

Economic and Social Transformation of Palestine, CZA S25/5934, 1937.

Note to Reader:

This document was prepared by the Jewish Agency as background information for testimony to be provided by JA leadership before the Royal (Peel) Commission of 1936-37. Part of the JA argument to the Commission was that the economic development of Palestine since the end of World War I was due in large measure to Jewish demographic growth and economic development, especially due to the import of large amounts of capital. This report, along with literally thousands of others pertaining to the work of the Jewish Agency's work in Palestine is to be found in the CZA, or Central Zionist Archives. S25 refers to the files of the JA's Political Department, hence CZA, S25 and the file number.

The author of this document was David Horowitz who served as Director of the Economics Department of the Jewish Agency, (recognized by the British Government as the political organization representing official Jewish interests in Palestine under the Mandate). Before reaching that position in the 1940s, Horowitz churned out hundreds of analyses, papers, and publications dealing with all aspects of Palestine's economy. His meticulous work can be found in dispatches and reports prepared for internal consumption of the JA, and those filed on behalf of the Jewish Agency to the British government from the 1930s onward. He rose to become the Director of the Economics Department of the Jewish Agency and became a member of the Jewish Agency's delegation to the United Nations General Assembly in 1947. After statehood, Horowitz was appointed Director-General of the Israeli Ministry of Finance.

From 1954-1971, he served as the first Governor of The Bank of Israel. On his retirement, he was appointed Chairman of the Advisory Council and the Advisory Committee of the Bank of Israel, and later Honorary Chairman. (-1979)

ECONOMIC AND SOCIAL TRANSFORMATION OF PALESTINE

DAVID HOROWITZ, CIRCA 1937

CZA S25/5934

Preface

During the last 16 years, Palestine has been transformed from a primitive, agrarian country into a semi-industrialized, capitalist state with a rising standard of living, good communications, modern methods of production, etc. The revolutionizing process of Jewish colonization and immigration (Palestine now absorbs three-quarters of world Jewish immigration) has brought about this transformation, which has involved an unprecedented improvement in the condition of the indigenous population, such as unequalled in any other part of the Middle East. During these 16 years, LP 80,000,000 have been invested by Jews in economic enterprise in this small country. A quarter of a

million Jewish immigrants with skill, initiative and enterprise have established themselves in the country. The effect of this immigration and capital influx can be traced in every field of economic and cultural life.

Population

Palestine's population has increased during the period 1922 to 1935 from 649,000 to 1,350,000, i.e., it has more than doubled. The total immigration of Jews since 1920 has amounted to 256,000 and the Jewish population has grown from 84,000 in 1922 to 375,000 in 1935, i.e., it has been multiplied more than fourfold. The composition of the population has, therefore, changed as follows:

| YEAR | JEWS | NON-JEWS | TOTAL | JEWISH PROPORTION OF TOTAL |
|-------------|-------------|-----------------|--------------|---|
| 1922 | 84,000 | 565,000 | 649,000 | 13% |
| 1935 | 375,000 | 975,000 | 1,350,000 | 28% |

A comparison between the increase of the non-Jewish population of Palestine and other countries is interesting. From 1922-1934, the Palestine non-Jewish population increased by 68%. From 1920-1935, the Egyptian population increased by 13%; the population of Japan (which is known to be rapidly increasing) by 28%; and the population of Brazil (also an immigration country) by 38%.

Arab emigration from Palestine, which in 1913 was 2,000 from the Jerusalem district alone, was from 1920-1930, 1,400 yearly from the whole of Palestine, and is now no more than 600 yearly, while Arab immigration into Palestine – an unknown feature in the past – is now taking place on a considerable scale. Twenty to thirty thousand [20,000-30,000] Hauranis are estimated to have entered Palestine during the last few years. In the years 1920-1930, Arab emigration from Syria was 9,500 or about seven times as great as Arab emigration from Palestine.

