earn a remission of one-quarter of their sentence through good conduct.

8. Prisoners were employed during the year on building construction under the supervision of a skilled foreman. These works included the completion of four rural police posts, and a barrack room, a stable, and a garage at the Arab Legion Depot, Amman.

9. Public security has been most satisfactory throughout the year. The Desert Area, which comprises about four-fifths of the total area of Trans-Jordan and is sparsely populated by nomads, has remained quiet.

No incidents on the frontiers occurred during the year which are deserving of special mention. Relations with the frontier officials of the Saudi Arabian Government continued to be friendly.

IX.—INTERNATIONAL AGREEMENTS, CONVENTIONS, AND TREATIES.

(A) Agreements concluded in the Name of Trans-Jordan.

(i) Commercial Agreements.

Country.	*Title of Instrument.*	*Date and place of Signature.*
Syria and Lebanon.	Customs Agreement	10.5.1923 Amman.
Palestine ...	Transit Agreement	26.9.1928 Jerusalem. Amended 18.12.1928. Amended 27.12.1928. Amended 23.7.1934.

(ii) Other Agreements.

Great Britain	Agreement	20.2.1928 Jerusalem. Ratified 31.10.1929, Amman.
Nejd ...	Hadda Agreement	2.11.1925 Bahra Camp.
Syria and the Lebanon	Provisional Agreement in regard to the Transmission of Judicial Proceedings between Trans-Jordan and Syria and the Lebanon.	15.2.1928 Amman.
Palestine ...	Agreement regarding the Interchange of Judicial Documents.	6.3.1929 Amman.
Palestine ...	Agreement regarding the Conveyance of Corpses from Palestine for Burial in Trans-Jordan and from Trans-Jordan for Burial in Palestine.	1.10.1929 —
Palestine ...	Agreement as to the Circulation of Motor Vehicles.	16.5.1938 — Published
Syria and the Jebel Druze.	Agreement concerning the Settlement of Disputes between Beduins of Trans-Jordan and Beduins of Syria and the Jebel Druze as well as between Beduins and Non-Beduins of the same States.	2.2.1930 Amman. 29.12.1929 Beirut.
'Iraq ...	Treaty of Friendship	26.3.1931 Amman.
Syria and the Lebanon.	Agreement establishing Telegraphic Communication.	Effect from 1.4.1930.
Syria and the Lebanon.	Agreement for the Reciprocal Grant of Gratis Visas.	20.8.1932 Jerusalem. 5.9.1932 Beirut.
Saudi Arabia	Treaty of Friendship and Bon Voisinage.	27.7.1933 at Jerusalem. Ratified 23.12.1933 at Cairo.
Great Britain	Supplementary Agreement ...	2.6.1934 Jerusalem. Ratified at Ablin on 22.6.1935.
Palestine ...	Extradition Agreement ...	16.7.1934 Amman and Jerusalem. Amended 1.9.1935
Palestine ...	Agreement to regulate the Service of Judicial Documents between Palestine and Trans-Jordan.	28.11.1934 Amman. 13.12.1934 Jerusalem. Amendment 11.4.1938 Amman. 30.4.1938

(B) Multilateral Agreements and Conventions.

Title of Instrument.	*Date of Signature.*	*Date of Accession.*
Declaration recognizing the Right to a Flag of States having no Sea Coast.	20.4.1921, Barcelona.	9.10.1922 (Ratification)
Convention and Statute on Freedom of Transit	20.4.1921, Barcelona.	28.1.1924.
Convention and Statute on the Regime of Navigable Waterways of International Concern.	20.4.1921, Barcelona.	28.1.1924.
Additional Protocol to the Convention on the Regime of Navigable Waterways of International Concern.	20.4.1921, Barcelona.	28.1.1924.
International Convention relative to the Protection of Literary and Artistic Works.	13.11.1908, Berlin.	21.3.1924.
Additional Protocol to the International Copyright Convention signed at Berlin on 13.11.1908.	20.3.1914, Berne.	21.3.1924.
International Opium Convention and subsequent relative papers.	23.1.1912, The Hague.	21.8.1924.
International Convention relating to the Simplification of Customs Formalities.	3.11.1923, Geneva.	27.11.1924 (effective date).
Convention relating to the Development of Hydraulic Power affecting more than one State, and Protocol of Signature.	9.12.1923, Geneva.	22.9.1925.
Convention and Statute of the International Regime of Railways, and Protocol of Signature.	9.12.1923, Geneva.	22.9.1925.
Convention and Statute of the International Regime of Maritime Ports and Protocol of Signature.	9.12.1923, Geneva.	22.9.1925.
Convention relating to the Transmission in Transit of Electrical Power and Protocol of Signature.	9.12.1923, Geneva.	22.9.1925.
Protocol on Arbitration Clauses (in Commercial Matters).	24.9.1923, Geneva.	8.5.1926.
International Convention for the Suppression of the Circulation of and Traffic in Obscene Publications.	12.9.1923, Geneva.	23.5.1927.
International Agreement as to Contagious Diseases of Animals.	25.1.1924, Paris.	13.7.1927.
International Convention with the object of securing the Abolition of Slavery and the Slave Trade.	25.9.1926, Geneva.	18.6.1927.
International Convention relating to Dangerous Drugs.	19.2.1925, Geneva.	25.9.1928 (effective date).
International Sanitary Convention	21.6.1926, Paris.	9.10.1928.
International Convention relative to Motor Traffic.	24.4.1926, Paris.	24.10.1929.
Convention relating to Regulation of Aerial Navigation.	13.10.1919.	11.7.1922.
International Convention relating to International Exhibitions.	22.11.1928, Paris.	17.12.1930.
International Convention for the Unification of Certain Rules relating to Bills of Lading.	25.8.1924, Brussels.	2.6.1931 (effective date).
International Convention for the Amelioration of the Conditions of the Wounded and Sick in Armies in the Field.	27.7.1929, Geneva.	23.6.1931 (Ratification), (effective date.)

(B) Multilateral Agreements and Conventions—*continued.*

Title of Instrument.	*Date of Signature.*	*Date of Accession.*
International Convention relative to the Protection of Literary and Artistic Works	2.6.1928 Rome	1.10.1931
International Convention for the Suppression of the Traffic in Women and Children.	30.9.1921, 31.3.1922, Geneva.	2.11.1931.
International Agreement for the Suppression of the White Slave Traffic.	18.5.1904, Paris.	6.5.1932 (effective date).
International Convention for the Suppression of the White Slave Traffic.	4.5.1910, Paris.	6.5.1932 (effective date).
Convention for the Unification of certain Rules relating to International Carriage by Air.	12.10.1929, Warsaw.	17.3.1938.
Universal Postal Convention	20.3.1934, Cairo.	1.1.1935.
International Convention for Mutual Protection against Dengue Fever.	25.7.1934, Athens.	3.5.1935.
International Convention for the Sanitary Control of Aerial Navigation.	12.4.1933, The Hague.	1.9.1935.
International Telecommunications Convention	9.12.1932, Madrid.	24.5.1935.
International Convention relating to Stamp Laws in connexion with Bills of Exchange and Promissory Notes.	7.6.1930, Geneva	6.12.1938 (effective date).
International Convention relating to Stamp Laws in connexion with Cheques.	19.3.1931, Geneva	6.12.1938 (effective date).

(For position as regards International Labour Conventions see Chapter XI. Labour.)

(C) Extradition Treaties between the United Kingdom and Foreign Countries which apply to Trans-Jordan

Country.	*Date of Signature.*	*Date of Application.*
Between United Kingdom and :		
Albania	22.7.1926	11.7.1927.
Belgium	29.10.1901	1.4.1932.
Belgian Congo	5.3.1907/3.3.1911	1.4.1932.
Ruanda-Urundi	28.6.1928/2.7.1928	1.4.1932.
Bolivia	22.2.1892	3.3.1932.
Chile	26.1.1897	18.3.1932.
Colombia	27.10.1888/2.12.1929 ...	5.12.1930.
Cuba	3.10.1904/17.4.1930	12.12.1931.
Czechoslovakia	11.11.1924/Protocol 4.6.1926	15.7.1927.
Denmark (including Iceland)	31.3.1873	29.3.1932.
Estonia	18.11.1925	10.3.1927.
Finland	30.5.1924	25.11.1926.
Greece	24.9.1910	22.4.1932.
Guatemala	4.7.1885/30.5.1914	30.3.1932.
Hayti	7.12.1874	24.2.1932.
Hungary	3.12.1873/26.6.1901	30.6.1932.
Supplementary Convention	18.9.1936	2.4.1938.
Iraq	2.5.1932	2.5.1932.
Latvia	16.7.1924	7.6.1926.
Lithuania	18.5.1926	11.6.1927.
Monaco	17.12.1891 ... ... / 27.11.1930	5.7.1931.
Netherlands	26.9.1898	5.4.1932.
Nicaragua	19.4.1905	6.4.1932.
Norway	26.6.1873/18.2.1907	20.9.1932.
Panama	25.8.1906	4.6.1932.

(C) Extradition Treaties between the United Kingdom and Foreign Countries which apply to Trans-Jordan—*continued.*

Country.	*Date of Signature.*	*Date of Application.*
Between United Kingdom and :		
Peru	26.1.1904	2.3.1932.
Poland	11.1.1932	12.3.1934.
Portugal	17.10.1892/20.1.1932 ...	23.6.1934.
Roumania	9/21.3.1893	3.3.1932.
Salvador	23.6.1881	18.10.1932.
Siam	4.3.1911	7.4.1932.
Spain	4.6.1878/19.2.1889	23.3.1932.
Switzerland	26.11.1880/29.6.1904 ...	9.5.1932.
Supplementary Convention	19.12.1934	2.4.1938.
United States of America ...	22.12.1931	24.6.1935.
Yugoslavia	23.11.1900/6.12.1900 ...	30.8.1932.
San Marino	16.10.1899	19.7 1934.
Ecuador	20.9.1880	8.10.1937.

In addition to the countries set out in the foregoing list the Trans-Jordan Extradition Law has been applied to the following countries :—

Argentine.	Italy.	Tunis.
France.	Liberia.	Uruguay.
*Germany.	Paraguay.	

* While the Extradition Treaty between the United Kingdom and Germany (14.5.1872) has not been extended to Trans-Jordan, an arrangement has been concluded by an exchange of notes providing for the operation of extradition between Trans-Jordan and Germany on basis of reciprocity. The arrangement came into force on 28th February, 1933.

(D) Commercial Treaties between the United Kingdom and Foreign Countries which have been applied to Trans-Jordan.

Country.	*Title of Instrument.*	*Date of Application.*
Lithuania ...	Agreement respecting Commercial Relations, 6.5.1922, Riga and Kovno.	24.4.1923.
Latvia ...	Treaty of Commerce and Navigation, 22.6.1923, London.	25.5.1924.
Poland	Treaty of Commerce and Navigation, 26.11.1923.	19.6.1924.
Czechoslovakia ...	Treaty of Commerce, 14.7.1923 ...	6.6.1925.
Finland	Treaty of Commerce and Navigation, 14.12.1923.	13.2.1926.
Germany ...	Treaty of Commerce and Navigation, 2.12.1924, London.	2.12.1926.
Greece	Treaty of Commerce and Navigation, 16.7.1926.	23.3.1927.
Hungary... ...	Treaty of Commerce and Navigation, 23.7.1926, London.	26.7.1927.
Yugoslavia ...	Treaty of Commerce and Navigation, 12.5.1927.	4.4.1928.
Spain	Treaty of Commerce and Navigation, 31.10.1922, Revised 5.4.1927 and 31.5.1928.	1.12.1928.
Bulgaria ...	Notes on Commerce and Navigation, 12.11.1925.	25.2.1929.
Lithuania ...	Notes Modifying the Agreement of 6.5.1922.	10.12.1929.
Japan	Treaty of Commerce and Navigation and Supplementary Convention of 30.7.1925.	1.6.1930.

(D) Commercial Treaties between the United Kingdom and Foreign Countries which have been applied to Trans-Jordan—*continued.*

Country.	*Title of Instrument.*	*Date of Application.*
Egypt	Commercial Modus-Vivendi, 5/7.6.1930, Cairo. Prolongation until 16.2.1934 by Notes of 16/19.2.1933.	21.8.1930.
Spain	Agreement regulating the Treatment of Companies, 27.6.1924, Madrid.	6.8.1931.
Panama	Treaty of Commerce and Navigation, 25.9.1928.	2.9.1932.
Poland	Agreement regarding Trade and Commerce, 27.2.35, London.	24.7.1935.

(E) Other Treaties between the United Kingdom and Foreign Countries which apply to Trans-Jordan.

Country.	*Title of Instrument.*	*Date of Application.*
France	Legal Proceedings in Civil and Commercial Matters, 2.2.1922.	21.3.1923.
Belgium	Legal Proceedings in Civil and Commercial Matters, 21.6.1922.	13.3.1925.
Czechoslovakia ...	Legal Proceedings in Civil and Commercial Matters, 11.11.1924, London. Supplementary Agreement 15.1.1935	17.2.1927. 5.1.1937
Greece	Notes on Consular Fees on Certificates of Origin, 21.6.1929.	21.6.1929. 9.7.1929 (effective).
Netherlands ...	Extension to Overseas Territories of the Agreement for the Abolition of Visas, 1.12.1929.	1.12.1929 (applicable to British subjects only).
Spain	Legal Proceedings in Civil and Commercial Matters, 27.6.1929.	23.2.1931.
Italy	Notes respecting documents of Identity for Aircraft Personnel, 13.4.1931.	13.4.1931.
Poland	Legal Proceedings in Civil and Commercial Matters, 26.8.1931.	17.10.1932.
Estonia	Legal Proceedings in Civil and Commercial Matters, 22.12.1931.	11.11.1932 (effective).
Portugal ...	Legal Proceedings in Civil and Commercial Matters, 9.7.1931.	30.4.1933.
Denmark ...	Legal Proceedings in Civil and Commercial Matters, 29.11.1932.	25.7.1934.
Netherlands ...	Legal Proceedings in Civil and Commercial Matters, 31.5.1932.	22.9.1934.
Belgium	Supplementary Convention to Facilitate the Conduct of Legal Proceedings, 4.11.1932.	27.6.1935.
Finland	Legal Proceedings in Civil and Commercial Matters, 11.8.1933.	4.6.1935.
Lithuania ...	Legal Proceedings in Civil and Commercial Matters, 24.4.1934.	29.6.1937.
Hungary ...	Legal Proceedings in Civil and Commercial Matters, 7.5.1936.	25.6.1937.
Yugoslavia ...	Legal Proceedings in Civil and Commercial Matters, 27.2.1936.	20.11.1938
Germany ...	Legal Proceedings in Civil and Commercial Matters, 20.3.1928.	25.11.1929.

X.—ANTIQUITIES.

1. There are seven Antiquity guards, who are stationed at Petra, Shobek, Tafileh, Kerak, Madeba and Jerash. The inspectorate staff also includes an Assistant Inspector and a Sub-Inspector at Amman, and a Sub-Inspector at Jerash. The greater part of the country is regularly patrolled and interference with antiquity sites is rare, and no notable cases of damage occurred during the year.

Archaeological Survey.

2. In continuation of his work in southern Trans-Jordan, which was described in Volume XV, 1934-5, of the Annual of the American School of Oriental Research, Dr. Glueck began his survey of the northern districts of the country in 1937 and examined many hitherto unrecorded sites. He continued his investigations in 1938 in the Belqa district, the ancient Ammon, but conditions did not permit of work on a large scale.

The proposed survey of prehistoric sites in Trans-Jordan which was to have been carried out by Mr. T. P. O'Brien, and which was referred to in paragraph 3 on page 346 of the Annual Report for 1937, was for the same reason indefinitely postponed.

Excavations.

3. *Aqaba.*—The American School of Oriental Research completed a first season's work at Tell el Kheleifeh, near Aqaba, which site the Director, Dr. Glueck, identifies with the Solomonic port, Ezion Geber. The excavations reveal that the site was an important centre for the smelting and refining of copper, and a series of intricately built kilns or blast furnaces was discovered. Connexions with south Arabia are established by the discovery of some characters in the south Arabian script scratched on a pot. Much of the pottery consists of forms otherwise unrecorded in either Trans-Jordan or Palestine. The site appears to date approximately from 1000 to 650 B.C.

Tell El-Ghassul.—A short season's work was carried out by the Pontifical Biblical Institute under the direction of Père Koeppel, but has added nothing new to the total of knowledge of the period represented by this site, viz.: the Calcolithic Age, circa 3000 B.C.

Wadi Dhobai.—The British School of Archaeology, Jerusalem, has completed the first season's work on the prehistoric sites around Wadi Dhobai under the direction of Mr. J. Waechter. The material collected is now in London, where Mr. Waechter is studying and classifying it in comparison with other collections of similar material. It is not yet possible to make any definite pronouncement about the culture represented, but it would appear to fall between the Palestinian Tahunian and Jericho cultures.

Amman.—The Missione Archeologica Italiana, under the direction of Dr. Bartoccini, carried out further excavations at the Acropolis, but no discoveries of importance were reported.

Conservation.

4. The increase of funds made available for this purpose by the Trans-Jordan Government enabled the Department of Antiquities to undertake important work, principally at Jerash, where the mosaic floor of the Church of SS. Cosmos and Damain was completely lifted, relaid and repaired, and much other clearing, restoration and repair was carried out. The Forum was almost completely cleared of debris, and when this operation is finished the appearance of the Jerash site will be greatly improved by the impressive entrance so provided.

Tourists.

5. Fees collected from tourists visiting Petra amounted to £P.304 as compared with £P.409 in 1937 and £P.648 in 1936. The number of foreign visitors to Jerash was 430, as compared with 766 in 1937 and 947 in 1936.

The further serious decrease in the number of tourists visiting Jerash is attributable to the continuance of unsettled conditions in Palestine.

General.

6. An exhibition of pottery figurines discovered by the American Expedition to Jerash in 1933 and repaired and restored by the Palestine Department of Antiquities was held in the Amman Museum.

A preliminary schedule of antiquity sites in Trans-Jordan has been prepared and a small booklet containing a brief history of Petra, with photographs, has been published by the Department of Antiquities.

XI.—LABOUR.

