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B. Minch

26.5.26

Industrial Palestine

A SURVEY OF RECENT UNDERTAKINGS
AND FUTURE POSSIBILITIES

By B. S. BINAH

With an Introductory Note

By G. S. SYMES, C.M.G., D.S.O.,
District Governor of Northern District of Palestine.

71 ILLUSTRATIONS AND MAP.

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1924
PAL

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INDUSTRIAL PALESTINE

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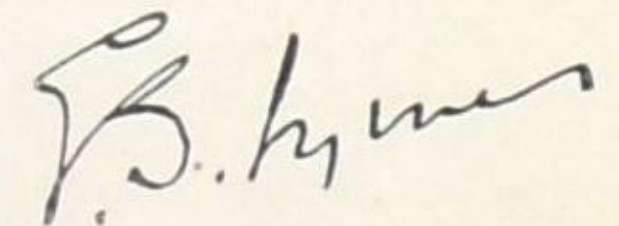
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1. Report on Palestine Administration, 1922 and 1923, published by His Majesty's Stationery Office, London.
2. The Commercial Bulletin, published by the Department of Customs and Trade, Government of Palestine, Jerusalem.
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4. Reports of the Palestine Zionist Executive.

FOREWORD.

MR. B. BINAH has asked me to write a foreword to his pamphlet, containing a brief review of certain economic developments in Palestine since the War. As an officer of the Northern District Governorate, Mr. Binah has had access to such statistics as, in the present state of the country and its administration, it has been possible to compile on this subject; and has moreover had opportunities to visit and to inspect many of the enterprises to which he refers. Thus, and although his pamphlet has been written in a private capacity and has no official *imprimatur*, the information and opinions it gives will, I feel sure, prove interesting and instructive to all who take a practical interest in Palestine and its future.



*District Governor,
Northern District.*

INTRODUCTION.

FOR several years past, in consequence of the Great War and the situation left by it, Palestine has figured prominently in the theatre of international politics. This has had the unfortunate effect of concentrating too exclusively the attention of those who for one reason or another are interested in the country on the purely political aspects of its development. Very little is told to outsiders, or known by them, of the practical rebuilding of the country, through its new enterprises and undertakings, and of the efforts made to turn the Holy Land, so pitifully neglected by the previous régime, into a flourishing home of modern civilisation.

A well-known American magazine,* in a recent article dealing with Palestine, said: "Palestine is more a treasure-house of religion than it is of industry, commerce and agriculture." This is the typical impression of a traveller who has had only a superficial view of the country. It entirely overlooks what has been achieved in Palestine in the domain of agriculture in the course of the last few years by means of modern intensive methods, the application of which has made the country a model of progress in this field.† But it is not to be thought that Palestine will live by agriculture alone. Its prosperity depends on a combined development of agriculture and industry. The manufacture of oil, soap, honey, tobacco, dairy products, pickled olives, sweets and marmalade is closely connected with agriculture, and in Palestine holds out possibilities which have hardly commenced to be exploited, while there are good prospects also for several other industries. Palestine further possesses an exceptionally favourable geographical position for commercial activity. It is a focus of the lines of communication between three continents—Europe, Asia and Africa—and the neighbouring countries of Egypt, Syria and Iraq offer good markets for its exports, with sixteen millions of potential consumers.

It is the aim of this pamphlet to give the outside world some idea of the new wealth now being created in Palestine by means of industrial undertakings, and to point out the possibilities of establishing further enterprises with a reasonable prospect of success. It should always be remembered that there are three requisites for making industrial undertakings in Palestine successful—

* National Geographic Magazine of Washington, May, 1923.

† Those interested in agricultural progress in Palestine may be referred to the comprehensive publication on the subject issued by the Director of the Department of Agriculture and Fisheries of the Government of Palestine.

capital, technical training, and initiative combined with knowledge of local conditions. The failure of such undertakings may always be traced to the absence of one or more of these factors. Before commencing our survey, it may be advisable to add a few words on the general economic situation in Palestine. An idea of this may be obtained from the following figures of imports and exports for the last few years:—

Year.	Imports £E.	Exports. £E.	Excess of Imports over Exports. £E.
April, 1919—March, 1920	4,191,060	773,443	3,417,617
April, 1920—March, 1921	5,216,633	771,701	4,444,932
Jan. 1st—Dec. 31st, 1921	5,871,878	1,499,000	4,382,878
Jan. 1st—Dec. 31st, 1922	5,581,132	1,542,000	3,939,132
Jan. 1st—Dec. 31st, 1923	4,935,265	1,789,000	3,146,265

The actual state of things is not so unfavourable to Palestine as might appear from this table. Large sums have come into the country in the shape of capital spent on public works and buildings, the income of institutions drawing their funds from abroad, the upkeep of military forces, especially during 1919, 1920 and 1921, and money spent by tourists, by religious institutions and by the Zionist Organisation, while there is a considerable unrecorded traffic in local products across the frontiers of Syria and Transjordan. The capital that comes into Palestine each year in the form of machinery, building materials and drainage plant must also be very considerable. All these factors form an important set-off against the adverse balance of trade. Yet even with this addition the difference between imports and exports still remains very large, and unless means are found to reduce it the economic situation of the country will remain precarious. The following remedies are suggested:—

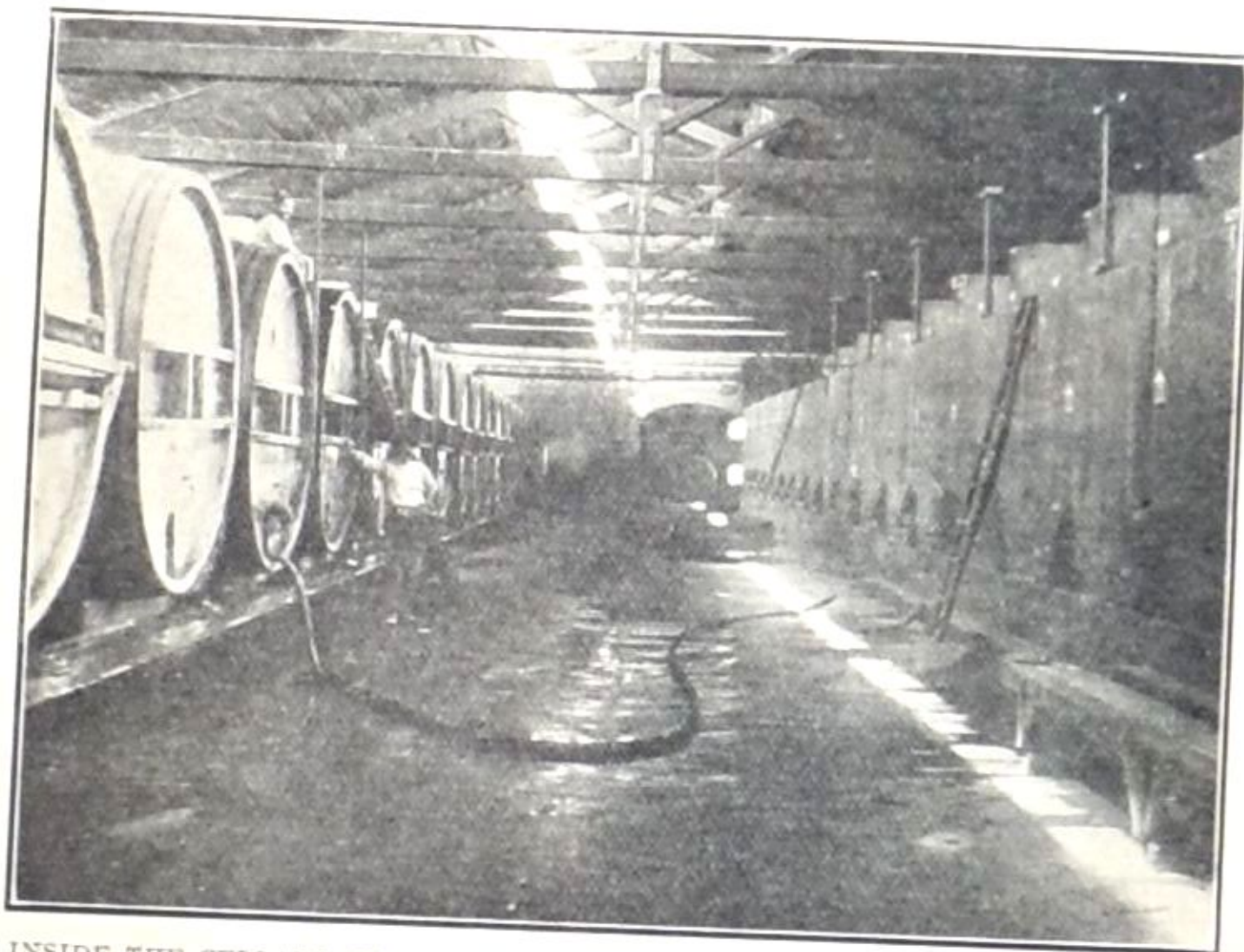
1. The establishment of new industries suitable for the country and for which there are prospects of good markets in the neighbouring countries.
2. The increase of the country's production with a view to increased exports.
3. The use by the inhabitants, where possible, of goods locally manufactured.



THE VINTAGE. COLONISTS BRINGING GRAPES TO THE CELLARS OF RISHON-LE-ZION (CARMEL ORIENTAL).



THE WINE CELLARS AT ZICHRON-JACOB.



INSIDE THE CELLARS OF RISHON-LE-ZION. ONE OF THE LARGE WINE STORES.



CAMELS BRINGING GRAPES TO WINE CELLARS OF MESSRS. S. FRIEDMAN AND SONS OF PETACH-TIKVAH.

I. EXISTING INDUSTRIES.

Palestine had very little industry on a large scale in pre-war times with the exception of the large wine cellars in the colonies of Rishon-le-Zion and Zichron-Jacob, which were established by Baron de Rothschild, of Paris, and of some soap factories in Nablus and Jaffa.*

In this pamphlet we intend to deal with post-war undertakings only—*i.e.*, those which have been commenced in Palestine since the inauguration of the Civil Government. Such new undertakings are to be found all over the country: in Safed in the North, in Bethlehem in the South, in Nablus of Samaria, in Jerusalem, in Jaffa, in Tel-Aviv, Haifa and Acre, and in many of the Jewish colonies. The most important industrial centres are, of course, Haifa, Jaffa and Tel-Aviv.

I. MILLING.

GRANDS MOULINS DE PALESTINE.

Flour milling is an old-established industry in Palestine and provides employment for a considerable number of persons.

Two hundred and sixty-five flour mills are at present working in Palestine. Of these 135 are of primitive construction, being driven

* The cellars of Rishon-le-Zion were established in 1892 and those of Zichron-Jacob in 1894. The present yearly output of these cellars is 1,320,000 gallons and the exports are worth about £E.120,000. These cellars occupy the third place among the world's wine and liquor factories, and belong at present to the Association of Winegrowers of Palestine, a co-operative society embracing most of the wine-producing colonies. Other wine-producing establishments worth mentioning are: (a) The cellars of S. Friedman and Sons of Petach Tikvah, established in 1889, where the wine crop of the independent wine growers is worked. Their total annual output amounts to about 250,000 gallons. (b) The cellars of the German colony Saronah.

Unfortunately the wine industry has suffered a marked decline during the last four years, as shown by the following figures:—

TOTAL MANUFACTURE OF LIQUORS INCLUDING DRY AND SWEET WINE, ARAK AND ALCOHOL

Year.						Kilogrammes
1921	..	..	..	..	..	4,230,853
1922	..	..	..	..	..	2,833,050
1923	..	..	..	..	..	2,575,257

This is due chiefly to the competition of French and Italian wines (which has been made possible through the low exchange in these countries), prohibition in the United States, high import duties in other countries, and the temporary closing of the Russian market. It is hoped, however, that with the improvement of the world's market the industry will revive. A recent Government Ordinance puts heavy customs dues on imported spirits, and this may be expected to encourage and increase local production.

by water power, while the remainder are driven by steam or oil engines. Statistical information with regard to capital, personnel, and output is available in the case of about 50 mills only. Flour mills may be grouped into three categories.

(a) To the first belong old undertakings, which operate on a small scale under very primitive conditions. Each employs 2-3 persons, and turns out less than 100 kantars (30 metric tons) per month. As a rule, such mills possess very little capital, and do not engage in extensive commercial activities, but confine their work to grinding the wheat of the surrounding neighbourhood only.

(b) To the second category belong those mills which have been established during the last 15 years. These represent a considerable amount of invested capital. Power is supplied by oil and steam engines, and the number of employees in each ranges from five to eight, while the monthly output is between 100 and 200 kantars (30-60 tons).

(c) Recently there has come into existence a third category of mills working on a large scale, possessing large capital and equipped with modern machinery, and engaged mainly in supplying flour to bakers, merchants and even to foreign countries through various agencies in Palestine. To this category belong the "Grands Moulins de Palestine" and "Gelad's Flour Mill" in Jaffa. The latter is a pre-war enterprise, which has been lately re-equipped. The former, well known as the "Palestine Flour Mill," was created by Baron Rothschild with a capital of £E.100,000 for the express purpose of purchasing the produce of local cultivators and turning out flour of a good quality.

£E.120,000 have been spent on the mill for building and machinery. The building is a four-storey structure, and the machinery is of the most modern type, including an electromagnetic separator for extracting metallic grit.

A power house has been erected with a capacity of 220 h.p. The mill is fitted with a sprinkling system, four metres higher than the roof, and a reservoir of 100 cubic metres of water, both of which are supplied from a well close by, which gives 50 cubic metres of water per hour. An automatic fire protector renders the mill fireproof.

The mill is capable of turning out from 75 to 80 tons of flour daily, but only half of this quantity is being produced at present. Palestine and Transjordan wheat is mostly used in the production of the flour, which finds a market in Palestine itself. To meet the demands of the European and Egyptian markets a special quality will be produced, consisting of a mixture of European (Rumanian and Russian) and local flour.

Over 60 persons are employed in the mill in various capacities. It is intended in the very near future to build living quarters for the personnel of the mill.

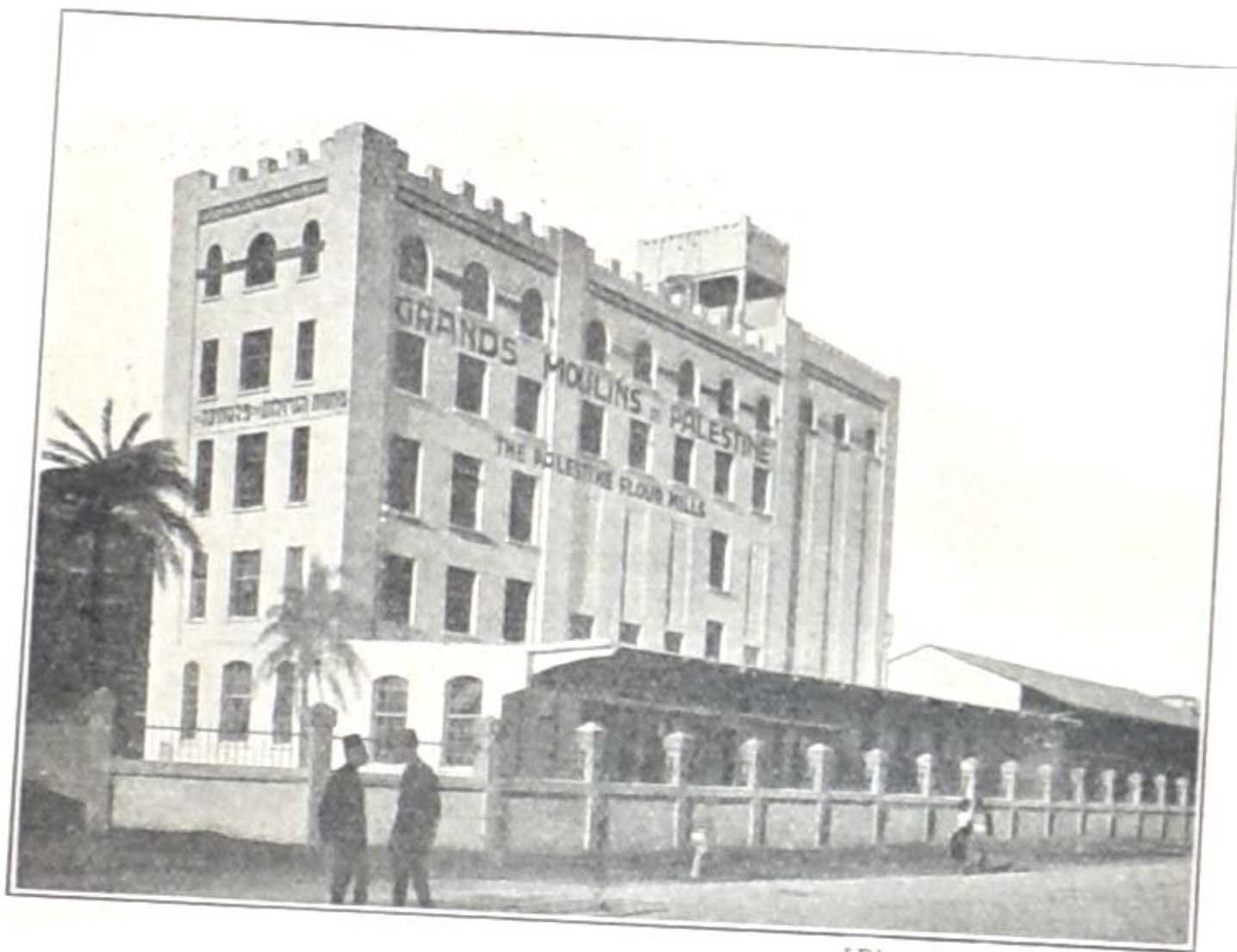
In order to save themselves from being driven from the market



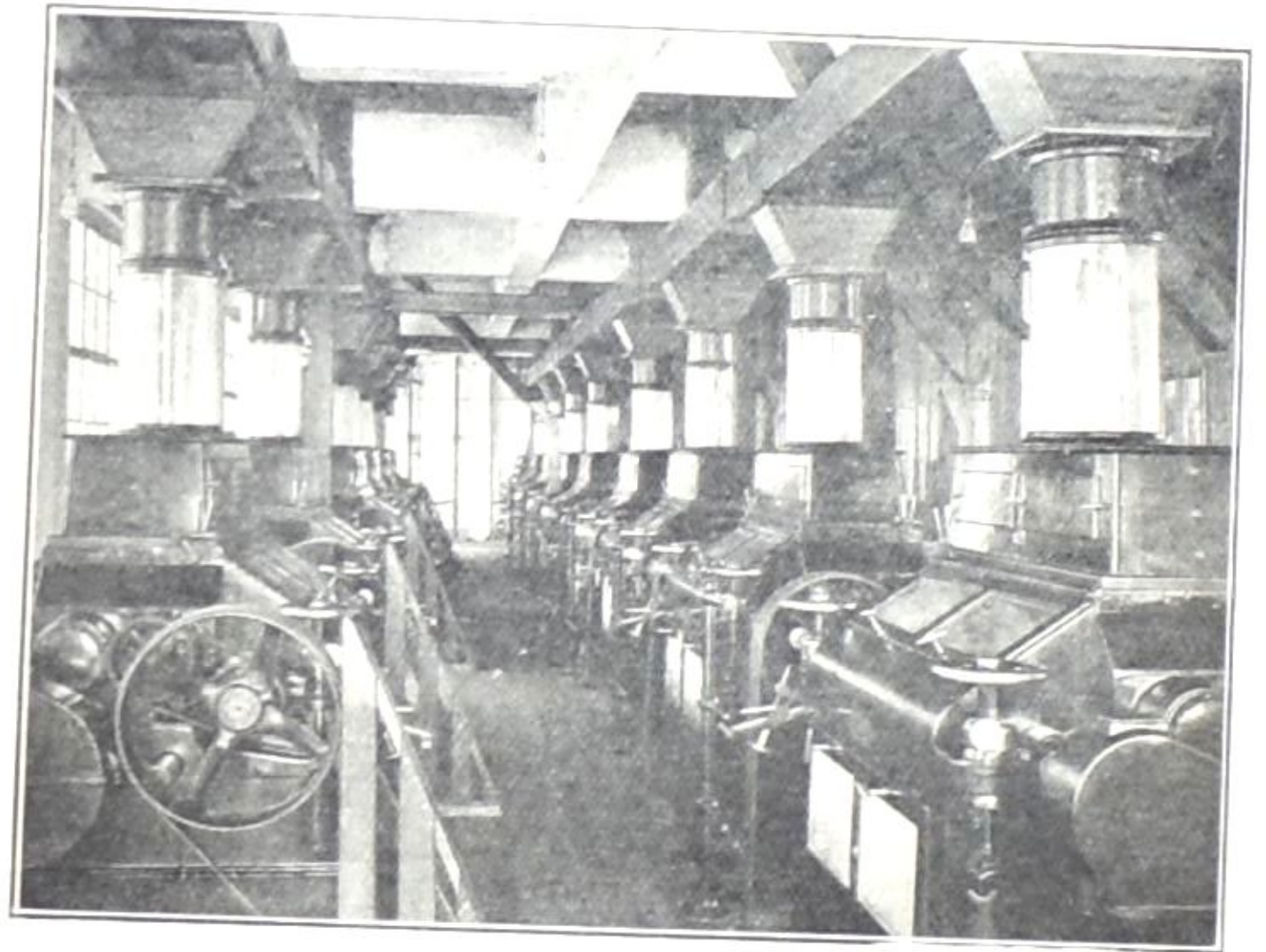
WINE CELLARS OF MESSRS. FRIEDMAN AND SONS (CARMEL ORIGINAL).



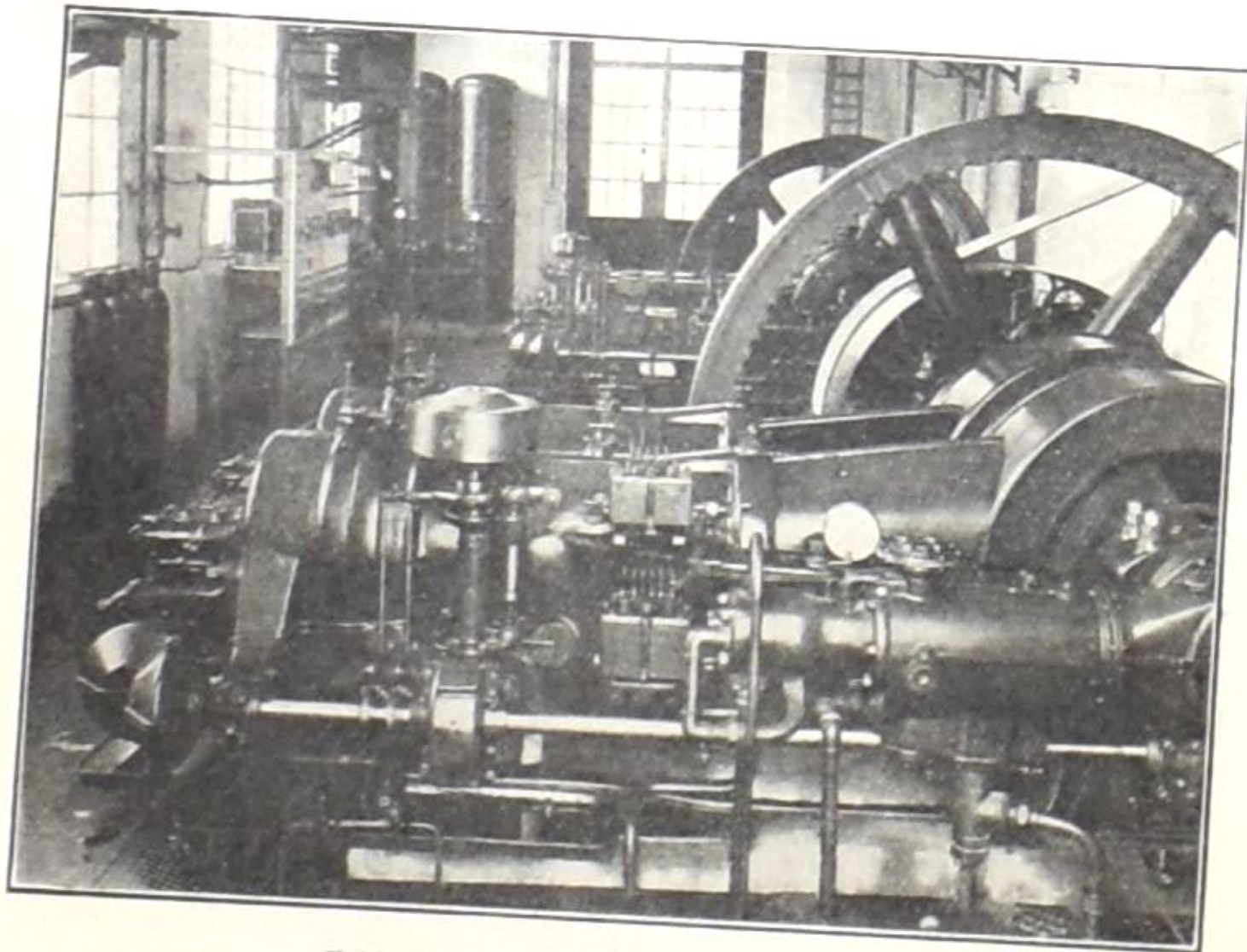
INNER YARD OF THE WINE CELLARS OF MESSRS. S. FRIEDMAN AND SONS.