It is a further striking fact that the greatest growths in the Arab population are found just in those districts of large Jewish immigration. There are two reasons for this:

1. An influx of new Arab population into these relatively prosperous areas;
2. A fall in the death rate in these particular districts;

At the same time, no urbanization of the Arab population has taken place. The 1931 census showed the same proportion of population in towns and villages as was shown by the 1922 census, whereas in the ten years, 1917 to 1927, the urban population of the three largest towns of Egypt increased by 35%, whereas the rural population increased by only 8.4%.

Government Finance

Palestine's finances are in a condition unparalleled by any other country in the world. The Treasury has accumulated a surplus of 6.5 million pounds, equaling the total budget of two years. Expenditure has increased from LP 1,900,000 in 1922-23 to LP 3,200,000 in 1934-5, i.e., an increase of 68%. Revenue increased from LP 2,371,000 to LP 5,452,000 during the period, that is by 116%.

The increasing revenue has made it possible for the Palestine Government to raise two successful loans amounting in all to LP 6,500,000 in the London money market – and to invest the proceeds in important capital expenditure.

Revenue per head in Palestine approximated LP 4 in 1934, while in Egypt it was LP 2.14 and in Syria LP 1.74.

This increased revenue was possible thanks to the influx of Jewish capital, the incidence of taxation on Jews averaging in 1930 LP 4,270 per head, while on non-Jews it was only LP 1,350. Since 1930 this discrepancy has been further accentuated.

The increased revenue resulted in:

1. The development of the country through public works – the expenditure under this item being LP 0.39 per head in Palestine, in comparison with LP 0.22 in Syria and LP 0.08 in Egypt.
2. The alleviation of the burden of taxation on the poorer strata of the indigenous population, in particular the fellahin through tax remission and agricultural tax reform, which has very considerably reduced its burden.

Foreign Trade

The foreign trade of Palestine shows an increase of imports from LP 8.4 million in 1920 to LP 17.8 million in 1935, i.e., an increase of over 100%, while exports increased in that period from LP 1.3 million to LP 4.2 million, i.e., by over 200%. The comparison of foreign trade figures per head of population in Palestine and in the adjacent countries bears testimony to the rising standard of life both of the Jewish and Arab populations. A large part of these imports is in the form of capital goods (machinery, etc.), which have resulted in the intensive economic expansion and development of productive enterprise. Total foreign trade per head in 1934 was LP 17.0 in Palestine, LP 4.0 in Syria, LP 3.9 in Iraq, and LP 4.4 in Egypt.

Agriculture

Jewish immigration has given a strong impetus to Palestine agriculture. Of the 1,284,000 dunams of land today in Jewish possession (as opposed to 576,000 dunams in 1919), 1,031,000 dunams are agricultural land. The Jewish rural population has grown from 10,500 in 1919 to 91,000 in 1935, of which 46,000 are actually engaged in agriculture. Jewish agricultural settlements have multiplied from 50 in 1919 to 156 in 1934.

The most outstanding achievement in Palestine agriculture has been the development of the citrus industry. In 1922, 30,000 dunams were planted under citrus, of which 20,000 belonged to Arabs and 10,000 to Jews. By 1935 the total citrus area had increased more than eightfold – to 260,000 dunams, divided equally among Arabs and Jews. Citrus exports have increased in value from L 200,000 in 1921 to L 2,700,000 in 1934, and Palestine is now the second country in the world by volume of its citrus export.

This expansion of the citrus industry has resulted in an increase in agricultural land prices by 400-500%. As land is concentrated in Arab hands, sales at these inflated prices enriched many Arabs and enabled them to invest in citrus plantations and to undertake new forms of intensive and irrigated farming previously little known to the Arab farmer. The sale of the new products of this diversified and intensified farming were made economically possible by the existence of a large urban – and to a considerable part – Jewish population, creating an effective demand for milk, eggs, vegetables, etc.

The increase in vegetable production in Palestine is an indication of the development of mixed farming. Vegetable production in Palestine is an indication of the development of mixed farming. Vegetable production in 1923 was 12,563 tons, which had increased to 36,465 tons by 1934.