With the exception of the Convention concerning Forced or Compulsory Labour the International Conventions have not been formally declared to be applicable to Trans-Jordan and the necessary legislation to enforce in Trans-Jordan the provisions of such Conventions has not been enacted, except legislation relating to forced or compulsory labour which enables the Trans-Jordan Government to give full effect to the terms of the Convention dealing with those matters. At the same time care has been taken to ensure that local legislation is in no way contradictory or repugnant to the terms of the International Labour Conventions and, where necessary, the existing laws have been amended accordingly.

This policy has been adopted because Trans-Jordan is in the main a primitive pastoral and agricultural country where society is still conducted on patriarchal lines, and industries are practically non-existent.

In these circumstances, all that is necessary is to ensure generally that local legislation is not repugnant to the terms of the Conventions, and to adopt from time to time those provisions of the Conventions the application of which is rendered desirable by the development of Trans-Jordan.

2. Certain undertakings have been given by the factory owners in regard to the employment of children. These undertakings conform to the draft Conventions and recommendations adopted by the International Labour Conference.

XII.—TRADE IN AND MANUFACTURE OF ARMS, DRUGS, AND LIQUORS.

Arms.

1. The existing laws provide that:—

(*a*) The import of State or military weapons or revolvers of which the barrels are more than 15 cm. in length, or of ammunition for the same is prohibited except with the permission of the Government.

(*b*) Firearms may not be carried without permission within towns in which there resides a Government representative.

(*c*) The sale of arms and ammunition within a town is only permitted under licence and in a specially appointed place.

(*d*) The transport of arms for export is prohibited.

(*e*) Except with a licence the possession of arms or ammunition in the Jordan Valley is prohibited.

(*f*) With the exception of retail purchase from a licensed dealer, as provided in detail in the Law, no person shall import, transport, possess, purchase, sell or otherwise deal in any explosive substance (including detonators, percussion caps and bombs) except under a licence to do so. Purchase of explosives from a licensed dealer may only be effected by persons having a licence to do so.

2. Before 1933, certain persons in Amman were licensed to deal in arms and ammunition and such dealers were required to keep registers of receipts and issue. But in December, 1933, it was ordered by the Government that no licences should be granted to any person to import arms.

3. During 1938 five shot-guns only were imported under licence. Arms and ammunition are not manufactured in Trans-Jordan and it was only as result of disturbances in Palestine that arrangements were made to permit the manufacture of blasting powder by licence and under Government supervision and control. No advantage was taken of these arrangements during 1938. During the course of the year there was only one considerable seizure of arms on suspicion of their being destined

for Palestine, when 1 pistol, 12 rifles, 200 bombs, and some 8,000 rounds of ammunition were captured. With this sole exception there was no concrete evidence of any considerable traffic in arms in or through Trans-Jordan.

Drugs.

4. The Dangerous Drugs Law, which came into force on the 1st January, 1937, gives effect in Trans-Jordan to the International Convention for limiting the manufacture and regulating the distribution of narcotic drugs. This Law makes persons guilty of an offence under the Law liable to imprisonment for a period not exceeding five years or to a fine not exceeding £P.500, or to both such penalties.

5. The seizures of dangerous drugs and the penalties imposed during 1938 were as follows:—

	Amount. Grammes.	*Origin.*	*Penalty.*
Hashish	85	Unknown.	6 months imprisonment and £P.2·400 mils fine.
Opium	1	Unknown.	Under trial.
Poppy heads ...	350	Syria.	£P. 1·200 mils fine.

6. Imports of narcotic drugs under licence during 1938 were:—

	Kilo.	*Grammes.*
Opium in the form of preparations	—	77·70
Morphine in the form of salts and preparations	—	375·82
Medicinal opium	1	204·00
Cocaine in the form of salts and preparations ...	—	360·00
Codeine in the form of salts	—	485·12
Dionine	—	332·10
Cannabis Indica	—	10·00
Heroine	—	180·00

No export authorizations for dangerous drugs were issued during the year.

There is very little addiction to drugs among native Trans-Jordanians, and any illegal consumption of drugs in the country is confined to residents of other origins. There is no evidence of any re-export of drugs smuggled into Trans-Jordan.

Liquors.

7. There are three distilleries in Trans-Jordan, which manufactured the following quantities of liquors during the year 1938:—

	Litres.
Cognac	11,486
Araq	30,048
Wine	5,997
Methylated spirit	1,326
Alcohol	18

At its thirty-fourth session the Permanent Mandates Commission questioned the accuracy of the figures of production given for the year 1936. The figures shown in paragraph 7 on page 359 of the Annual Report for 1936 were, unfortunately, inaccurate and should be amended to read as follows:—cognac 11,071 litres; araq 25,594 litres; wine 7,216 litres; methylated spirit 1,940 litres; alcohol 76 litres.

XIII.—EDUCATION.

1. The Department of Education is responsible for two main branches of work:—

(*a*) the direction, supervision and inspection of all Government schools,

(*b*) the supervision and inspection of non-Government schools.

2. *Headquarters Staff.*—The headquarters staff consists of a Director, a Senior Inspector, two Inspectors and an Inspector of School Gardens. The Inspectorate Areas are three, corresponding to the Administrative Districts of Ajlun and the Belqa, and the combined Districts of Kerak and Ma'an. The clerical staff comprises a chief clerk, an accountant, a storekeeper and two clerks.

3. *Teaching Staff.*—The teaching staff of the Department has been increased and the total number of teachers in all Government schools, including head masters and head mistresses, is now 181 compared with 163 during the previous year. This further increase is designed to continue the process of providing additional masters in existing schools which were notably understaffed, and to provide for an increase in the number of schools.

The distribution of Government schools and the teachers and pupils therein is shown in the table at the end of this chapter.

4. During the year five new Government elementary schools were opened, in Amman, Es Salt, Madaba, Anjara and Dhana respectively; one small elementary village school was closed owing to lack of pupils. The total number of Government schools is now 74.

5. The total number of pupils attending school in the first term of the school year 1938-9 was 8,512 compared with 7,408 in the previous school year, an increase of 1,104 in all schools; including admissions to classes maintained by the Municipal Education Fund.

The following table gives the number of applications for admission to all classes of Government schools in the first term of the school years 1938-9 and 1937-8:—

	Towns.		*Villages.**		*Totals.*	
	Boys.	*Girls.*	*Boys.*	*Girls.*	*Boys.*	*Girls.*
1938–39.						
Applied ...	2,137	526	2,111	26	4,248	552
Accepted ...	1,282	373	1,000	26	2,282	399
Refused or deferred	855	153	1,111	—	1,966	153
1937–38.						
Applied ...	1,917	681	2,520	26	4,437	707
Accepted ...	737	400	1,177	23	1,914	423
Refused or deferred	1,180	281	1,343	3	2,523	284

* The figures for villages apply only to those villages where schools exist.

The importance of registering all candidates within school age is more appreciated than hitherto, and the numbers given in the above table for the current year afford a more accurate picture than that of 1937-8. The increasing demand for education, particularly in towns, adds largely to the number of rejections, since financial considerations preclude the possibility of providing sufficient accommodation.

Municipal Education Rate.

6. Under a Law enacted in 1937 in the form of an Addendum to Article 15 of the Ottoman Elementary Education Law of 1329 (1914) an impost known as the Municipal Education Rate is levied on immovable property in municipal areas and is collected from the occupiers of the property. Power to put this Law into operation in any municipal area and to fix the level of the rate, within the specified maximum of 3 per cent. of the rental value, is vested in the Executive Council.

The revenue from this rate forms, in each municipal area, a special " Municipal Education Fund " which is administered by a committee presided over in the capital by the Director of Education and in the rural areas by the District Administration Officer. The Director of Education controls the work of the District and Sub-District Committees.

The Municipal Education Rate was enforced in 1937 at Amman and Es Salt, in both cases at 2 per cent. The annual assessment of the rate for the current year amounted to £P.1,228 at Amman and £P.102 at Es Salt. The cost of eight teachers was met from the Fund.

Elementary Education.

7. The elementary course extends over a period of seven years in town schools and usually four years in village schools. Mixed kindergarten classes are attached to the girls school in Amman only.

Town Schools.

During the year there were 21 town schools (including municipal schools) with a roll of 4,835 pupils. Of these nine schools were for girls with a total of 1,629 pupils.

The following table shows the number of town schools by Districts:—

District.	*Boys.*	*Girls.*	*Total.*
Ajlun	3	2	5
Belqa	6	4	10
Kerak	2	2	4
Ma'an	1	1	2
Totals	12	9	21

Village Schools.

During the year 46 village schools were maintained, with a roll of 3,316 pupils, and including one school for girls containing 51 pupils.

The following table shows the number of village schools by Districts:—

District.	*Sub-District.*	*Number of Schools.*
Ajlun	Irbid	20
	Jerash	2
	Ajlun	6
Belqa	Amman	8
Kerak	Kerak	4
	Tafileh...	3
Ma'an	Ma'an	3
	Total	46

of these, all except one in the Sub-District of Irbid, are for boys.

Secondary Education.

8. The complete secondary course extends over a period of four years, the elementary and secondary stages being continuous. The fourth secondary class concludes with the Trans-Jordan Matriculation Examination which follows to some extent the Palestine Matriculation.

There is only one Government Boys' school in Trans-Jordan which provides a complete secondary course of four years: there are three which give two years. Education in these schools is free of charge.

There is no Government school providing secondary education for girls.

The total number of pupils attending secondary schools in the first term of the current school year was 243 compared with 208 in the previous year.

Twenty-seven pupils sat for the Trans-Jordan Matriculation Examination held in July, 1938, and 20 passed.

Desert Schools.

9. Desert schools were started in 1935 and are still two in number. One is permanently established at Al Jaffer in the Ma'an District, which is in a central situation for the southern tribes, and possesses a suitable building. The second has been held variously at Muaqqar and at Azraq, both in the Amman District, in accordance with the movements of the northern tribes. These schools, which fall within the control of the Director of Education, in collaboration with the Officer Commanding the Desert Area, follow a special curriculum designed to suit the needs of the Bedouin.

During the first term of the present school year, there were 37 pupils in the two schools, compared with 40 in the previous year. The school at Al Jaffer is also attended by men of the Desert Police.

Mention has been made in paragraph 3 of chapter VIII, Military Clauses, of ten Bedouin boys who are being trained in wireless telegraphy: these boys received their education entirely in Desert Schools.

Technical Education.

10. The only school that provides technical education in Trans-Jordan is the Government Arts and Crafts School in Amman. Manual instruction is given in all town schools.

At the Arts and Crafts School board and lodging are provided for students from outside Amman: students living in Amman are accepted as day boys. No fees are charged for board or tuition in respect of Trans-Jordanians: others are accepted as day boys at a tuition fee of £P.6 per annum.

The school is open to selected boys from the elementary classes or above. The age of pupils ranges from 14 to 17. The courses for both theoretical and practical training cover a period of four years for blacksmith and carpentry trades, and three years for cane work and upholstery.

During the first term of the school year 1938-9 there were 61 pupils as compared with 55 in the previous year; 51 of whom were boarders.

Agricultural Education.

11. Mixed gardens of an average size of 10 dunums are maintained by 28 village schools under the general control of an Inspector of School Gardens. Poultry rearing is undertaken in three of these gardens, and the introduction of bee-keeping is contemplated. Arbor Day is observed annually in all Government schools.

Scholarships.

12.—(*a*) The following scholars were maintained by the Department during the present year:—

Number of scholars.	*Name of institution.*
3	Government Arab College, Jerusalem.
2	Women's Training College, Jerusalem.
1	English Girls' College, Jerusalem.
3	American University, Beyrouth.

The maintenance of scholars at the Kadoorie Agricultural School, Tulkarm, was precluded by the situation in Palestine.

(*b*) The holder of the British Council's Scholarship of £P.300 granted in 1937 (see paragraph 10 on page 354 of the Annual Report for 1937) completed his course of instruction in England and resumed his duty as Inspector in the Department of Education in August.

The British Council awarded a second scholarship of £P.300 to enable another member of the teaching staff in the Department to take a year's course in a University in England. A staff teacher was selected and sent to University College, Exeter, to take a course in English and in methods of teaching that language.

A further scholarship of £P.300 per annum was also granted by the British Council to enable a post-graduate to take a course of veterinary science for a minimum period of four years. A candidate was selected and sent to the Royal (Dick) Veterinary College, Edinburgh.

Non-Government Schools.

13. The table appended at the end of this chapter shows particulars of pupils and teachers in non-Government schools.

Secondary Education in Non-Government Schools.

14. The Boys' School established in Amman by the Anglican Bishop in Jerusalem opened its first secondary class in 1937, and a second secondary class was added this year. It accommodates 21 boarders.

The Girls' School of the Church Missionary Society in Amman also added a second secondary class, and had two boarders. This is the only school in the country providing secondary education for girls.

General.

15. The Department of Public Health continued to co-operate in the medical inspection of all schools. The District Administration in collaboration with the Department of Public Works continued to assist in the construction and maintenance of school buildings in villages; and the Department of Agriculture supplied trees to school gardens and gave advice on agricultural matters. The Department of Education has co-operated with the Department of Development in combating soil-erosion.

16. The Department has established a Central Library in Amman to which it is intended that the public shall be given access. Valuable assistance to this institution was granted by the British Council in the form of a gift of English books of the value of £P.50. The British Council also made a similar gift to the Anglican Bishop's School, Amman.

DISTRIBUTION OF PUPILS AND TEACHERS IN GOVERNMENT SCHOOLS, 1938–1939.

Schools.		*Pupils.*						*Teachers.*				
Description.	*Number*	*Boys.*	*Girls.*	*Religion.*		*Totals.*	*Increase or decrease on previous year.*	*Men.*	*Women.*	*Religion.*		*Totals.*
				Moslems.	*Christians.*					*Moslems.*	*Christians.*	
Secondary Schools	4	243	—	162	81	243	+ 35	14	—	11	3	14
Elementary Schools :—												
(*a*) Town Schools—Boys...	12	3,206	—	2,832	374	3,206	+ 614	63	—	54	9	63
(*b*) Town Schools—Girls...	9	—	1,629	1,334	295	1,629	+ 121	—	34	25	9	34
(*c*) Village Schools—Boys	45	3,265	—	3,089	176	3,265	+ 299	59	—	52	7	59
(*d*) Village Schools—Girls	1	—	51	51	—	51	+ 12	—	1	1	—	1
Desert Schools	2	57	—	57	—	57	+ 17	2	—	2	—	2
Arts and Crafts	1	61	—	44	17	61	+ 6	8	—	6	2	8
Totals	74	6,832	1,680	7,569	943	8,512	+1,104	146	35	151	30	181

DISTRIBUTION OF PUPILS AND TEACHERS IN NON-GOVERNMENT SCHOOLS, 1938–1939.

Group.	Schools.				Pupils.							Teachers.				
					Boys.			Girls.			Grand total of pupils.	Men.		Women.		Totals.
	Boys.	Girls.	Mixed.	Totals.	Moslems.	Christians.	Totals.	Moslems.	Christians.	Totals.		Moslems.	Christians.	Moslems.	Christians.	
Moslems	28	1	3	32	885	—	885	93	—	93	978	29	—	4	—	33
Catholics	34	19	1	54	111	1,453	1,564	58	1,043	1,101	2,665	—	82	—	36	118
Protestants ...	5	—	6	11	158	276	434	33	216	249	683	—	25	—	9	34
Orthodox... ...	8	1	5	14	59	484	543	5	207	212	755	—	19	—	3	22
Others	2	1	3	6	33	112	145	38	78	116	261	—	5	—	7	12
Totals ...	77	22	18	117	1,246	2,325	3,571	227	1,544	1,771	5,342	29	131	4	55	219

XIV.—PUBLIC HEALTH.

Personnel.

The establishment of the Department of Health was increased during the year by one Assistant Storekeeper. One Medical Officer, three Medical Orderlies and one Ambulance Driver were also added to the establishment temporarily in connexion with the Haifa-Baghdad road construction operations.

A question was asked at the 34th session of the Permanent Mandates Commission regarding the nationality of the personnel of the Department of Health. Their nationality is as follows:—

Director ...	...	Palestinian
Medical Officers...		2 British 7 Trans-Jordanians 2 Syrians 2 Lebanese
Others ...	...	57 Trans-Jordanians 3 Lebanese 7 Palestinians

Finance.

2. The following is the estimated revenue and expenditure of the Department for the financial years 1937-8 and 1938-9:—

	1938–39. £P.	*1937–38.* £P.
(1) Revenue	820	580
(2) Expenditure—		
Personal Emoluments ...	10,935	10,816
Other Charges	5,263	4,993
Extraordinary	250	250
Totals	16,448	16,059

In addition the Trans-Jordan Government pays half of the cost of the Desert Mobile Medical Unit (which amounted in 1938-9 to £P.1,352), the other half being paid by the Government of Palestine.

The expenditure on the Department of Health has risen from £P.11,292 in 1931-2 to £P.17,800 in 1938-9, which latter amount represents 3·8 per cent. of the whole expenditure of the Government, with the exception of self-balancing items.

Vital Statistics.

3. No regular census of the population of Trans-Jordan has as yet been taken; but during 1938 the Government caused a close survey to be made by District administrative authorities,

from which the total population of the country, including the nomadic and semi-nomadic tribes, was computed to be approximately 300,000 (actual figures 300,214).

In this Report calculations per thousand for birth and death rates have been omitted, and only the actual figures of births and deaths reported are shown.

The number of births notified during 1938 was 12,746 compared with 11,496 in 1937. The number of deaths notified in 1938 was 5,627 compared with 6,342 in 1937. The figure of births was the highest hitherto recorded, and that for deaths the lowest since 1928.

The infant mortality rate (below the age of one year) was 181 per thousand live births, being the lowest ever recorded.

The following table shows the figure for births and deaths and infant mortality rate during recent years:—

Year.	*Number of births registered.*	*Number of deaths registered.*	*Increase.*	*Infant mortality rate per 1000.*
1928	8,400	5,009	3,391	—
1929	9,845	6,573	3,272	—
1930	10,340	6,661	3,679	—
1931	10,697	5,648	5,049	—
1932	10,871	6,152	4,719	—
1933	10,900	7,354	3,546	—
1934	10,742	7,925	2,817	242
1935	11,284	6,832	4,452	211
1936	12,234	6,652	5,582	201
1937	11,496	6,342	5,154	203
1938	12,746	5,627	7,119	181

These figures include the nomadic and semi-nomadic tribes.