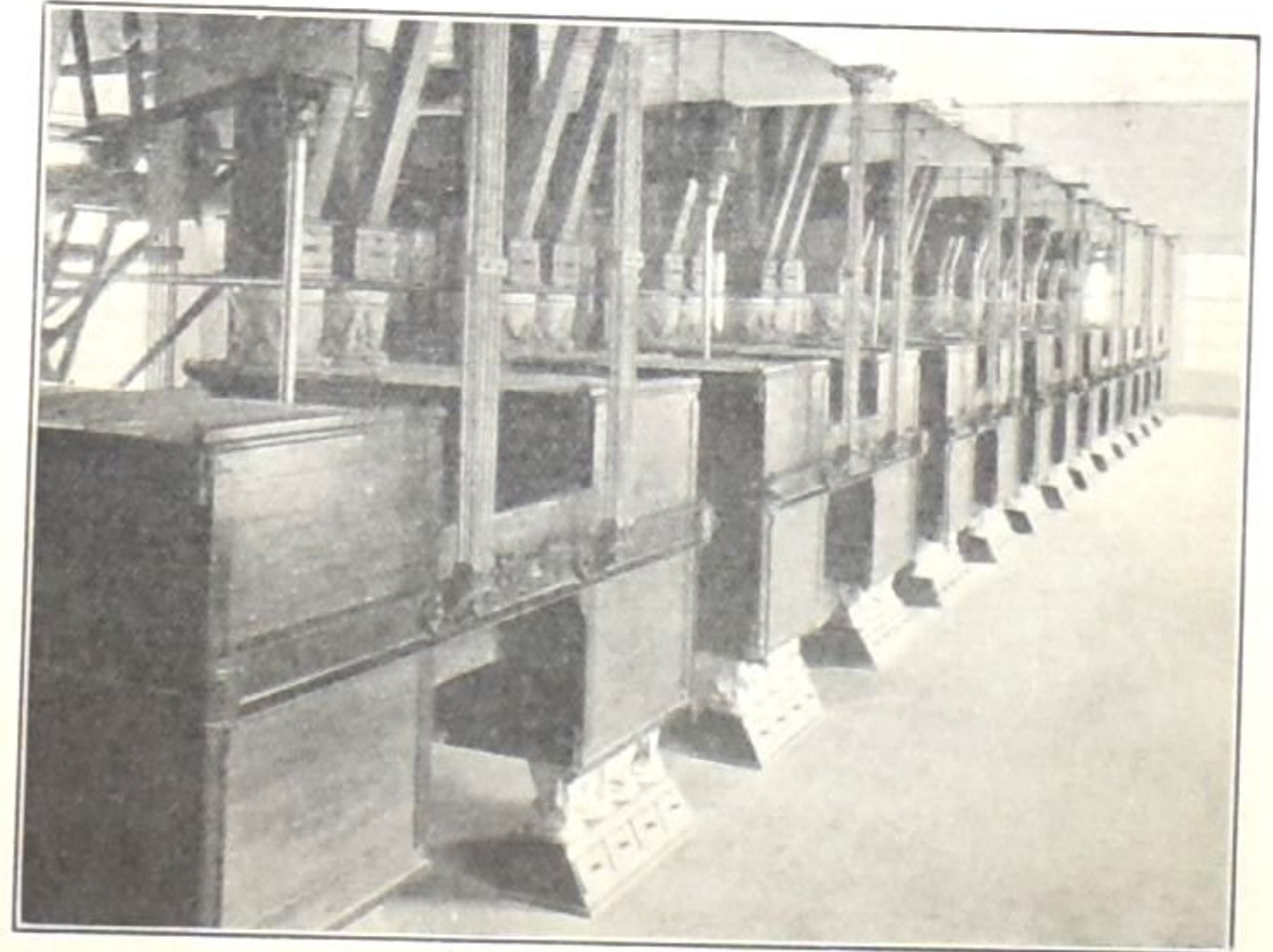
THE PALESTINE FLOUR MILL AT HAIFA. *[Photo by Joseph Schweig.]*



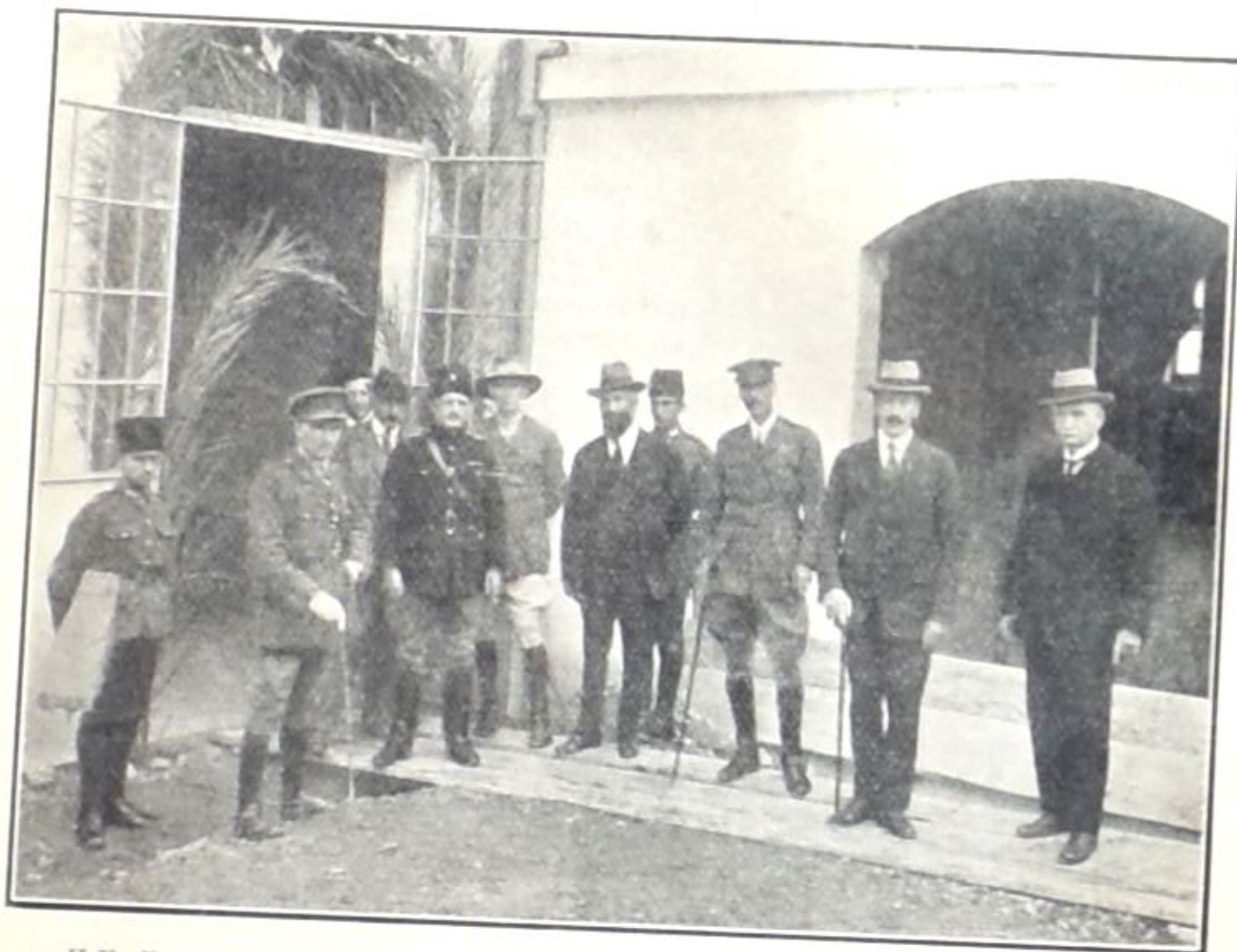
WHEAT CUTTING AND SCOURING CYLINDERS ON THE FIRST FLOOR OF THE MILL. *[Photo by Joseph Schweig.]*



ENGINE ROOM AT THE FLOUR MILL.



WHEAT BINS.



H.E. THE HIGH COMMISSIONER'S VISIT TO THE PALESTINE FLOUR MILL.
 [Photo by Z. Feigin.]
 FROM RIGHT TO LEFT: (1) MR. J. PREIFELD, EX-MANAGER OF THE MILL; (2) SIR HERBERT SAMUEL; (3) COL. G. S. SYMES; (4) MR. J. ROSENECK, DIRECTOR OF J.C.A.; (5) MR. L. ANDREWS, SUB-DISTRICT GOVERNOR; (6) MR. SINCLAIR, COMMANDANT OF POLICE.



THE MAIN BUILDING OF SHEMEN, LTD., OIL AND SOAP FACTORY.
 [Photo by J. Lipzer.]

EXISTING INDUSTRIES.

by the new flour mills, many of the old mills are being gradually equipped with modern machinery.

Out of the 265 mills in Palestine the number duly registered is as follows: In Jerusalem district 35, Northern district 55, and Southern district 20, making a total of 110, of which 88 are owned by Arabs and 22 by Jews. Of all the mills in Palestine there are 42 run by motor power, of which 20 began operations before the war and 22 after the occupation. The 265 mills in Palestine represent a capital of over £E.350,000 and give employment to about 700 persons. Their total annual output is estimated at 84,000 tons of flour.

Flour is also imported into Palestine to a rather large amount, as the following table shows:—

Year.	Tons of Flour.	£E.
1919-1920	3,907 ..	146,866
1920-1921	6,217 ..	255,606
9 Months ending		
December 31st, 1921 ..	6,529 ..	142,793
1922	8,807 ..	149,597
1923	9,977 ..	149,655

2. OIL AND SOAP INDUSTRY.

PALESTINE OIL INDUSTRY (SHEMEN), LTD.

Oil and soap production belongs to the traditional industries of Palestine. Nablus has been for years and is still the centre for the manufacture of soap, and Acre for that of oil. Nablus produces about 80,000 kgs. of oil yearly. Ninety per cent. of this quantity is used for the manufacture of soap, the production of which in a good year amounts to 2,500 tons, to the value of not less than £E.130,000. About 70 per cent. of the Nablus soap is exported to Egypt and 20 per cent. to Syria, about 10 per cent. being sold locally. The methods employed have always been primitive. Several attempts have been made to establish factories for the pressing of oil and the manufacturing of soap on a large scale by modern methods, but without success. A German undertaking in Haifa established fifty years ago and known under the name of Struve and Co. is the only modern factory which has maintained itself. To this is now to be added the Palestine Oil Industry "Shemen," Ltd., which aims at attaining a high standard of efficiency.

Palestine is very suitable for the cultivation of all kinds of oil plants. Ancient records show a large export of oils, soap and perfumes from Palestine to the neighbouring countries, and this is still the case. During the year 1923, 4,198 tons of soap to the value of £E.187,534 were exported to Egypt only. Owing to the destruction caused by continual wars and centuries of misrule in the country, the number of olive trees remaining in Palestine at

present is estimated not to exceed 500,000. The crop of these amounts to from 40,000 to 50,000 tons of olives in a good harvest, from which only about 7,000-10,000 tons of olive oil are pressed. In some villages the residue is used as fuel. The oil thus pressed is mostly of a low quality, and the greater part of it is used for making soap in Nablus, Jaffa and other places. Sesame, the yearly crop of which amounts to some hundreds of tons (248,339 kilos in 1920 and 297,661 in 1921), is also not exploited to its full capacity. The following table shows the figures for imports and exports of soap and oil.

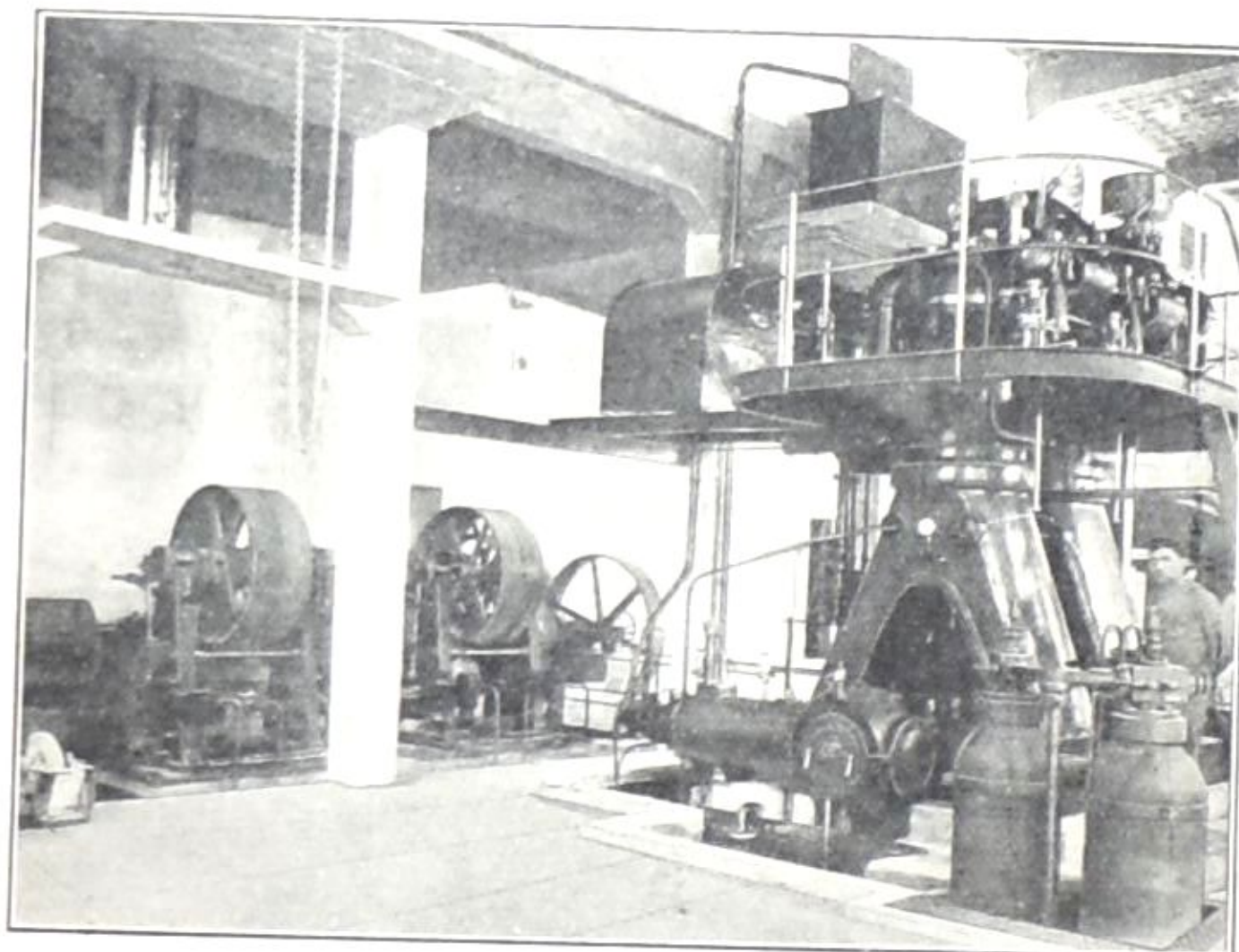
IMPORTS.

Year.	Soap.		Olive Oil. Unrefined.		Olive Oil. Refined.		Sesame Oil.	
	Tons.	£E.	Tons.	£E.	Tons.	£E.	Tons.	£E.
1919-20 ..	785	41,459	—	—	—	—	—	—
1920-21 ..	340	23,506	488	31,611	—	—	—	—
Nine months ending Dec. 31st, 1921 ..	165	11,110	1,432	79,216	—	—	—	—
1922 ..	223	12,156	1,345	61,166	—	—	—	—
1923 ..	300	12,300	1,617	76,156	131	7,459	10	512

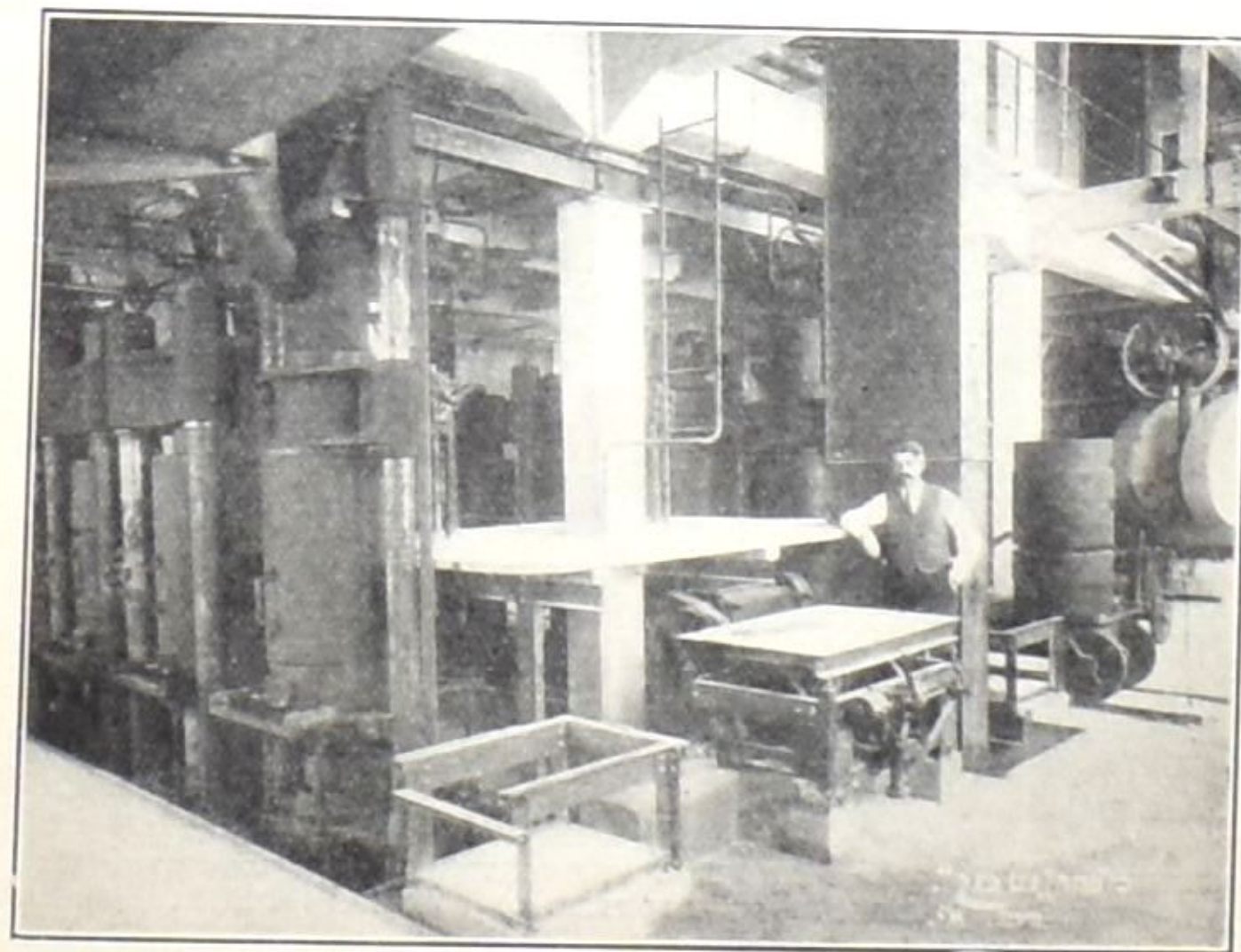
EXPORTS.

Year.	Soap.		Olive Oil. Unrefined.		Olive Oil. Refined.		Sesame Oil.	
	Tons.	£E.	Tons.	£E.	Tons.	£E.	Tons.	£E.
1908 via Jaffa ..	4,511	141,300	—	—	—	—	—	—
1909 " " ..	3,669	145,400	—	—	—	—	—	—
1910 " " ..	4,112	157,900	—	—	—	—	—	—
1911 " " ..	4,380	144,300	—	—	—	—	—	—
1912 " " ..	7,790	254,000	—	—	—	—	—	—
1913 " " ..	6,250	200,000	—	—	—	—	—	—
1920-21 Whole of Palestine	1,474	132,000	—	—	—	—	—	—
9 months ending Dec. 31st, 1921 ..	2,600	148,000	—	—	23	1,867	1/2	29
1922 ..	3,077	148,288	—	—	61	4,075	170	8,289
1923 ..	4,798	216,004	10	500	135	8,119	70	3,497

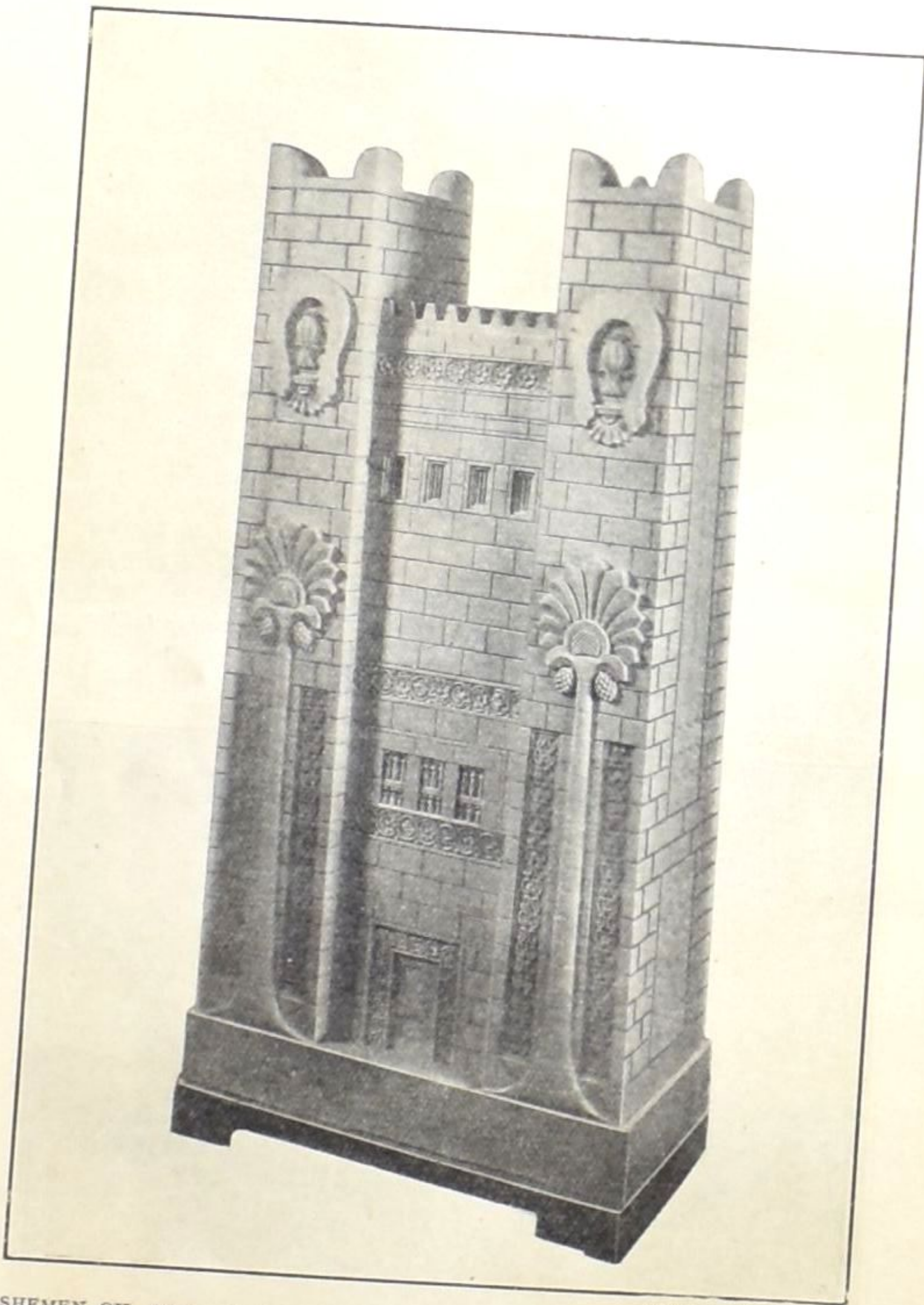
The Palestine Oil Industry "Shemen," Ltd., was founded in London in June, 1919, with a capital of £E.250,000 fully paid up. The principal founders and managers of the firm are Mr. E. Paenson, who is the proprietor of many oil factories in various districts of Russia, and of a large margarine factory in Berlin and other similar factories in Germany and France, and Mr. M. Wilbush, who has invented a process for the hardening of liquid oils by means of hydrogen, the patent of which has been assigned to the Palestine Oil Industry "Shemen," Ltd. This company has erected at Haifa a large factory with the most modern machinery and fittings, which will suffice for the production of 12,000 tons per year.



[Photo by J. Lipser.]
ENGINE ROOM OF SHEMEN, LTD.



[Photo by J. Lipser.]
OIL PRESSES AND FILTERS AT FACTORY OF SHEMEN, LTD.



SHEMEN OIL, LTD., SOAP EXHIBIT AT THE BRITISH EMPIRE EXHIBITION AT WEMBLEY REPRESENTING A PORTICO OF SOLOMON'S TEMPLE.

[Photo by J. Lipsz.]



H.E. THE HIGH COMMISSIONER'S VISIT TO THE SHEMEN OIL CO. [Photo by Z. Feigin]



SESAME OIL AND SOAP FACTORY OF MESSRS. STRUVE AND CO. IN HAIFA. [Photo by Mr. Struve, Junr.]

EXISTING INDUSTRIES.

The proposed activities of the company include :—

1. Production of highly refined olive oil for export.
2. Production of an inferior quality of refined olive oil for the local market.
3. Introduction and development of new oil plantations (*e.g.*, linseed, sunflower, ricinus communis, etc.).
4. Production of sesame oil and other oils from plants growing in Palestine, as well as cocoanut-oil from imported copra.
5. Manufacture of toilet and washing soaps.
6. Manufacture of cooking fats, boiled linseed, oil-paints, perfumes and sweets (like "Halawa") and other articles in connection with the oil industry.

The factory has already commenced the manufacture of soap, a market for which is being found in Palestine, Syria, Egypt, and Mesopotamia.

The residue from the raw materials when pressed into cakes will serve as fodder for animals, and this will help to solve the question of lack of pasture in Palestine during the hot months of the year.

The factory when in full swing will give work to about 250 hands.

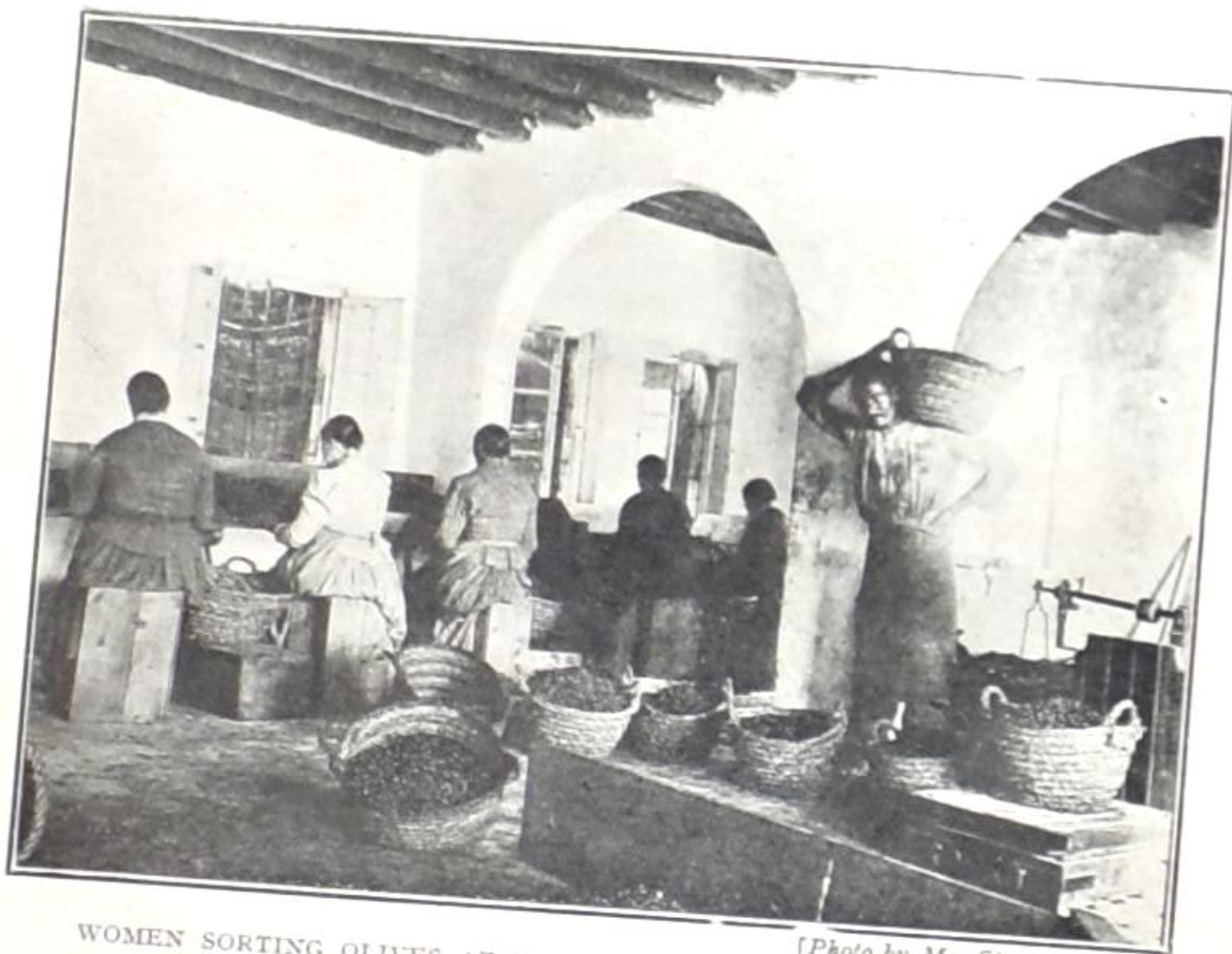
One of the chief aims of the Palestine Oil Industry "Shemen," Ltd., is to produce oil and soap cheaply enough to compete favourably with similar articles in the world market.