Jewish farming has introduced modern methods into Palestine and increased the yields in almost all branches of agriculture. On Jewish farms, the yield of wheat per dunam is 110 kg, as opposed to 48 kg on Arab farms; similarly, the yield of table grapes – Jewish – is 450 kg per dunam, and 175 kg – Arab; Jewish dairy farming secures a yield of 3,500 liters of milk per cow, and Arab dairy farming only 700. These new methods are also gradually being adopted by the Arab peasantry.

Industry

The output of Jewish industry increased from less than LP 1,000,000 in 1921 to over LP 8,000,000 in 1935. The investment increased from LP 700,000 to LP 8.5 million. The use of electrical current increased during the last 5 years by 1,000%.

During the period from 1920 to 1928 (the last Government census figures available), 1,110 Arab industrial enterprises with a capital of LP 570,000 were established, i.e., more than existed in the pre-war period.

The industrialization of the country has had a marked influence on the development of agriculture in opening a new market for agricultural products which greatly promoted the intensification and diversification of farming, both Jewish and Arab.

Building

The annual capital investment in building increased from LP 900,000 in 1924 to LP 7,000,000 in 1935. Jewish investment in building amounted during the last four years to a total of LP 17,000,000.

A new town – Tel Aviv – whose population has grown from 15,000 in 1922 to 150,000 in 1935, was constructed entirely by Jewish effort and capital. During this same period, the population of Haifa has tripled and of Jerusalem has almost doubled.

The influence of the Jewish capital import and constructive movement on the Arab economy can be gauged from the fact that in one year, 1933-34, the investment in building activity in five purely Arab towns (Jaffa, Nablus, Lydda, Gaza, and Nazareth) rose from LP 261,900 to LP 881,000. This was the year of large Jewish immigration into the country.

Transport

The development of transport has kept pace with the general economic expansion of the country. The number of registered motor vehicles in Palestine was 400 in 1922, and has increased to 12,000 in 1935. This implies one motor vehicle for every 110 of the population, as compared with one to 496 in Egypt, and one to 298 in Syria. Railway traffic also shows a considerable increase: 606,000 passengers were carried in 1922 and 1,929,000 in 1934. The growth in importance of Palestine's harbors has been even more outstanding. Tonnage entered at Haifa has grown more than ten times since 1922 (470,000 in 1922 and 4,900,000 in 1935) and tonnage at Jaffa five times (510,000 in 1922 and 2,407,000 in 1935). Letters posted in 1921 numbered 5.9 million and in 1934 – 22 million.

Labor

The number of Jewish workers in Palestine has increased from 4,800 after the war to 100,000 today. Since 1931 alone, the number has tripled. The Federation of Jewish labor numbers 86,000 members and has organized various colonization, economic, cooperative, cultural, and social welfare activities.

The Government index of wages shows a rise from 100 in 1913 to 190 in 1919 and 390 in 1922. Since then, no further Government statistics have been published, but wages have risen considerably both in towns and villages. Average wages per day in Palestine are 10 to 15 piastres, as compared with 2-3 piastres in Iraq and Egypt. In spite of Palestine's relatively high wages there has been no increase in the cost of living – the Government retail price index having fallen from 100 in 1922 to 55.1 in 1934.

Jewish share in Government public works is 9.2% as regards numbers of workers and 22% as regards wage fund. But the Jewish proportion of the population is 28% and Jewish contribution to

revenue about 50%.

Health

The improvement of the health service and health conditions of the population is due, in large measure, to Jewish colonization. It is certainly true that the progress illustrated in the figures below would have been impossible in an impoverished country – with a stationary economic and cultural development.

The Jewish Health Service is almost self-supporting, with a an annual budget of LP 250,000, and LP 10,000 (4%) Government subsidy. The whole Government health expenditure is only LP 211,000. The Jewish hospital bed strength in 1934 was approximately 769 and the number of admissions 15,429, while the corresponding Government figures were 405 and 5,854.

Through large-scale drainage works undertaken by Jewish institutions – particularly in the Valley of Esdraelon and Habarek, there has been an astonishing decrease in the incidence of malaria. The number of malaria patients treated decreased from 20,000 in 1922 to 7,000 in 1934, in spite of the great increase of the population. The percentage of malaria cases to all diseased treated fell during that period from 7.2% to 0.8%.