Infectious and Communicable Diseases.

4. The total number of cases, of all forms of infectious and communicable disease, reported during the year was 5,747 compared with 6,508 in 1937. No serious epidemics occurred during the year.

The number of cases of pulmonary and non-pulmonary tuberculosis notified to the Department during the year was 482 with 32 deaths, compared with 624 and 33 deaths in 1937.

The campaign of treatment of tuberculosis amongst Bedouin tribes is carried out by the Medical Officer of the Desert Mobile Medical Unit, which began operations in the early part of 1937.

The following table shows the cases of and deaths from infectious and communicable diseases in 1938 compared with 1937:—

Disease.	1937.		1938.	
	Cases.	Deaths.	Cases.	Deaths.
Anthrax	5	—	2	—
Chicken Pox	70	—	63	—
Diphtheria	16	3	11	2
Dysentery	219	—	216	4
Erysipelas	29	—	22	—
Influenza	648	20	369	4
Measles	538	70	688	52
German Measles	—	—	3	—
Mumps	130	—	153	—
Cerebro-Spinal Meningitis ...	12	8	10	5
Pneumonia	156	30	164	22
Puerperal Fever	10	1	10	4
Relapsing Fever	9	—	8	1
Typhoid	165	11	144	18
Para-Typhoid	43	2	29	1
Typhus	14	1	11	1
Whooping Cough	350	6	481	2
Malta Fever	1	—	1	—
Acute polyarticular Rheumatism	45	1	18	—
Malaria	2,791	4	2,212	1
Leishmaniasis	12	—	4	—
Leprosy	—	—	1	—
Tetanus	2	1	3	3
Pulmonary and Non-Pulmonary Tuberculosis ...	624	33	482	32
Venereal Diseases	600	8	639	3
Hydrophobia	3	3	—	—
Bilharzia	5	—	1	—
Scurvy	10	—	5	—
Cancer	—	—	4	1

5. The Department of Health maintains eight-bedded posts at Irbid, Amman, Kerak and Ma'an, and four-bedded posts at Jerash, Tafileh and Aqaba, for infectious and communicable diseases. A mobile epidemic unit of 40 beds is also maintained.

During the year 95,803 articles or bundles and 1,569 houses were disinfected, compared with 110,223 and 1,880 respectively in 1937.

Vaccination against Small-pox.

6. The number of vaccinations against small-pox carried out by the Department in 1938 was 30,914, compared with 22,350 in 1937.

Malaria and Anti-Malarial Measures.

7. New cases of malaria reported during the year numbered 2,212, with one death, compared with 2,791 cases with four deaths in 1937, 2,791 cases with 17 deaths in 1936, and 5,435 cases with eight deaths in 1935.

The main sources of infection are the Jordan Valley and the Asraq marches.

Out of a total of 55,171 new cases treated at Government clinics during the year, 2 per cent. were diagnosed as malaria, compared with 3 per cent. in 1937 and 4 per cent. in 1936. At voluntary clinics, out of a total of 17,973 new cases, 6 per cent. were diagnosed as malaria compared with 7·1 per cent. in 1937 and 7·8 per cent. in 1936.

The above figures indicate that the incidence of malaria is higher among voluntary clinic patients; but diagnosis at non-Government clinics is based more on clinical and less on microscopic examination than at Government clinics, and consequently numbers of cases of unknown fevers are diagnosed as malaria in the former.

During the year the Department used on the free treatment of malaria 21,800 tablets of Plasmochin, 21,950 tablets of Atebrin, 111,074 tablets of Quinine and 40 kilogrammes of Quinine Salts.

The Medical Officers of Health examined 10,033 children throughout the country with the object of determining the spleen rate, the calculation of which during recent years was as follows:—

	Per cent.		*Per cent.*		*Per cent.*
1926 ...	25·3	1931 ...	5·8	1936 ...	10·0
1927 ...	19·0	1932 ...	4·5	1937 ...	10·4
1928 ...	14·9	1933 ...	3·7	1938 ...	5·0
1929 ...	9·5	1934 ...	4·5		
1930 ...	6·6	1935 ...	15·0		

Anti-malarial measures were carried out throughout Trans-Jordan on normal lines. In the Trans-Jordan Frontier Force camps at Zerqa and Jisr el Majamie, anti-malarial work was carried out as in previous years in co-operation with the health authorities of that Force.

Anti-rabic Measures.

8. No cases of hydrophobia in humans were reported during the year. Twelve persons, bitten by animals suspected to be suffering from rabies, were treated at the Department's centres with prophylactic anti-rabic vaccine treatment.

Government Hospitals.

9. The Department maintained the twenty-bed hospital at Amman, the twelve-bed hospital at Irbid, and the six-bed hospital at the Central Jail, Amman.

The number of admissions to, and deaths in, Government hospitals were 947 and 56 respectively in 1938, compared with 933 and 51 in the previous year.

Voluntary Hospitals.

10. The construction of the new thirty-bed hospital of the Church Missionary Society at Es Salt was completed and opened early in 1938.

A new hospital is in the course of construction at Ajlun by Dr. C. F. MacLean, an independent Missionary.

The admissions to voluntary hospitals during the last two years were as follows:—

—	*Number of Admissions.*		*Deaths in Hospitals.*	
	1938.	*1937.*	*1938.*	*1937.*
The Church Missionary Society Hospital, Es Salt	705	480	26	28
The English Hospital, Amman ...	—	125	—	8
The Italian Hospital, Amman ...	846	754	36	35
The Italian Hospital, Kerak ...	567	469	9	10

Government Clinics.

11. There was again a considerable increase in 1938, in the number of attendances at the Department's clinics the total being 256,708 compared with 220,452 in 1937.

New cases at these clinics were 55,171, classified as follows:—1,117 malaria, 10,327 eye diseases, and 43,727 other diseases.

Voluntary Clinics.

12. The number of attendances at voluntary clinics was 43,026 compared with 30,641 in 1937. Their distribution was as follows:—

	Number of Attendances.
The Church Missionary Society Hospital Clinic, Es Salt ...	9,541
The Italian Hospital Clinic, Kerak	8,717
The Italian Hospital Clinic, Amman	13,719
Dr. MacLean's Clinic, Ajlun	6,285
The Palestine Electric Corporation's Clinic, Jisr el Majamie	4,764
Total	43,026

Licensing of Medical Practitioners, Dentists, Pharmacists and Midwives.

13. During the year licences were issued to nine medical practitioners, one dentist, two pharmacists and three midwives.

The number and distribution of licensed members of these professions at the end of 1938 was as follows:—

	Medical Practitioners	*Dentists.*	*Pharmacists.*	*Midwives.*
Amman	10	4	4	3
Es Salt	3	1	1	1
Kerak	4	1	—	1
Irbid	3	—	—	1
Ma'an	—	—	—	1
Jerash	1	—	—	—
Ajlun	1	—	—	—
Madaba	—	—	—	1
Zerqa	—	—	—	1
Iraq Petroleum Company, Mafraq, H–4, and H–5	1	—	—	—
Palestine Electric Corporation, Jisr el Majamie ...	1	—	—	—
Total ...	24	6	5	9

Government Laboratory.

14. The number of specimens examined during the year was 6,253 compared with 5,181 in 1937.

School Medical Service.

15. The Medical Officers of Health carried out a medical examination of 8,262 school children compared with 7,095 in 1937. Of this number 27 per cent. were found to be suffering from trachoma, compared with 28 per cent. in 1937, and 1·6 per cent. had enlarged spleens, compared with 3·4 per cent. in the previous year.

The number of children vaccinated or re-vaccinated against small-pox was 3,941 compared with 1,564 in 1937.

The total number of attendances at the school ophthalmic clinics was 385,424 compared with 353,460 attendances in the previous year.

Maternity and Infant Welfare.

16. Four qualified midwives, one for each of the municipalities of Irbid, Ma'an, Kerak and Madaba were maintained during the year. At Zerka a midwife was maintained for a part of the year, later this work was entrusted to the nurse of the Trans-Jordan Frontier Force camp.

There are Infant Welfare Centres at Amman and Zerqa. The number of new cases registered during the year was 172 compared with 129 cases in 1937, and the number of attendances was 11,004 compared with 8,767 in the previous year. The number of visits to the homes of children by the nurse was 2,424 compared with 2,465 in 1937.

Medical Treatment of Civilians at Zerqa Camp.

17. A small Child Welfare Clinic, originally intended for the families of members of the Trans-Jordan Frontier Force was expanded by the Medical Officer of the Force to include civilians and in 1936, a suitable building was converted for use, and a nurse, fully qualified in midwifery and child welfare work, was employed.

During 1938 attendances numbered 2,080, and 1,776 visits were made by the nurse to the homes of children. This most valuable work is carried out at no charge to the Department of Health.

A small new Centre was opened at Jerash towards the end of the year by an independent charitable worker. The Department assists the institution with free drugs and dressings, and the Medical Officer of Health at Jerash is the consulting physician.

Medico-legal Examinations.

18. Practically all medico-legal examinations are carried out by the Medical Officers of Health. The number of examinations made during the year was 3,949 compared with 4,152 in 1937 and 3,934 in 1936. Of this number 114 were post-mortem examinations compared with 96 in 1937 and 97 in 1936.

Desert Mobile Medical Unit.

19. The results of the first complete year of work of this Unit, which first began operations in the early summer of 1937, indicate that it is serving a very valuable purpose among the nomadic and semi-nomadic tribes. It adequately satisfies the need for which it was established, and there is no present intention of forming other similar units.

During the year clinics were maintained at Zizia, Azraq, Muaqqar, Nejil, Al Jaffer, Sadaqa and Mudawara. Experience showed the desirability of obtaining permanent accommodation for the clinics at Zizia and Al Jaffer.

The total number of attendances was 14,672; new cases were 7,832, including tuberculosis 38, malaria 96, eye diseases 2,263 and other diseases 5,435.

The Medical Officer of the unit was also in medical charge of the outposts of the Desert Police.

Ophthalmic Clinic Service.

20. The Department continued as in previous years to give free treatment for all ophthalmic cases. The campaign against these diseases continued to be extensive and effective. Considerable number of cases are treated every year at the Department's clinics and at school ophthalmic clinics besides the distribution

of eye drops in villages and Bedouin camps. The number of new cases of eye disease examined and treated at public health department clinics (excluding school clinics), was 10,327 compared with 12,913 in 1937 and 9,652 in 1936. The number at voluntary clinics was 2,552 compared with 2,379 in 1937 and 1,780 in 1936.

The attendances at school ophthalmic clinics numbered 385,424 compared with 353,460 in 1937 and 308,090 in 1936.

21. The Department continued to be in charge of all medical and health services pertaining to the Arab Legion, including the Desert Police. The health of the force has generally been very good. All men have been vaccinated against small-pox and inoculated against typhoid.

22. The prison medical service has also continued under the charge of the Department of Health. The health of prisoners has been generally good, and all have been vaccinated against small-pox and inoculated against typhoid.

Railway Medical Service.

23. The Trans-Jordan section of the Hejaz Railway remained as in previous years under the care of the Department of Health.

Unhealthy Trades and Public Establishments.

24. The Department carried out the control and licensing of all unhealthy trades and public establishments.

The number of licences issued or renewed during the year was 1,502 within municipal areas and 1,119 outside municipal areas, as compared with 1,282 and 938 respectively in 1937.

A new Law to regulate public establishments and dangerous and unhealthy trades and repealing former regulations was enacted and came into force on the 1st April.

Water Supplies.

25. A water supply scheme for Es Salt, estimated to cost £P.4,000, of which £P.2,500 is to be provided by loan, has been approved and will be put in hand early in 1939.

Minor improvements of water supplies were completed at Madaba, Irbid, Jerash and Deir Abu Said. The water supply scheme for Mahis was completed.

Improvements have also been carried out at a number of existing wells and cisterns in the desert area.

Pumped water supplies of a properly organized nature exist in the municipal areas of Annam, Irbid, Kerak and Madaba.

Municipal Sanitation.

26. The municipal sanitary services continued to be administered by District Medical Officers, and were satisfactorily carried out. There are 13 municipal Sanitary Sub-Inspectors who are paid by municipalities but work directly under the Public Health Department.

The Municipal Advisory Board, consisting of one representative from each of the Departments of Health, Finance, Public Works and General Administration, continued as in previous years to advise on municipal estimates and other municipal matters.

Quarantine Service.

27. The quarantine station at Ma'an with a sub-station at Mudawara, were opened during the pilgrimage season. The pilgrims who proceeded to the Hejaz from Trans-Jordan by the southern land routes numbered 356 and those returning 693.

All pilgrims before their departure to the Hejaz are vaccinated against small-pox and cholera by Medical Officers of Health. Twenty-eight pilgrims travelled to the Hejaz via Palestine-Suez, to whom the Department issued special *laissez-passer* booklets and return railway tickets, after vaccination had been performed.

Haifa-Baghdad Road Service.

28. The Department of Health undertook the medical charge of the construction camps and labour parties on this road as far as the 'Iraq frontier. Additional staff, including one Medical Officer, three Medical Orderlies and one Ambulance Driver were employed for this purpose in a special unit which began operations in July.

The general health in the construction camps was excellent.

Two detention hospitals, of four beds each, were provided, at Mafraq and H.4 respectively.

Attendances at clinics were 4,652; 109 of which were chronic malaria and 259 were eye diseases. There was one serious accident, in which a labourer was killed by the explosion of a blasting charge.

XV.—PUBLIC FINANCE.

Revenue and Expenditure, 1924-5 to 1937-8.

The following statement sets out the annual totals of Revenue (including all grants from His Majesty's Government) and Expenditure (including that covered by specific grants) from the

1st April, 1924, the date of institution of the existing form of financial control, to the 31st March, 1938:—

Financial Year.	*Revenue.* £P.	*Expenditure.* £P.
Surplus balance at the 31st March, 1924	23,958	—
1924-25	280,673	274,868
1925-26	282,459	274,573
1926-27	302,520	274,920
1927-28	282,073	318,260
1928-29	307,555	318,950
1929-30	316,147	338,461
1930-31	367,516	350,532
1931-32	338,046	344,983
1932-33	354,888	340,883
1933-34	381,412	374,769
1934-35	377,517	369,395
1935-36	395,630	381,300
1936-37	418,650	435,039
1937-38	459,150	462,710
Surplus balance at the 31st March, 1938	—	28,551
	£P.4,888,194	4,888,194

Summaries of Revenue and Expenditure under Heads during the last four years are given in the following tables:—

2. *Summary of Revenue for the Financial Years* 1934-35 *to* 1937-38.(*a*)

Head of Revenue.	*1934–35.* £P.	*1935–36.* £P.	*1936–37.* £P.	*1937–38.* £P.
Customs and Excise	98,627	104,567	133,884	125,351(*b*)
Licences and Taxes	113,057	140,637	89,121	149,397(*c*)
Court Fees and Office Receipts	32,812	37,026	36,462	42,416(*d*)
Posts and Telegraph Dept. ...	12,982	13,798	15,222	16,715(*e*)
Revenue from Government Property	3,198	7,184(*f*)	1,659(*f*)	4,357(*f*)
Interest	1,523	827	382	1,017
Miscellaneous	11,935	7,198	9,435	14,342(*g*)
Sale of State Domains ...	2,124	2,610	1,975	4,565(*h*)
Total Local Revenue £P.	276,258	313,847	288,140	358,160
Grant-in-Aid of Trans-Jordan	60,000	42,000	55,000	19,000(*i*)
Grant-in-Aid of Trans-Jordan Frontier Force	31,959	31,611	31,534	31,335
Grants from the Colonial Development Fund ...	9,300	8,172	12,904	14,532
Grant-in-Aid of Trans-Jordan for the Repayment of its Share of the Ottoman Public Debt...	—	—	31,072(*i*)	31,008(*j*)
Grant to meet the Cost of the Hydrographic Survey of Trans-Jordan	—	—	—	5,115(*k*)
Total Grants ... £P.	101,259	81,783	130,510	110,990
Total Revenue... £P.	377,517	395,630	418,650	459,150

(*a*) The figures for the financial years 1924-25 to 1930-31 are shown on page 173 of the Annual Report for 1931, those for the financial years 1931-32 to 1934-35 are shown on page 329 of the Annual Report for 1935.

(*b*) The general improvement in the revenues of the Department of Customs and Excise is mainly due to the revision in 1933-34 of the Customs Agreement with Palestine whereby, with effect from the 1st October, 1932, Trans-Jordan was allowed to retain the duties on all imports in transit via Palestine and Trans-Jordan's share of the import duties collected in Palestine was reduced to £P.17,000 per annum. This share was increased by £P.8,000 to £P.25,000 in 1936-37 on the basis of statistics taken of foreign goods re-exported from Palestine to Trans-Jordan. Another cause of the improvement in 1936-37 was the increased trade with Palestine during the Arab strike in that country. The drop in 1937-38 partly reflects the reversion of trade with Palestine to conditions approaching the normal.

(*c*) and (*h*) The fluctuation in revenue from Licences and Taxes and from the sale of State Domains during the four years under review coincides with the yield of the respective harvests and, inversely, with the amount of remissions (from taxation) granted.

(*d*) The improvement in revenue from Fees of Court or Office is mainly due to increased receipts from (*a*) Court Fees (*b*) Land Registry and Land Settlement Fees (*c*) Veterinary and Animal Quarantine Fees (*d*) Pension Contributions (*e*) Miscellaneous Reimbursements (*f*) Passport Fees, and (*g*) Nationality Certificates.

(*e*) The steady increase in the revenues of the Posts and Telegraph Department indicates a continuance of the increasing use of the various branches of the service which is being made by members of the public.

(*f*) Include not only the rent paid by the tenants of State Lands but also the taxes assessed on such lands which in previous years were credited to Head II, Licences and Taxes.

The drop in 1936-37 resulted mainly from the bad agricultural season of that year.

(*g*) Is accounted for mainly by increased receipts from Trans-Jordan's share in the profits of the Palestine Currency.