STRUVE AND CO.

Olive oil and soap formed an important item of export of this firm in pre-war times. But this is no longer the case, owing to the price of fat being higher in Palestine than elsewhere, and especially owing to the competition of French, Italian and Greek fats, which through the low rate of exchange in these countries have an advantage over those of Palestine. The United States absorbed the greater part of pre-war exports of oil and soap. The following figures supplied by Messrs. Struve and Co. are interesting as showing the price of raw material and the export movement of the above-mentioned commodities in pre-war times.

EXPORT OF PURE OLIVE OIL SOAP TO U.S.A.
BY MESSRS. STRUVE AND CO.

	lb.	Dollars.
1910	28,340	2,408.90
1911	40,752	3,667.68
1912	40,668	3,660.12
1913	40,721	3,664.89
1914	28,833	2,883.30



WOMEN SORTING OLIVES AT FACTORY OF MESSRS. STRUVE AND CO. [Photo by Mr. Struve, Junr.]



OLIVE AND SESAME PRESSES AT FACTORY OF MESSRS. STRUVE AND CO. [Photo by Mr. Struve, Junr.]

EXPORT OF OLIVE OIL (TABLE OIL) TO U.S.A.

	Gallons.	Dollars.
1910	2,700	2,790
1911	602	692.30
1912	3,205	3,685.75
1913	1,503	1,728.45
1914	477	558.55
1921	874	2,010
1922	432	821

The annual export of this firm to other countries amounted to about 2,000 dollars olive oil soap and 800 dollars pure olive oil.

Prices of olives and fats are decreasing and nearing pre-war levels, as illustrated in the following table.

PRICES OF OLIVES, SESAME AND OIL PRODUCTS PER 100 KILOS ON THE HAIFA MARKET. (ONE PIASTRE = 2½d.)

Year.	Olive Oil for Laundry		Olive Oil for Table		Sesame.	Sesame Oil.
	Olives.	Soap.	Laundry Soap.	use.		
	Pt.	Pt.	Pt.	Pt.	Pt.	Pt.
1910-12 ..	95	390	508	410	—	—
1913-14 ..	100	430	547	449	—	—
1920	250	860	1,094	1,015	391	1,093
1921	220	586	860	740	273	859
1922	150	547	781	625	234	742
1923	140	508	740	586	215	663

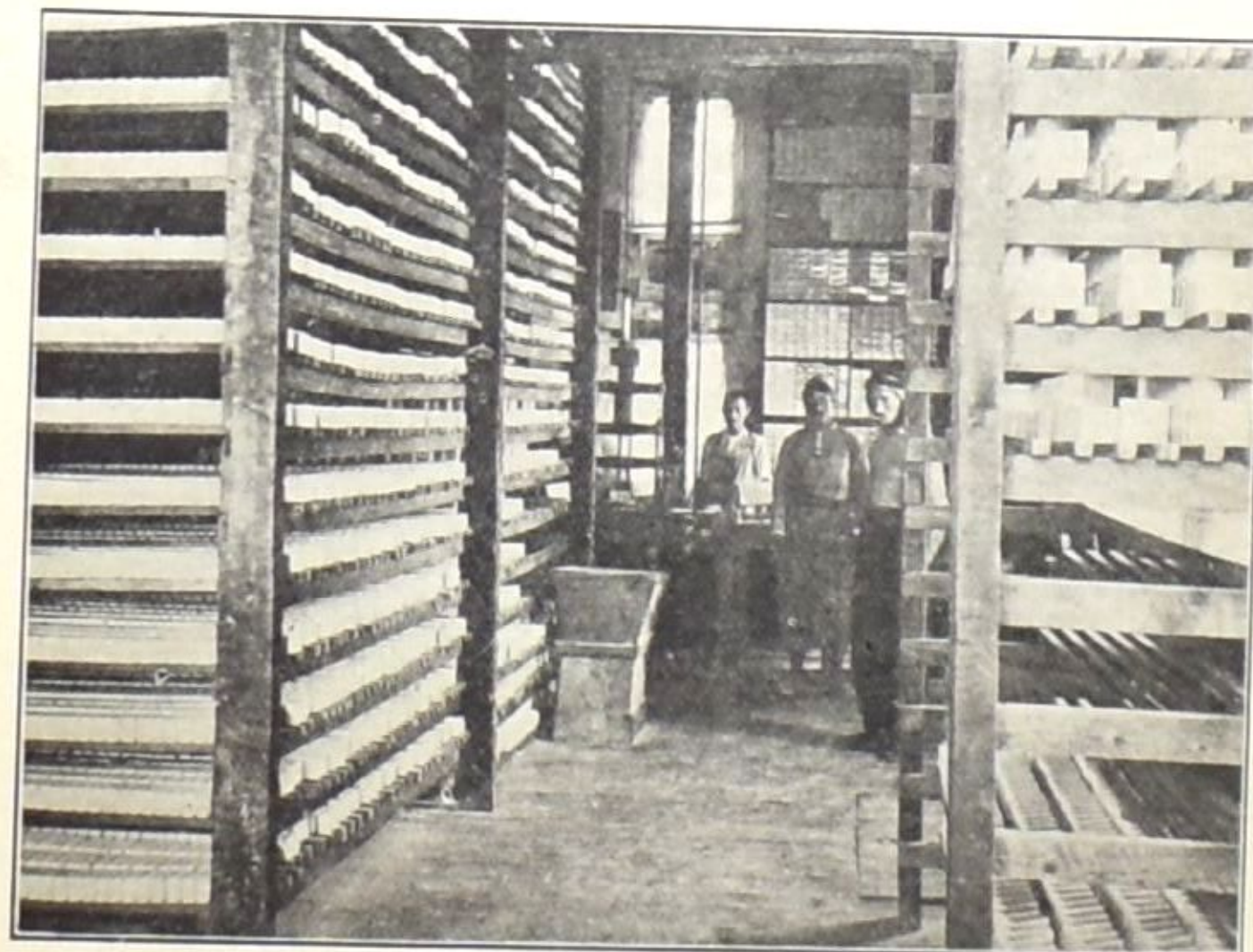
The soap industry may be said to have done well during 1923. Production for that year shows a marked increase over the previous year. Jaffa and Haifa soaps are becoming more popular, compared with Nablus varieties, on account of improved methods of production. Moslem countries, like Mesopotamia and India, should offer good openings for the Palestine oil soap, as Indian Moslems do not use soap which contains tallow or any other fats, this being prohibited by their religion. The opening of direct communication between Palestine and those countries should, therefore, increase the export of the produce of Palestine's soap industry.

3. ESSENTIAL OILS.

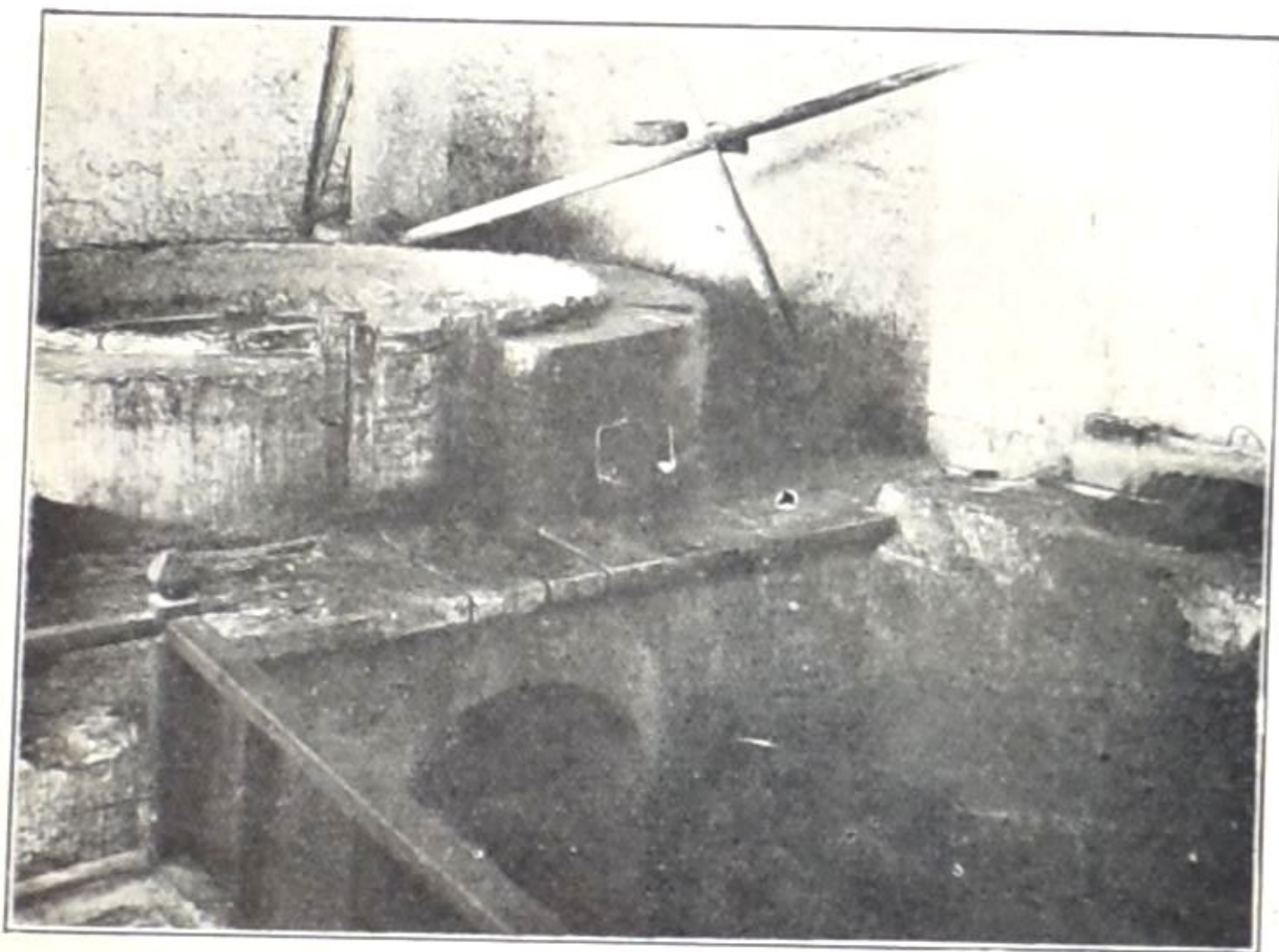
This is quite a new departure, undertaken by the Administration of Baron Edmond de Rothschild in Palestine with a capital of £E.15,000 for the production of citrate of lime and various essential extracts for the manufacture of perfumes and drugs. A small temporary factory has been established in the colony of Petach-Tikvah, north-east of Jaffa, for the production of mimosa, geranium-rose and lemon. At Zichron-Jacob a laboratory has been set up, and plantations of roses, jasmine and tuberose and several medicinal herbs, such as belladonna, have been laid



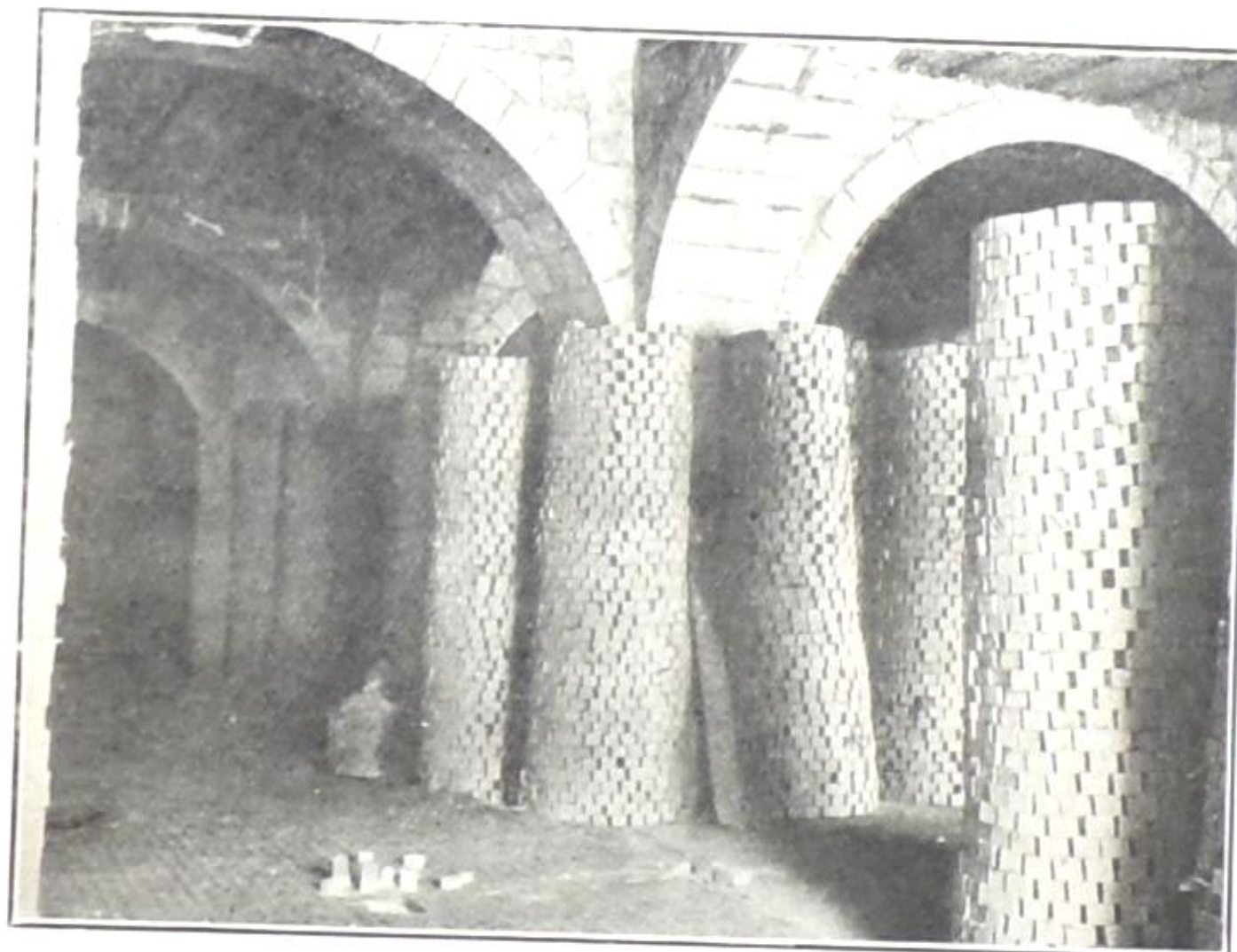
[Photo by Mr. Struve, Junr.]
FILTRATION AND STORING OF SESAME OIL, AT FACTORY OF MESSRS. STRUVE AND CO.



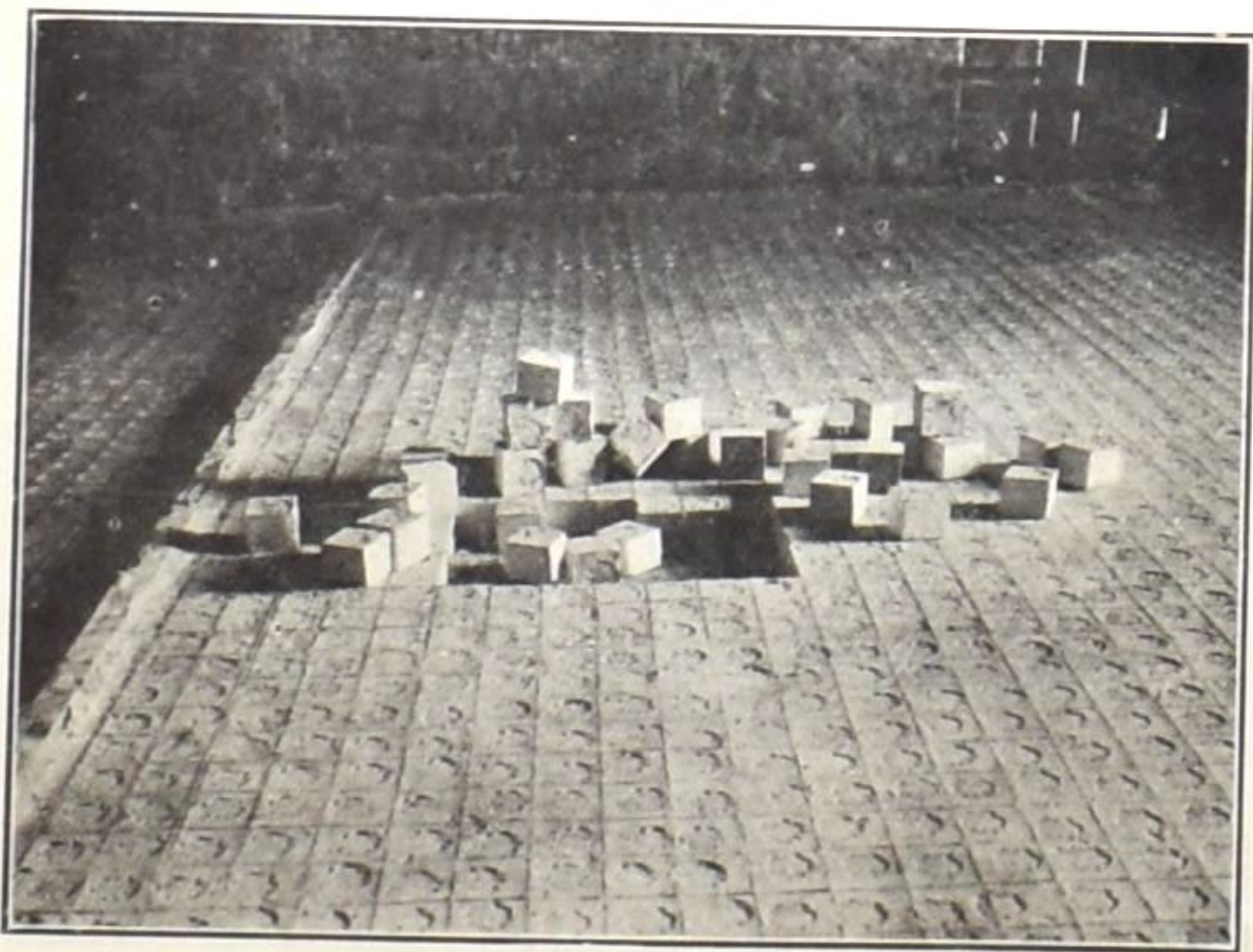
[Photo by Mr. Struve, Junr.]
SOAP STOREROOM AT GERMAN SOAP FACTORY AT HAIFA.



[Photo by J. Schweig.]
SOAP BOILER AT FACTORY OF AHMAD SHAKAH AT NABLUS.



[Photo by J. Schweig.]
STACKS OF NABLUS SOAP READY FOR EXPORT, EACH STACK OF 200 KILOGRAMS.



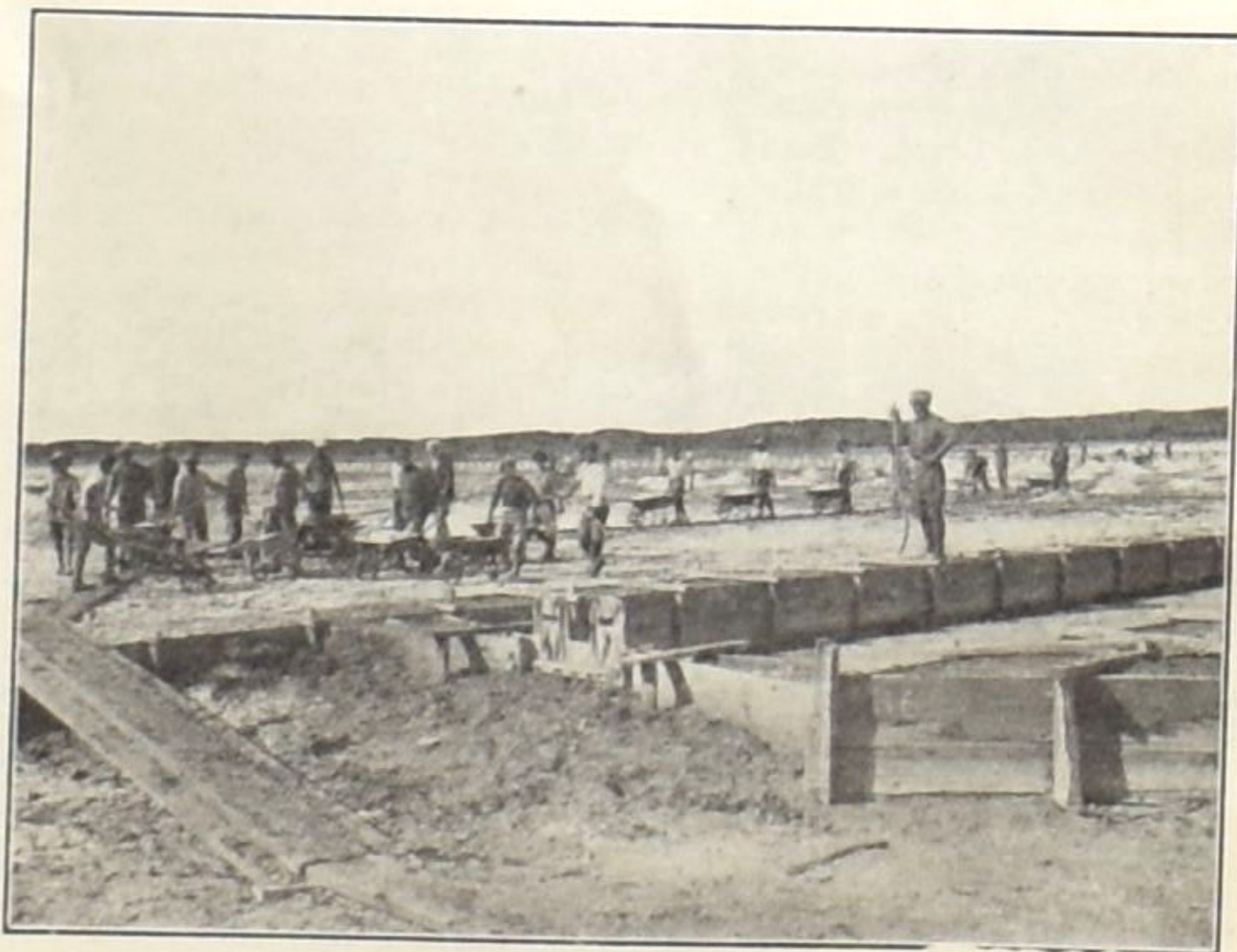
[Photo by J. Schweig.]
SOAP ON DRYING FLOOR AT AHMAD SHAKAH'S SOAP FACTORY IN NABLUS.



GATHERING ROSES AT BENJAMINAH FOR THE MANUFACTURE OF ESSENTIAL OILS.



LOADING PICKED ROSES FOR THE FACTORY.



[Photo by Z. Feigin.]

A GENERAL VIEW OF THE LARGE SALT BASINS OF THE ATHLIT SALT CO.

down in Shuny near by. Experiments are also being carried on in the production of extracts which form the raw material for perfumes and drugs.

It is hoped that the manufacture of citrate of lime will provide a suitable outlet for the large quantity of lemons produced in Palestine for which there is at present no market. Should this enterprise prove successful, there will be opportunities for the establishment of factories for the manufacture of perfumes, perfumed soaps, etc., and also of drugs.

4. SALT INDUSTRY.

THE PALESTINE SALT CO.

After having concluded an agreement with the Government of Palestine in June, 1922, this company was duly registered under the Companies Ordinance with a capital of £E.40,000 paid up. 50 per cent. of the capital was provided by the Jewish Colonization Association, 37½ per cent. by the Palestine Economic Board, and 12½ per cent. by individuals in and out of Palestine. The works have been set up on land belonging to the Government and the Jewish Colonization Association with a total area of 3,370 dunams, situated between the seashore and the railway line at Athlit, about 30 minutes south of Haifa.

Two large basins (180,000 sq. metres each) and 58 small basins (varying from 15,000 to 35,000 sq. metres) have already been constructed, and a pumping plant has been erected to pump the sea water into the basins. A drainage system crosses the whole area, and thus, apart from the manufacture of salt, a large marshy area is being drained and made habitable. Houses have been erected for the technical staff and labourers.

The importation, production and sale of salt in Palestine is a State monopoly regulated by Ottoman law. Up to the present salt has been imported by the Government of Palestine from Cyprus and Italy as shown in the following table:—

Year.	Tons.	Value in £E.
9 Months ending Dec. 31st, 1919	2,176	8,759
1920	4,035	20,571
1921	3,628	15,540
1922	5,143	15,764
1923	1,664	4,169

Salt is obtainable in Palestine from Government pans on the shore of the Dead Sea, along the shore of the Mediterranean Sea, and elsewhere. The Dead Sea itself is capable of producing many thousand tons of prepared salt per annum by the simple process of evaporation. This salt is used principally by agriculturists and for industrial purposes. Cerebos salt and other fine grades for table purposes are imported by traders on payment of import and excise duties at the time of entry. The consumption of salt by the

population of Palestine (reckoning 750,000 souls at an average of 7 kilos per head per annum) is about 5,000 tons yearly. The annual production of the Athlit Salt Co. is estimated at 15,000 tons. By the terms of the agreement above-mentioned, the Government undertakes to purchase from this company its requirements for a period of three years, at a price to be regulated in accordance with the market price in Egypt, Syria, and Transjordan. The present wholesale price for salt fixed by the Government is £E.8 and £E.7½ for imported Italian and for Dead Sea salt respectively. This high price is due to the excise duty of nearly 60 per cent.