Increased revenue has enabled a Government health expenditure of LP 0.13 per head as against LP 0.09 in Egypt and LP 0.04 in Syria.

The most striking fact in this connection is the decrease in mortality, and particularly infant mortality rates, during the period of Jewish colonization. The death rate among Jews fell from 13.45 per 1,000 in 1927 to 9.26 in 1934, among Christians from 20.10 to 13.75 and among Moslems from 33.07 to 24.07. Infant mortality rates decreased in the same period from 115.79 – 80.84 (Jews), 216.79 – 156.8 (Moslems) and 187.22 – 128.38 (Christians).

Education

The number of pupils in Jewish schools has increased from 18,000 in 1922 to 60,000 in 1935. Jewish education expenditure is LP 250,000 of which the Government supplies LP 28,000 or about 11%, as compared with the Jewish proportion to the total population of 30%, and the Jewish contribution to Government revenue of about 50%. Arab education is almost entirely supported by the Government. Thus, a direct benefit is conferred on the Arab population by Jewish contributions to revenue. The percentage of literates among Palestine Moslems is 23.4% as compared with 20.3% in Egypt, 18.1% in Bengal and 11.3% in Turkey. The Palestine percentage is higher than among a number of Moslem Asiatic populations.

Palestine and Adjacent Countries

Palestine's colonizational development has conferred great benefits on the neighboring countries. Palestine buys from Syria half of the total exports of that country and sells to it only one-fifth of the amount of its purchases. The Jewish tourist movement in Lebanon is an important item, and accounted for half of the Lebanon summer visitors in 1935. About 20,000 Syrian and Haurania workers have immigrated into Palestine.

Palestine's trade balance with Egypt and Iraq is also in favor of these countries; Palestine's imports increase greatly in correlation with Jewish immigration.

Sources of Quotations in the Memorandum

1. Report by the High Commissioner on the Administration of Palestine for the years 1920-25, p.43.
2. Memorandum to the League of Nations submitted by the Jewish Agency, March 1936, p. 32.
3. Report on Palestine Administration, 1920-21, p. 31.
4. Annual Report of the Department of Customs, Excise and Trade, 1935, p. 49.
5. Selous, G. H., "Economic Conditions in Egypt, 1935," (Department of Overseas Trade) London 1935, p. 74. Monthly Summary of the Foreign Trade, December 1935, (Ministry of Finance Statistical Department) Cairo, 1936, p. 7.
6. Statistique du Commerce Exterieur des Etats du Levant sous Mandat Francais, Beirut 1935, pp. 20-21.

7. Statistical Yearbook of the League of Nations, 1935-36, Geneva 1936, p. 217. Administration Report for the Financial Year 1934-35, (Department of Customs and Excise) Baghdad 1936, pp. 2-5.
8. Annual Report of the Department of Customs, Excise and Trade, p. 49.
9. Calculated on basis of import statistics in Annual Blue Books of Government of Palestine.
10. Short statistical survey of Palestine, presented by the Anglo-Palestine Bank, Ltd., Tel Aviv, April 1936, p. 3.
11. Annual Report of the Department of Customs, Excise and Trade, 1935 p. 49.
12. Annual Report of the Department of Customs, Excise and Trade, 1935, pp. 48-9.
13. Jewish Agency Industrial Census.
14. Estimates of Statistical Department of the Jewish Agency.
15. Figures published by the Palestine Electric Corporation. 20% of the figures of electrical current used as power refer to domestic power consumption. In 1936, there was a further increase in the consumption of power generally.
16. An analysis of the Census figures into Jewish and Arab industry was submitted by the Government to the Shaw Commission.