(*i*) The Grant-in-Aid of the Trans-Jordan Administration in 1935-36, which had been approved by His Majesty's Government at the figure of £P.60,000, was short issued by the sum of £P.18,000 in consideration of the improvement in the situation of the Administration in that year. The situation in 1937-38 was even better and resulted in the reduction of that year's grant from £P.63,000 to £P.19,000.

(*j*) Represents payments made by His Majesty's Government by way of grants towards the liquidation of Trans-Jordan's share of the Ottoman Public Debt.

(*k*) See Note (*o*) at the end of paragraph 3.

3. *Summary of Expenditure for the Financial Years* 1934-35 *to* 1937-38.(*a*)

Head of Expenditure.	*1934–35.*	*1935–36.*	*1936–37.*	*1937–38.*
Ordinary.	£P.	£P.	£P.	£P.
Civil List	14,534	15,329	15,706	15,142
Public Debt and Loan Charges	1,340	1,148	241	646
Legislature	1,986 (*b*)	3,699	3,722	3,705
Pensions and Gratuities ...	9,479	11,064 (*c*)	11,941(*c*)	11,589 (*c*)
Chief Minister and Interior	3,753	3,899	4,132	4,688
District Administration ...	10,035	9,667	9,786	10,152
Ministry of Justice ...	15,827	16,047	15,497	16,691
Sharia Courts	3,869	3,901	3,815	3,884
Ministry of Finance ...	11,032	11,256	11,138	11,225
Customs, Trade and Industry	7,543	7,569	8,232	10,810 (*d*)
Public Health Department	12,762	13,763	15,212	15,186
Desert Medical Mobile Unit	—	—	—	2,275 (*e*)
Education Department ...	23,324	24,207	23,373	24,232
Agriculture, Forests and Veterinary Department...	7,151	7,411	8,506	9,633
Antiquities Department ...	2,500	2,558	2,389	2,676
Public Works Department	4,584	4,637	4,691	4,959
Public Works, Recurrent...	18,918	23,308	20,285	23,327(*f*)
Posts and Telegraphs ...	13,903	13,661	16,094	15,163
Department of Lands and Surveys	13,509	15,617 (*g*)	15,723(*g*)	17,661 (*g*)
Police and Prisons Department :—				
(*a*) Police	99,721	101,998	108,394(*h*)	107,737
(*b*) Prisons	11,549	11,004	10,707	11,080
(*c*) Supplementary Reserve Force ...	—	—	4,603 (*i*)	—
Miscellaneous	9,560	9,682	8,729	8,791
Audit Department	3,253	3,672	3,878	4,005
Tribal Court of Appeal ...	766	181	760	830
Trans-Jordan Frontier Force	27,527	28,531	29,876	29,197
Total Ordinary Expenditure	£P.328,425	343,809	357,430	365,284
Extraordinary.				
Public Works Department	8,567	19,796 (*j*)	16,072 (*j*)	22,967(*j*)
Ministry of Finance ...	1,987	453	—	8,775
Posts and Telegraphs ...	2,818	6,906 (*k*)	—	2,962
Public Health Department	252	225	—	189
Police and Prisons	—	2,571	1,254	10,419 (*l*)
Agriculture, Forests and Veterinary	289	—	—	—
His Highness the Amir ...	2,957(*m*)	—	—	2,000 (*m*)
Relief Measures	14,824 (*n*)	150	19,145(*n*)	997
Antiquities Department ...	—	—	—	824
Schemes financed by the Colonial Development Fund	4,844	4,311	8,409	10,032
Trans-Jordan Frontier Force	4,432	3,079	1,658	2,138
The Hydrographic Survey of Trans-Jordan	—	—	—	5,114 (*o*)
Trans-Jordan's Share of the Ottoman Public Debt ...	—	—	31,072 (*p*)	31,009 (*p*)
Total Extraordinary Expenditure	£P.40,970	37,491	77,610	97,426
Total Expenditure	£P.369,395	381,300	435,040	462,710

(*a*) The figures for the financial years 1924-25 to 1930-31 are shown on pages 174 and 175 of the Annual Report for 1931; those for the financial years 1931-32 to 1934-35 are shown on pages 330 and 331 of the Annual Report for 1935.

(*b*) The smaller expenditure on the Legislature in 1934-35 was principally due to a seven months' interval which preceded the election of the Legislative Council, during which no commitments were incurred in respect of the salaries of members.

(*c*) The increase in expenditure on Pensions and Gratuities arises from increased commitments under the Pensions Laws in force.

(*d*) The increase in expenditure under the Customs, Trade and Industry is accounted for mainly by refunds and drawbacks, previously treated as in reduction of revenue.

(*e*) The Desert Medical Mobile Unit was newly established for work among the Bedu during the latter half of 1936-37 at the joint expense of Palestine and Trans-Jordan. Palestine's share of the cost is brought to account as a reimbursement under Revenue Head III " Fees of Court or Office." Expenditure in 1936-37 (£P.648) was debited to Head XI.

(*f*) The increase in expenditure on Public Works Recurrent during 1935-36 was mainly due to the heavy cost of repairs of damage to roads caused by floods during the months of February and March, 1935. The increase in 1937-38 was occasioned by the necessary expansion of services.

(*g*) The increase in expenditure on the Department of Lands and Survey was due to expansion of the service mainly in connexion with land settlement.

(*h*) The increase in expenditure on Police was mainly due to the enlistment of a Reserve Force of 115 men and to increased activities of the Department during the Palestine disturbances.

(*i*) A Supplementary Reserve Force was formed during 1936-37 to deal with the situation arising from the Palestine disturbances.

(*j*) The 1935-36 figure includes £P.8,500 the 1936-37 figure £P.4,495 and the 1937-38 figure £P.4,500 chargeable to the Colonial Development Fund.

(*k*) Includes an abnormal item of £P.6,131 being Trans-Jordan's share of the Haifa-Bagdad telephone circuit.

(*l*) The heavy increase in 1937-38 results from the acquisition of a reserve of vehicles, spare parts, arms and ammunition, and other stores.

(*m*) The 1934-35 figure represents an allotment to the Amir to meet the expenses of His Highness's visit to the United Kingdom, and of the marriage of His Highness the Amir Talal. The 1937-38 figure represents an allotment made to meet His Highness's visit to London to attend the coronation of His Majesty King George VI.

(*n*) Relief Measures on a large scale were necessitated in 1934-35 and in 1936-37 by the distress caused by crop failure in those two years.

(*o*) Represents expenditure chargeable to a grant of £P.30,000 approved by His Majesty's Government to meet the cost of an Hydrographic Survey of Trans-Jordan.

(*p*) This expenditure was met by a grant made by His Majesty's Government. See also note (*j*) of the Summary of Revenue.

4. *Public Debt.*

At the 31st December, 1938, the Public Debt of Trans-Jordan was as follows:—

	£P.
(*i*) Balance of Agricultural Loan obtained from His Majesty's Government on 30.3.37	3,500
(*ii*) Trans-Jordan's share of the Ottoman Public Debt:—	
Twenty half yearly payments of £15,504 6s. 9d. each payable on the 31st May and the 30th November of each year. The first payment fell due on the 31st May, 1936 ... ... £ s. d. 310,086 15 0	
Less: The first six payments already made 93,026 0 6	
Balance at the 31st December, 1938 ... ... £217,060 14 6	
On conversion to Palestine Currency ... ... £P. mils. 217,060·725 or say	217,061
Total	£P.220,561

Note.—The payments mentioned in (*ii*) are being met as and when they fall due from grants by His Majesty's Government.

5. *Comparative figures of Revenue and Expenditure for* 1937-38 *and* 1938-39.

Particulars.	*Actuals, 1937–38.*	*Estimates, 1938–39.*	*Forecast at 31.12.38 for 1938–39.*
A.—Revenue.	£P.	£P.	£P.
Local	358,160	339,332	356,220
Grant-in-Aid of Trans-Jordan ...	19,000	90,000	90,000
Grant-in-Aid of Trans-Jordan Frontier Force	31,335	33,397	33,397
Grants from the Colonial Development Fund	14,531	12,981	12,981
Grant-in-Aid of Trans-Jordan (Ottoman Public Debt)	31,009	31,073	31,009
Grant-in-Aid of Trans-Jordan's Hydrographic Survey	5,115	24,886	14,886
Grant-in-Aid of Haifa-Bagdad Road...	—	200,000	200,000
Revenue from Loans	—	4,300	4,113
Totals	£P.459,150	735,969	742,606

Particulars.	*Actuals, 1937–38.*	*Estimates, 1938–39.*	*Forecast at 31.12.38 for 1938–39.*
B.—EXPENDITURE.	£P.	£P.	£P.
Trans-Jordan Administration, Ordinary	336,085	407,351	397,220
Trans-Jordan Frontier Force, Ordinary	29,197	30,839	30,839
Trans-Jordan Administration, Extraordinary	49,135	258,472	248,350
Trans-Jordan Frontier Force, Extraordinary	2,138	2,558	2,558
Expenditure from Colonial Development Fund Grants	10,032	12,981	12,981
Expenditure from Grants (Ottoman Public Debt)	31,009	31,073	31,009
Loan Expenditure—Irrigation Schemes	—	4,300	4,113
Expenditure from Grants (Hydrographic Survey)	5,114	24,886	14,886
Totals	£P.462,710	772,460	741,956
C—EXPENDITURE ON EDUCATION, AGRICULTURE, PUBLIC HEALTH, PUBLIC WORKS, RELIEF MEASURES, HYDROGRAPHIC SURVEY, IRRIGATION SCHEMES AND DEVELOPMENT.			
Education, Ordinary	24,232	27,974	26,000
Education, Extraordinary	—	710	710
Agriculture, Ordinary	9,633	7,338	6,800
Public Health, Ordinary	17,461	18,901	18,300
Public Health, Extraordinary ...	189	250	230
Public Works, Ordinary	4,959	7,685	7,000
Public Works, Recurrent	23,327	24,065	24,000
Public Works, Extraordinary ...	22,967	241,972	232,000
Relief Measures	997	—	—
Hydrographic Survey	5,114	24,886	14,886
Loan Expenditure—Irrigation Schemes	—	4,300	4,113
Expenditure from Colonial Development Fund Grants—			
(*a*) Improvement of Water Supplies	75	475	475
(*b*) Sinking Artesian bores in the Desert	499	—	—
(*c*) Seed Propagation	725	297	297
(*d*) Land Settlement, Acceleration of	4,777	5,000	5,000
(*e*) Agricultural Experimental Station	2,660	1,129	1,129
(*f*) Development	1,296	1,580	1,580

Notes: (1) Expenditure on Public Works Extraordinary in the year 1937–38 includes £P.4,500 chargeable to the Colonial Development Fund. The 1938–39 figure includes £P.4,500 chargeable to that Fund and £P.200,000 to the special grant provided by His Majesty's Government for the purpose of the construction of the Haifa-Bagdad Road.

(2) Loan Expenditure—(Irrigation Schemes) is provided for from a loan from the Colonial Development Fund.

6. *Comments on the Principal Variations in Revenue.*

(i) Local Revenue for 1938-39 is expected to fall short of the 1937-38 figure by £P.1,940. The following table shows how this anticipated decrease is made up:—

Head of Revenue.	*Actual, 1937–38.* £P.	*Forecast, 1938–39.* £P.	*Increase.* £P.	*Decrease.* £P.
1.—Customs and Excise ...	125,351	130,620	5,269	—
2.—Licences and Taxes ...	149,397	141,430	—	7,967
3.—Fees of Court of Office ...	42,416	46,500	4,084	—
4.—Posts and Telegraphs Department ...	16,715	18,180	1,465	—
5.—Revenue from Government Property ...	4,357	4,000	—	357
6.—Interest	1,017	500	—	517
7.—Miscellaneous	14,342	10,510	—	3,832
8.—Sale of State Domains ...	4,565	4,200	—	365
8A.—Advances Recovered ...	—	280	280	—
	£P.358,160	356,220	11,098	13,038
Net Decrease ...	—	1,940	1,940	—
	£P.358,160	358,160	13,038	13,038

(ii) The forecast of grants from the Colonial Development Fund for 1938-39 is £P.1,550 less than the total of such grants received in 1937-38. This is accounted for by the following variations:—

Head and Sub-Head of Revenue.	*Actuals, 1937–38.* £P.	*Forecast, 1938–39.* £P.	*Increase.* £P.	*Decrease.* £P.
XI.—Grants from the Colonial Development Fund.				
Es Salt—Allenby Bridge Road	4,500	4,500	—	—
Improvement of Trans-Jordan Water Supplies	75	475	400	—
Agricultural Experimental Station	2,659	1,129	—	1,530
Seed Propagation	725	297	—	428
Sinking Artesian Bores in the Desert...	499	—	—	499
Land Settlement	4,777	5,000	223	—
Development	1,296	1,580	284	—
	14,531	12,981	907	2,457
Net decrease	—	1,550	1,550	—
£P	14,531	14,531	2,457	2,457

(iii) A special grant of £P.30,000 was made by His Majesty's Government to Trans-Jordan to meet the expenses of an Hydrographic Survey of the country. Receipts from this grant are determined by the cost of work actually carried out or expected to be completed in connection with the scheme in question. See also the corresponding item in the Comparative Statement of Expenditure at paragraph 5B.

(iv) Grant-in-Aid of the Haifa-Bagdad Road. See Note (1) relating to the Extraordinary Expenditure of the Trans-Jordan Government at the end of paragraph 5C.

(v) Revenue from Loans. See Note (2) relating to Expenditure on Irrigation Schemes at the end of paragraph 5C.

7. Comments on Principal Variations in Expenditure.

(i) The forecast of ordinary expenditure of the Trans-Jordan Administration shows an increase of £P.61,135 over the actual ordinary expenditure of 1937-38. This is made up as follows:—

Head of Expenditure.	Actuals, 1937-38. £P.	Forecast, 1938-39. £P.	Increase. £P.	Decrease. £P.
1.—Civil List	15,142	16,800	1,658(*a*)	—
2.—Public Debt and Loan Charges	646	320	—	326(*b*)
3.—Legislature	3,705	3,780	75	—
4.—Pensions and Gratuities ...	11,589	15,000	3,411(*c*)	—
5.—Chief Minister and Interior...	4,688	4,440	—	248
6.—District Administration ...	10,151	10,540	389	—
7.—Ministry of Justice	16,690	18,500	1,810(*d*)	—
8.—Sharia Courts...	3,884	4,400	516(*e*)	—
9.—Ministry of Finance	11,225	12,600	1,375(*f*)	—
10.—Customs, Trade and Industry	10,810	12,600	1,790(*g*)	—
11.—Public Health Department ...	15,186	15,800	614(*h*)	—
11A.—Desert Medical Mobile Unit	2,275	2,500	225	—
12.—Education	24,232	26,000	1,768(*i*)	—
13.—Agriculture, Forests and Veterinary	9,633	6,800	—	2,833(*j*)
13A.—Development Recurrent ...	—	200	200(*k*)	—
14.—Antiquities Department ...	2,676	2,590	—	86
15.—Public Works Department ...	4,959	6,850	1,891(*l*)	—
15A.—Public Works Recurrent ...	23,327	24,000	673	—
16.—Posts and Telegraphs Department...	15,163	18,150	2,987(*m*)	—
17.—Lands Department	17,661	24,700	7,039(*n*)	—
18.—Police and Prisons Dept.—				
(*a*) Police	107,737	120,210	12,473(*o*)	—
(*b*) Prisons	11,080	11,200	120	—
(*c*) Supplementary Reserve	—	21,000	21,000(*p*)	—
19.—Miscellaneous	8,791	9,000	209	—
20.—Audit Department	4,005	4,030	25	—
21.—Tribal Court of Appeal ...	830	910	80	—
21A.—Advances Other Than Temporary	—	4,300	4,300(*q*)	—
	£P.336,085	397,220	64,628	3,493
Net Increase	61,135	—	—	61,135
Total ...	£P.397,220	397,220	64,628	64,628

(*a*) Is mainly due to a temporary increase in the allotment of His Highness the Amir.

(*b*) Results from the reduction by repayment of the balance outstanding on the loan of £P.11,500 obtained from His Majesty's Government on the 30th March, 1937, for the Agricultural Bank of Trans-Jordan.

(*c*) Is due to increased commitment under the Pensions Laws in force.

(*d*), (*e*), (*g*), (*h*), (*i*), (*l*) and (*n*). These increases are largely due to expansion in the relevant services.

(*f*) Is accounted for mainly by increased expenditure on "revenue refunds." Such refunds were previously treated as in reduction of revenue.

(*j*) Is mainly due to the transfer of the Forests Section of the Department to the Department of Lands and Surveys and of the Inspector of School Gardens to the Education Department.

(*k*) Was previously paid from Head XIII.

(*m*) Is accounted for by expansion of the service and by increased expenditure necessitated by the purchase of a reserve of stores.

(*o*) and (*p*) The increased expenditure was necessitated by the situation in Palestine.

(*q*) Advances other than temporary were in previous years charged to suspense. Such advances are now to be paid from voted moneys and when recovered are to be credited to revenue, in order to preserve to the legislature full control of the disposal of Government funds.

(ii) The following is a forecast of the extraordinary expenditure of the Trans-Jordan Government for the financial year 1938-39 as compared with the actual figures for 1937-38.

Head of Expenditure.	*Actuals, 1937–38.* £P.	*Forecast, 1938–39.* £P.	*Increase.* £P.	*Decrease.* £P.
23. Public Works Extraordinary	22,967	232,000	209,033	—
24. Police and Prisons Extraordinary	10,419	9,000	—	1,419
25. Antiquities Extraordinary ...	824	850	26	—
26. Education Extraordinary ...	—	710	710	—
27. Posts and Telegraphs Extraordinary	2,962	1,450	—	1,512
28. Customs, Trade and Industry Extraordinary	—	200	200	—
29. Development (Water Boring)	—	1,800	1,800	—
33. Relief Measures	997	—	—	997
34. Public Health Extraordinary	189	230	41	—
35. Ministry of Finance Extraordinary	8,775	1,410	—	7,365
H.H. The Amir	2,000	—	—	2,000
Expenses of His Highness's delegate to the London Conference on Palestine ...	—	700	700	—
£P	49,133	248,350	213,510	13,293

Note.—In connexion with the expenditure on Public Works Extraordinary see Note (1) at the end of paragraph 5C.

8. *Financial Position of the Trans-Jordan Government at the 31st March,* 1938.