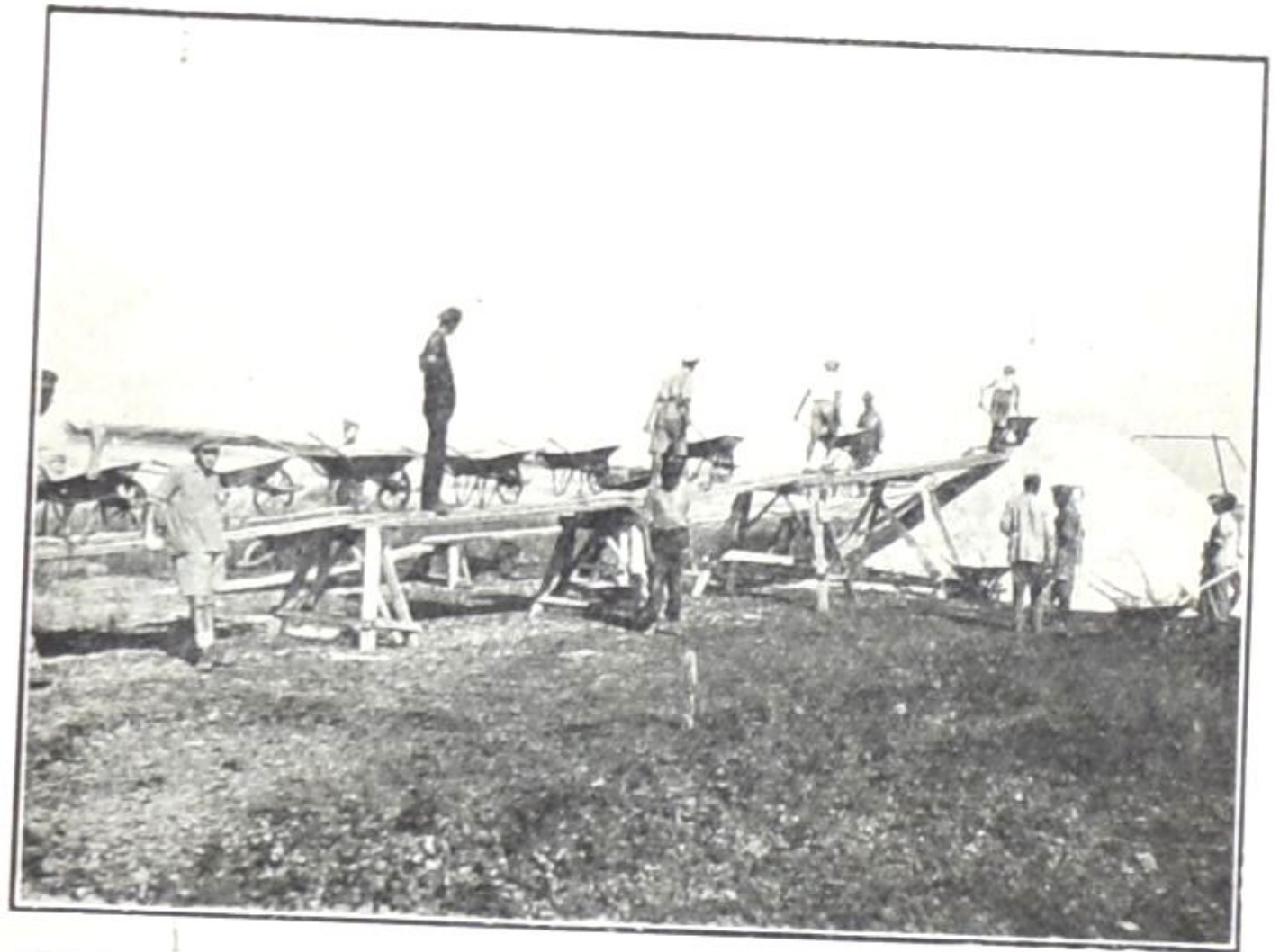
5. BRICKS AND TILES.

The brick and tile industry has greatly developed since the British occupation. There are at present over 30 large and small factories where these goods are made, with a total invested capital of about £E.75,000, and employing 300-400 persons. The best known of these enterprises is the Palestine Silicate Co., Ltd., at Tel-Aviv. The registered capital of this company is £E.43,000, but already more than double this amount has been spent. The factory occupies an area of 2,560 square metres, and is distinguished by the fact that the whole of its raw materials are derived from Palestine. The chief of these, sand, is found in unlimited quantities just outside the building. Silicate bricks are made from a mixture of sand with lime, which is obtained from the neighbourhood. The mixing, which is at first mechanical, is carried out by two mixing machines, consisting of huge ovoid metal cylinders each of 18 tons capacity. The material thus produced goes through a chemical process, after which the pressed brick and tile is put into huge steam ovens having a capacity of 6,400 bricks. There are six of these ovens. The bricks are hardened at a temperature of 180-190° C., and have a breaking strain of 125-140 kg. per sq. centimetre. Power is obtained from a 100 h.p. steam engine, which supplies the factory with the necessary energy through dynamos and electrical motors.

The maximum annual output of this factory is 12,000,000 bricks and tarmolite tiles, which is sufficient for the building of about 600 large and 300 small houses per annum. When in full operation it employs 60-70 hands apart from the clerical staff.

Imported tiles and bricks from France and Italy are seriously competing with the local manufacture, being favoured by the low rate of exchange in those countries. The following are the figures of the imports during the last three years.

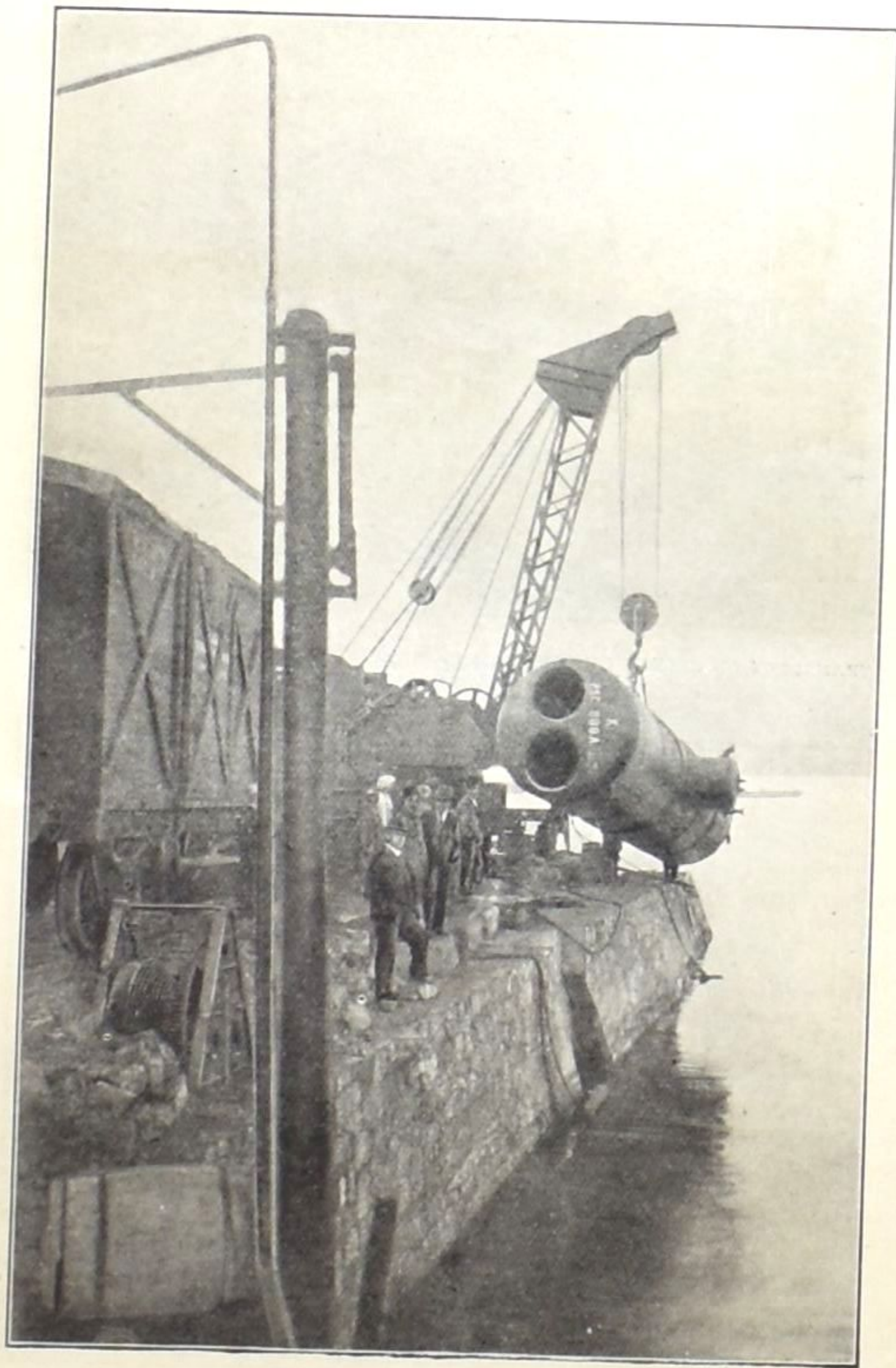
Year.	Bricks.	Value. £E.	Tiles.	Value. £E.	Total Value. £E.
1920-21..	—	—	—	—	—
1922 ..	1,336,942	7,005	4,304,223	31,977	4,663
1923 ..	1,251,258	5,989	3,429,567	20,827	38,982



TRANSPORT OF SALT FROM THE BASINS OF THE PALESTINE SALT CO., ATHLIT.
TO THE MAIN SALT PILES. [Photo by Z. Feigin.]

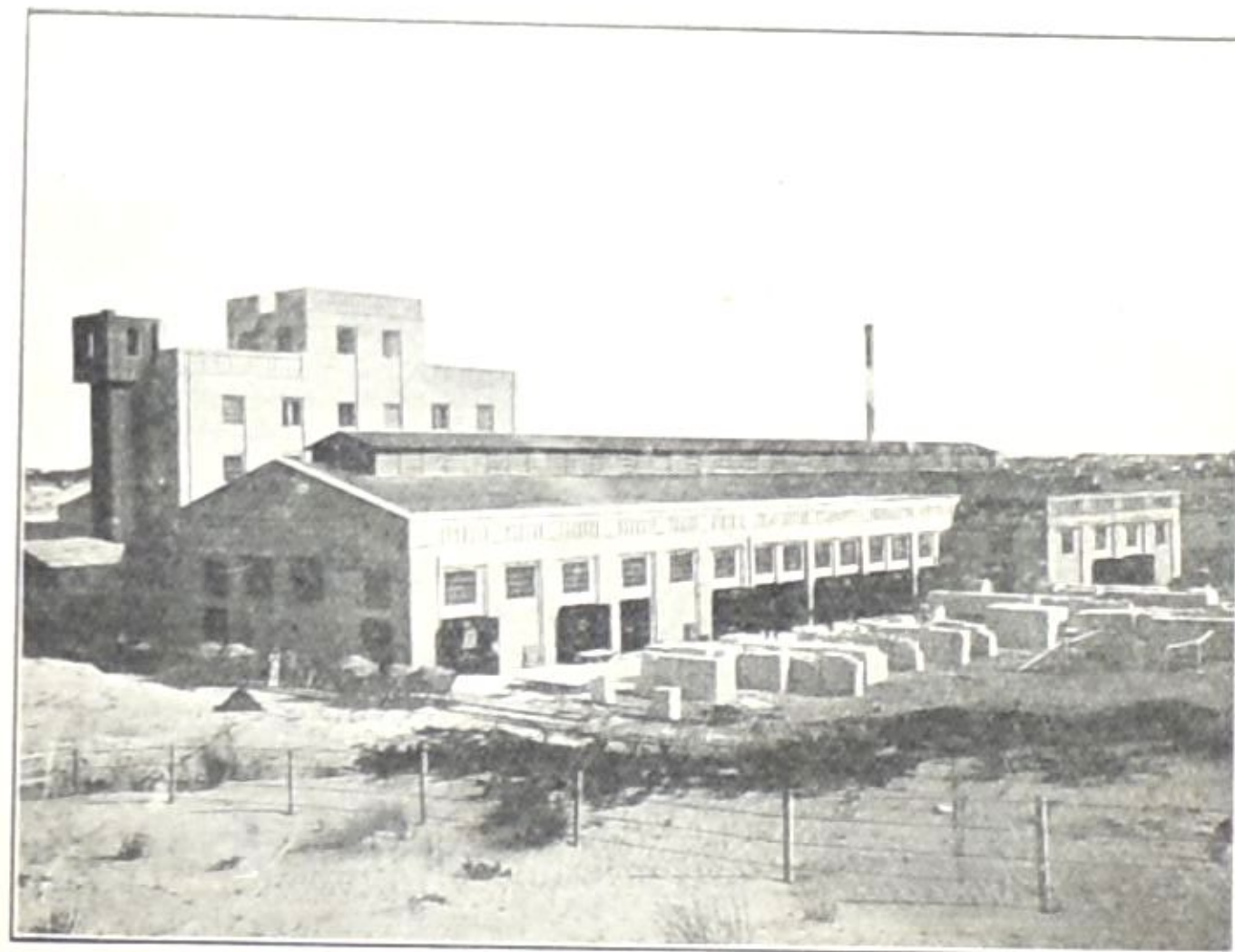


THE VISIT OF H.E. THE HIGH COMMISSIONER AND LADY SAMUEL TO THE
ATHLIT SALT WORKS. [Photo by Z. Feigin.]

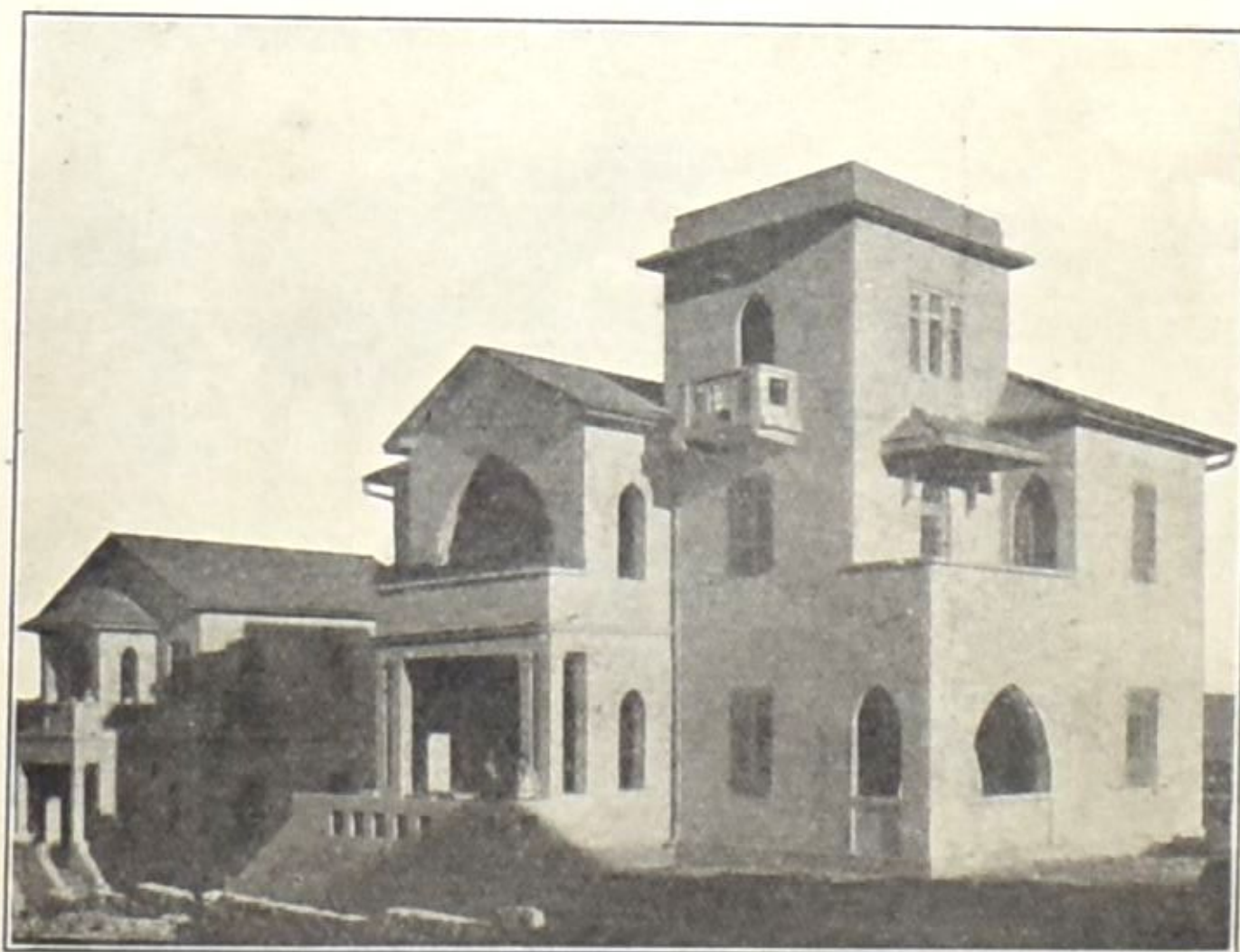


OFFLOADING THE LARGEST BOILER IN PALESTINE FOR THE PALESTINE SILICATE CO.

[Photo by Z. Feigin.]

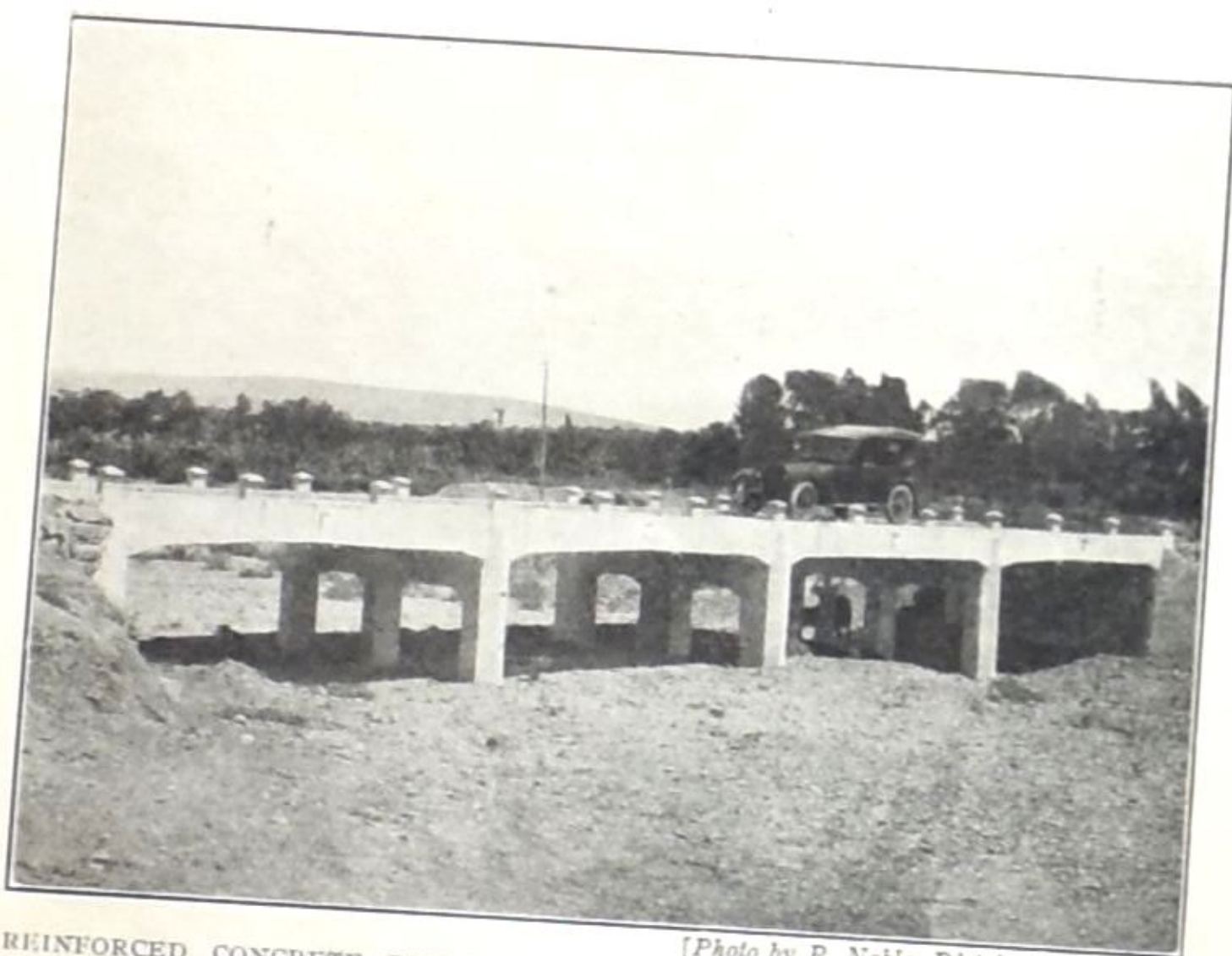


THE PALESTINE SILICATE CO.'S FACTORY AT TEL AVIV.



A HOUSE BUILT OF SILICATE STONES AND ROOFED WITH TARNOLITE SHEETS MANUFACTURED BY PALESTINE SILICATE CO.

[Photo by J. Schweig.]



REINFORCED CONCRETE BRIDGE OVER WADI EL KURN, NEAR ZIEL. THE BRIDGE CAN CARRY LOADS OF 40 TONS.

[Photo by P. Noble, District Engineer.]



CONTROL POST AT RAS EL NAKURAK ON NORTHERN COASTROAD. BUILT OF REINFORCED CONCRETE.

[Photo by P. Noble, District Engineer.]

EXISTING INDUSTRIES.

These figures show that this industry is still capable of extension in Palestine, as with technical improvements and cheaper labour it will no doubt be possible to eliminate to a great extent foreign competition.

6. BUILDING.

There are no complete statistics of building activity in Palestine during the last three or four years. The following figures, however, may give an idea.

Year.	TEL—AVIV.			Approx. Value. £E.
	Houses.	No. of Rooms.		
1921	86	731	..	90,000
1922	519	2,043	..	250,000
1923	382	980	..	120,000
Total	987	3,754	..	460,000

Ten principal localities in Palestine, excluding Jaffa, Jerusalem (for which no figures are yet available) and Tel-Aviv, spent during 1923 about £E.92,400 on new buildings and repairs. The Zionist Organization laid out during the years 1920-1923 about £E.60,000 for repairs and new buildings in fifteen small settlements all over the country. The Zion Commonwealth of America spent during 1923 £E.20,000 for the erection of buildings in the colony of Balfouriah, near Nazareth. The J.C.A. spent during the years 1920-1923 on building about £E.65,000 (including £E.18,000 on the colony Benjaminah, named after Baron de Rothschild). These figures by themselves give a total of about £E.700,000. The total expenditure on building in the country, excluding Government building, during the last four years may be reckoned to exceed £E.2,500,000.

Building activity is continually increasing. Capital invested in building has yielded a good interest. Lack of accommodation is still prevalent in various localities of Palestine, and building enterprise properly carried out should be remunerative, especially now that building materials and labour have become cheaper. The average cost of building per square metre has decreased from £E.8 and £E.9 to £E.4-5. As a result of the experience gained during the last five years, new methods of building have been introduced which reduce the cost to a minimum. A number of good masons have also been trained, so that the country can now easily carry on building activity on a large scale.

Tourist traffic to Palestine is greatly hampered through lack of proper hotel accommodation. This traffic is increasing, and the construction of a few large hotels in the principal centres of Palestine, especially in Jerusalem, Haifa and Mt. Carmel, Tiberias, Safed and Hebron, would undoubtedly prove lucrative, apart from supplying a want which is acutely felt in the country.

7. CEMENT.

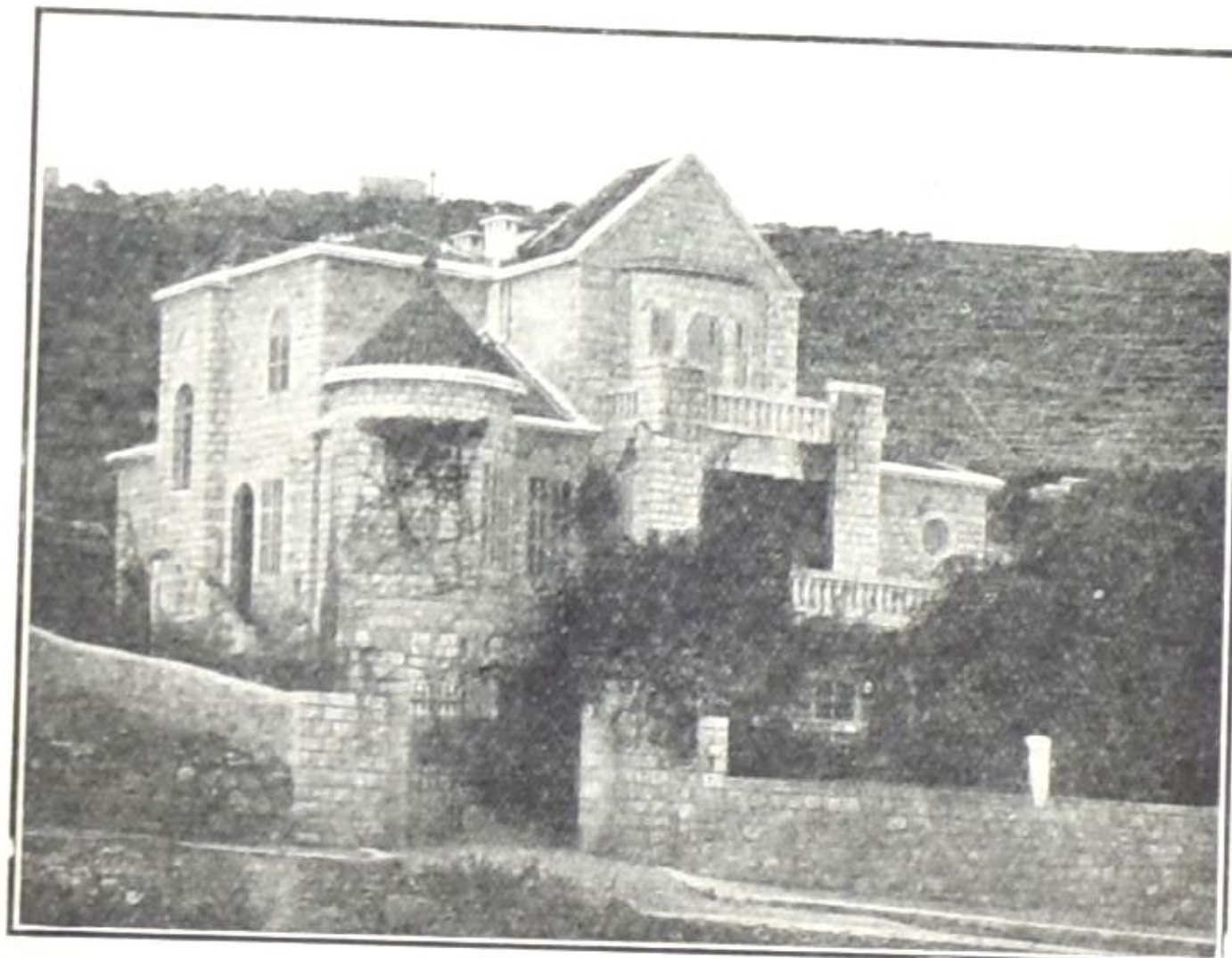
THE PORTLAND CEMENT CO. (NESHER), LTD.

A large factory for the manufacture of cement is now in process of building at a point seven kilometres south-east of Haifa. This undertaking belongs to an English company, which was registered in Palestine under the Foreign Companies Ordinance with a capital of £E.125,000, and has since increased its capital to £E.300,000. The company has acquired a property with an area of 3,000 dunams (approximately 700 acres) of plain and uplands, which contains in abundance the necessary raw materials, clay being obtained from the lower and lime from the higher levels. The raw materials have been tested on various occasions and in different countries, and found superior in quality to those used in the manufacture of Portland cement, spalato, and other cements on the market in Palestine, Syria, and Egypt. The factory will be able to produce from 60,000 to 70,000 tons of cement yearly, and give permanent occupation to over 200 persons. An important feature in this undertaking will be the construction by the company of houses for the families of workers and managing staff in the vicinity of the factory.