17. Census of Palestine, Volume II, Table XVI.
18. First Census of Industries, taken in 1928 by the Trade Section of the Department of Customs, Excise and Trade (Jerusalem 1929), p. 5.
19. His Majesty's Government Report to the League of Nations, Administration of Palestine, 1935, p. 224.
20. Calculation based on customs tariff of the respective countries.
21. Calculated on basis of Australian and Palestinian Customs Tariff.
22. Report of a Committee on the Economic Conditions of Agriculturists in Palestine, Government of Palestine, 1930, p. 23.
23. Granovsky, A., "Das Steuerwesen Palaestinas," Jerusalem 1935, p. 15.
24. Report by the Treasurer on the financial Transactions of the Palestine Government for the year 1934-35, p. 5.
25. The Economic Journal, December 1935, p. 624.
26. Figures provided by the Statistical Department of the General Federation of Jewish Labor in Palestine.

French, Lewis. "First Report on Agricultural Development and Land Settlement in Palestine," Director of Development, Jerusalem, December 23, 1931

PART I

GENERAL REMARKS

1. In Despatch No. 487[1] dated June 26th, 1931, from the Secretary of State for the Colonies to the High Commissioner for Palestine dealing with the agricultural development and land settlement of the country, reference was made to the papers in which Majesty's Government have explained their policy in regards to these matters. The intention was also stated of finding the funds required for the active pursuit of this policy by means of a loan with Parliament would be asked to authorise His Majesty's Government to guarantee. Before, however, the Bill for the guarantee of the development loan could be settled, a Report or Interim Report was to be awaited from the Director of Development whom it had been decided to appoint for the purpose of carrying out the policy of His Majesty's Government.

Objects of H.M.G.'s policy

2. The major objects of this policy which the Director of Development has been instructed by the terms of the Despatch to consider may be summerised as:

- (i) the re-settlement of landless Arabs of the category specified in the Despatch:
- (ii) the ascertainment of what State and other lands are or properly can be made available for close settlement by Jews under reference to the obligation imposed upon the Mandatory by Article 6 of the Mandate:
- (iii) the improvement and intensive development of land in the hills in order to secure to the fellahin a better standard of living without, save in exceptional cases, having recourse to transfer.

The Displaced Arabs

3. The Arabs whom I have compendiously named "landless" were defined in the Despatch as those "who can be shown to have been displaced from the lands which they occupied in consequence of the lands falling into Jewish hands, and who have not obtained other holdings on which they can establish themselves or other equally satisfactory occupation."

A register was to be prepared of those who can be shown to come within this definition: and to assist in its preparation a legal assessor was to be appointed whose duty it was to be to scrutinise claims and advise the Director as to the sufficiency of evidence in each case before the claims were admitted.

Scope of Development Enquiry

4. The scope of the enquiry necessitated by the second of the objects named above was to

include the whole land resources of Palestine; the area of cultivable land, the possibilities of irrigation and the absorptive capacity of the country in relation to immigration being all elements pertinent to the issue to be elucidated.

The Director's investigation, it was further enjoined, should include

- (i) the feasibility and advisability of providing credits for Arab cultivators and Jewish settlers, and if so, the best methods of achieving this purpose: and
- (ii) proposals for draining, irrigating and otherwise reclaiming land not at present cultivated or cultivated only to a limited extent.

The Director was to estimate as closely as possible the cost of re-settling landless Arabs and of carrying out the other objects specified above; and he was to intimate the order of preference in which schemes should be taken up. Towards the cost of the necessary preliminary surveys and experiments His Majesty's Government announced their intention of authorising the High Commissioner to incur expenditure not exceeding £50,000.

Finally, the Director was asked to submit his Report or such Interim Report as could be completed, not later than December 31st, 1931.

Development Staff

5. Such were the instructions which I brought to Jerusalem when, accompanied by the Deputy Director, Mr. G.C. Kitchling, O.B.E., late of the Iraq Service, I took up the appointment of Director of Development on August 20th. This assumption of office was somewhat earlier than originally intended; but it was obviously desirable that I should have the benefit of the advice of the High Commissioner, Sir John Chancellor, before he left Palestine early in September.

Shortly after my arrival, the services of the Irrigation Officer, Mr. J. Dawson Shepard, O.B.E., were transferred from the Agricultural to the Development Department.