Liabilities.	£P. mils.	*Assets.*	£P. mils.
Deposits	14,723.829	Advances	12,575.024
		Imprests	6,719.056
Loans	8,000.000	Loans	7,000.000
		Remittance	163.697
Excess of Assets over Liabilities (Surplus Balance)	28,550.812	Cash and Bank Balances	24,816.864
£P.	51,274.641	£P.	51,274.641

9. *Revenue Collection.*

The collection of current taxation from the 1st January to the 31st December, 1938, amounted to £P.120,640. Relative collections during previous calendar years were as follows:—

	£P.
1931	99,961
1932	101,073
1933	84,611
1934	89,872
1935	121,985
1936	81,352
1937	129,163

Current taxation remitted on account of crop failure during recent years in accordance with the revised system described on page 379 of the Annual Report for 1936 was as follows:—

	£P.	
1931	12,468	
1932	8,397	
1933	14,726	
1934	19,155	
1935	13,776	
1936	51,949	
1937	7,681	
1938	16,133	(recommended)

10. *Arrears of Taxes.*

Collection of arrears of taxes from the 1st January to the 31st December, 1938, amounted to £P.2,400. Relative collections during previous calendar years were as follows:—

	£P.
1931	3,841
1932	5,230
1933	4,021
1934	3,757
1935	9,671
1936	2,730
1937	4,947

The amount of arrears authorised or recommended to be written of in accordance with the procedure outlined on page 337 of the Annual Report for 1935 were as follows:—

Year of Assessment.	£P.	
1924-25 to 1930-31	63,428	
1931-32	7,789	
1932-33	13,560	
1933-34	14,227	
1934-35	8,865	
1935-36	3,281	(recommended)

11. *Revenue Reform.*

The decennial re-assessment of the gross value of taxable lands and buildings within the Municipal area of Amman, under article 25 of the House and Tax Law, 1926, was completed during the year under review.

12. *Trade, Public Finance, and Population.*

A statistical table relating to Trade, Public Finance and Population is appended. In accordance with the request of the Permanent Mandates Commission at its thirty-fourth session (Minutes, page 30), the table has been expanded so as to include information relating to the calendar year 1931 and to the financial year 1931-32.

TRANS-JORDAN.

(*Area: approximately 90,000 Square Kilometres.*)

Calendar Year.	Population Estimate. (a)	Trade. (b)		Public Finance.							
		Imports.	Exports.	Financial Year.	Revenue from External Sources.		Revenue from other than External Sources.	Amounts spent on			
					Loans and Advances.	Non-recoverable Grants.		Education.	Agriculture.	Public Health.	Public Works.
		£P.	£P.		£P.	£P.	£P.	£P.	£P.	£P.	£P.
1931	—	—	—	1931–32	12,000	115,144	222,902	21,744	6,121	11,292	33,395
1932	—	—	—	1932–33	10,000	101,139	253,749	22,388	5,479	11,960	32,596
1933	—	—	—	1933–34	30,184	119,905	261,507	23,028	6,075	12,118	32,112
1934	—	—	—	1934–35	30,878	101,250	276,258	23,324	7,439	13,014	32,070
1935	—	—	—	1935–36	4,816	81,783	313,847	24,207	7,411	13,989	47,741
1936	—	935,305	228,376	1936–37	13,967	130,510	288,140	23,373	8,506	15,212	41,047
1937	—	1,054,286	510,968	1937–38	8,000	100,910	358,160	24,231	9,633	17,461	51,254
1938	300,000	1,306,179	472,399	—	—	—	—	—	—	—	—

(*a*) No census has ever been taken; the figure shewn for 1938 is based on a careful administrative survey made in that year.
(*b*) Reliable statistics are not available for the period prior to the Calendar year 1936.

XVI.—CUSTOMS, EXCISE AND TRADE.

Customs.

Imports.

1. The total value of commercial imports cleared for home consumption during the year 1938 was £P.788,714 compared with £P.934,211 for 1937 and £P.794,959 for 1936.

Direct importations by parties enjoying exemption from customs duties, which are not included above, were as follows:—

	£P.
(1) Iraq Petroleum Company—	
(*a*) From Palestine	48,077
(*b*) From Iraq	5,131
(2) Palestine Electric Corporation	5,983
(3) Commanders, Royal Engineers (Haifa-Baghdad Road)	23,153
(4) Privileged Persons	202,883
(5) Items on free List	232,238
Total	517,465

The increase above the figures in the previous year was due in part to larger imports by the Royal Air Force, and in part to sums under item (5) in respect of camels, sheep and goats passing through the new customs post at Station 4 on the 'Iraq Petroleum Company's pipe-line and of Maria Theresa dollars brought in for re-export to Saudi Arabia.

Principal Imports.—The recorded value of the principal commodities imported from all countries for home consumption are shown in table " A ".

Specie.—The value, in Palestine pounds, of declared specie imported during the year under review, with comparative figures for the previous three years was:—

	1935. £P.	*1936.* £P.	*1937.* £P.	*1938.* £P.
Gold coin	—	—	—	—
Silver coin ... ... }	—	4,847	4,530	77,232*
Maria Theresa ... ... }				
Other metal coins	—	—	—	—
Currency notes	600	4,000	—	18,800
£P.	600	8,847	4,530	96,032

* Imported for dealing with Nejd merchants.

Exports and Re-exports.

2. The value of known commercial land exports and re-exports (excluding goods passing through Trans-Jordan in transit and specie) were as follows:—

	Exports.			*Re-exports.*		
	1938. £P.	*1937.* £P.	*1936.* £P.	*1938.* £P.	*1937.* £P.	*1936.* £P.
Exports to Palestine	444,523	404,107	198,215	77,597	12,239	2,678
Exports to Syria ...	27,677	106,861	29,781	11,967	2,173	564
Exports to Iraq ...	199	—	380	211	28	—
Exports to Nejd ...	—	—	—	2,770	420	1,873
Totals £P.	472,399	510,968	228,376	92,545	14,860	5,115

Specie.—The value, in Palestine pounds, of declared specie exported during the year under review, with comparative figures for the previous three years was:—

	1938. £P.	*1937.* £P.	*1936.* £P.	*1935.* £P.
Gold coin	Nil	Nil	Nil	Nil
Silver coin	21,700	27,000	45,800	30,000
Other metal coins...	1,200	700	4,320	1,710
Currency notes ...	90,050	154,850	160,355	168,500
Totals £P.	112,950	182,550	210,475	201,110

Principal Articles Exported.—The recorded values and quantities of the principal commodities exported from Trans-Jordan during the year 1938 were as follows:—

Item.	*Quantity* 1938.	*Value.* 1938.
	Nos.	£P.
Sheep	28,602	25,010
Goats	7,769	5,000
Cattle	679	2,673
	Kilogrammes	
Samneh	109,794	12,356
Fresh vegetables	2,853,317	11,291
Kersenneh peas	1,188,401	8,320
Fresh fruit	1,557,045	15,656
Raisins	354,817	4,652
Grapes	1,213,795	4,007
Wheat	32,619,405	324,103
Barley	4,015,106	20,473
Durra	842,252	4,501
Dyed goods	28,575	4,312
Wool	33,157	1,149
Men's wear	9,878	1,503
Head gear	12,900	2,852
(Keffiyeh)		

Palestine provided an excellent market for Trans-Jordan wheat. The demand was constant and good prices ruled.

Transit Trade.

3. The value of goods removed through Trans-Jordan in transit during the year under review and the three previous years were as follows:—

		1938. £P.	*1937.* £P.	*1936.* £P.	*1935.* £P.
(*a*)	From 'Iraq to Palestine ...	365,920	390,321	243,123	407,262
	From Palestine to 'Iraq ...	161,338	313,465	193,886	280,728
(*b*)	From Nejd to Syria ... } From Syria to Nejd ... }	Not known.			
(*c*)	Via Air routes by Imperial Airways, K.L.M. and Misr Airworks	No official landings These Companies fly across Trans-Jordan but do not provide any service for Trans-Jordan goods or passengers.			
(*d*)	Via 'Iraq Petroleum Company's Pipeline, 'Iraq to Palestine:—				
		1938.	*1937.*	*1936.*	
	Quantity of crude oil-tons ...	2,036,067	2,024,115	1,922,498	
	Value	£P.1,628,854	1,619,292	1,537,998	

(Arbitrary value at 16 shillings per ton of crude oil.)

The principal goods carried by road in transit through Trans-Jordan are:—from 'Iraq to Palestine, carpets, lambskins, casings, gums (for Europe and America), poultry, ghee, fish, eggs, dates (for Palestine). From Palestine to 'Iraq, cased goods of foreign manufacture including hardware, wearing apparel, and medicines.

The Baghdad firm of Haim Nathaniel, with branches in Palestine, operated a bi-weekly goods service between Jerusalem-Haifa and Baghdad and *vice versa* during the year.

Mails were also carried by this firm.

Rest houses have been provided for the use of travellers at Mafrak and at the desert Stations H.5 and H.4.

Customs Revenue.

4. Receipts from customs for 1938, as compared with the four previous years were as follows:—

1938. £P.	*1937.* £P.	*1935.* £P.	*1935.* £P.	*1934.* £P.
113,057	118,405	104,434	95,132	86,406

In addition thereto the following amounts were collected on behalf of the undermentioned Departments:—

	1938. £P.	*1937.* £P.	*1936.* £P.	*1935.* £P.	*1934.* £P.
Municipalities Tax on Inflammable goods...	7,947	5,695	7,179	7,289	5,411
Octroi Tax (1.4.38) ...	5,413	—	—	—	—
Veterinary	562	721	569	292	288
Passport	297	401	212	136	156

Contraband.

5. The total number of offences against the customs law adjudicated during the year under review was 318 as compared with 227 in 1937, 258 in 1936 and 179 in 1935.

Receipts from penalties imposed, and the sale of confiscated goods, amounted to £P.400 and £P.83 respectively.

The amount of penalties imposed by the courts amounted to £P.33 in 1938.

Foreign Trade.

6. The main trade channels and the distribution of trade during 1938, together with comparative figures of the preceding years are given in table (B).

Trade between Palestine and Trans-Jordan was generally satisfactory notwithstanding the difficulties arising from the abnormal situation in Palestine.

Trans-Jordan exported a record quantity of wheat, and road transport employed in the export of grain quoted cheap return rates for merchandise.

The present situation in Palestine is not conducive to close business associations between Palestine local industry in general and the merchants of Trans-Jordan. Consequently the greater portion of purchases made by Trans-Jordan relate to foreign goods duty paid in Palestine. The imports of such goods during 1938 are valued at £P.373,055 and the value of goods of Palestine produce or manufacture imported amounted to £P.46,347. The figures for 1937 were £P.200,685 and £P.60,390 .respectively.

The transactions under the Trans-Jordan-Syria Customs Agreement were:—

	1938.	*1937.*	*1936.*	*1935.*
Imports of Syrian produce and manufactures	175,670	156,853	153,963	81,048
Re-exports from Syria ...	30,831	20,299	22,863	12,320
Exports of Trans-Jordan produce to Syria	27,677	106,861	29,781	21,487
Re-exports to Syria	11,967	2,173	564	3,024

Syrian trade with Trans-Jordan continued to benefit by the devaluation of the franc in September, 1936.

The value of Trans-Jordan trade with Nejd is very difficult to assess but it is considerably larger than the statistical figures indicate. Wheat, barley, coffee, spices, cotton and artificial silk piece goods and benzine are the principal exports to Nejd.

The value of imports from 'Iraq amounted to £P.106,336 as compared with £P.7,141 during 1937.

Work on the construction of the Haifa-Baghdad road began in August, 1938. Animals to the value of £P.102,746 were imported in connection with this work.

The value of goods entering Trans-Jordan in transit through Palestine and Syria during 1938 was £P.286,545 and £P.193,722 as compared with £P.266,439 and £P.202,491 respectively during the previous year.

Balance of Trade.

It is not possible to assess the balance of trade with any degree of certainty. The number of the customs posts in the central and southern areas is insufficient to enable complete trade statistical data to be obtained but it is known that cereals from these areas are freely exported to Nejd and to Palestine.

Tariff Changes.

7. The Import Tariff Schedule is based on the League of Nations Standardised Nomenclature and consists of 554 items and sub-items.

The customs duties collected during 1938 represented 18 per cent. of the value of dutiable goods.

No tariff changes were recorded during 1938.

Exports continued free of duty or dues.

An examination fee of one-half per cent. on the c.i.f. value of goods imported continues to be chargeable in addition to the customs duties on goods which are not free of duty or otherwise exempted therefrom.

Excise.

8. *Liquor.*—Revenue from excise duty on spirits and wine manufactured in the country during the year under review as compared with the two previous years was:—

	1938. £P.	*1937.* £P.	*1936.* £P.
Cognac	195	190	195
Araq	855	757	759
Wine	60	56	72
Methylated spirit	13	17	19
Alcohol	1	1	3
Totals	1,124	1,021	1,048

The rates of excise duties on liquors and spirits manufactured remained unchanged, being:—

Cognac and Araq ...	56 mils per litre.
Wine	10 mils per litre bulk, provided that the wine does not contain more than 25 per cent. of alcohol.
Methylated spirit ...	10 mils per litre.
Pure spirit ...	50 mils per litre.

The output of the three distilleries in Trans-Jordan during the last four years is shown in table " C ".

The receipts in respect of liquor licences were as follows, compared with the previous three years:—

1938.	*1937.*	*1936.*	*1935.*
£P.	£P.	£P.	£P.
339	374	309	253

Table " D " contains particulars as to the quantities of liquors, wine and spirit imported into Trans-Jordan during the year with comparative figures for the four preceding years.

Tobacco.—The excise duties on tobacco continue to be as follows:—

Cigarettes	300 mils per kilogramme
Cut Tobacco	250 mils per kilogramme
Cut Tobacco where the retail price for 40 grammes does not exceed 10 mils ...	120 mils per kilogramme

The revenue from the above excise duties, and the quantities of tobacco so taxed, are shown in Table " E " with the corresponding figures for the last four years.

The revenue from licences to sell and manufacture tobacco was as follows:—

1938.	*1937.*	*1936.*	*1935.*	*1934.*
£P.	£P.	£P.	£P.	£P.
648	627	609	588	568

Tombac locally grown and Hisheh tobacco continued to be exempt from excise duties during the year.

Table " F " contains comparative figures for the past four years of foreign leaf tobacco imported in Trans-Jordan.

Table " G " contains comparative statement of revenue from import duty on foreign manufactured tobacco imported into Trans-Jordan during the last four years.

Salt.—The excise duty on salt was abolished in 1929. The salt deposits of Trans-Jordan are at Azraq. There are no statistical data indicating quantities extracted for use.

9. *Excise Offences.*—The number of excise cases dealt with during 1938 was 70 compared with 98 in 1937, 112 in 1936 and 147 in 1935. They were as follows:—

	1938.	*1937.*	*1936.*	*1935.*
Unlicensed sale of tobacco ...	23	30	65	65
Unlicensed sale of alcohol ...	2	8	11	4
Unlicensed sale of matches ...	40	60	36	47
Undeclared cultivation of tobacco	4	—	—	21
Unlicensed manufacture of alcohol	1	—	—	10
Totals	70	98	112	147

Excise Revenue:—

	1938.	1937.	1936.	1935.
Liquors.	£P.	£P.	£P.	£P.
Excise on liquors	1,110	1,003	1,026	1,009
Licence fees	339	374	309	253
Tobacco.				
Excise on tobacco	13,366	13,008	12,576	9,963
Licence fees	648	627	609	588
Methylated spirit	13	17	19	
Alcohol	1	1	3	
Totals	15,477	15,030	14,542	11,813

Table " H " shows excise revenue for 1938 as compared with totals for the three previous years.

Customs and Excise Revenue.

10. Customs stations were opened during the year at Ma'an and Zerka.

A graph illustrating the trend of customs and excise revenue during the past 14 years (1925-1938) is annexed as table " J ".

11. *Trade and Industry.*—Trans-Jordan being an agricultural country a sufficient and timely rainfall and a healthy condition of cereal crops are important factors which are necessary for prosperous economic conditions. While the total rainfall during the season 1937-8 was satisfactory its incidence was untimely with the result that the cereal yield of the year was most disappointing. The effect upon economic conditions was reflected by a drop in the total value of known exports from £P.511,000 in 1937 to £P.472,000 in 1938.

Grains.—The approximate production in, and export from, Trans-Jordan of wheat and barley (the principal grain crops) in the past three years were as follows:—

	1938.		1937.		1936.	
	Production.	*Exports.*	*Production.*	*Exports.*	*Production.*	*Exports.*
	Tons.	*Tons.*	*Tons.*	*Tons.*	*Tons.*	*Tons.*
Wheat...	85,000	33,000	113,000	26,500	40,000	12,000
Barley...	45,000	4,000	53,000	8,000	16,000	1,500
Lentils	4,600	1,000	5,000	1,200	3,000	600
Kersenneh	7,500	1,200	7,000	1,800	4,000	650
Durra	8,900	800	11,000	2,400	—	400

Grapes.—The grape crop was generally good, except in the region of Es Salt. Exports were much affected by the interruption of road transport in Palestine. Vineyard owners converted large quantities of grapes into raisins, but the expectations

of an excellent export market did not materialize owing to risks of transport in Palestine.

Wool.—The quantity of wool exported during 1938 decreased to 33 tons from 177 tons in the previous year. This was mainly due to the fall in world market prices to very low levels.

Fresh Fruit.—There was some increase in the export of fresh fruits, mainly bananas, citrus and pomegranates. 1,557 tons were exported in 1938 as compared with 889 tons exported in 1937.

Currency.—The relatively high cost of living which still obtains in Trans-Jordan is in part due to the fact that, although the Palestine pound is divided into 1,000 mils, the lowest spending unit is in reality the 5-mil piece.

TABLE (A).

PRINCIPAL IMPORTS.

VALUES.