Building materials as a whole form an important item of Palestine's imports, amounting in 1920 to 4 per cent., in 1921 to 3 per cent., and in 1922 to 14 per cent. of the total imports. The import of cement into Palestine during the last four years is shown in the following table.

Year.	Tons.	Value. £E.
1919-1920	4,583	32,646
1920-1921	5,149	40,588
9 months ending Dec. 31st, 1921	13,713	73,009
1922	31,876	125,498
1923	29,362	94,400
Total	84,683	376,141

In this connection the following figures may prove of interest. Egypt's total annual consumption of cement for the years 1919-1922 is estimated at 33,000, 66,000, 89,000, and 113,000 metric tons respectively, of which 25,000 tons in 1919 and 1920, and 50,000 tons in 1921 and 1922, were produced by the Egyptian "Massara" Portland cement factory. Of the 63,000 tons imported in 1922, the bulk, viz., 38,000 came from Dalmatia. The total value of cement imported into Egypt during 1922 only exceeded £E.150,000. Seeing that the cement manufactured in Palestine, apart from its high quality, could be delivered to Egypt and Syria within a couple of days and at low freight charges, it is obvious that the above-mentioned undertaking is a very promising one, and may be counted on to help materially in lessening the adverse trade balance.



MODERN HOUSE BUILT OF CARMEL AND ATHLIT STONE AT HADAR HACARMEL, HAIFA. [Photo by J. Schweig.]



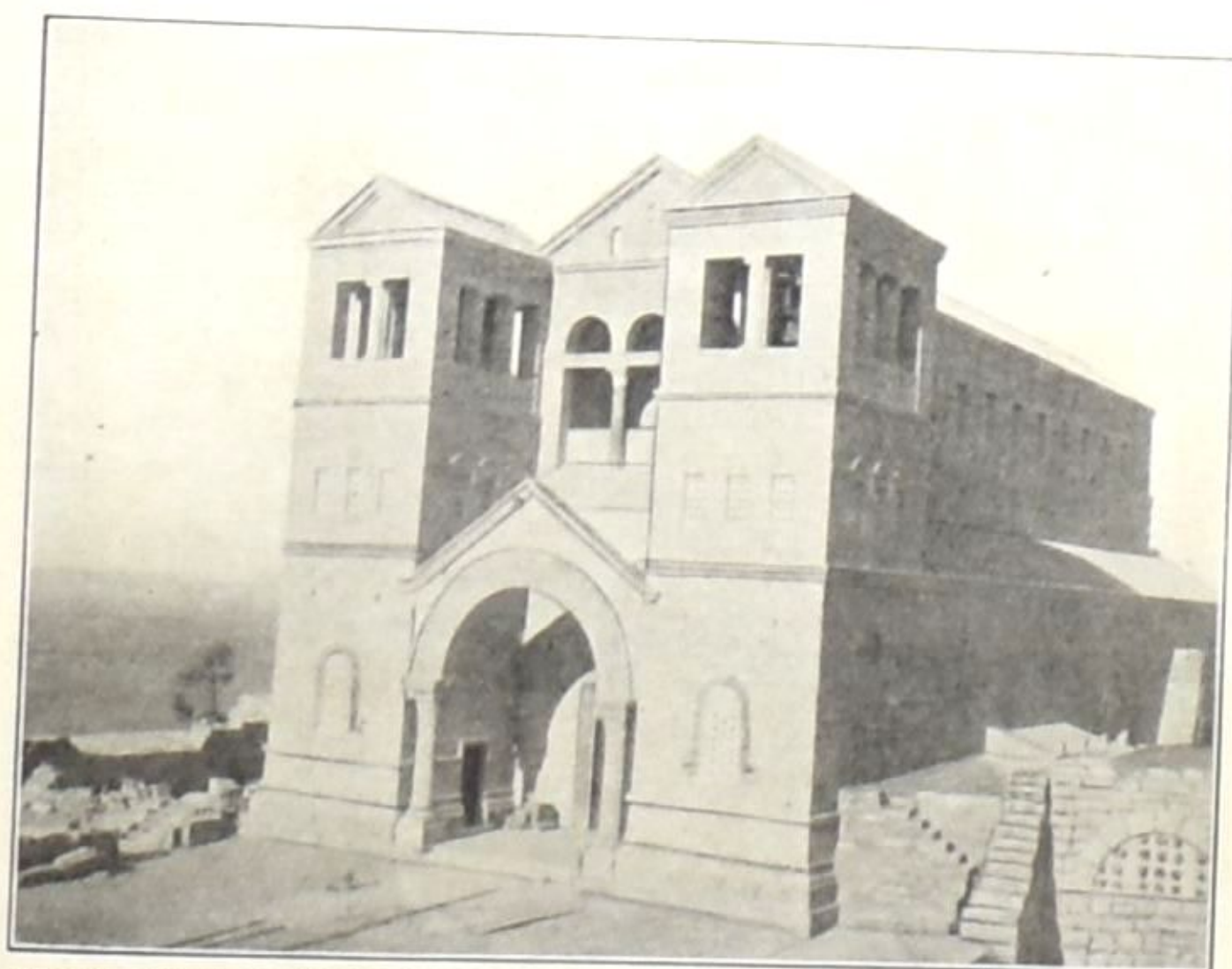
WORKMEN'S CONVALESCENT HOME AT THE COLONY MOTZAH, MADE OF FINE JERUSALEM STONE.



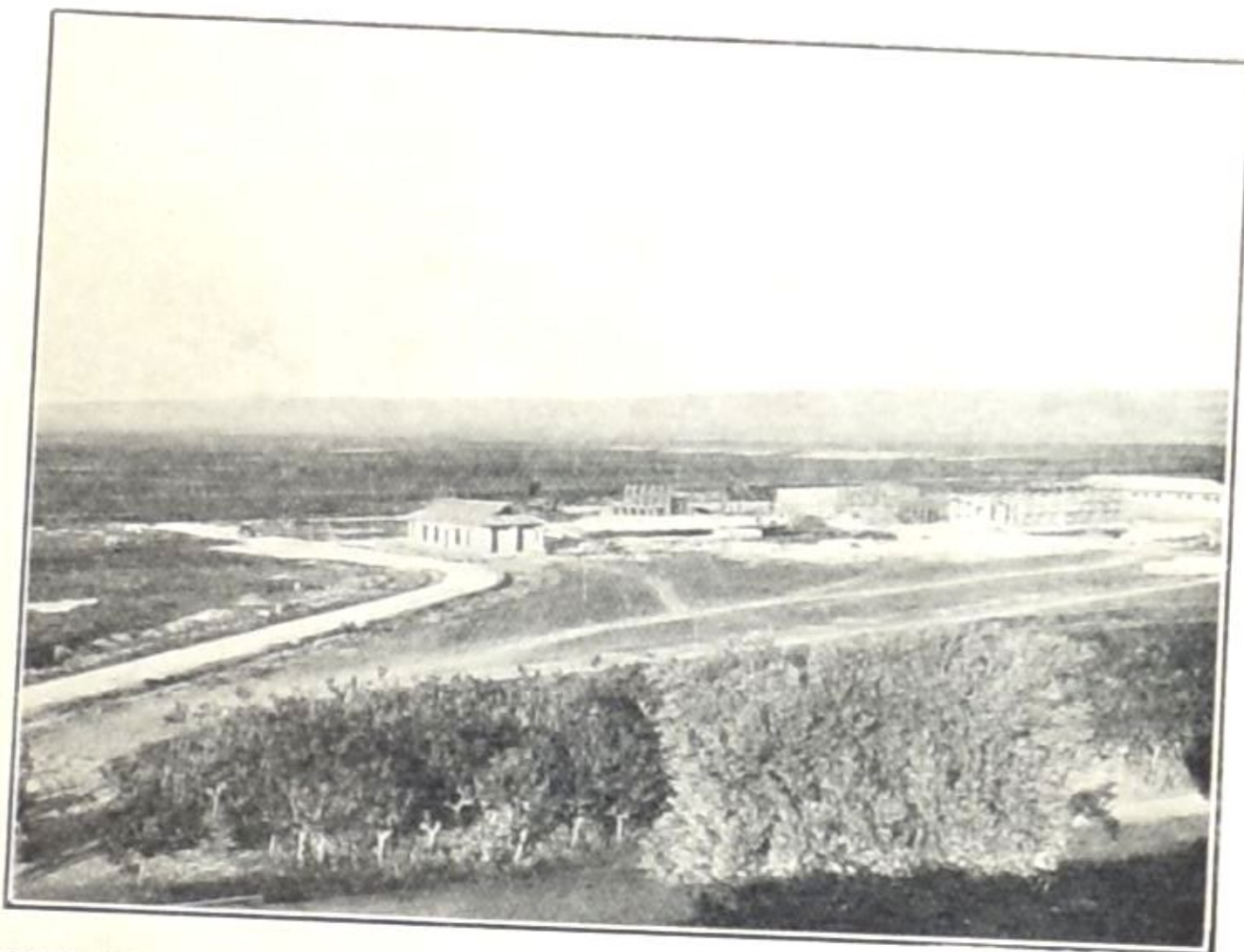
SHOPS AND OFFICES AT TEL AVIV BUILT OF CONCRETE AND CEMENT BRICKS
BY THE JEWISH CO-OPERATIVE LABOUR ASSOCIATION.



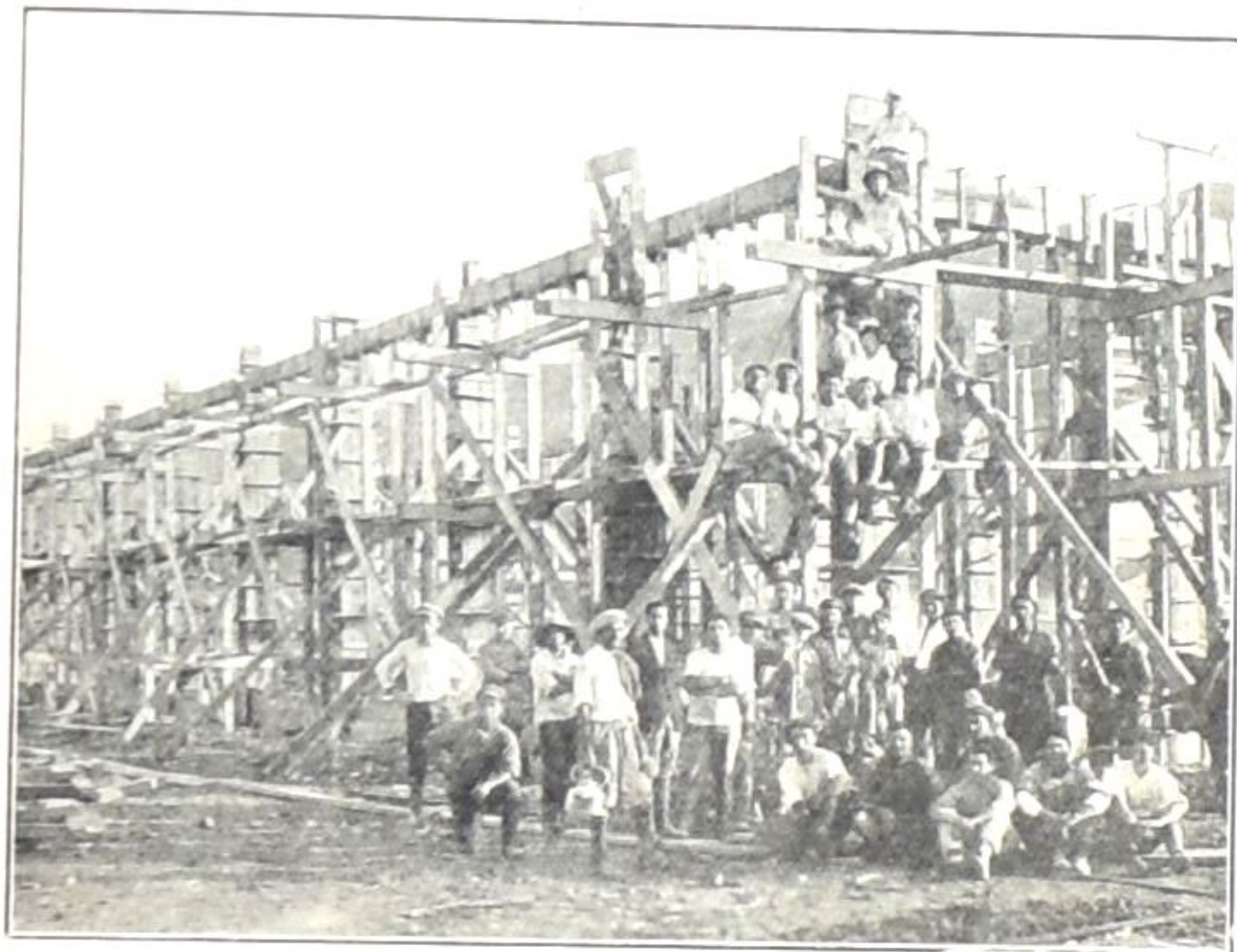
CONCRETE ROAD CONSTRUCTION ON SAND AT TEL AVIV, CARRIED OUT BY
THE JEWISH CO-OPERATIVE LABOUR ASSOCIATION WITH AMERICAN AND
ENGLISH CONCRETE MIXERS.



FRONT VIEW OF THE BASILICA ON MT. TABOR (GALILEE) BUILT OF FINE
PALESTINE STONE AND BEST ITALIAN MARBLE.



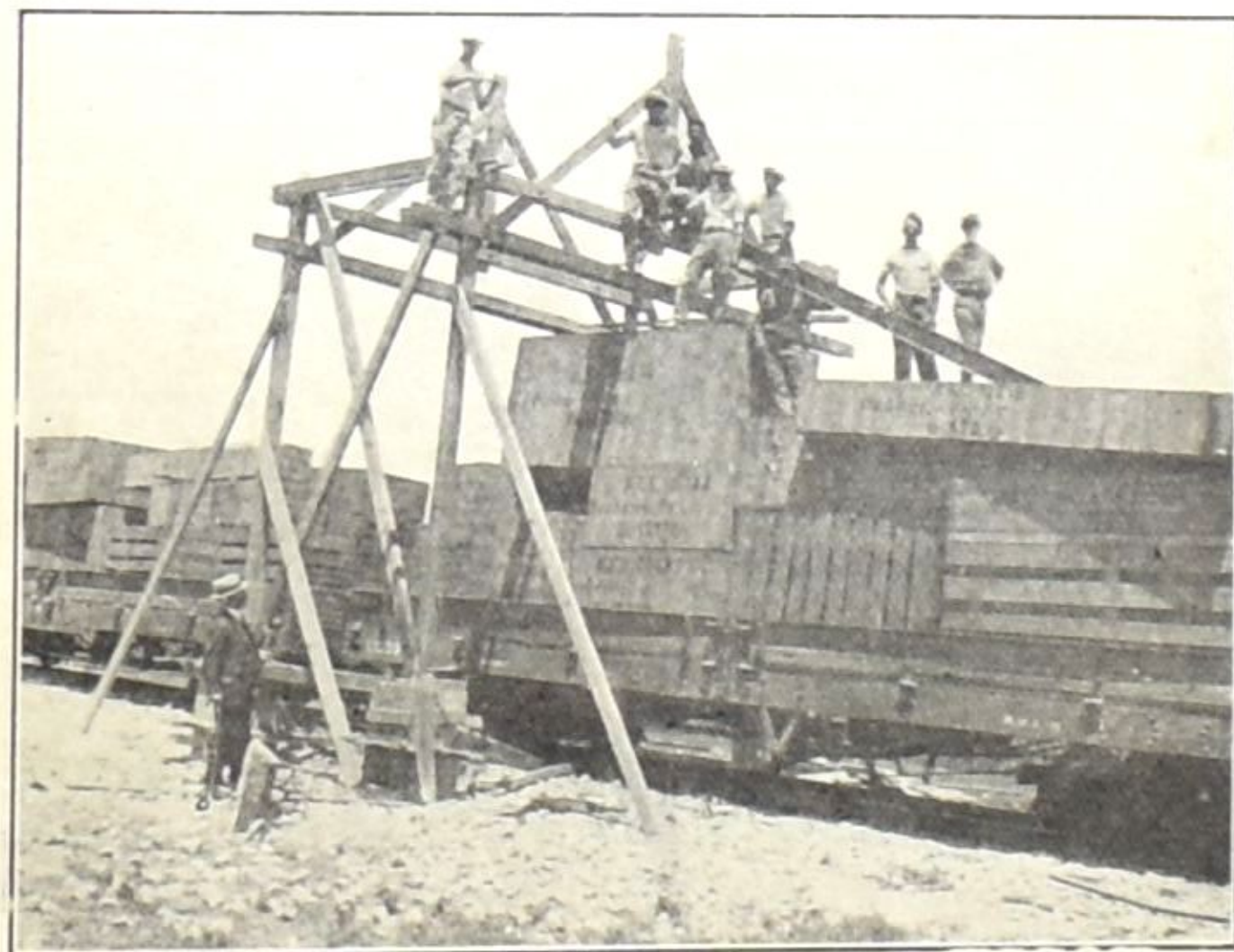
GENERAL VIEW OF THE AREA OCCUPIED BY THE PALESTINE PORTLAND CEMENT CO. (NESHER), LTD. [Photo by J. Lipser.]



FACTORY MAIN BUILDING—120 METRES LONG, 18 METRES WIDE AND 25 METRES HIGH—BUILT OF FERRO-CONCRETE. [Photo by J. Lipser.]



HILL, FROM WHICH RAW MATERIAL FOR THE MANUFACTURE OF CEMENT IS OBTAINED. [Photo by P. W. Etkes.]



OFFLOADING 200 TONS OF MACHINERY IN THE YARD OF THE FACTORY. [Photo by J. Lipser.]

EXISTING INDUSTRIES.

The factory will be equipped with the most modern machinery and will be provided with power by two turbo-generators with a total capacity of 2,000 kilowatts. The main hall of the factory is 120 metres long, 20 metres wide on the average, and 25 metres high.

8. TEXTILES AND KNITTING.

Palestine is an important buyer of textile goods in the world's market, as shown by the following figures:—

	£E.
1919-1920	1,419,714
1920-1921	1,259,620
9 months ending Dec. 31st., 1921	947,816
1922	971,051
1923	989,285

These figures indicate that the establishment of textile factories in Palestine may prove lucrative. Palestine itself has only a limited amount of raw material, but the surrounding countries produce it in abundance. Official records show the following imports of cotton goods.

FOR PALESTINE.

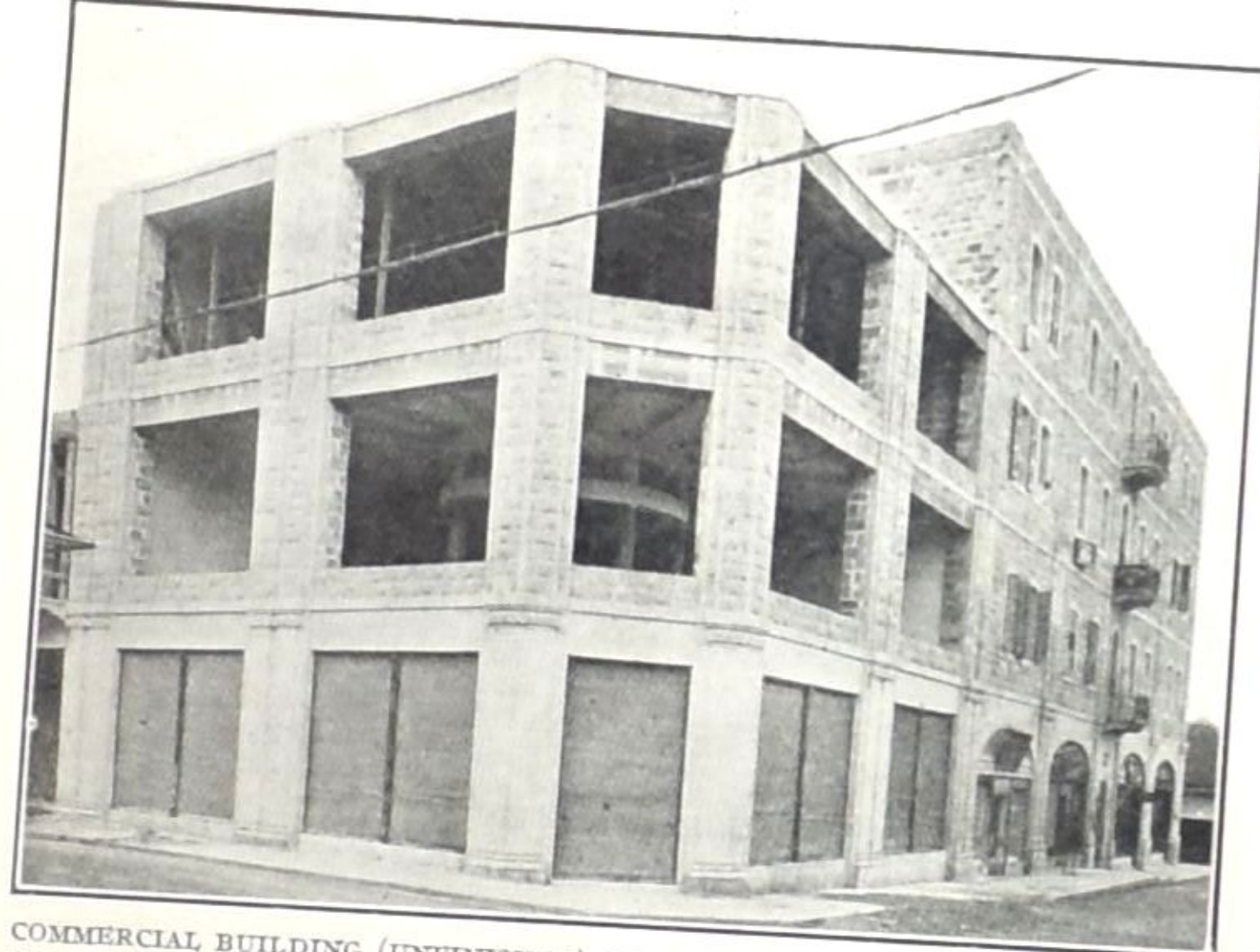
Year.	Imports. Metres.	Value. £E.
1921 (including goods in transit)	18,457,972	—
1922	1,090,369	586,000
1923	12,535,637	604,000

GOODS IN TRANSIT TO SYRIA.

1922	948,918	455,580
1923	137,568	65,408

Egypt, which is renowned for its excellent cotton, uses only very little of its own raw material to manufacture textile goods locally, and its yearly textile imports exceed £E.10,000,000. Palestine and the neighbouring countries (including Syria, Transjordan, Hejaz, Cyprus, Mesopotamia, Aden and Smyrna) import textile goods every year to the value of over 30,000,000 Egyptian pounds. In view of its geographical advantages, Palestine would seem to be a suitable country for the establishment of an important textile industry, being situated in the midst of a large purchasing population and close to the principal sources of supply of raw material. Haifa and Jaffa are, perhaps, as favourably placed as any towns in the world for the development of a flourishing textile industry.

The case is similar in regard to knitted goods, which are imported annually into Palestine and Syria to the value of about £E.150,000. There are about a dozen small factories and workshops in the country doing weaving and knitting work, in which about a hundred persons find employment; the best known of these is the "Hasoreg"



COMMERCIAL BUILDING (UNFINISHED) OF HARD WHITE STONE NAMED MALAKA, FROM TIREH VILLAGE QUARRIES, ERECTED FOR AZIZ KHAYAT IN HAIFA.



[Photo by J. Soskin, Tel Aviv.]

THE EXHIBITS OF THE HASOREG KNITTING WORKS, LTD., AT THE INDUSTRIAL EXHIBITION OF TEL AVIV.

Co. Though the goods manufactured are popular in the country and even on the Egyptian market, their quantity is too insignificant as yet to count for much in the country's trade or to give an index to the possibilities which Palestine offers in this connection.

The foundation stone of a large textile factory has lately been laid in Jaffa by a company of six textile industrialists from Poland, with a capital of £E.12,000. This factory will do mostly knitting work and will give employment to about 50 persons when in full swing.



TANNING INDUSTRY AT HEBRON—SALTING SKINS.

[Photo by A. Raad,

9. TANNING.

This industry is carried on in Palestine at present on a very small scale and under primitive conditions, and admits of being greatly developed and enlarged. About 6,000 skins of cattle are tanned annually. The chief tanneries in Palestine are located at Jaffa, where a medium quality of leather is manufactured. Water skins are greatly used in Palestine; their principal centre of manufacture is Hebron. Ordinary sheep skins are treated in various places in Palestine, mostly by Arabs. The principal places for this industry are Acre, Tiberias, Jenin, Gaza, Hebron and Ramleh. The products serve mostly to make winter coats for peasants.

The quantity of skins available in Palestine may be seen from the following table of animals slaughtered there during the last three years:—

Animals slaughtered.	1921.	1922.	1923.
Bulls and Bullocks	5,603	8,791	12,011
Buffaloes	63	80	229
Cows	2,352	3,122	6,162
Calves	482	1,006	1,662
Sheep	65,013	116,622	141,749
Goats	34,613	48,618	55,870
Pigs	259	441	1,129
Camels	152	589	646
	108,537	179,269	219,458

The figures for 1921 refer only to twenty principal localities, and may be doubled in order to obtain the total number of animals slaughtered throughout the country. The figures for 1922 refer to twenty-one localities, and at least 40 per cent. may be added for the rest. The figures for 1923 refer to twenty-three localities in Palestine.

The following table of imports and exports of hides and leather to Palestine and Syria gives an idea of the possibilities of this trade.

IMPORTS INTO PALESTINE.

Goods.	Tons in 1919-20.	Value. £E.	Tons in 1920-21.	Value. £E.	Tons in 1922.	Value. £E.	Tons in 1923.	Value. £E.
Hides undressed ..	76	8,621	104	11,432	—	—	13	3,840
Undressed Sheep and Goat Skins ..	4	602	7	697	—	—	—	—
Hides dressed ..	235	48,191	272	63,835	—	—	—	—
Sheep and Goat Skins dressed ..	21	15,268	18	19,779	—	—	—	—
Other Skins ..	11	896	—	—	—	—	—	—
Saddlery ..	—	21,585	—	91,390	—	1,607	—	—
Footwear ..	Pairs. 56,593	27,698	Pairs. 56,559	28,906	Pairs. 135,122	40,918	Pairs. 116,016	33,715
Upper Leather ..	—	—	—	—	—	—	40	20,968
Sole Leather ..	—	—	—	—	—	—	206	26,756
Total ..	—	122,861	—	216,608	—	42,525	—	85,279

EXPORTS FROM PALESTINE.