Director's Jewish and Arab Advisors

6. The Despatch, in defining the status of the Director, announced that it was under contemplation to give him the assistance in an advisory capacity of two members, one each nominated by the Jewish Agency and Arab Executive respectively. It had also been decided that an officer should be appointed from the British Treasury to take up his residence in Palestine in order to be in a position to advise the Director readily in financial questions connected with expenditure from the Development loan when it, or part of it, should be floated.

Appointment of Legal Assessor

7. Circumstances have so fallen out that at the time of writing the solitary member of the proposed staff who has actually taken up his appointment is the Legal Assessor, Mr. A.H. Webb, K.C., lately President of the District Court, Nablus, and this event occurred as late as November 23rd.

Advisers Not Yet Appointed

With the appointment of Arab and Jewish Advisers no progress had been made, Before I reached the country the Arab Executive had made it plain that they would have nothing to do with the Development Scheme. They declined to enter into any discussions on the subject unless Government assented to their condition that such a scheme should not be based on the principles embodied in the letter addressed by the Prime Minister to Dr. Weizmann, then President of the Jewish Agency.

The Jews, on their part, have taken no positive steps to make an appointment of their representative; and in many respects the failure of both parties to afford me assistance in a very difficult task is regrettable.

In regard to the Financial Adviser, it was felt that until expenditure from funds provided by a sanctioned loan began, his presence in Palestine would be superfluous.

Registration of Landless Arabs

8. As indicated above, the first work of the Director is concerned with the landless Arabs. At the time of writing this Report no actual registration has been begun, because scrutiny by the Legal Assessor has necessarily not proceeded far enough. The Jews, who have in many cases paid displaced cultivators generous pecuniary compensation, have consistently contended that there are practically no Arabs—or at the most very few—who can legitimately be brought within the purview of the definition of landless Arabs given above. Whatever the facts may turn out to be, I am absolved, since the claims are now under scrutiny, from making any comments which are not merely explanatory of the initial procedure I decided to adopt.

From experience of somewhat similar work in India, I thought it inadvisable to request Government to issue public proclamations inviting applications, since such notifications are apt to lead to idle claims. It has been estimated that the Jewish Organisations hold over one million dunams of land—not all of which, however, have been acquired since the War. It was obvious that, whether this extensive area has been bought from large Arab proprietors or from small land holders, the acquisitions for permanent settlement by immigrants could not have been effected without considerable displacement of existing cultivators. Accordingly, the District authorities were instructed to ascertain in what villages displacement of Arab cultivators had occurred and to see that if claims were made, some *prima facie* evidence was forthcoming which satisfies the conditions prescribed in paragraph 3 above.

The result is that up to the time of writing some 3,700 claims (out of 4,500 or more preferred) have been forwarded to my office for scrutiny and decision. The collection of this mass of material had been accomplished with the minimum of friction. Apprehensions were from time to time expressed of the political results of these preliminary enquiries: and vague accusations of pressure on one side, and of intimidation on the other, were advanced. But, although I have offered to have any definite charge specially investigated, I have so far received none; and even at this stage I should like to pay a tribute to all the District authorities who have rendered such willing and tactful assistance in a by no means easy task.

Methods of Procedures

9. It is possible—I will not risk a charge of prejudice by saying it is certain—that a proportion of the claims put forward will be found to be baseless: but impartiality demands the investigation, without encouragement or discouragement, of all possible claims even though much of the labour involved prove fruitless. I have only to add that the process of converting Arab cultivators into landless Arabs does not necessarily cease with the receipt of claims already put in.

When it is to be remembered that the Jews are anxious to have an opportunity of expressing their views in each and every case, it will be understood that proceedings are likely to be protracted beyond the period fixed by sanguine expectations in some quarters that this difficult, intricate and important investigation would be solved within a few short weeks.

Scheme for Landless Arabs Not Yet Possible

10. What the total requirements in land for the proved landless Arabs will be, and what the total cost of resettling them will work out at, it is quite impossible at this stage to estimate. There will be no need, of course, to await final decisions about all the claims of landless Arabs before commencing the resettlement of some at least of those whose claims have been definitely approved. A beginning may be made with such lands as can be purchased by private negotiations and at a reasonable cost from funds provided out of the £50,000 advanced for this and other purposes. Annual leases may be given in the first instance, if advisable, to those selected and be followed up in due course with permanent leases to them as Government tenants, after special legislation such as I have recommended below in paragraph 68 shall have been enacted. Other legislative action is also called for, if acquisition of private lands is not to be hampered by the speculation which will inevitably follow the knowledge that Government is in the market for such property.