	1938.	1937	1936.
	£P.	£P.	£P.
Cotton Piece Goods	86,576	62,893	94,926
,, White Shirting ...	15,066	18,555	14,359
,, Figured	10,397	12,693	12,937
,, Calico	18,190	9,576	9,579
Artificial Silk Piece Goods ...	50,000	97,891	73,045
Benzine	39,410	35,665	46,881
Sugar	46,951	47,277	45,597
Kerosene	25,001	24,820	21,700
Coffee	18,083	18,459	16,640
Animals	126,075	23,256	16,277
Articles made of Wool ...	24,340	19,963	15,647
Timber	21,686	13,090	14,964
Clothing	28,549	29,335	13,999
Samneh	7,440	22,738	13,700
Head Gear	13,799	13,401	13,857
Confectionery	21,394	17,328	11,554
Boots and Shoes	18,203	19,612	10,467
Tea	11,189	10,145	9,556
Flour	4,645	16,789	8,410
Olive Oil	5,882	11,223	8,172
Woollen Piece Goods	6,169	6,447	7,971
Articles made of Iron	11,379	9,768	7,047
Ware of Paper	12,754	8,873	6,216
Soap	7,231	10,468	5,144
Rice	24,758	40,377	41,637

TABLE (B).

Main Channels and Values of Imports and Exports.

Imports.

	1938. £P.	1937. £P.	1936. £P.	1935. £P.	1934. £P.
1. In Transit through Palestine	286,545	266,439	236,608	200,119	212,415
In Transit through Syria ...	193,722	202,491	199,013	82,611	30,745
In Transit via Post Office ...	6,939	5,015	4,945	(Statistics not kept)	
2. Imports from 'Iraq	106,316	7,141	9,508	(Statistics not kept)	
Imports from Nejd	4,410	14,898	11,115	7,550	2,730
3. *Trade Agreements* :—					
Palestine—					
1. Foreign goods duty paid in Palestine subsequently consumed in Trans-Jordan	373,055	200,683	121,453	(Statistics not kept)	
2. Palestine locally manufactured goods ...	46,347	60,390	36,088	(Statistics not kept)	
Syria—					
1. Foreign goods re-exported to Trans-Jordan	30,831	20,299	22,863	12,320	13,627
2. Syrian locally manufactured goods ...	175,670	156,853	153,963	81,048	79,425

Exports.

4. Exports from Trans-Jordan:—					
To Palestine	444,523	404,107	198,215	(Statistics not kept)	
Re-exported to Palestine	77,597	12,239	2,678	(Statistics not kept)	
To Syria	27,677	106,861	29,781	21,487	9,220
To Syria re-exports ...	11,967	2,173	564	(Statistics not kept)	
To 'Iraq	199	—	380	(Statistics not kept)	
To 'Iraq re-exports ...	211	28	—	(Statistics not kept)	
To Nejd	(Statistics not kept.)				
To Nejd re-exports ...	2,770	420	1,873	(Statistics not kept)	

TABLE (C).

Quantity of Liquors Manufactured by Distilleries.

Year.	*Cognac.*	*Araq.*	*Wine.*	*Methylated Spirit.*	*Alcohol.*
	Litres.	*Litres.*	*Litres.*	*Litres.*	*Litres.*
1938 ...	11,486	30,048	5,997	1,326	18
1937 ...	10,708	26,264	5,624	1,729	36
1936 ...	11,071	25,594	7,216	1,940	76
1935 ...	10,763	24,672	6,975	—	—

TABLE (D).

QUANTITIES OF LIQUORS, WINE AND SPIRITS IMPORTED FOR CONSUMPTION IN TRANS-JORDAN.

	Beer.		In Barrels.	Araq, Gin, Cognac, Whisky, Liqueurs.	Champagne.	Rum Vermouth.	Wine.	Pure Alcohol.	Methylated Spirit.	Customs Import Duties.
	Large. Bottles.	Small Bottles.								
	Nos.	Nos.	Litres.	Litres.	Litres.	Litres.	Litres.	Litres.	Litres.	L.P.
1934	53,718	8,045	—	2,938	77	357	5,376	57	4,699	1,721
1935	36,461	612	—	2,921	62	261	2,020	35	4,860	1,469
1936	47,824	6,308	26,336	3,651	59	1,418	3,441	898 19 free duty	2,401	1,657
1937	26,503	9,189	20,085	5,622	55	390	1,945	1,035	3,690	1,460
1938	46,043	4,132	20,055	6,912	153	182	1,613	670	5,580	1,691

TABLE E.

QUANTITIES OF, AND DUTIES COLLECTED ON, TOBACCO AND CIGARETTES MANUFACTURED AND ISSUED FOR SALE BY FACTORIES.

Year.	*Cigarettes. Excise duty 300 mils per kilogramme.*			*Cut tobacco. Excise duty 250 mils per kilogramme.*		*Cut tobacco. Excise duty 120 mils per kilogramme.*	
	No.	*Weight.*	*Duty.*	*Weight.*	*Duty.*	*Weight.*	*Duty.*
		Kilogrammes.	£P.	*Kilogrammes.*	£P.	*Kilogrammes.*	£P.
1935	27,624,200	20,782	6,234	8,148	2,037	14,092	1,691
1936	28,883,450	21,849	6,554	9,056	2,264	31,311	3,757
1937	26,740,238	20,306	6,091	9,385	2,346	38,083	4,569
1938	30,707,050	23,629	7,088	8,903	2,226	33,764	4,051

TABLE F.

Quantities of Foreign Tobacco Leaf Issued from Bond and Amount of Duties Collected Thereon.

Rate of Duty: *300 mils per kilogramme.*

Year.	*Tobacco leaf issued.*	*Import duty collected.*
	Kilogrammes.	£P.
1935	7,566	2,269
1936	7,265	2,179
1937	7,412	2,223
1938	6,434	1,930

TABLE G.

Import Duty Collected on all Kinds of Imported Tobacco and Tombac.

Year.	*Foreign Leaf.*	*Cigarettes Tobacco.*	*Tombac.*	*Total.*
	£P.	£P.	£P.	£P.
1935	2,270	1,211	1,566	5,047
1936	2,180	1,285	2,732	6,197
1937	2,223	1,045	4,175	7,443
1938	1,930	920	4,928	7,778

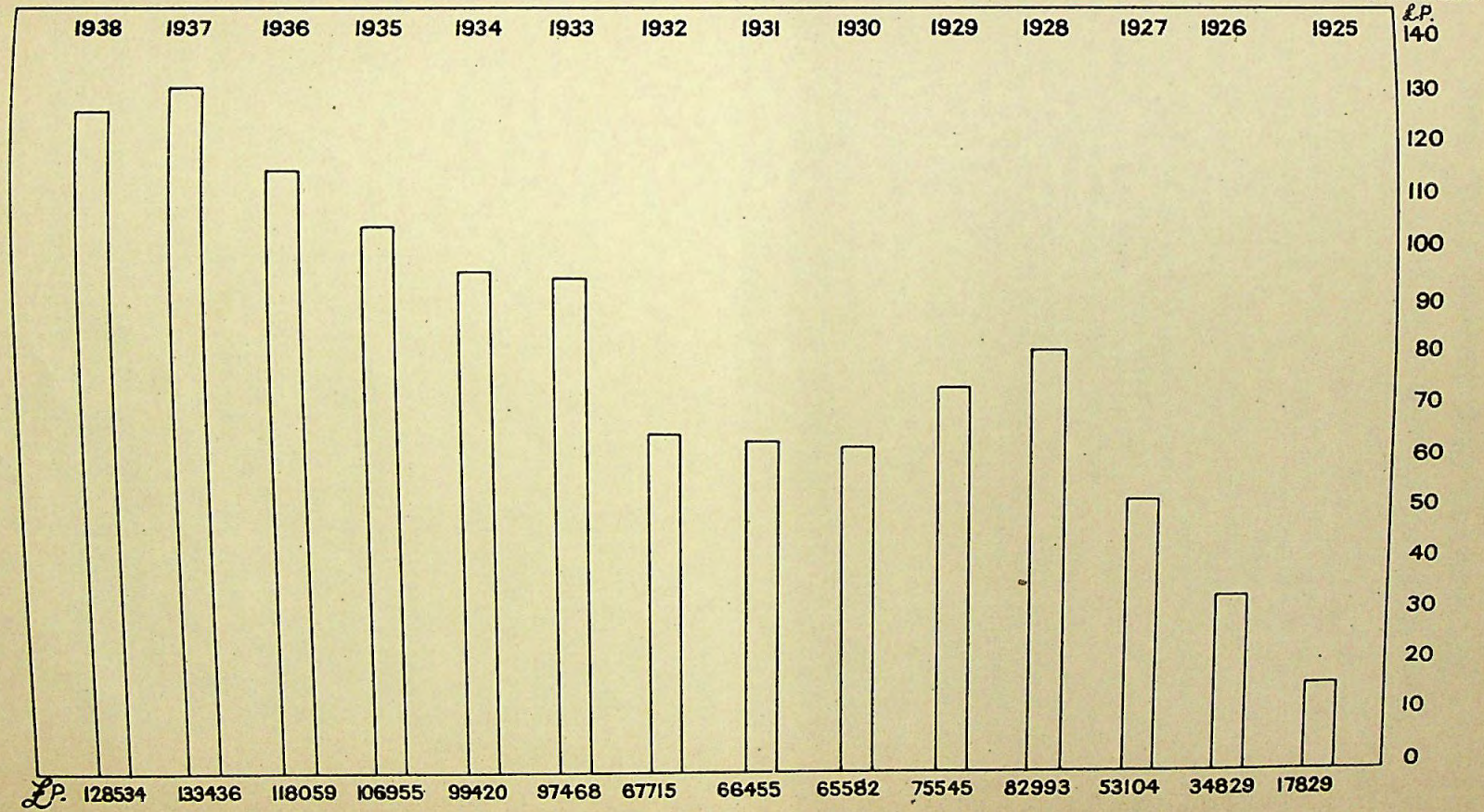
TABLE H.

Excise Revenue.

Year.	*Tobacco.*	*Liquor.*	*Total.*
	£P.	£P.	£P.
1935	9,962	1,009	10,971
1936	12,576	1,048	13,624
1937	13,008	1,021	14,029
1938	13,366	1,124	14,490

TABLE (J)

CUSTOMS AND EXCISE REVENUE OBTAINED DURING 14 YEARS FROM (1925 - 1938)



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Malby & Sons, Lith

XVII.—POSTS, TELEGRAPHS AND TELEPHONES.

1. *Finance.*—The revenue for the financial year 1937-8 was as follows:—

	£P.	£P.
Sale of postage stamps	3,318	
Commission on postal orders	316	
Telephones (rentals and calls)	10,528	
Telegrams	1,203	
Parcels	1,119	
Miscellaneous	230	
		16,714
Charges for services rendered to Government Departments not included in the above figures:—		
Inland telephones and telegrams to civil list ...	325	
Police post telephones, the rentals of which are on a kilometric basis	745	
Inland postage on official correspondence ...	2,332	
Commission on the sale of revenue stamps ...	289	
		3,691
Total		20,405

Expenditure for the year was:—

	£P.	£P.
Ordinary expenditure		15,163
Expenditure incurred by other departments on behalf of this department:—		
Rents of buildings	682	
Furniture and other minor works	27	
Printing and stationery	428	
		1,137
Total		16,300

Extraordinary works carried out during the year included the construction at a cost of £P.2,665 of a telephone and telegraph route between Tafileh and Ma'an, thus completing the direct route between the latter town and Amman. A telephone route was also constructed at a cost of £P.298 between Irbid and Samar, the headquarters of a Nahieh.

2. *Posts.*—As a result of the disturbances in Palestine the motor transport daily service for the carriage of mails between Amman and Jerusalem ceased to operate in the latter part of the year, and these mails were thereafter carried by road convoys of the Royal Air Force about three times a week. Some interruption of mail services in southern Trans-Jordan occurred during periods of rain and snow at the beginning of the year.

Trans-Jordan participated in the British Empire "All up" Air Mail Service as from the 1st March.

Eighty-two enquiries were received for lost items of registered correspondence, and 42 for ordinary items. Investigations revealed that of the registered items 75 were delivered; and of the

ordinary items 21 were delivered and the remainder were untraced.

The number of items dealt with in the Returned Letter Office amounted to 3,576 of which 27 items were registered; 378 items were returned to offices of origin in foreign countries; 358 were delivered to senders and addressees in Trans-Jordan; 2,434 printed papers were destroyed and 406 letters were kept until claimed.

The appended table of statistics for the years 1937 and 1938 shows a further satisfactory progress in many of the postal services. Where decreases appear they are mostly due to disturbed conditions in Palestine.

Traffic Statistics 1938.

Description.	*1937.*	*1938.*	*Increase or decrease per cent.*
Ordinary mails :—			
Correspondence (letters, postcards, printed papers, etc.)	500,905	645,703	29 increase
Parcels, inland	4,375	3,833	12 decrease
Parcels, foreign, despatched ...	318	389	22 increase
Parcels, foreign, received	2,778	3,257	17 ,,
Telegrams, inland	6,411	6,776	6 ,,
Telegrams, foreign, despatched ...	3,640	4,966	36 ,,
Telegrams, foreign, received ...	3,759	4,714	25 ,,
Telephone subscribers, number ...	643	725	13 ,,
Telephone trunk calls, inland ...	91,559	120,415	32 ,,
Telephone trunk calls, foreign, outgoing...	14,671	11,553	21 decrease
Telephone trunk calls, foreign, incoming	12,227	9,521	22 ,,
Telephone call offices	52	54	4 increase
Telephone trunk lines, kilometres ...	1,500	1,660	11 ,,
Money orders, inland, number ...	2,677	2,601	3 decrease
Money orders, inland. Value £P.	46,960	40,754	13 ,,
Money orders, foreign, issued, number	987	598	39 ,,
Money orders, foreign, issued. Value £P.	4,293	3,152	27 ,,
Money orders, foreign, paid, number	260	277	7 increase
Money orders, foreign, paid. Value £P.	1,935	1,981	2 ,,
Postal orders, inland, number ...	14,160	19,364	37 ,,
Postal orders, inland. Value £P.	10,802	14,670	36 ,,
Postal orders, imperial, issued, number	2,158	2,730	27 ,,
Postal orders, imperial, issued. Value £P.	1,483	1,804	22 ,,
Postal orders, imperial, paid, number	225	229	2 ,,
Postal orders, imperial, paid. Value £P.	153	147	4 decrease
Postal orders, Palestinian, paid, number	5,130	3,867	25 ,,
Postal orders, Palestinian, paid. Value £P.	4,473	3,411	24 ,,

3. *Telegraphs.*—The improvement in the inland telegraph traffic and the increase in foreign traffic were both due to restrictions imposed on trunk calls in Palestine and the destruction by armed bands of the Amman-Jerusalem circuits within the latter country between September and December. During this period telegrams destined for Palestine and those normally transmitted through Palestine were diverted through Syria.

4. *Telephones.*—The increase in the number of inland telephone trunk calls was mainly due to the demands of internal public security precautions, and to improvement in the service concurrently with a marked increase in the number of subscribers.

5. *Engineering.*—The ordinary work of maintaining the telephone and telegraph routes was performed regularly; and in addition to extraordinary works carried out preparations were made for the erection of a telephone circuit between police posts at Kreimeh and Damieh in the Jordan valley.

General.

6. During the year 33 cases of damage to telephone and telegraphs routes were reported and action was taken against the persons or the villages concerned.

Funds for the expropriation of a site for a new General Post Office at Amman were provided in the current year's Estimates, and a suitable site was acquired, and plans of construction are in course of preparation.

New postal agencies were established at stations H.4 and H.5 on the 'Iraq Petroleum Company pipe line, and at Fuheis and Wadi es Sir villages.

The total number of officers on the classified establishment at the end of the year was 64. The unclassified employees comprised 34 linemen, 14 postmen, 3 apprentices and 4 orderlies.

XVIII.—AGRICULTURE AND VETERINARY.

Agriculture.

After a satisfactory rainfall in October and November, 1937, there was a long dry interval until mid-January when the next rain fell, but damage had already been done to the early " afir " crops in a number of localities. Rain continued intermittently during the first quarter of the year, but the rainfall in April was disappointing. A considerable fall occurred in May but this was too late in the season to be beneficial. While therefore, the aggregate rainfall was somewhat above the average, the irregularity in its incidence, together with a serious and widespread outbreak of " rust," resulted in yields of wheat and barley which were most disappointing both in quantity and in quality. The yield of the olive crop was good, and that of vines satisfactory, except in the neighbourhood of Es-Salt where the crop was below the average. Some 8,000 dunums were cultivated with winter vegetables and 37,000 dunums with summer vegetables.

Particulars of the areas sown with tobacco and tombac are given in Chapter XVI of this Report. In addition some 7,400

dunums were sown with hisheh tobacco, giving an estimated yield of 828,000 kilogrammes.

Apart from the usual visitations of field mice and " worm," no serious pests appeared.

The early rains of the 1938-9 season have been excellent and well distributed, and give promise of a good agricultural harvest.

At the end of 1937, which was nominally the last year covered by the grant from the Colonial Development Fund of £P.1,200 for each of three years for the propagation of good seed in Trans-Jordan, a small balance of funds remained which was carried forward for expenditure in 1938-9.

During the past season the following quantities in kilogrammes of selected seed were distributed to cultivators throughout the country: wheat 187,700, barley 21,200, kersenneh 13,700, jilbaneh 14,300, lentils 28,800.

Reports of the higher average yield from the selected seed issued and of the enhanced price obtained for its produce indicate that the scheme is being most beneficial.

The year 1938 was the first year of practical experimental work at the new Agricultural Station at Jubeiha. Test crops sown included 48 varieties of wheat, 40 of barley, four of lentils, one of oats, three of kersenneh, two of potatoes; and a quantity of fruit trees, vines and forest trees were planted. Three asses were acquired for mule breeding, and a beginning was made in the poultry section by the purchase of 180 birds of four varieties.

In addition to the experimental station at Jubeiha, the Department maintains the following:—

(a) *Horticultural Station at Ruseifa, near Amman,* where all kinds of fruit trees suitable to the altitude of the plateau are grown and grafted for distribution.

(b) *Horticultural Station at Bagoora* in the northern Jordan valley, devoted to citrus and fruit trees, date palms and vegetables. The Department of Agriculture continued to issue free of charge grafted citrus trees from this plantation to inhabitants in the Jordan valley, and also their planting and maintenance until established.

(c) *Horticultural Station at Jerash,* in the Ajlun hills which is confined principally to the growing of olives. This nursery was extended by a further four dunums.