Goods.	Tons in 1919-20.	Value. £E.	Tons in 1920-21.	Value. £E.	Tons in 1922.	Value. £E.	Tons in 1923.	Value. £E.
Hides undressed ..	83	1,949	25	1,216	—	—	—	—
Sheep and Goat Skins undressed ..	89	6,442	109	10,643	—	—	—	—
Other Skins and manufacture of ..	—	589	—	747	—	—	—	—
Total	—	8,980	—	13,606	—	—	—	—

Following are the imports and exports of hides and skins of all sorts to and from Egypt:—

Year.	IMPORTS.		EXPORTS.	
	Hides in tons.	Skins. Units.	Year.	Value.
1913 ..	403	371,458	—	—
1914 ..	794	469,323	—	—
1915 ..	1,148	256,982	—	—
1916 ..	744	361,797	—	—
1917 ..	937	302,230	—	—
1918 ..	1,236	173,485	—	—
1919 ..	845	448,946	1919 ..	1,301,946
1920 ..	978	373,421	1920 ..	743,194
Total ..	7,085	2,766,642	Total ..	2,045,140

With regard to Syria, it is estimated that 60 per cent. of the leather used in Damascus is imported, chiefly from France, U.S.A., Germany and Great Britain. This is used mostly for shoes and upholstery. The import of leather into Syria annually amounts to about 50 tons for sole leather, 1,000,000 ft. for upper leather, and 150,000 ft. for patent leather. There are a few tanning houses in Syria in a very primitive condition, and the leather produced there is used in the manufacture of shoes for peasants or for saddlery. The most important centre for tanning and leather work in Syria is Zahleh.

There is a great field for the enlargement of this industry in Palestine, and Acre and Tiberias can be recommended for this purpose on account of their unlimited water supply. A large factory is now being started by a private individual in Tel-Aviv with a capital of £E.50,000. This factory will commence production in a few months' time, and will manufacture all sorts of leather, employing when in full swing about 150 hands.

10. TOBACCO GROWING AND CIGARETTES.

This branch of agriculture and industry is quite new in Palestine in its present form. Until 1920 tobacco growing and the manufacture of cigarettes was a monopoly in the hands of the Régie Co-Intéressée Ottomane. Since the abolition of the Régie monopoly and thanks to the protective tariff imposed on imported tobacco, tobacco growing has been taken up extensively by the Palestine farmers. Palestine is now producing a tobacco of a Turkish



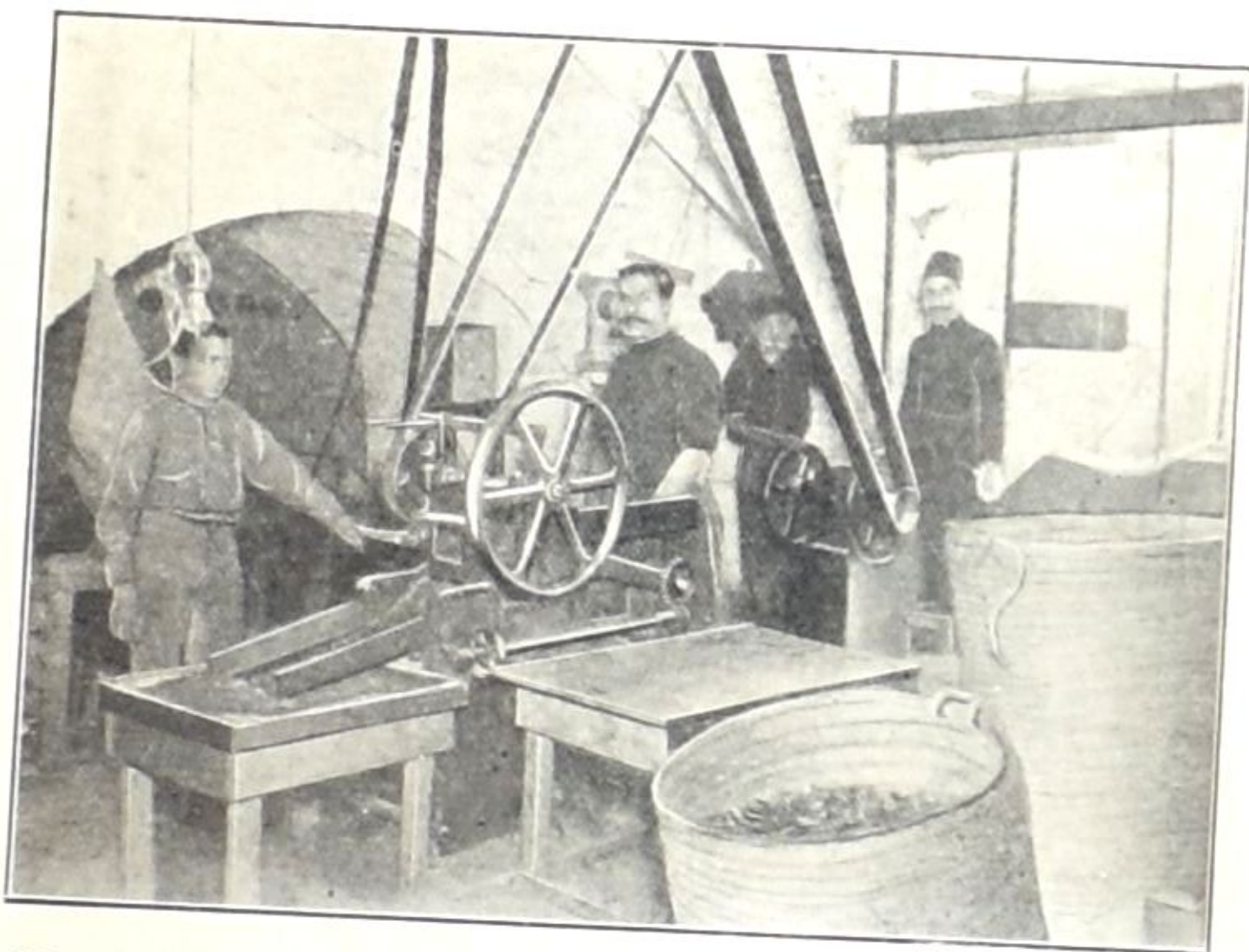
[Photo by J. Schweig.]

WATERING OF TOBACCO AT THE CIGARETTE FACTORY OF HASSAN DICK AND SALTY AT HAIFA.



[Photo by Sabungi-Jaffa.]

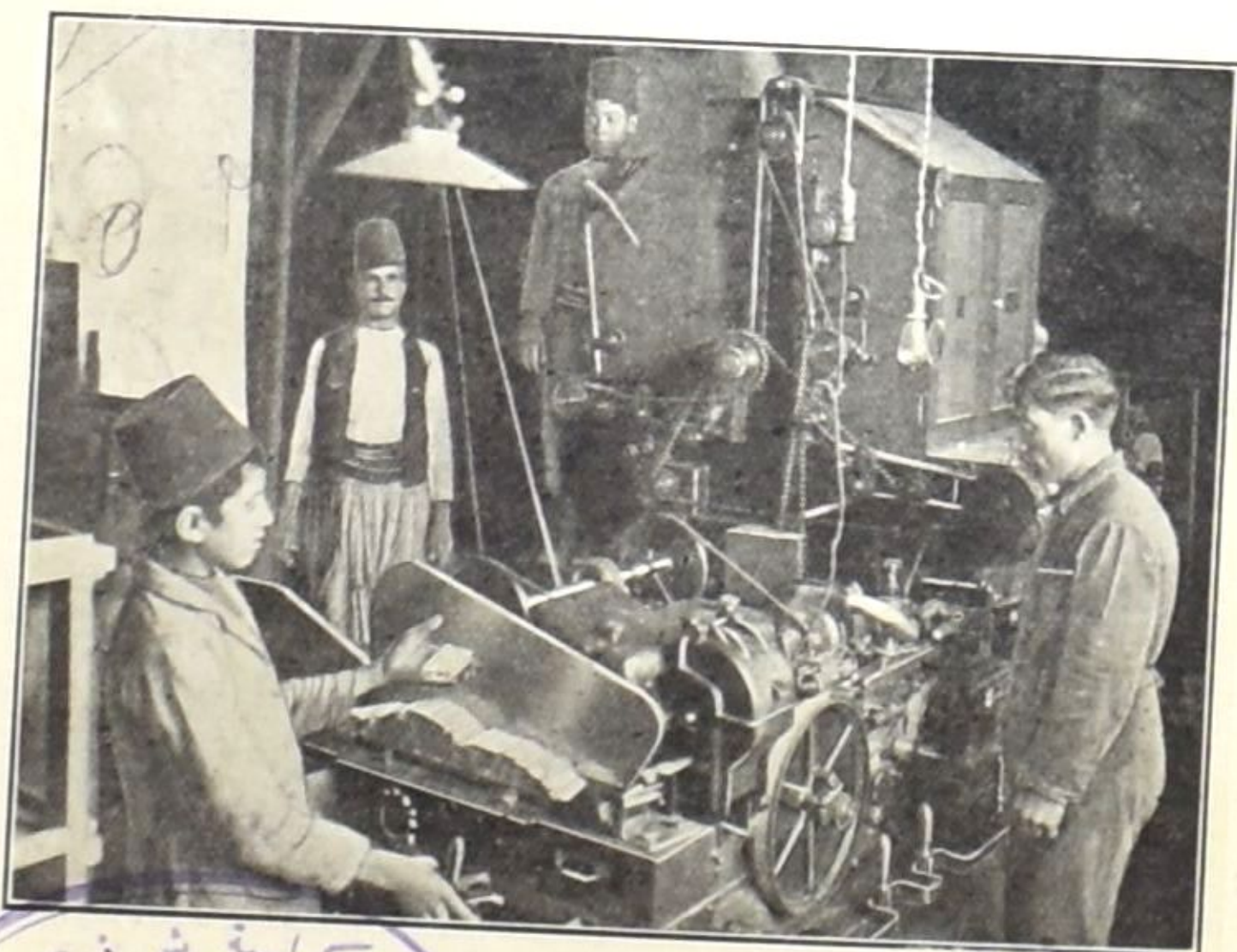
SORTING OF TOBACCO LEAVES BY ARAB BOYS AT THE NATIONAL CIGARETTE FACTORY AT NABLUS.



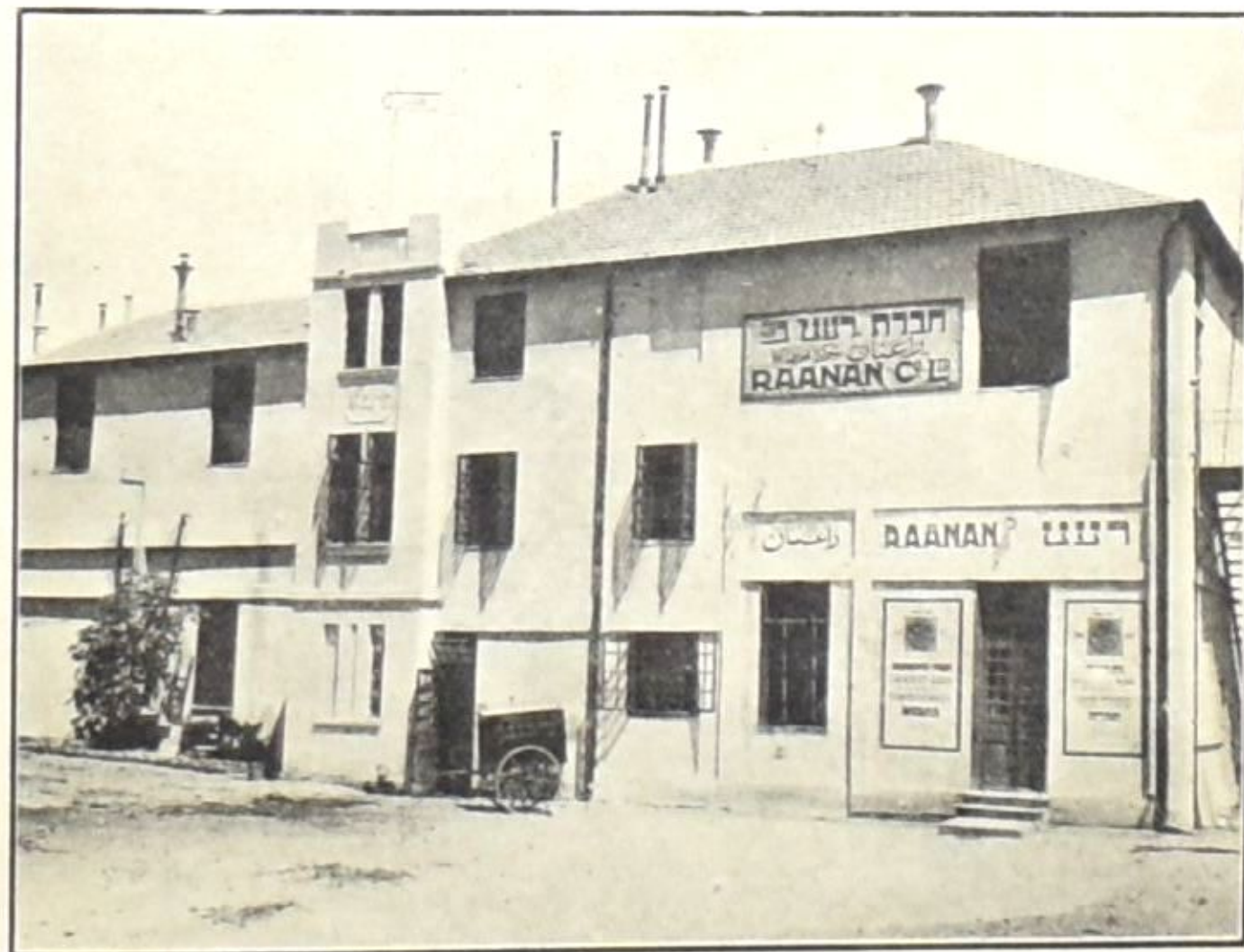
CIGARETTE FACTORY OF HASSAN DICK AND SALTY—TOBACCO CUTTING MACHINE. [Photo by J. Schweig.]



PACKING OF CIGARETTES BY ARAB BOYS AND JEWISH GIRLS (HALUTZOTH). [Photo by J. Schweig.]



A CHILD OF THE EAST HANDLING THE MOST MODERN AMERICAN CIGARETTE MACHINE, WHICH TURNS OUT ABOUT 200,000 CIGARETTES DAILY. [Photo by J. Schweig.]



THE FIRST CHOCOLATE FACTORY IN PALESTINE.

6771
BEERZEIT COLLEGE

variety which promises well, and, as the growers gain more experience, should become one of the great tobacco-growing countries of the world.

It is to be remembered in this connection that Palestine spends large sums of money yearly on imported tobacco and cigarettes, as shown in the following table:—

Year.	Tobacco.		Cigarettes.		Total.	
	Kilos.	£E.	Kilos.	£E.	Kilos.	£E.
1919-20 ..	94,000	45,977	27,002	25,427	36,402	71,404
1920-21 ..	305,382	155,456	20,520	27,504	325,902	182,960
9 Months ending Dec. 31st, 1921	78,898	25,470	212,387	239,050	291,285	264,520
1922	135,273	31,809	185,611	201,285	320,884	233,094
1923	79,628	14,789	75,950	90,387	155,578	105,176

These figures do not include cigars—1,000 kilos of the value of £E.930 during 1922 and 1,006 kilos of the value of £E.1,385 in 1923; 80,372 kilos of tobac of the value of £E.12,208 in 1922 and 74,411 kilos of the value of £E.14,700 in 1923; and 13,942 kilos of snuff of the value of £E.2,625 in 1922.

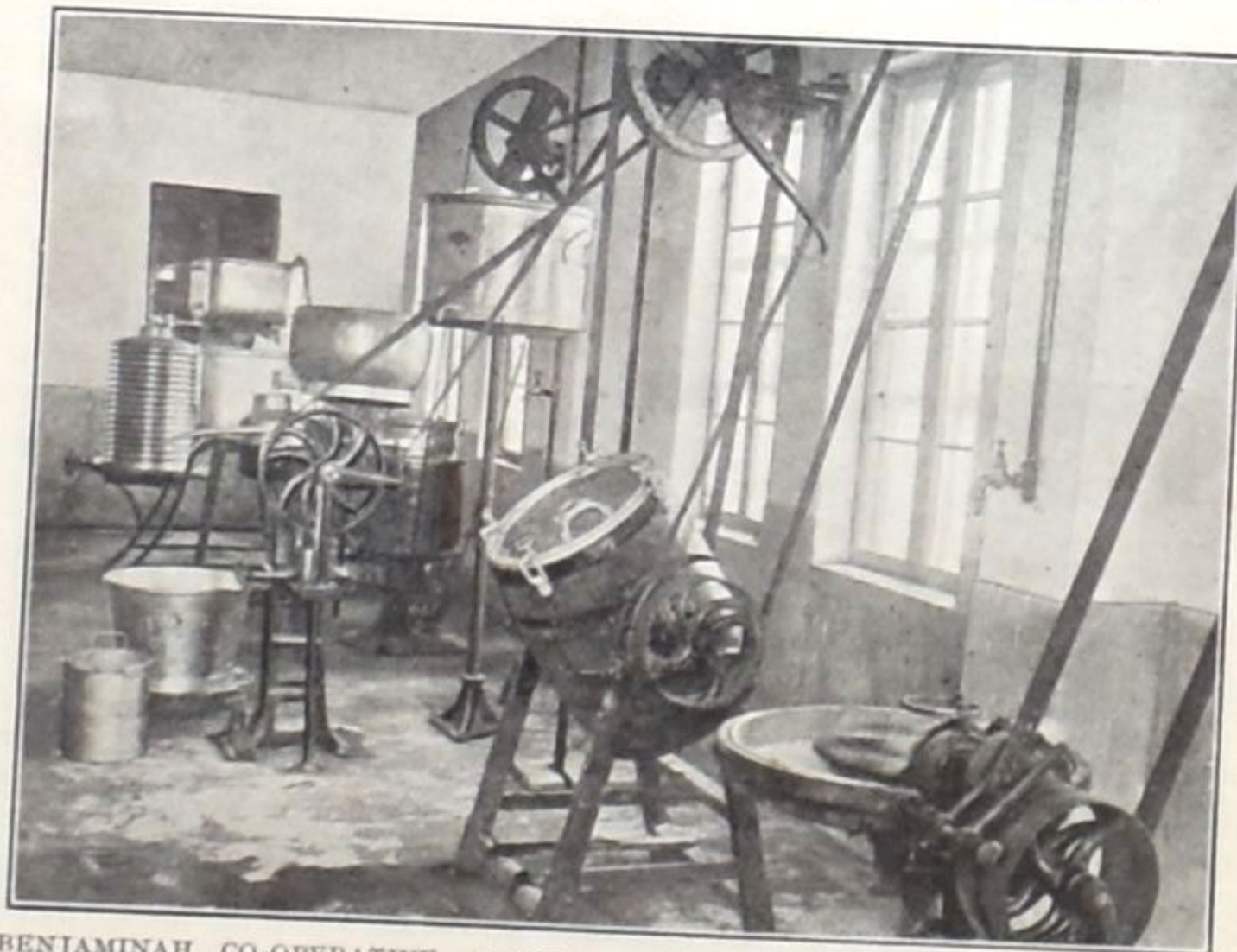
A number of factories have been started in the country, and their products are commencing to supplant imported cigarettes. The cultivation of tobacco, as also the manufacture of cigarettes, is flourishing; some of the local factories cannot keep pace with the demand. The area under cultivation is constantly being enlarged, and high-grade Turkish varieties have been introduced. The following table shows the development of tobacco-growing in Palestine.

Year.	Area in dunams.	Yield in metric tons.
1921	1,779	265
1922	4,832	694
1923	5,122	645
1924	over 25,000	1600-1800

About twenty factories are known to exist in Palestine for the manufacture of cigarettes and cut tobacco. These are situated in various localities where conditions for the growing of tobacco are favourable. All of them, with the exception of the Régie Co-Intéressée des Tabacs, have been established since 1921. The capital invested in this industry exceeds £E.120,000, and about 1,000 persons are employed in it, earning from Pt.10 (over 2s.) per diem to £E.25 per mensem. The monthly output is about 15,000,000 cigarettes. There is only one British factory (Maspero Frères), which is responsible for about 50 per cent. of the total output; all the others are in the hands of Palestinians, most of them Arabs. The factories of Hazboun in Bethlehem, Dick, Karaman and Salty in Haifa, and the national factory of Hassan Arafat and Co. in Nablus are the best known. Most of them are supplied with modern machinery. The skilled labour is generally imported from Egypt and Greece, and experts from these countries



THE MAIN HALL OF THE RAANAN CHOCOLATE FACTORY, SHOWING BAKING OVEN, GRINDING MACHINES AND CHOCOLATE CUTTING MACHINES.



BENJAMINAH CO-OPERATIVE DAIRY. GENERAL VIEW OF THE CREAMERY OUTFIT, COOLER, PASTEURIZER, SEPARATOR, BUTTER CHURN AND BUTTER WORKER.

also teach the industry to the native population. The cigarette industry is only in its infancy and has good prospects. Various foreign companies are showing an interest in it, and will no doubt establish factories in due course, as the demand for cigarettes manufactured in Palestine is increasing.

II. CHOCOLATE, SWEETS AND HONEY.

There are several small sweet factories in the country, of which the most important are the chocolate and sweet factories of Messrs. Levinstein and Shulman, and the "Raanan" at Tel-Aviv. The Raanan factory has a capital of £E.20,000, and is equipped with good machinery for the manufacture of chocolate, cocoa, and sweetmeats of all kinds. The following products are turned out at present by this firm: cocoa powder, chocolate in bars, milk chocolate, chocolate creams, chocolate almonds, liqueur chocolates, and marzipan. The factory also intends to take up the manufacture of jams from such fruits as apples, melons, figs, etc. The whole machinery is run from an 18 h.p. petrol engine, which also drives a dynamo for the electric lighting of the factory. The machines are all worked by steam, which is conveyed by means of underground pipes. The factory is also equipped with an oven for the baking of marzipan biscuits, etc. The estimated maximum output of the factory is about two tons per diem; it employs 50 persons. The product finds a good market in Palestine and is becoming popular in the neighbouring countries.

This industry is closely connected with the conversion of many local agricultural products into jam, marmalade and similar condiments, a field which has practically been left untouched till now. In this connection it may be well to give a short statement of the country's imports of these goods from abroad.

IMPORTS.*

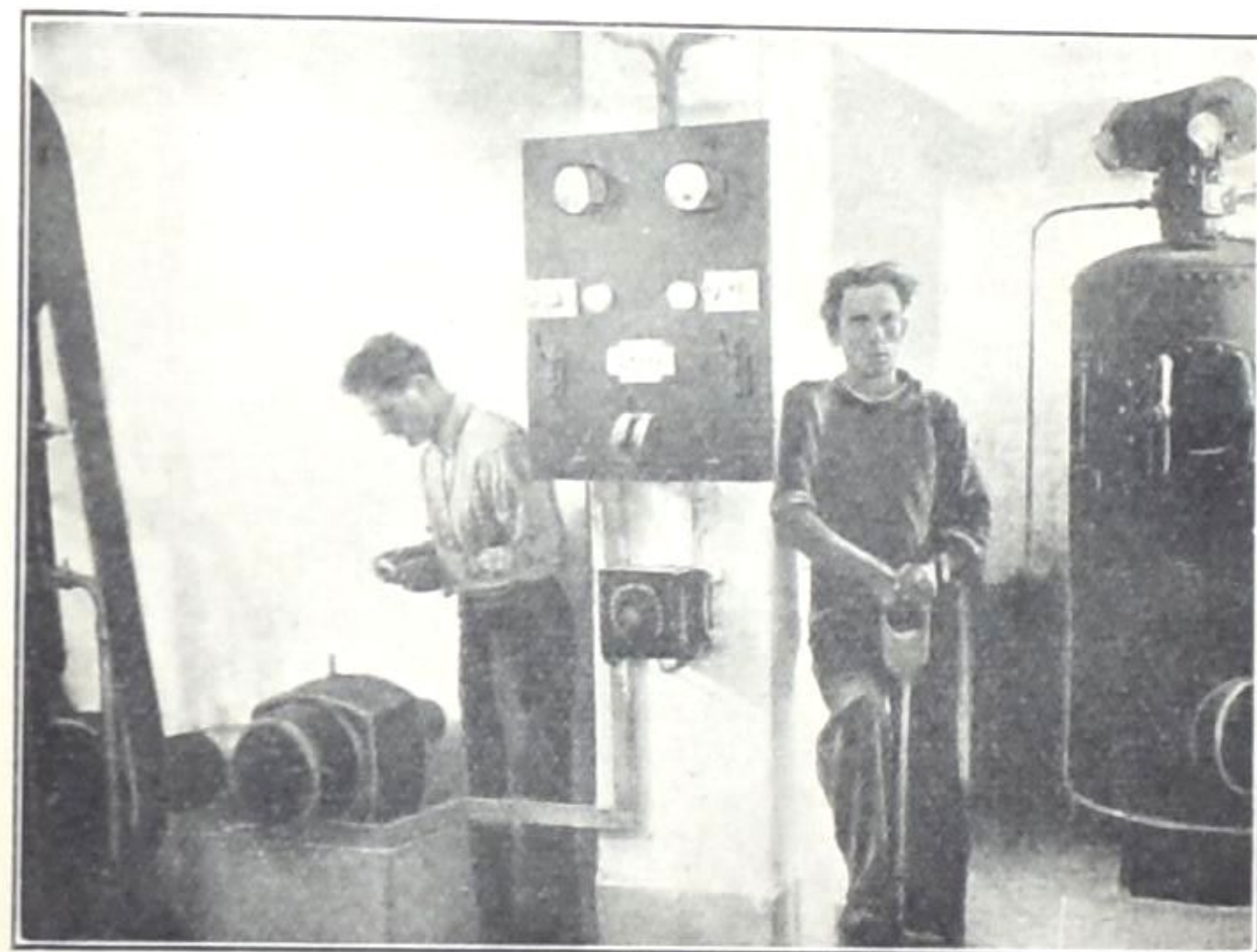
Year.	Confectionery.		Chocolate.		Biscuits.		Honey.	
	Kg.	£E.	Kg.	£E.	Kg.	£E.	Kg.	£E.
1919-20	103,829	20,478	—	—	49,992	8,057	—	—
1920-21	315,000	50,111	—	—	63,357	13,301	—	—
9 Months ending Dec., 1921 ..	281,217	27,187	—	—	74,554	12,231	—	—
1922	210,459	16,946	145,337	24,678	118,470	13,417	133	13
1923	272,000	26,300	—	—	290,000	20,300	1,064	37

EXPORTS.†

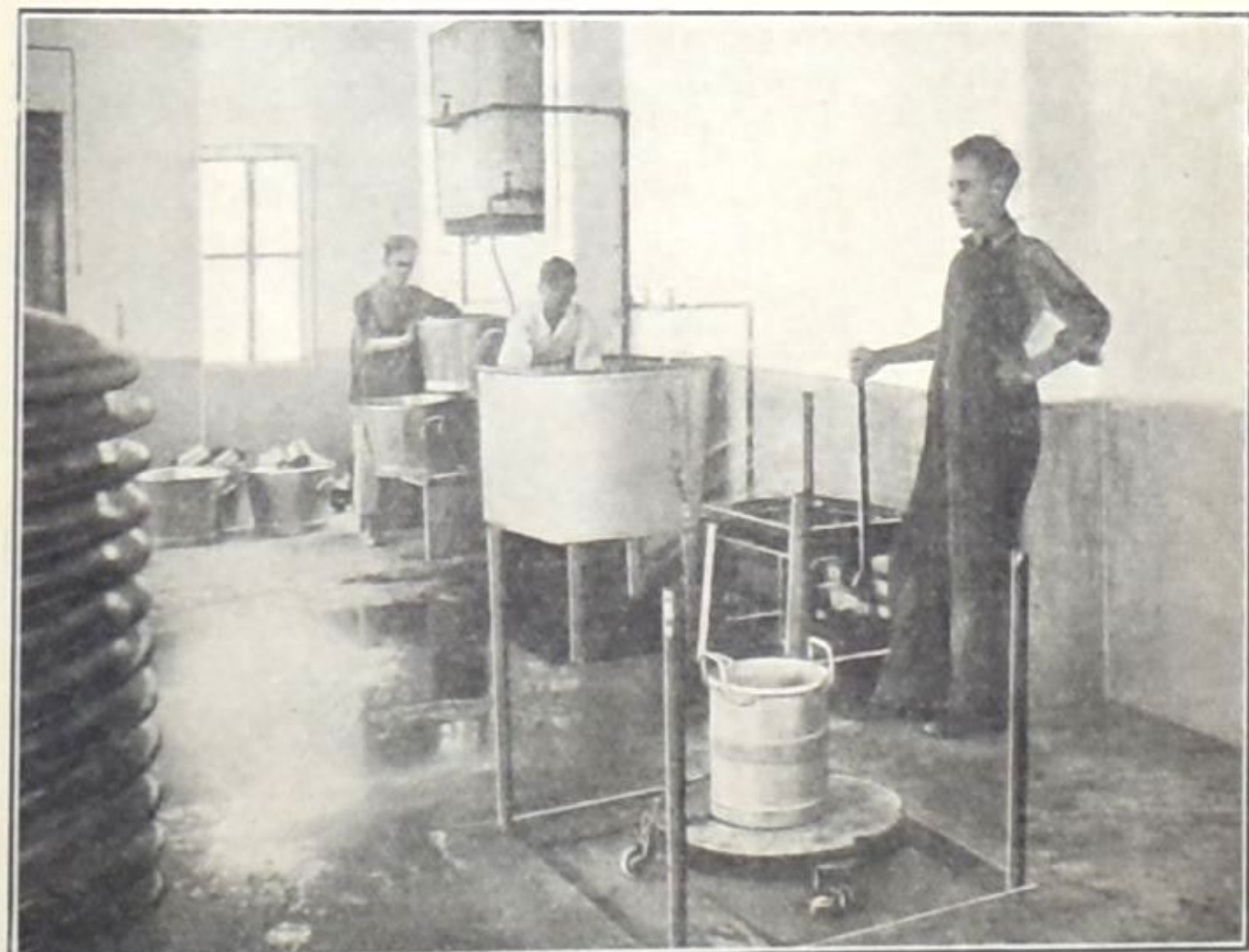
Year.	Confectionery.		Chocolate.		Biscuits.		Honey.	
	Kg.	£E.	Kg.	£E.	Kg.	£E.	Kg.	£E.
1922	16,646	961	37	3	2,124	207	9,917	804
1923	6,862	416	—	—	235	17	9,054	536

* "Confectionery" during the period April, 1919, to December, 1921, and during 1923 includes chocolate, jams and fruits in syrup.

† No records are available of exports of confectionery and biscuits for 1919-1921.



BENJAMINAH CO-OPERATIVE DAIRY. ENGINE ROOM WITH BOILER.



BENJAMINAH CO-OPERATIVE DAIRY. WASHING SINK AND STERILIZER.

The manufacture of honey is another branch which has not been exploited to its full extent. The total number of modern bee-hives in the country is as follows:—

Year.	No. of modern Beehives.	Produce in kilos.
1921	2,100 ..	3,500
1922	2,200 ..	4,000
1923	3,600 ..	5,000

The principal centres of the honey industry are the colonies of Petach Tikvah and Hedera, each with 15 per cent., Jaffa with 10 per cent., and Nes Zionah with 35 per cent. of the whole of Palestine's production. Palestine honey is exported to Egypt, Switzerland and America, and has so far proved a paying proposition.

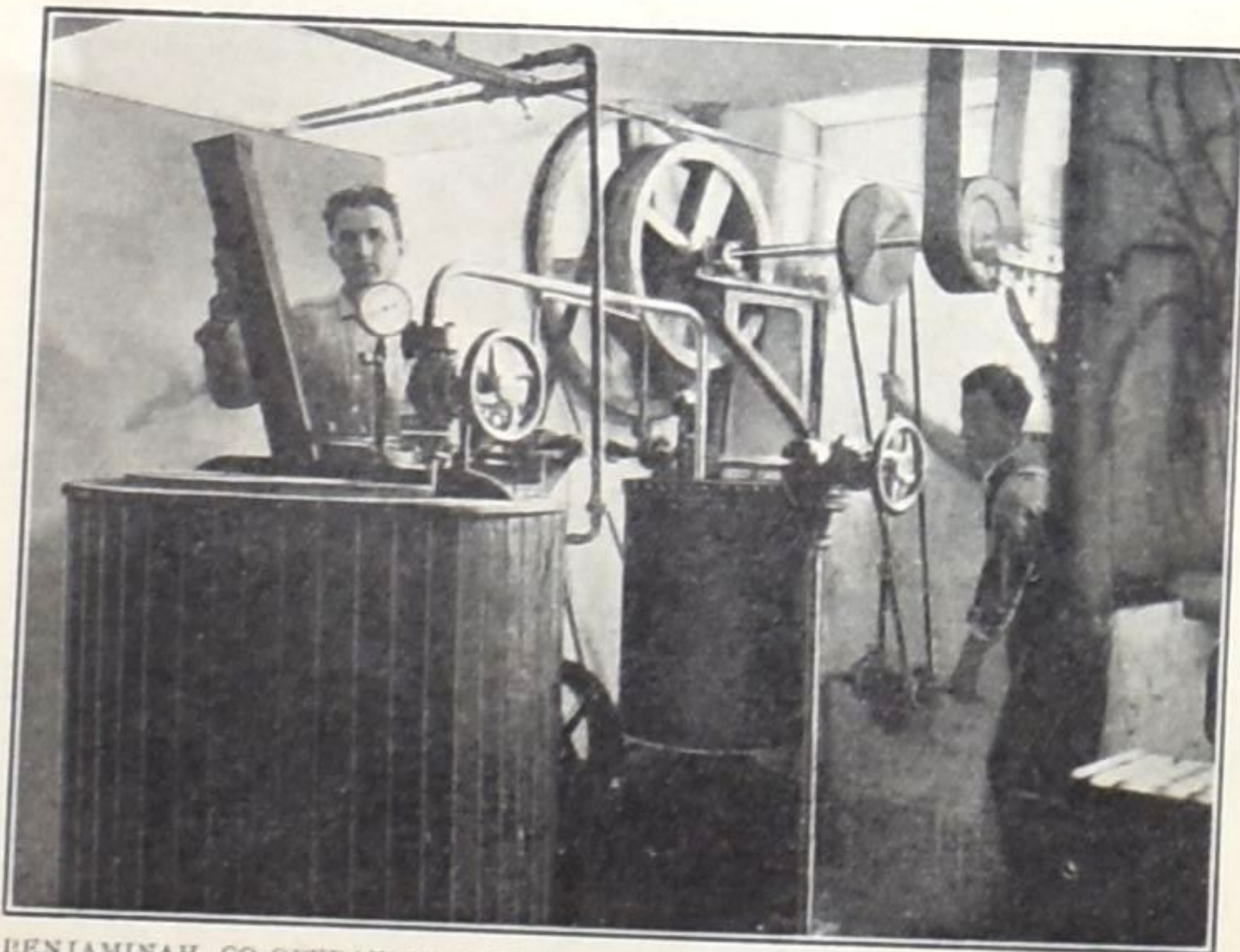
12. DAIRY FARMING.

This branch of industry was up to a few years ago conducted in a very primitive fashion, but it is developing from year to year. Dairies of various sizes run on the latest scientific principles have sprung up in many of the Jewish and German colonies, and have become a good source of income to their proprietors. The most modern dairy in Palestine is that erected in August, 1923, in the colony Benjaminah, one hour south of Haifa. The cost of the premises and machinery was about £E.3,000, but the whole capital, including animals, exceeds £E.12,000. The dairy consists of a building of one storey and a cellar. There is a dynamo providing electric light, and a power engine and a boiler providing steam, which is conducted through pipes to the upper storey. There is also in the cellar a cold storage room which can be kept at a temperature below zero, so that the milk can be preserved fresh for several days. The milk is received in the upper storey, where it is cleaned and conducted through pipes into a vat, and pasteurised by means of steam. From the vat the milk is made to flow down a cooler, which brings it to a very low temperature. A special room is provided for cleaning the utensils by means of warm water. Room has been left for an elevator by means of which the milk will be raised from the cellar to the upper storey. Although the dairy is equipped for the production of butter and cheese, pasteurised milk is for the moment the only product owing to the small quantity of milk available. The dairy is managed on a co-operative basis. It is run by a committee elected by the milk producers, and the net profit is distributed to the producers proportionately to the quantities supplied. The working capacity of the dairy is 1,000 litres daily.

Some of these dairies are producing excellent cheese for export. The colony of Hedera produced during 1923 over 100,000 litres of milk and 4,500 kgs. of butter and 10,000 kgs. of cheese. The



BENJAMINAH CO-OPERATIVE DAIRY. STORE ROOM AND REFRIGERATOR.



BENJAMINAH CO-OPERATIVE DAIRY. ICE-MAKING AND FREEZING MACHINE.

German colonies are also great suppliers of milk and milk-products to the local market. The oldest modern dairy in the country is that of the Italian Agricultural Institution at El-Latroum.

It is highly probable that Palestine will one day become a large exporter of cheese and other dairy products.

13. PRINTING.

The printing industry is a pre-war one, there having been some important printing houses before 1914; the largest and best organised were those belonging to the French Catholic Convent, the Greek printing press, and the German press. The Jewish printing presses, though forming the majority (there were twelve of them in Jerusalem alone), occupied only the third place from the point of view of organisation and equipment. Owing to the large number of newspapers in various languages which are now published in the country, along with the great amount of printing work supplied by the Government, the printing industry has developed considerably since the war in Palestine. Some new establishments have come into existence, the most important being the Hassolel Publishing Co. in Jerusalem with a capital of £E.25,000, while others have enlarged their premises. Nevertheless, the industry has not yet realised half of its possibilities.

Palestine as the centre of the three principal world religions is bound to become an important home of the printing industry. The growing demand for religious, prayer and school-books printed in the Holy Land is not to be lost sight of. Many Jewish Publishing Companies which recently located themselves in countries of low currency exchange are thinking of removing their undertakings to Palestine, now that labour and overhead charges have risen in Europe while on the other hand they have come down in Palestine. Two hundred hands at present find employment in this industry, and there are prospects of a great increase.

14. OTHER INDUSTRIES.

(a) FURNITURE.—Several furniture factories have started operations in Palestine during the last five years up and down the country, and some of them turn out excellent work. The factory of Messrs. Goralsky and Krinitzky in Jaffa, with a capital of £E.14,000, is the best known of these enterprises. The output of the factory is about £E.25,000–30,000 per annum, and it employs from sixty to seventy skilled labourers and a few apprentices.

(b) MINERAL WATERS.—Modern soda water and lemonade factories are now to be found all over the country. Some of them have been started by Greeks who have had experience in Egypt.



CHEESE STOREROOM AT THE PRIVATE DAIRY OF MR. ARONSON IN ZICHRON JACOB.



THE FURNITURE AND WOOD-WORK FACTORY OF MESSRS. GURALSKY AND KRINITZY, IN JAFFA.

The Government exercises strict supervision over these industries to see that they satisfy the requirements of the Public Health Department.

(c) PAPER.—There is no paper manufacture in Palestine, but there are several cardbox workshops, using imported raw material.

(d) GYPSUM.—In the neighbourhood of the colony of Milhamia in Lower Galilee there exists a deposit containing large quantities of gypsum. A committee appointed to investigate found that the material was of very fine quality, able to compete with the Egyptian gypsum, and suited for commercial exploitation. Recently a manufacturer obtained a licence to utilise this stretch of ground in Milhamia, and he has set up a small factory in Haifa. The factory is now at work producing three grades of gypsum—for building, for medical, and for archaeological purposes. The largest deposit of gypsum is found in Jebel-Esdrum.



TYPES OF FURNITURE MANUFACTURED AT MESSRS. GURALSKY AND KRINITZY'S WORKSHOPS.



A TYPE OF LIGHTER BUILT AT HAIFA HARBOUR BY ARAB BOATMEN.



LAUNCHING OF LIGHTER AT HAIFA HARBOUR UNDER THE BRITISH FLAG.

II. INDUSTRIES TO BE STARTED OR DEVELOPED.

We have so far mentioned the industrial possibilities of Palestine which are actually being exploited to a greater or less extent. But there are certain other kinds of industry which, though not yet started, or though existing only in embryo, offer great possibilities if properly established and efficiently managed.

I. FISHING.

A full report on this industry was issued by the Director of the Department of Agriculture and Fisheries of the Government of Palestine at the beginning of 1922. According to this report the fishing industry employs 649 men and 117 boats (of which number 115 men and 26 boats are on the Lake of Tiberias), with a probable total catch during 1921 of about 250 tons and a net revenue of not more than £E.16,000. Daily records are maintained by the Department of Agriculture at Haifa, Jaffa, and Gaza of fish landed and of selling prices, and the resulting data may be compared with the parallel returns of Egypt. The total catch for 1922 amounted in Egypt to 36,457 tons, and in Palestine to 295 tons, and the respective values of the catch amounted to £E.1,460,565 and £E.31,650. The fishing industry has been carried on up to the present under very primitive conditions and is still insignificant, but it offers great possibilities for the future. From figures which are available, it appears that Palestine consumes 700 grammes per head per annum of fish, whereas Egypt consumes 7 kilos, Great Britain 55 kilos and France and Japan 60 kilos per head per annum respectively. An explanation is to be found in the difference in the average price, which is Pt.4.5 per kilo in Egypt and 8.5 per kilo in Palestine. The opinion of the Director of Agriculture in this connection is worth quoting:—

“Given proper management and facilities, our sea fisheries would afford an excellent meat substitute in quantity and at reasonable price. There is no prospect of the country becoming self-supporting in flesh-food for years to come, and the continued importation of large numbers of slaughter animals can only have a very adverse effect on our trade balance. From the point of view of national profits, fish is the cheapest food we can obtain, inasmuch as while it is imported it is not paid for abroad, while the cost of production goes largely in the shape of wages or shares to the local population.”

The large importation of fish under other forms is a further proof of the vital importance of this commodity for the local population. The following are the import figures for 1923 for preserved fish.

Preserved Fish.	Value. £E.
958 tons	25,960
12,107 cases	14,469

There are two chief causes of the handicap under which the fishing industry has been labouring.

(1) Lack of understanding of the importance of the industry on the part of the Turkish Government, which imposed a fish tax amounting to 20 per cent. ad valorem for the purpose of covering Ottoman Public Debts.

(2) The great natural difficulties, viz., lack of harbourage and the rocky character of the Palestine coast.

The first reason has disappeared with the advent of the present Government, which has abolished the fish tax, while with the improvement of harbour facilities at Haifa or Jaffa, which has been decided on in principle, the natural difficulties will also be removed. A fishing fleet using these ports as a base could contribute materially to the cost of harbour maintenance in the way of licence fees, harbour dues, auction fees and payment for cold storage. Fishing on this coast is bound eventually to become of first-rate importance, and it is to be hoped that in any planning of harbour works this fact will not be lost sight of.

Initiative, skill, enterprise and capital are required to enlarge and develop this promising and lucrative branch of industry. A few attempts have been made in this direction, but have failed owing to lack of skill and capital. The Director of Agriculture and Fisheries in his above-quoted review reports on this point with regard to fishing in Jaffa:—

“The Jaffa tariff, however, ranging from 1s. 3d. to 2s. 6d. per lb., exhibits both the lack of enterprise and the opening which offers to energy and capital. A meeting of fishermen called to discuss the possibilities of trawling admitted the suitability of the coast for such purpose, but stated that they could not afford to buy, and were unable to borrow money for suitable nets and boats. Similarly, no attempt has been made to exploit the beds of sponges, which stretch from Gaza to Beyrouth.”

Subsidiary and dependent industries to fishing can easily be developed. Sardines are in abundance. A sardine factory was in existence before the war and turned out an excellent product by using local olive oil. But the fish tax, then in existence, was too high to allow such an undertaking to be a success. Other similar small undertakings, which have started recently, do good business. The extension “of subsidiary and dependent industries to fishing, the cleaning, salting, drying, smoking, and distribution of large

catches of tunny and sardines during the winter months might go far to relieve distress of unemployment, apart from exercising a very desirable influence on the cost of living," and at the same time prove a good business speculation.

2. PRESERVED FRUITS.

This branch of industry, so important in other agricultural countries, is still untouched in Palestine. The wine cellars of Palestine are filled with thousands of hectolitres of wine for which it is difficult to find a market, whereas good jams and preserves, for which there is a great demand, and which could be made out of the abundance of fine grapes grown all over the country, are lacking. Last year, for the first time, a good quantity of grapes was turned into jam, and the colony of Zichron-Jacob alone produced in 1923 over 30 tons, which was sold mostly on the English market. This industry must be extended. This is the case also with other fruits grown in Palestine, like lemons, which are in many cases destroyed because there is no use for them. The establishment of a preserved fruit industry would also encourage the plantation of new fruit trees in the country, to the great benefit of the local farmer and of the export trade of the country.

3. CHEMICAL INDUSTRY.

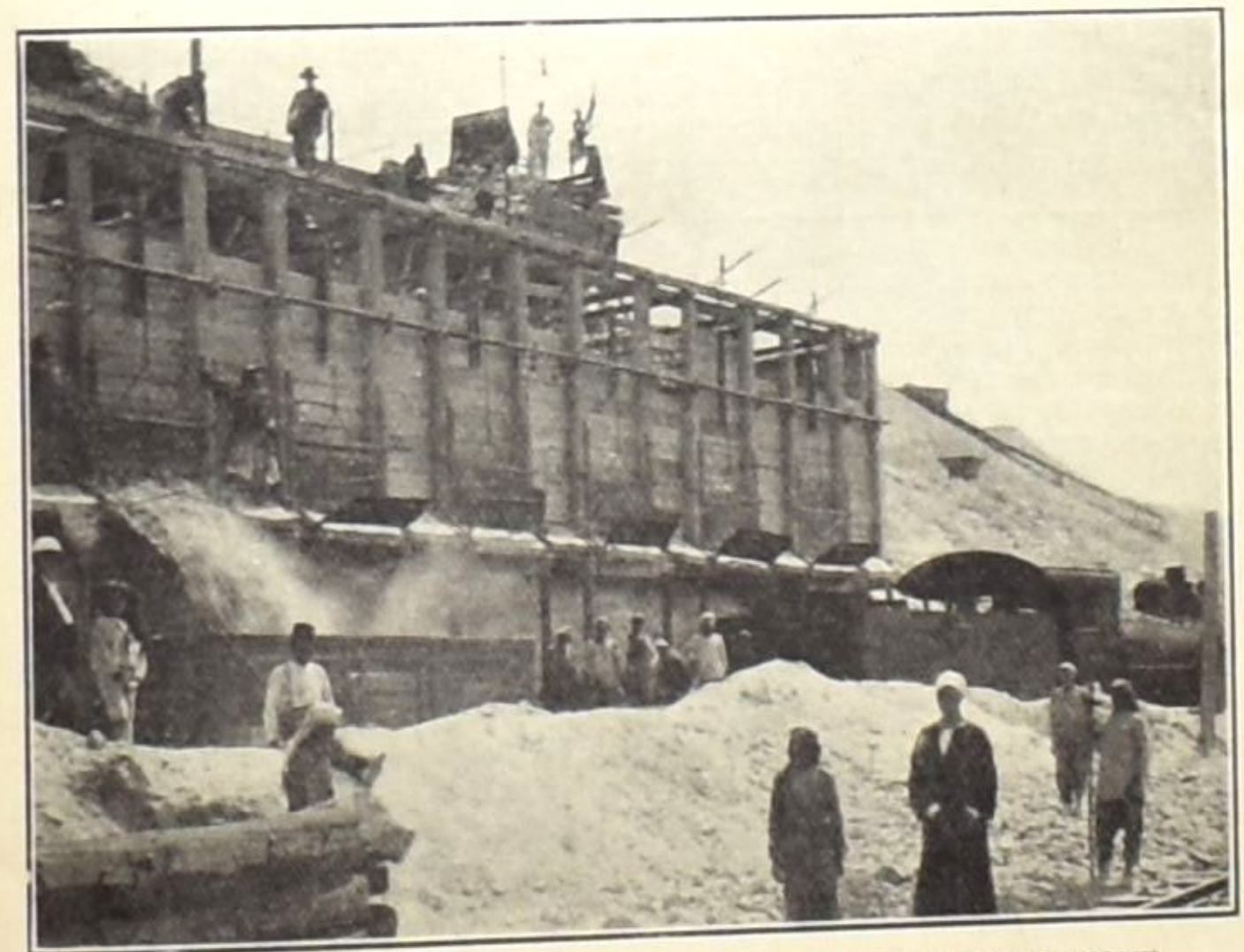
The chemical wealth of Palestine has not yet been touched. It is estimated that in the Dead Sea there is potash in solution to the value of £E.8,000,000,000 at current prices, and an annual accretion of 45,000 tons. By solar evaporation it should be possible to utilise this rich deposit, and the prospects are being investigated by a Government Committee. If these plans mature, Palestine should become a formidable competitor of Germany in the production of this valuable material. Bituminous limestone, iron ore, asphalt, phosphates, bromides, and rock salt are also among Palestine's products. There is a whole mountain of rock salt, containing 99 per cent. of pure salt, and only the question of transport stands in the way of its commercial exploitation. There is no doubt any longer that Palestine possesses sources of oil. This product may by itself transform the economic situation of the country, should the experiments now being carried on prove successful and the necessary capital be forthcoming.

4. SUGAR INDUSTRY.

The erection of a sugar factory with a capital of £E.200,000 is now in contemplation. The prospects for such an undertaking are



STONE QUARRYING BY MEANS OF COMPRESSED-AIR DRILLS AT JERUSALEM BY SOLEL BONEH ORGANISATION.



STONE CRUSHERS AND BALLAST DEPOTS OF A LARGE BALLAST STONE QUARRY AT NOUR EL SHAMS NEAR NABLUS.

good,* as the soil and the climate of Palestine are suitable for growing sugar-cane and beet-root. Palestine's import of sugar for the last five years was :—

	Tons.
1919-1920	5,721
1920-1921	5,370
9 Months ending Dec. 31st, 1921	5,270
1922	8,231
1923	6,292

5. STONE INDUSTRY.

Polished stones and imitation marble are imported from Europe into Palestine, Egypt and Syria. Palestine possesses building stones of great value and marbles of fine quality. One of the finest is a rose pink variety found all round Jerusalem. The marble around Metullah in the North of Palestine is known to be of exceptionally high quality. At a time when building activity in the country is in its first stage of expansion, and when the construction of a harbour is contemplated in the near future, such an industry is worth fostering.

6. GLASS INDUSTRY.

The northern shore of Palestine is reputed to be the historical site of the invention of glass. Here again raw material is available in abundance. An excellent situation from the point of view of communication and transport is also offered. Capital, skill and initiative will find here a large field for productive effort.

* A sugar factory would be a valuable support to agriculture, and an unfalling source of employment. It would promote the economic interests of the country, and if successful would attract new foreign capital and would be an incentive to fresh enterprise in commerce and industry.

Statistics issued by the Department of Commerce show that the average consumption of sugar per head in Palestine is 10 kilos. If so, there is room for two sugar factories to provide for the needs of the inhabitants of Palestine only. There is, however, an ample possibility of gaining the markets, wholly or partly, of the neighbouring countries also.

III. CAPITAL INVESTED IN INDUSTRIES SINCE THE BRITISH OCCUPATION.

There are no definite figures of the amount of capital invested in Palestine for industrial purposes. It is very difficult to obtain figures, especially for non-Jewish investments, although their amount is comparatively small. It is, however, estimated that about £E.1,100,000 has been invested in Palestine in course of the last five years by Jews and about £E.100,000 by non-Jews, distributed as follows :—

Locality.	Large Industries.	Small Industries.	Total. £E.
	£E.	£E.	
Jaffa and vicinity	382,000	100,000	482,000
Haifa and vicinity	450,000	48,000	498,000
Jerusalem and vicinity	40,000	90,000	130,000
Other localities	—	90,000	90,000
Total	872,000	328,000	1,200,000

About 56 per cent. of the capital invested by the Jews, or about 51½ per cent. of the total capital invested for industrial purposes in Palestine, has been supplied by Baron Edmond de Rothschild, who is rightly called the "Father of the Palestine Settlement." The share of the Zionist Organization exceeds £E.100,000, and the London Economic Board for Palestine has also contributed its quota. Over £E.300,000 comes from private individuals. The capital thus invested provides for 150 different industrial enterprises, which give work to several thousand persons.

IV. REQUIREMENTS FOR THE FURTHER DEVELOPMENT OF INDUSTRY.

There are three principal obstacles in the way of the development of industry in Palestine: lack of credit, dear fuel and power, and scarcity of skilled labour.

(a) CREDIT FACILITIES.—Sufficient provision has been made in the country for commercial credit. Five different banks and an equal number of financial institutions operate in Palestine. But there is no proper financial institution in the country to provide long-term loans at a low rate of interest to further industry. It has often happened that persons who came into Palestine with the object of starting industries or undertaking other enterprises have invested all their capital in immovable property, machinery and other fittings, and then been unable to carry on their trade for lack of industrial credit. Palestine cannot yet undertake the creation of such financial institutions out of her own means. The necessary capital must come from outside. There is not much risk in the issuing of such credit, apart from the loss sustained by tying up capital for a long time on small interest. Since the British Occupation Palestine records only very few cases of bankruptcy, mostly due to a catastrophic fall in the prices of commodities in 1920 and 1921.