(d) *A Demonstration Plot* of 80 dunums at Mejdal, also in the Ajlun hills for the propagation of carobs.

(e) *Wadi Zahar Nursery,* in the foothills west of Irbid, is confined to the production of seedlings of forest trees for the re-afforestation of areas in the north of the country which have been selected for that purpose during settlement operations. In addition to this nursery, all the other stations maintain a certain quantity of forest seedlings.

Veterinary.

2. After a set-back in winter grazing at the end of 1937 there was some recovery in the spring of the year under review and the condition of flocks generally has been good. With the early incidence of the first rains, in November, 1938, prospects for future grazing are extremely good.

There was no serious outbreak of disease, the more notable cases being:—

	Cases.	*Deaths.*
Small-pox in goats	700	47
Mange in goats	960	53
Foot and mouth disease	1,682	2

The large transit trade in camels, sheep and goats from Saudi Arabia through Trans-Jordan to Palestine and Egypt continued during the year.

By the generosity of the British Council a student has been sent to England to take a four year course in Veterinary Science, with a scholarship of £P.300 per annum.

3. The Forestry Section of the Department of Agriculture was transferred on the 1st April, 1938, to the Department of Lands and Surveys. A description of the activities of that section will be found under Chapter III, Lands.

XIX.—PUBLIC WORKS.

Roads.

The five-year programme of reconstruction of that part of the main Amman—Jerusalem road lying between Es Salt and the Allenby Bridge, which is being carried out with the assistance of a grant from the Colonial Development Fund, ended during the year with the completion of work on 11 kilometres of the road. At the end of the year work on a small section near the Allenby Bridge was proceeding and will be finished by the end of March, 1939, together with two large culverts now under reconstruction.

The construction, within Trans-Jordan territory, of the Haifa—Baghdad road under arrangements made by His Majesty's Government began in August. Work between Irbid and Jisr el Majamie is being carried out by the Trans-Jordan Department of Public Works at the charge of His Majesty's Government.

The construction of the road between Kerak and Madaba across the Wadi Mojib, which was begun as a relief measure in 1936, was continued by the Department in 1938 and will probably be completed in February, 1939. Similarly the work on the road connecting Ajlun with Deir Abu Said, which was started in 1936, was resumed and is expected to be completed by the end of March, 1939.

During the year 831 kilometres of roads were continuously maintained and 714 partially maintained.

Buildings.

2. Regular maintenance work was carried out in 80 Government owned and rented buildings.

Important buildings completed for Government use during the year included a new Headquarters for the Department of Lands at Amman, a Customs Bonded Warehouse and offices at Amman Station, additional stabling, garage and barrack accommodation at the Arab Legion Depot, Amman, and a Fort at Wadi Musa. The construction of a Fort at Al Jaffer and Police Posts at Gharandal, Rasheidieh and Wadi al Arab was also begun during the year.

Water Supplies.

3. A detailed scheme of water supply for the municipality of Es Salt has been prepared. This scheme will be carried out early in 1939 from municipal funds assisted by a loan of £P.2,500.

4. *Other Works.*—The Department is responsible for the works and buildings of the Trans-Jordan Frontier Force at Zerka and Ma'an, and also undertakes all hirings of offices and other accommodation for the Government and arranges for the provision of furniture therein. A Municipal Engineer was added to the staff of the Department in 1938 and municipal public works are now more closely supervised and controlled by the Director.

XX.—DEPARTMENT OF DEVELOPMENT.

1. The Department of Development was established in May, 1937, under the charge of a British Director, and is maintained by a grant from the Colonial Development Fund.

2. Preliminary studies and investigations were begun at the outset; but before a proper plan of operations could be established the circumstances of the Department were substantially changed by the provision by His Majesty's Government in 1937 of a grant of £P.15,000 for the purpose of a Hydrographic Survey of the country which, together with a contour survey of the Jordan Valley to be executed by the Department of Lands and Surveys, would enable the practical possibilities of irrigation development in Trans-Jordan to be assessed. This work, which was the outcome of the Report of the Royal Commission on Palestine, came as a matter of emergency upon an organization of which the merest nucleus was as yet in existence; and it absorbed most of the activities of the Department throughout the remaining part of 1937 and during 1938.

3. *Hydrographic Survey.*—The Hydrographic Survey, designed to disclose the possibilities of the water resources of the country, was put in hand at the end of 1937. During 1938

a programme of drilling for underground water was carried out, principally in the Jordan Valley, with results which were not unpromising although the sources discovered were comparatively small. An extensive network of water measurement of springs and streams was set up to serve as the basis of an analysis of the aggregate water resources of the country. Other studies and experiments in connexion with irrigation were initiated, and steps were taken to collect and compile general hydraulic and other information relevant to the developmental problems of the country.

Towards the end of the year the systematic compilation of the results of the survey during the past year was put in hand, but has not been completed.

4. *Irrigation Control Schemes.*—Subject to the overriding demands of the Hydrographic Survey the normal activities of the Department were pursued. A scheme for the control of the water of the Wadi el Arab, a perennial stream in the Jordan Valley, south of the River Yarmuk, was prepared, and the issue of a loan from the Colonial Development Fund of £P.4,000 for its execution was approved. It was, however, found necessary to postpone the work until security conditions in the Jordan Valley generally should become more normal.

A second scheme for the control of the water of the Wadi Ziqlab, the next considerable perennial stream south of the Wadi el Arab, was nearing completion at the end of the year; and proposals for a number of minor schemes for improvement of water supplies were in course of preparation.

5. *Irrigation Legislation.*—The use of water for irrigation continues, as hitherto, to be governed by the Ottoman Law, to which no amendments or additions have been made. A new Law for the control of irrigation and land drainage water was drafted, and was under consideration at the end of the year. In addition to general powers of control throughout the country the draft Law makes provision for water settlement and for the assumption of control of distribution in areas proclaimed as Irrigation Areas.

XXI.—CIVIL AVIATION.

1. The air services maintained by the Imperial Airways and the Royal Dutch Line between Europe and the Far East pass over Trans-Jordan territory but only make emergency landings in that country.

2. There are no customs aerodromes in Trans-Jordan, but permission is occasionally given for commercial machines to land on Royal Air Force aerodromes, and in such instances special arrangements are made in the matters of customs and passport control.

3. The need for a special department to administer civil aviation in Trans-Jordan has not arisen.

APPENDIX I (i).

The Palestine Electric Corporation, Limited.

(Incorporated in Palestine.)

Fifteenth Annual Report and Accounts, December 31st, 1937.

Report of Directors for the year ended December 31st, 1937.

The Directors beg to submit their Report and Statement of Accounts for the year ended 31st December, 1937.

The Directors are glad to be able to report that despite the disturbed conditions which prevailed in Palestine throughout the year under review, the Undertaking has operated satisfactorily and an efficient service has been maintained.

Notwithstanding the economic depresssion which accompanied the unsettled conditions in the country, both output and revenue increased.

The total number of consumers connected by December 31st last was 75,805 compared with 66,537 at the end of 1936, an increase of 14 per cent. 71,265,889 units of electrical energy were sold in 1937 compared with 65,495,957 in 1936, an increase of 8·8 per cent. The gross revenue increased by 4·9 per cent. from £P.582,765 in 1936 to £P.611,051, the lesser increase being mainly due to the considerable reductions effected during the year in the rates charged for energy.

The following figures show the development of the Corporation's business during the past six years :—

Year.		*No. of Consumers Connected.*	*Units sold (in kWh.).*	*Gross Revenue (in £P.).*
1932	...	15,113	11,590,350	145,512
1933	...	21,934	20,136,839	221,128
1934	...	35,397	34,385,515	363,900
1935	...	53,246	50,362,193	488,443
1936	...	66,537	65,495,957	582,765
1937	...	75,805	71,265,889	611,051

The construction work on the new Tel-Aviv Power House was continued throughout the year with the utmost expedition. The erection of machinery was held up, however, owing to considerable delay in the deliveries from England. It is expected that this Power House will be completed at the end of July of this year.

The second 66,000-volt Transmission Line from the Jordan Power House to Tel-Aviv is completed, but awaits connection with the new Power House.

Fifty transformers with a total capacity of 5,320 kVA. were put into commission in consumers' premises in 1937, bringing the total up to 707 transformers with a total capacity of 65,230 kVA.

The Transmission Lines to Beisan and to Gaza have been completed and supply commenced on December 16th, 1937 and May 23rd, 1938, respectively.

The transmission and distribution network of the Corporation was extended during the year by 246 km., making a total on the 31st December, 1937 of 1,137 km. of high-tension transmission lines and cables, and 1,061 km. of low-tension distribution lines.

Following the Resolution of the Extraordinary General Meeting held last year, increasing the Capital of the Corporation, an Issue was made at par of 500,000 4½ per cent. Second Redeemable Cumulative Preference Shares of £1 each.

	£P.	£P.
The gross profit for the year was		352,470
Deducting Appropriations made :—		
(*a*) Reserve for Depreciation	95,150	
(*b*) Redeemable Preference Shares Sinking Fund ...	12,000	
(*c*) Capital Amortisation Fund	9,754	
		116,904
there was a nett profit of		235,566
Deducting further :—		
(*d*) Dividend on Preference and Second Preference Shares	33,633	
(*e*) Interim Dividend of 2½ per cent. free of United Kingdom Income Tax on Ordinary and "A" Ordinary Shares, paid on December 31st, 1937...	43,441	
		77,074
		158,492
and adding the balance brought forward from the previous year	24,240	
there is an available balance of		182,732
out of which the Directors recommend :—		
(1) The transfer to Reserve for Income Tax and Contingencies of	20,000	
(2) The transfer to General Reserve of	50,000	
(3) The payment of a final Dividend of 5 per cent. free of United Kingdom Income Tax on Ordinary and "A" Ordinary Shares, absorbing	86,881	
		156,881
Leaving a balance to be carried forward of		£P.25,851

The members of the Board retiring by rotation are Lord Hirst and Dr. G. Halpern who, being eligible, offer themselves for re-election.

The Auditors of the Corporation, Messrs. Russell & Co., retire and, being eligible, offer themselves for re-appointment.

Signed on behalf of the Board of Directors,

SAMUEL, Chairman.

PINHAS RUTENBERG Managing Director.

July 1st, 1938.

THE PALESTINE ELECTRIC CORPORATION, LIMITED.

(Incorporated in Palestine.)

Profit and Loss Account for the year ended the 31st December, 1937.

Dr.	£P.	Cr.	£P.
To Directors' Fees	3,500	By Surplus on operating and Sundry Receipts after charging Generation, Distribution, Administration and London Office Expenses and after making provision for Depreciation and Superannuation Fund	260,820
Redeemable Cumulative Preference Shares Sinking Fund	12,000		
Capital Amortisation Fund	9,754		
Balance being Net Profit carried to Balance Sheet	235,566		
	£P.260,820		£P.260,820

The Palestine Electric Corporation Limited.

(Incorporated in Palestine.)

Balance Sheet as at the 31st December, 1937.

Liabilities.	*£P.	*£P.
Share Capital :—		
Authorised :—		
1,000,000 Ordinary Shares of £1 Sterling each ...	1,000,000	
800,000 " A " Ordinary Shares of £1 Sterling each	800,000	
600,000 4½ per cent. Redeemable Cumulative Preference Shares of £1 Sterling each (Redeemable on or before the 31st December, 1963)	600,000	
500,000 4½ per cent. Second Redeemable Cumulative Preference Shares of £1 Sterling each (Redeemable at any time on 90 days' notice) ...	500,000	
1,100,000 Shares of £1 Sterling each	1,100,000	
	4,000,000	
Issued and Fully Paid :—		
937,625 Ordinary Shares of £1 Sterling each ...	937,625	
800,000 " A " Ordinary Shares of £1 Sterling each	800,000	
600,000 4½ per cent. Redeemable Cumulative Preference Shares of £1 Sterling each	£P. 600,000	
Less Redeemed to date	16,150	
	583,850	
500,000 4½ per cent. Second Redeemable Cumulative Preference Shares of £1 Sterling each ...	500,000	
		2,821,475
Capital Redemption Reserve Fund Account		16,150
General Reserve		200,000
Share Premium Account		291,623
Redeemable Cumulative Preference Shares Sinking Fund (see contra)		19,481
Capital Amortisation Fund		9,754
Reserve for Depreciation :—		
Jordan Concession	278,384	
Auja Concession	177,007	
		455,391
Customs Duties Deferred in accordance with Clause 36, Jordan Concession		72,084
Reserve for Income Tax and Contingencies		53,427

Assets.	*£P.	*£P.
Jordan Concession :—		
Capital Expenditure to date :—		
Acquisition of the Concession	1	
First Jordan Hydro-Electric Power House, Haifa and Tiberias Power Houses : Land, Buildings, Hydraulic Works, Machinery, Transmission and Distribution System, etc.	2,530,513	
Power House South	345,894	
Upper Jordan Survey Costs	3,357	
Preliminary Expenses, including General Expenses in connection with the Jordan Concession	33,134	
		2,912,899
Auja Concession :—		
Capital Expenditure to date :—		
Acquisition of the Concession	1	
Tel-Aviv Installation : Land, Buildings, Generating Plants, Distribution System, etc.	669,713	
Preliminary Expenses of the Jaffa Electric Co., Ltd. ...	5,161	
		674,875
Registration Fees in connection with Increases of Capital and Capital Duty on Issues of Redeemable Cumulative Preference Shares		17,751
Lease of London Office Building, at cost, less amounts written off		5,900
Workshops Construction Machinery, etc., at cost, less depreciation		6,568

Creditors and Credit Balances :—			
Sundry Creditors		149,057	
Unclaimed Interim Dividends, 1937 (see contra) ...		24,334	
Preference Dividends payable on 1st January 1938		15,105	
Consumers' Deposits		13,488	
Credit Balances		33,139	
			235,123
Profit and Loss Account :—			
Balance brought forward at the 1st January, 1937	186,121		
Less :—			
Final Dividend for 1936 of 5 per cent. free of United Kingdom Income Tax on Ordinary and "A" Ordinary Shares	86,881		
Allocation to General Reserve	50,000		
Allocation to Reserve for Income Tax and Contingencies... ...	25,000		
	161,881		
		24,240	
Add : Profit for the year		235,566	
		259,806	
Less : Dividends for 1937 :—			
On 4½ per cent. Redeemable Cumulative Preference Shares and 4½ per cent. Second Redeemable Cumulative Preference Shares		33,633	
Interim Dividend of 2½ per cent. free of United Kingdom Income Tax on Ordinary and "A" Ordinary Shares		43,441	
		77,074	
			182,732
			£P. 4,357,240

* £P. 1 = £1 Sterling.

Stores on Hand at Jordan, Haifa and Tel-Aviv, as certified by the Company's Officials			115,502
Expenditure in Advance			17,223
Debtors and Debit Balances :—			
Consumers Accounts	115,211		
Sundry Accounts	42,713		
			157,924
Sundry Investments, at cost			16,499
Subsidiary Company :—			
Investment, at cost	24,943		
Current Account	33,079		
			58,022
Land, at cost, plus Expenses			16,026
Assets appropriated for Redeemable Cumulative Preference Shares Sinking Fund (see contra) :—			
Investments	12,000		
Cash	7,481		
			19,481
Cash appropriated for Payment of Dividends, 1937 (see contra)			24,334
Cash at Banks and in Hand and Deposits			314,236
			£P. 4,357,240

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STATEMENT AS TO SUBSIDIARY COMPANY, pursuant to Sec. 107 of the Companies Ordinance, 1929.

The Subsidiary Company shows a profit for 1937 which has not been incorporated in the above Accounts. SAMUEL, *Chairman.* PINHAS RUTENBERG, *Managing Director.*

On behalf of the Board of Directors—SAMUEL, *Chairman.* PINHAS RUTENBERG, *Managing Director.* J. FELDMAN, *A/Chief Accountant.*

AUDITORS' REPORT TO THE SHAREHOLDERS.

We have audited the Balance Sheet of the Palestine Electric Corporation, Ltd., dated the 31st December, 1937, as above set forth, and have obtained all the information and explanations which we have required. In our opinion the above Balance Sheet is properly drawn up, so as to show a true and correct view of the state of the Company's affairs according to the best of our information, and the explanations given to us and as shown by the Books of the Company.

Haifa, 1st *July*, 1938.

RUSSSELL & Co., *Chartered Accountants, Auditors.*

APPENDIX I (i

Jerusalem Electric & Public Service Corporation Limited.

Report of the Directors.

The Directors submit herewith the Accounts of the Company as at 31st March, 1938.

The profit for the year, including the balance (£P.4,228.127) brought forward from the previous year is £P.69,283.763
out of which the following payments and appropriations have been made :—

	£P.	
Provision for Income Tax	13,500.000	
Transfer to General Reserve	5,000.000	
Capital Amortisation Fund	5,476.924	
Plant Renewal and Depreciation Account	15,000.000	
Dividend on 225,000 Preference Shares for year to 31st March, 1938, less tax ...	11,812.500	
		50,789.424
leaving a balance of		£P.18,494.339

which the Directors propose to deal with as follows :—

In payment of a Dividend on 250,000 Ordinary Shares, of 7 per cent. less tax, amounting to	12,687.500
leaving to be carried forward to next year's Account	£P.5,806.839

The premium on the 50,000 Ordinary Shares of £P.1 each issued on 4th March, 1937, which amounted to £P.16,346.063 has been added to General Reserve.

The Plant has operated satisfactorily during the year and extensions as necessary, to deal with the increased demand, have been made in the Distribution System.

The Directors greatly regret to record the loss sustained by the death on the 8th of January last of Sir John H. B. Noble, Bt., who had been a Director of the Company since its formation, and who rendered valuable service as a member of the Board.

Since the date of the last Annual General Meeting Mr. Douglas Selby Warren, Sir Cuthbert Headlam, Bt., D.S.O., O.B.E., and Mr. Hugh George Balfour have been appointed Directors. In accordance with the Articles of Association, they, together with the Rt. Hon. Lord Rankeillour, P.C., retire and are eligible for re-election.

The Auditors, Messrs. Russell & Co., of Jerusalem, retire, and, being eligible offer themselves for re-election.

By Order of the Board,

D. C. Brook,

London Secretary

12th July, 1938.