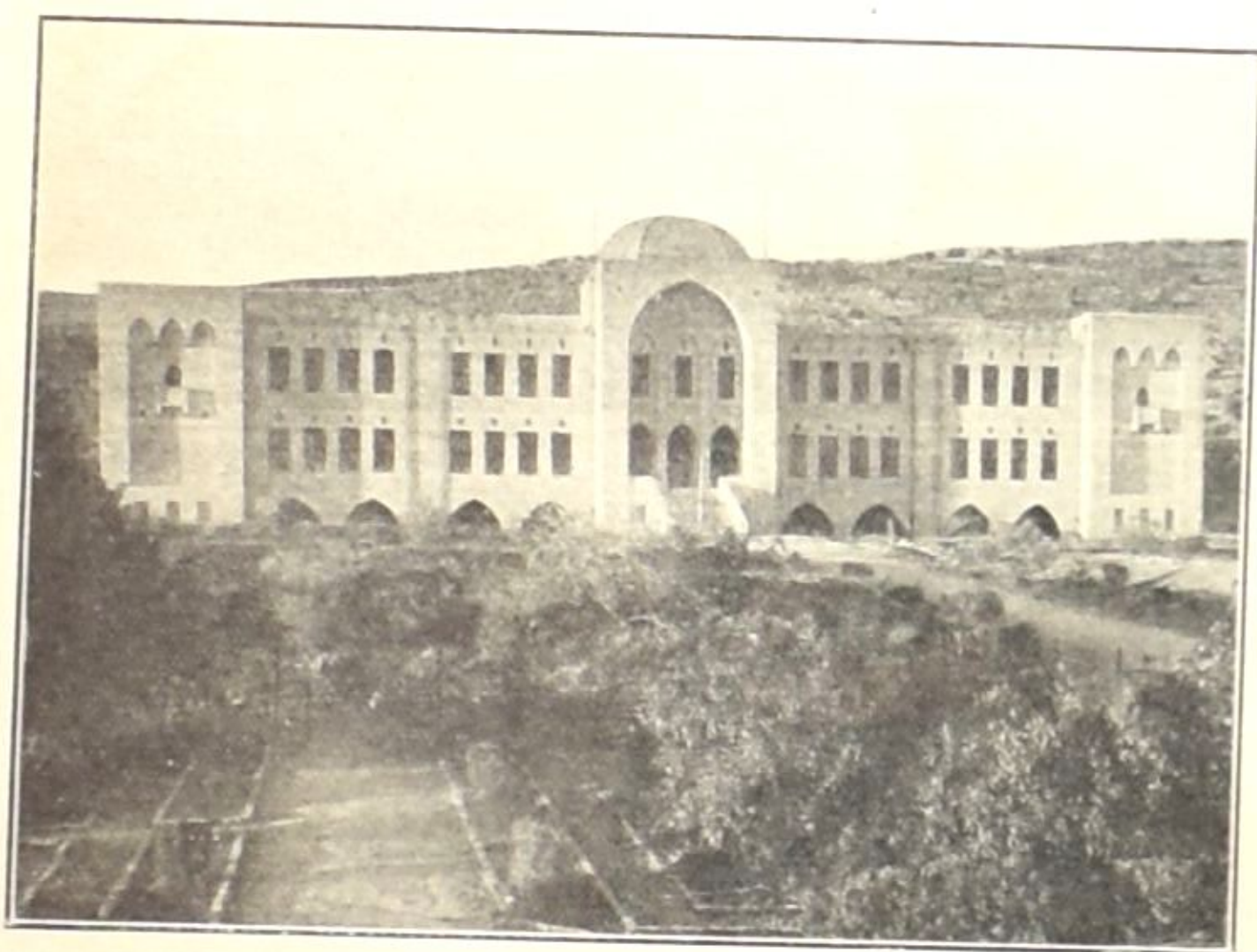
(b) FUEL AND POWER: THE RUTENBERG SCHEME.—The high cost of coal and oils is another impediment in the way of industrial development, and makes every undertaking in the country expensive. This, however, is only a temporary obstacle, which is on the point of being removed by the well-known Rutenberg scheme for utilising the waters of Palestine and those on the border of Palestine for the creation of electrical power and energy. Work has been started already in Jaffa by the Palestine Electrical Corporation, Ltd., under the Rutenberg concession. A powerful electrical station with two engines of 500 h.p. each has been erected. Another engine of 250 h.p. is under erection, making altogether 1,250 h.p. The towns of Jaffa and Tel-Aviv are lit by electricity, and energy is being supplied by a high tension transmission line to the Air Force at Surafend. Many industrial undertakings are already using electrical power derived from that station. A similar station with 1,200 h.p. is being erected now at Haifa and a smaller one at Tiberias. All these stations will serve as reserve stations when energy becomes available from Palestine rivers. The main Rutenberg hydro-electric scheme is to start in the near future, and by this means energy for power and light will be provided at cheap

rates. The Jordan scheme comprises the gradual construction, as the demand for electricity increases, of several water-power stations, the first two, for instance, to develop 24,000 h.p. each and the third 50,000 h.p. The ultimate maximum amount of power which can be generated hydro-electrically in Palestine is estimated roughly at 200,000 h.p., working 24 hours.

Besides supplying energy and light, the Rutenberg scheme will be beneficial in another way, as it is expected to bring large areas of land under irrigation, and thus give a new impetus to agriculture and subsidiary industries.

A leader of public opinion in Great Britain, recently one of the principal members of the British Government, is reported to have said: "If there is anything which will make Palestine, Rutenberg's scheme will make it."

(c) SKILLED LABOUR.—The dearth of skilled labour is diminishing, though it is still felt. Much local unskilled labour has been trained. Immigration brings on to the labour market of Palestine large quantities of skilled labour. Unskilled labour is available in abundance. The cost of labour in general was very high two years ago, but has decreased since by 40 per cent.—50 per cent. or more. The lack of skilled labour which is still felt in some branches may partly be remedied by the technical courses established in Haifa by the Technical College, which has recently opened. The aim of this College is not to make engineers, but to train good skilled artisans, of whom there is great need in Palestine and in the adjacent countries.



HAIFA TECHNICAL COLLEGE—GENERAL VIEW—MAIN BUILDING, YARD AND GARDEN.

[Photo by Joseph Schweig.]



AGRICULTURAL SHOW, NABLUS, JULY 20, 1924.

[Photo by P. Noble, District Engineer.]



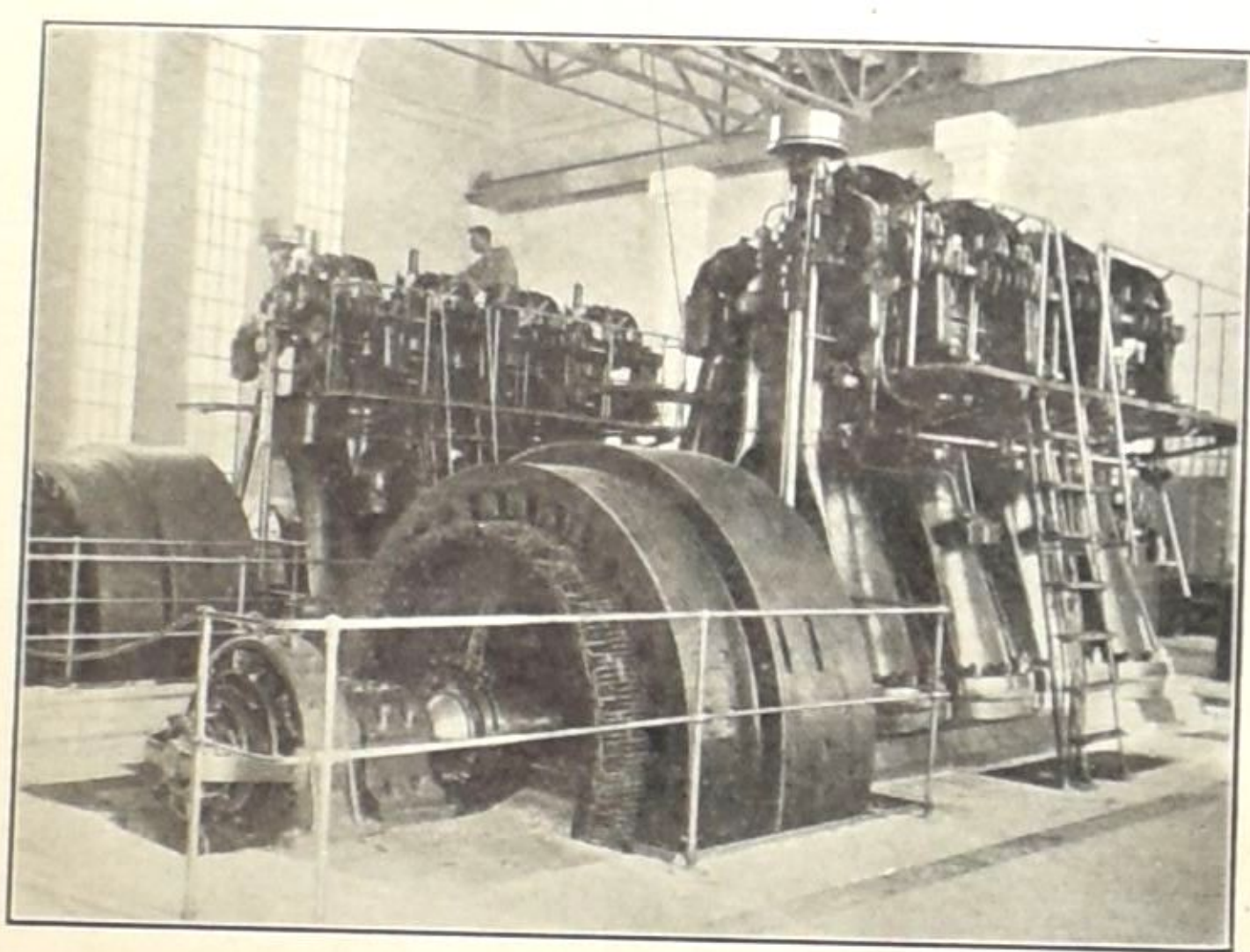
VISITORS TO THE NABLUS SHOW.

[Photo by Joseph Schweig.]

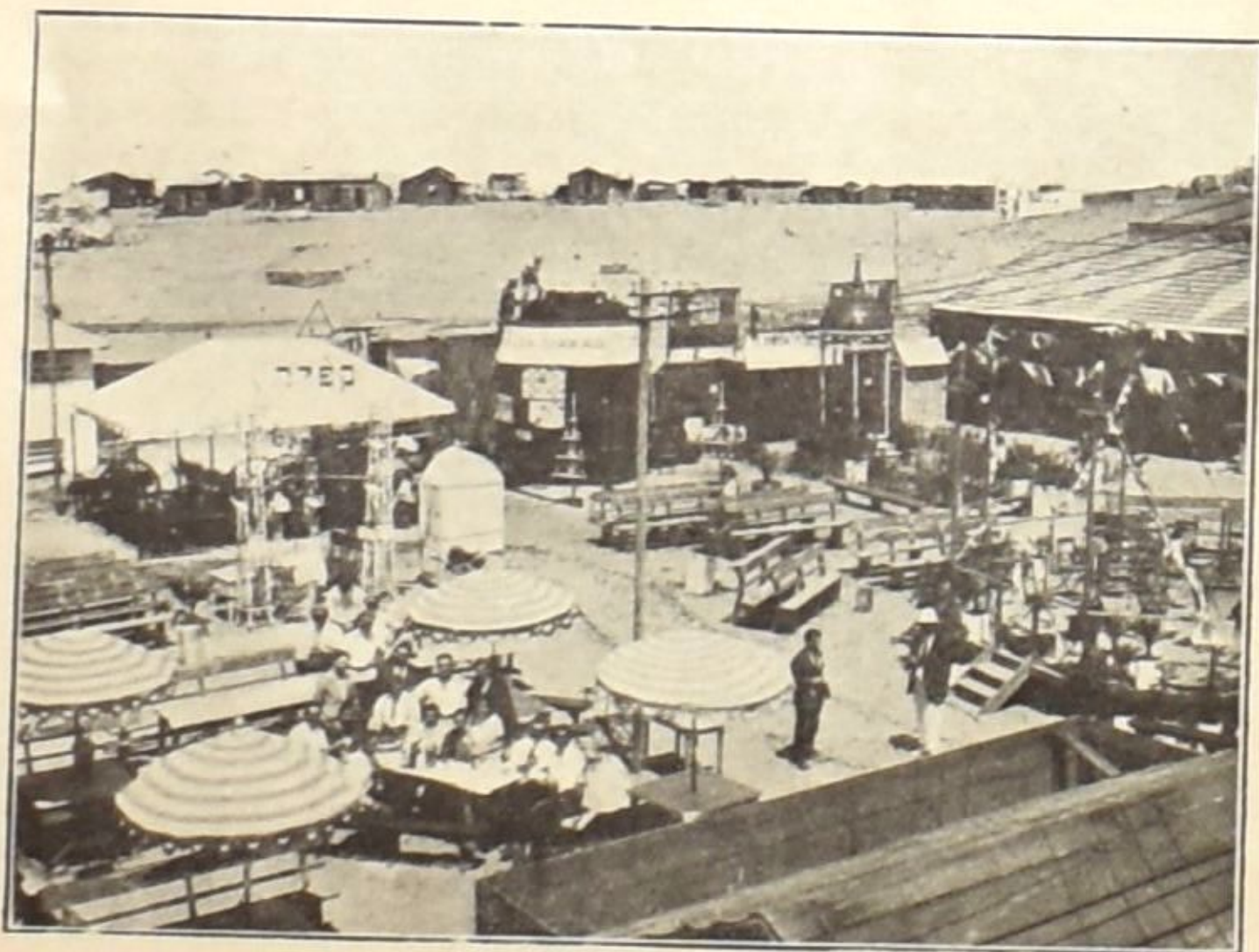
FROM RIGHT TO LEFT: HIS EMINENCE THE GRAND MUFTI OF JERUSALEM, AMIN BEY EL HUSSEINI, LADY SAMUEL, SIR HERBERT SAMUEL, SIR G. F. CLAYTON, CHIEF SECRETARY, AND SHEIKH OMAR ZEITAR, MAYOR OF NABLUS.



POWER STATION OF THE PALESTINE ELECTRICAL CORPORATION UNDER THE RUTENBERG CONCESSION.



ENGINES AND ENGINE ROOM AT THE ELECTRICAL POWER STATION AT TEL AVIV.



[Photo by J. Soskin, Tel Aviv,

INNER YARD AND GARDEN OF THE INDUSTRIAL SHOW AT TEL AVIV.

V. GOVERNMENT ASSISTANCE TO INDUSTRY.

In present conditions it has not been possible for the Government of Palestine to grant financial credits for industrial purposes. Assistance, however, is being afforded to trade and industry in other directions. The Government, duly recognising the need of industries in Palestine, gives through its Department of Customs and Trade (formerly the Department of Commerce and Industry) and its representatives in the various districts of the country, advice and information to all interested in the industrial possibilities of the country. The Department of Commerce and Trade publishes a bi-monthly commercial bulletin, which supplies the local trader with all necessary information regarding foreign markets and gives to merchants abroad information about the Palestine market and Palestine produce, and thus puts the Palestine trader in direct touch with the world's market.

The Government has arranged several exhibitions, and appeals to Palestine producers to participate in other countries' exhibitions. A large and attractive pavilion was installed for Palestine produce in the British Empire Exhibition, 1924. In this connection the opinion of the "Near East" on the Palestine Pavilion may be quoted: It says: "Of the contents of the pavilion there cannot be two opinions. It is a wonderful display of the possibilities of a land none too well favoured by natural resources, which only since the Armistice may be said to have had a real chance of making progress. Certain it is that in the Palestine pavilion there is something to interest all, and if this branch of the Exhibition served no other purpose, it would be a wonderful educative force in informing people in England and visitors from other parts of the Empire of the present state of Palestine, of its prospects and possibilities, its trades and industries. And, above all, it is invaluable for the light it throws on one of the most vivid chapters in the history of British administration. . . ."

"The Exhibition gives a most succinct survey of the country's potentialities in agriculture and industries mainly associated with it, and of official and private activities. The products exhibited range from pottery to wine, from perfumes to mother of pearl goods, from wonderful needlework to the famous oranges to which Jaffa has given a name, and from wheat to olive soap. There is, in short, a very comprehensive display, and it is small wonder that the stalls in the pavilion are as busy as any at Wembley, and that sometimes it is almost impossible to move, except at a snail's pace."

The Government has abolished the monopoly of tobacco, which was in the hands of the Régie Co-Intéressée des Tabacs, and has

thus made possible the development of that branch of industry. It has abolished the heavy taxes which were levied on fishing, and which were a direct impediment to the fishing industry.

Under the present Custom Regulations the Government is prepared :—

1. To reimburse import customs dues paid on imported raw material when the manufactured goods are exported.

2. To reduce the customs dues on raw materials which are imported with the object of manufacturing goods for home consumption.

3. To receive customs dues on imported machinery (which are not included in par. 4), by instalments extending over one or two years.

4. Recently an Ordinance cited as the "Custom Duties Exemption Ordinance" has been published by the Government with a view to assisting the development of the various industries now started in Palestine. The exemptions are classed under different headings. Under the first head those in favour of agriculture are set out, comprising all machinery, tools and implements, as well as all seeds, roots and bulbs used in agriculture, dairy and poultry farming and in bee cultivation. The second head affects all kind of machinery, engines and plant required for factories. Although the Government recognises that this Ordinance does not yet provide a full solution to the whole problem of assisting local trade, commerce and industry, it must be admitted that this represents a great step forward.

As regards industry, the aforesaid Ordinance exempts from duty the following articles, when imported for use in factories and industrial establishments by or for the proprietor or manager thereof, or for purposes of irrigation, drainage, sewage and water supply :—

"Machinery and component parts thereof, meaning machines or sets of machines to be worked by electric, steam, fire or other power other than human or animal power, or requiring, before being brought into use, to be fixed with reference to other moving parts.

"Provided that the exemption includes machines made of substances other than metal, and belting or materials for driving machinery, but not machinery, tools or implements to be worked by manual or animal labour. And provided also that only such articles shall be admitted as component parts of machinery as are indispensable to the working of the machinery and owing to their shape or other special quality are not adapted for any other purpose."

The Government Department of Health keeps a fatherly eye on industries in the interest of hygiene and good working conditions among all grades and classes of labour.

VI. LEAGUE TO PROTECT LOCAL INDUSTRIES.

An interesting feature in the development of local industries is the rise of a movement to encourage the use of locally manufactured goods. The chief aim of this movement is to induce the inhabitants of the country to use locally manufactured goods instead of imported goods, where possible. The principle of the League is that "every Palestinian who maintains an industry here and who buys for his own consumption goods that are produced in the country renders a national service to Palestine, and thus contributes to the economic reconstruction of the country and creates means of existence in Palestine for himself and his brethren."

The League has met with a sympathetic response from the public, and its campaign bids fair to be successful. It is thanks to the active propaganda of this body that locally manufactured cigarettes are preferred to the imported ones, so much so that certain cigarette factories cannot meet the demand of the market. Through its efforts also the demand for local flour is increasing, in place of the Australian flour which formerly was always given preference on the market. Similarly with other industrial undertakings, such as the chocolate factories in Jaffa, which state that, thanks to the activities of the Jaffa League, the demand for their produce is increasing daily. The efforts of the League have, however, failed where locally manufactured goods are distinctly inferior in quality to imported goods. This fact has stimulated local manufacturers to improve the quality of their produce, so that the League achieves a two-fold object. The Government is unofficially extending its sympathy to this movement, and, where possible, orders all its requirements from local manufacturers through public tender.

In this national economic struggle all sections of the community are united. Articles criticising individuals and institutions for using foreign imported goods, when locally manufactured goods are available, can be read daily both in Arabic and Jewish papers.

VII. CONCLUSION.

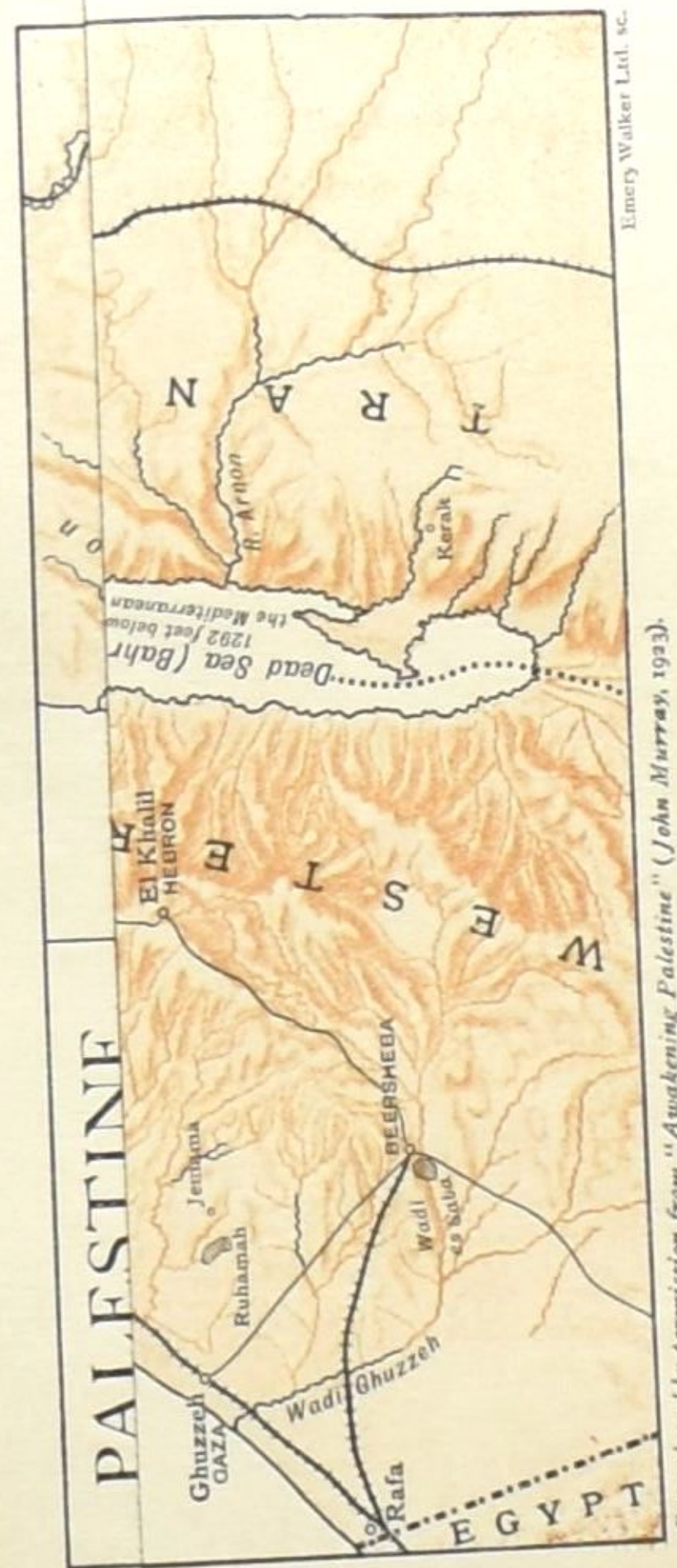
The foregoing remarks have described the industries established in Palestine since the British Occupation, and their prospects. Mention has been made also of a few industries about to be established. Those which existed in the country in pre-war days have been passed over, as they are not included in the scope of this survey. Small undertakings of the character of home industry and of limited value, though important in their own sphere, have also not been mentioned.

It is worth remembering that the farmers of Palestine, in general, look forward with great hope to the extension of industry, as agriculture is not sufficient by itself for the revival of the country. They expect these industries to create a large demand for produce for which there is only a poor market now. In addition, farmers profit directly from newly established industries, by obtaining from them employment for their surplus labour and vehicles.

The question that will be asked is: Will these industries succeed? Only the future can tell. But there are strong grounds for taking an optimistic view, in support of which we may point once more to the following factors:—

1. The Rutenberg Scheme by providing cheap power will solve the question of fuel.
2. Egypt, Syria, Mesopotamia, Transjordan, and Arabia offer large markets for Palestine manufacturers.
3. The newly established mail transport between Haifa and Baghdad brings Palestine and Mesopotamia into close touch, while the projected road between the two countries will greatly facilitate traffic and transport of goods.
4. The construction of a harbour at Haifa will improve sea transport to and from Palestine and reduce freights.
5. The direct railway line between Palestine and Egypt enables the journey from one country to the other to be accomplished in twelve hours.

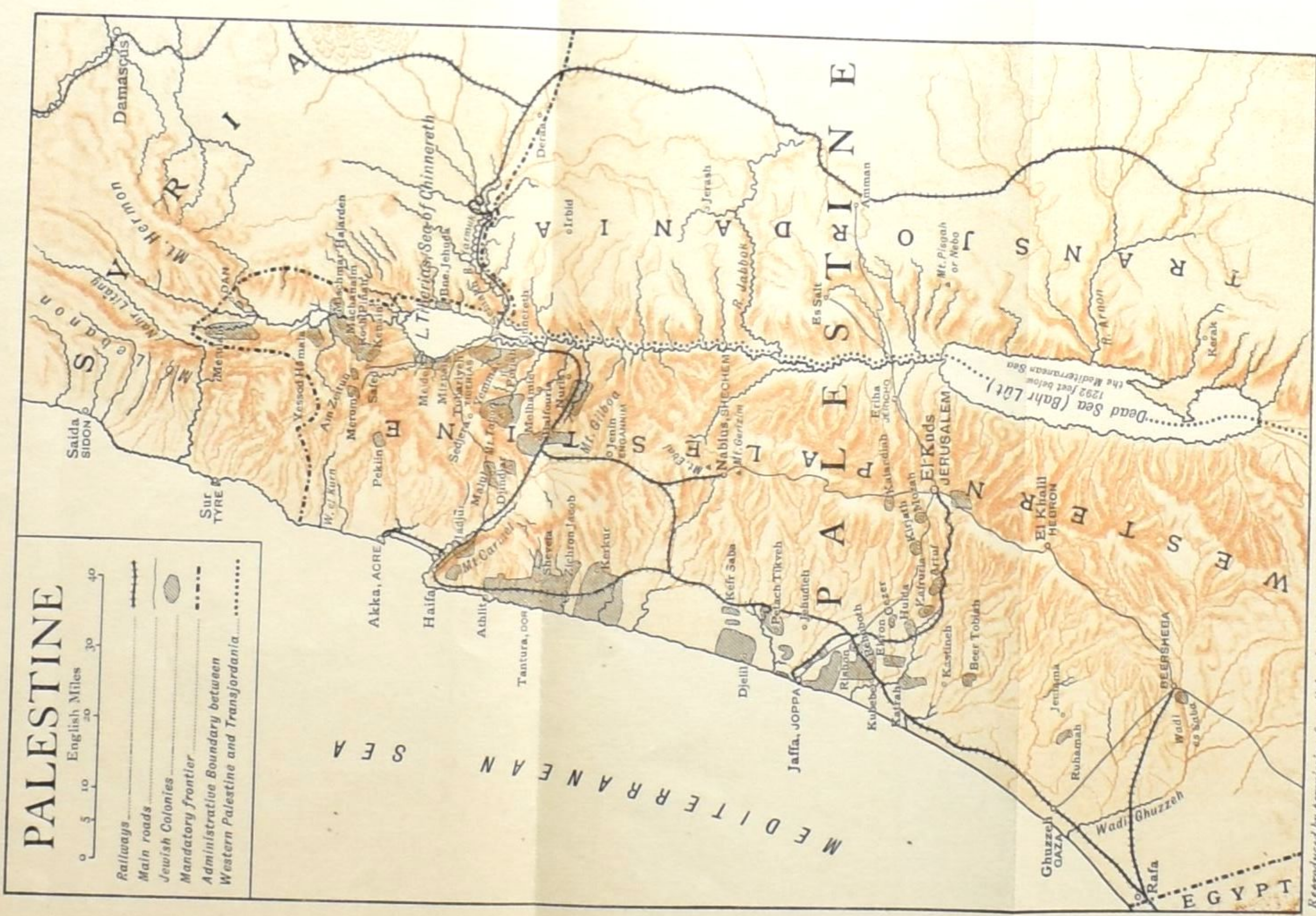
All these facts should inspire confidence in the future development of industry in Palestine, if established on a sound and proper basis.



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