JERUSALEM ELECTRIC AND PUBLIC SERVICE CORPORATION LIMITED.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 1938.

(£P.1 equals £1 Sterling).

Dr.	£P. Mils.	Cr.	£P. Mils.
To London Administration and General Expenses	4,056.781	By Surplus on Operating and Sundry Receipts	70,612.417
„ Directors' Fees	1,500.000		
„ Balance carried down...	65,055.636		
	£P. 70,612.417		£P. 70,612.417
	£P. Mils.		£P. Mils. £P. Mils.
To Provision for Income Tax	13,500.000	By Balance from last Account	13,228.127
„ General Reserve	5,000.000	*Deduct:* Ordinary Dividend for year to 31.3.37, *less* tax	9,000.000
„ Capital Amortisation Fund	5,476.924		4,228.127
„ Plant Renewal and Depreciation Account	15,000.000	„ Balance brought down	65,055.636
„ Preference Dividend for year, *less* tax	11,812.500		
„ Balance to Balance Sheet	18,494.339		
	£P. 69,283.763		£P. 69,283.763

BALANCE SHEET AS AT 31st MARCH, 1938.

(£P.1 equals £1 Sterling.)

Liabilities.	£P. Mils.	£P. Mils.	Assets.	£P. Mils.	£P. Mils.
Capital Authorised :—			*Cost of Concession*		60,000.000
225,000 7 per cent. Cumulative Preference Shares of £P.1 each		225,000.000	*Capital Expenditure*, at cost, including Lands, Buildings, Plant and Machinery, Mains, Meters, etc.	—	
300,000 Ordinary Shares of £P.1 each		300,000.000	Per last Account, *less* Mains Reserve	483,583.320	
75,000 Undenominated Shares of £P.1 each		75,000.000	Additions during the year	67,290.477	
		£P.600,000.000			550,873.797
Capital Issued :—			*Tools, Motor Vehicles, Furniture, etc.*, at cost, *less* depreciation		1,760.252
225,000 7 per cent. Cumulative Preference Shares of £P.1 each fully paid	225,000.000		*Stores on Hand*, as certified by the Manager, and in transit, *less* Reserve		14,129.133
250,000 Ordinary Shares of £P.1 each fully paid ...	250,000.000				
		475,000.000	*Amount expended on Undertaking*		626,763.182
Sundry Creditors, accrued charges, etc.		45,867.480	*Sundry Debtors* (*less* Reserve) and payments in advance, etc.		14,373.835
Loan Account		17,000.000	*Capital Amortisation Fund* :—		
Capital Amortisation Fund		16,759.709	Investments and Cash		11,282.785
General Reserve :—			*Cash at Bankers and in Hand*		17,847.789
Per last Account...	30,000.000				
Added during year	5,000.000				
Share Premium Account	16,346.063				
		51,346.063			
Plant Renewal and Depreciation Account :—					
Per last Account	30,800.000				
Added during year	15,000.000				
		45,800.000			
Profit and Loss Account		18,494.339			
		£P.670,267.591			£P.670,267.591

WILLIAM SHEARER
D. S. WARREN } *Directors.*

REPORT OF THE AUDITORS TO THE MEMBERS OF JERUSALEM ELECTRIC AND PUBLIC SERVICE CORPORATION, LIMITED.

We have audited the Balance Sheet and Profit and Loss Account as above set forth and have obtained all the information and explanations we have required. In our opinion such Balance Sheet and Profit and Loss Account are properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given us and as shown by the Books of the Company.

Jerusalem, 6th *July*, 1938.

RUSSELL & Co., *Chartered Accountants.*

APPENDIX I (iii).

Palestine Potash Limited.

Report of Directors.

The Directors herewith submit their Report, together with the duly audited Balance Sheet of the Company dated 31st December, 1937, and the Profit and Loss Account for the year 1937.

The total sales of the Company's products showed an increase of over 55 per cent. The gross profit on trading amounted to £86,773 14s. 10d. as against £59,267 8s. 7d., and the net trading profit £47,831 9s. 8d. as against £26,880 15s. 5d. in 1936.

Your Directors have this year made provision for amortisation and depreciation as foreshadowed by your Chairman at last year's Annual General Meeting. They have provided the sum of £30,000 for this purpose in respect of 1937. As stated in previous Reports, no provision had been made for amortisation and depreciation prior to January 1st, 1937, and the sum of £8,736 5s. allocated in this year's accounts represents the first appropriation for this purpose. The period prior to 1937 was for the most part one of development and operations on a small scale.

As the Shareholders are aware, the Anglo-Palestine Bank Limited guaranteed the payment of the Preference dividend from 1st January, 1935, to 30th June, 1937. The subsequent half-yearly dividend on the Preference capital has been paid out of the Company's earnings.

The production of refined potash at the Company's Northern plant, as a result of improvements introduced in the chemical process and greater efficiency showed an increase while costs have been reduced.

Part of the Company's new plant at the South end of the Dead Sea was put into operation at the beginning of June, 1937. While this has not yet materially contributed to the profits of the year 1937, the beginning in the South in conjunction with the considerable improvements in the North have carried production in 1937 to a level 65 per cent. higher than in 1936. The further extension of the plant is proceeding according to programme.

The export trade in potash throughout the world has considerably increased particularly with the main importing countries, such as the United States and Japan.

Potash prices in all the markets to which your Company despatched its goods in 1937 were more satisfactory than in the preceding year.

Owing to the hostilities between Japan and China, large consignments of the Company's potash destined for Japan during the second half of the year had to be diverted to other countries at less favourable prices. This somewhat affected the Company's profits.

Sales of the Company's bromine in the year 1937 showed a fractional increase and prices improved somewhat.

Floods of exceptional magnitude occurred on the shores of the Eastern Mediterranean in the autumn of 1937 and a cloudburst in the catchment area above the Southern End of the Dead Sea caused some damage to the Company's property. The balance on Profit and Loss Account as at 31st December, 1936, has been allocated to the repair of this damage.

In spite of the continual political unrest in Palestine, the Company's operations have not been interrupted.

Directorate.—Your Board have to record with deep regret the death of Mr. Felix M. Warburg, who was a Director of the Company from the beginning.

Mr. Julius Simon and Mr. Paul Singer were appointed Directors by your Board during the period under review, and in accordance with Article 99 of the Company's Articles of Association, their appointment is submitted for confirmation.

Further, in accordance with Article 108 of the Company's Articles of Association, Mr. Harry Sacher, Mr. Robert Szold and Major T. G. Tulloch retire and, being eligible, offer themselves for re-election.

Auditors.—Messrs. Maurice Jenks, Percival & Co. retire and, being eligible, offer themselves for re-election.

LYTTON, *Chairman.*

E. W. D. TENNANT, *Director.*

24th March, 1938.

PALESTINE POTASH LIMITED.

BALANCE SHEET, at 31ST DECEMBER, 1937.

Dr. To *Capital*—	£ s. d.	s. d.
Authorised—		
19,838 7½ per cent. Cumulative Redeemable Preference Shares of £1 each	19,838 0 0	
400,000 5½ per cent. Cumulative Redeemable Participating Preference Shares of £1 each	400,000 0 0	
347,392 Ordinary Shares of £1 each	347,392 0 0	
32,770 " A " Ordinary Shares of £1 each	32,770 0 0	
	£800,000 0 0	
Issued and Called Up—		
19,838 7½ per cent. Cumulative Redeemable Preference Shares of £1 each	19,838 0 0	
349,450 5½ per cent. Cumulative Redeemable Participating Preference Shares of £1 each	349,450 0 0	
344,392 Ordinary Shares of £1 each	344,392 0 0	
32,770 " A " Ordinary Shares of £1 each	32,770 0 0	
	746,450 0 0	
Less : Calls in Arrear	418 5 0	746,031 15 0
,, *Loan Account*		5,050 0 0
,, *Sundry Creditors*		62,264 14 1
,, *Provision for Depreciation and Amortisation in respect of the year* 1937	30,000 0 0	
Add : Transfer from Share Premium Account, appropriated towards reducing the amount of the depreciation and amortisation accrued prior to 1st January, 1937, for which no previous provision has been made	8,736 5 0	38,736 5 0
,, *Profit and Loss Account* :—		
Balance as per last Balance Sheet	5,795 0 1	
Less : Amount appropriated to the cost of making good the damage caused by floods... ...	5,795 0 1	
Profit as per annexed Account		17,831 9 8
		£869,914 3 9

NOTE.—An amount of £46,093, equivalent to the Preference Dividend to 30th June, 1937, has been paid by the Company out of moneys provided by the Guarantor and is repayable with interest out of profits.

LYTTON,
E. W. D. TENNANT, } *Directors.*

Cr. By *Cost of Concession* for the extraction of Minerals in the Dead Sea, including expenditure in relation thereto :—	£ s. d.	£ s. d.
As at 31st December, 1936	97,270 3 9	
Less : Amount recovered during 1937	162 12 11	97,107 10 10
,, *Freehold Land*, at Cost :—		
As at 31st December, 1936		5,821 11 1
,, *Buildings*, at Cost, including proportion of overhead expenses attributed to erection :—		
As at 31st December, 1936	71,115 2 6	
Add : Further expenditure during the year ...	9,716 15 8	80,831 18
,, *Plant, Machinery, Apparatus and Sundry Equipment*, at Cost, including proportion of overhead expenses attributed to erection :—		
As at 31st December, 1936	394,091 8 7	
Add : Further expenditure during the year ...	54,951 15 0	449,043 3 7
,, *Development Account*, being the unallocated balance of expenditure up to 31st December, 1931, together with subsequent Expenditure on the Southern Development and Surveys, etc. :—		
As at 31st December, 1936		56,539 8 8
,, *Expenses* in connection with Issues of Capital, including Underwriting Commission, £19,372 10s. 0d. :—		
As at 31st December, 1936		32,454 19 4
,, *Stocks of Products and Stores on Hand*, as certified by the Managing Director		73,347 14 2
,, *Goods in Transit to Buyers*, at net Sales Prices ...		53,453 0 10
,, *Sundry Debtors and Payments in Advance*		7,025 16 6
,, *Cash at Banks and in Hand*		14,289 0 7
		£869,914 3 9

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 1937.

Dr. Cr.

	£	s.	d.
To *Expenses in London and Palestine*	29,106	8	1
„ *Interest*	2,137	7	1
„ *Director's Remuneration*...	2,000	0	0
„ *Repairs and Replacements*, including cost of special overhaul of plant after deducting credit items in part applicable to earlier years	5,723	3	0
„ *Depreciation and Amortisation*	30,000	0	0
„ *Profit carried to Balance Sheet*	17,831	9	8
	£86,798	7	10

	£	s.	d.
By *Gross Profit on Trading*, including profit on goods sold and in transit to buyers	86,773	14	10
„ *Transfer Fees*	24	13	0
	£86,798	7	10

Report of the Auditors to the Members.

We have audited the Balance Sheet of Palestine Potash, Ltd., dated 31st December, 1937, as set forth above, and have obtained all the information and explanations we have required. In our opinion, such Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information, and the explanations given to us, and as shown by the Books of the Company.

London,
24th March, 1938.

Maurice Jenks, Percival & Co.,
Chartered Accountants. } *Auditors.*

APPENDIX I (iv).

STATEMENT OF THE HULEH CONCESSION ACCOUNT.

As at the 31st December, 1938.

As shown in the books of the Palestine Land Development Co. Ltd.

	£P. Mils.	£P. Mils.
Price of Concession	191,795.000	
Add—6 per cent. Interest from the 1st October, 1934, to the 1st October, 1939 ...	24,643.290	216,438.290
Payment to previous Concessionaires on account of Drainage Works		9,000.000
Survey and Experts' Investigation, Commission, Advocates' Fees, Upkeep, Administration, Interest, &c.		42,250.056
Technical Apparatus, Cars, Sundry Equipment, &c.		1,363,336
Buildings and participation in Road making ...		2,793.844
		£P.271,845.526

Of the Purchase Price, the previous Concessionaires have now received £P. 185,150.632 mils in cash, and the balance including interest thereon, is covered by promissory notes to the value of £P.31,287.658 mils, which mature during the year 1939. Certain of these promissory notes to the amount of £P.27,287.658 mils maturing on the 1st October, 1939, have been deposited with the Company as security until final settlement has been made with the previous Concessionaires in respect of the exact extent of the area acquired.

Note.—A sum of £P. 172,344.825 mils has been received by the Company from prospective participants in the development of the Concession.

The Palestine Land Development Co., Ltd.

We have examined the above Statement with the Books of the Palestine Land Development Co. Ltd., and certify the same to be in accordance therewith.

RUSSELL & Co.,
Chartered Accountants

Jerusalem, 30th January, 1939.

APPENDIX I (v).

LIGHTHOUSE CONCESSION.

Statement of Light Dues collected by the Administration Générale de Phares for the year 1938.

Month.	*Haifa.*	*Jaffa.*	*Other Ports outside Palestine.*	*Total.*
	£P. Mils.	£P. Mils.	£P. Mils.	£P. Mils.
January	2,148.836	685.533	2.746	2,837.115
February	2,213.845	792.188	0.160	3,006.193
March	2,568.370	993.584	0.818	3,562.772
April	2,154.053	680.834	2.591	2,837.478
May	1,830.561	820.395	3.232	2,654.188
June	2,036.283	828.195	0.847	2,865.325
July	1,782.240	822.911	2.165	2,607.316
Augut	1,827.712	875.867	4.768	2,708.347
September	1,731.612	922.113	0.885	2,654.610
October	2,042.838	975.281	2.625	3,020.744
November	2,168.307	958.842	1.833	3,128.982
December	2,338.173	1,215.668	—	3,553.841
Grand Total... ...	24.842.830	10,571.411	22.670	35,436.911

APPENDIX II.

HOLY DAYS.

A list of the days which are recognised as holy days by the various communities in Palestine is set out hereunder :—

Moslem Festivals		*Corresponding Christian dates.*
'Id al-Adha (Qurban Bairam, 3 days) ...	10–12 Dhu al-Hijja	10–12.2.1938.
New Year	1 Muharram ...	... 3.3.38.
Yom 'Ashura (date of Noah Leaving the Ark, and of the death of Husein at Kerbela).	10 Muharram ...	... 13.3.38.
Descent of Holy Banner (Sanjaq al-Sherif) from Jerusalem to Nebi Musa.	Friday before Orthodox Good Friday.	15.4.38.
Return of Banner from Nebi Musa ...	Orthodox Maundy Thursday.	21.4.38.
Mawled al Nabi (Mohammed's birthday)	12th Rabi' al-Awal ...	12.5.38.
Lailat al-Raghaib (night of Mohammed's conception).	Eve of first Friday in Rajab.	26.8.38.
Lailat al-Mi'raj (night of Mohammed's miraculous journey).	27th Rajab	22.9.38.
Lailat al-Baraat ("Night of Decrees," when the guardian angels received from the Almighty tablets recording the fate of their charges in the coming year).	15th Sha'ban	9.10.38.
Ramadhan	1–30 Ramadhan ...	25.10.38–23.11.38.
Lailat al-Qadr ("Night of Power", on which the requests of all worshippers are believed to be granted).	27th Ramadhan ...	21.11.38.
'Id al-Fitr (Shaker Bairam, 3 days) ...	1–3 Shawal	24–26.11.38.

Christian Festivals.

Orthodox Festivals.

Christmas Day, New Year's Day, Epiphany or Thephania, Purification, Annunciation, Palm Sunday, Good Friday, Easter Day, St. George, Ascension, SS. Constantine and Helen, Whit Sunday, SS Peter and Paul, Transfiguration, Assumption, Nativity of the Blessed Virgin Mary, Exaltation of the Holy Cross, St. James, St. Nicholas.

Roman Catholic and Western Churches.

New Year's Day, Epiphany, Good Friday, Easter Monday, Ascension Day, Whit Monday, Christmas Day.

Jewish Festivals.

The Jewish festivals are divided into three categories :—(*a*) days of rest' (*b*) festivals on which work is permissible, (*c*) fasts.

Date.	*Category (a).*	*Category (b).*	*Category (c).*	*Corresponding Christian dates.*
shri 1–2 ...	Rosh ha-Shana (New Year).	—	—	26–27.9.38.
shri 10 ...	Yom Kippur (Day of Atonement).	—	—	5.10.38.
shri 15 ...	1st Day Tabernacles (Sukkoth).	—	—	10.10.38
shri 16–21	—	2nd–7th Day Sukkoth.	—	11–16.10.38.
shri 22 ...	8th Day Sukkoth (Simhat Torah).	—	—	17.10.38.
islev 25 to Tevat 2	—	Hanukka (Maccabeans).	—	18–24.12.38.
evat 10 ...	—	—	' Asara be-Tevat (Siege of Jerusalem).	1.1.39.
evat 15 ...	—	Tu be-Shavat (Tree New Year).	—	17.1.38.
dar 13 ...	—	—	Ta'anit Esther (Fast of Esther).	14.2.38.
dar 14 ...	—	Purim	—	15.2.38.
dar 15 ...	—	Purim (in Jurusalem only).	—	16.2.38.
san 15 ...	1st Day Passover	—	—	16.4.38.
san 16–20	—	2nd–6th Day Passover.	—	17.4.38.
san 21 ...	7th Day Passover	—	—	21.4.38.
ar 18 ...	—	Lag Baomer (Outdoor Day).	—	22.4.38.
van 6 ...	Shavu'oth (Pentecost).	—	—	19.5.38.
mmuz 17	—	—	Shiv'a'Asar be Tammuz (Capitulation of Jerusalem).	5.6.38.
9 ...	—	—	(Destruction of the Temple).	16.7.38.
				6.8.38.

APPENDIX III.

LIST OF CONCESSIONS.

Concession.	*Holder of Concession.*
Dead Sea	Palestine Potash Company.
Drainage of Lake Huleh and adjacent marshes.	Palestine Land Development Company.
Tiberias Hot Baths	Leased by Hamei Tiberia Co., Ltd.
Lighthouses	Administration Générale de Phares de Palestine.
Electricity	Palestine Electric Corporation and Jerusalem Electric and Public Service Corporation.
El Hammeh Mineral Springs...	Suleiman Bey Nassif.
Auja Irrigation	Auja Irrigation Company.
Transit of Mineral Oils through Palestine.	'Iraq Petroleum Company.

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