Financial Conditions

11. Since my arrival in Palestine, financial and economic conditions in Great Britain have materially altered: and it has now become problematical when the proposed Development loan, or part of it, will be floated: but it is not too early to discuss certain considerations in regard to the utilisation of such funds as may eventually become available.

Provision of Land for Landless Arabs

12. If the class of landless Arabs had to be provided for by Government on any scale, it is obvious that land on which they are to be settled must be forthcoming: and the general question at once arises where the land can be obtained for them, as well as for immigrant Jews.

Government Demands

13. The subject of Government-owned lands was reviewed in some detail at pages 56-60 of the Hope-Simpson Report and the current belief that Government has command of larger areas which it could transfer to colonists was rightly dismissed as an illusion, although the opinion was expressed that as settlement operations proceed, an addition—possibly a material one—would be made to these

Government lands.

One of the earliest steps I took was to obtain the Commissioner of Lands' consent, readily accorded, to an alteration in his scheduled programme of settlement operations which would allow of the early settlement of State Domains, with a view to discovering whether any unoccupied lands would be available for allotment to new settlers.

Present Occupation of All State Domain

14. It might be thought from a glance at Appendix II that the very extensive areas therein enumerated would yield some results in the desired direction. It is, however, to be remembered that not only has no cadastral survey of these areas ever been undertaken, but there are no village records-of-rights whatsoever: and I incline to the belief that little or no land of any cultural worth in any State Domain is now likely to be discovered which is not already subject to hereditary or analogous tenancy rights.

In the very short time during which "advanced" settlement operations have been in progress in two Government estates, confirmation of this presumption has been received. It is reported that both are cultivated by tenants who have been in undisturbed occupation for thirty-five to fifty years, and not unfairly regard themselves as having prescriptive rights. They are, in fact, hereditary or occupancy tenants who could only be expropriated, if necessary, on equitable terms.

What is true of these two estates will be found to be true, I venture to predict, of all other Government Domains. In their case, as in that so any privately owned land, if land is required for colonists, Arab or Jew, it must be bought with cash or its equivalent from existing occupiers.

Questions of Cost and Conditions of Settlements

15. This conclusion leads up to the general questions, what will it cost to settle a new colonist on land which Government may think fit to acquire? And what should be the terms and conditions granted to him?

The former question can only be answered after determination of the appropriate "lot viable," or minimum holding from which a farmer can gain a reasonable livelihood.

Close Settlement

16. The declared policy of Government aims at closer settlement of the existing and future population of Palestine. Close settlement means higher farming: that is, the abandonment of the production of food crops of low monetary value in favour of the more remunerative cultivation of fruits such as citrus and bananas; dairy farming; stock-raising; and poultry and egg production.

A priori, the aims are admirable: but idealism must not blind us to the very grave risks that hover round this policy. The theory is, roughly, that in making such small allotments as 7 1/2 acres (30 dunams), each farmer will be able to devote a third of this area or less to citrus, bananas and vegetables, etc., while the remainder of his allotment will be devoted to food and fodder crops. It has yet

to be proved, however, that citrus fruits can be grown as successfully in such areas (for example) as Beisan and the Huleh as in the Maritime Plains: and rapid though the spread of local banana-eating habit appears to be, and rich though the gains are at present, the vast expansion of orange groves in the Maritime Plains and the scramble to grow bananas where possible raises apprehension in thoughtful minds as to the future.

There have already been failures in banana-growing in the Beisan tract owing to unsuitability of soil and waters: and such oranges as I have come across in the Upper Huleh Basin are not exported, nor are they of a quality which can at present be exported.

Markets

17. The question of markets, as an essential concomitant or consequence of large development schemes, is one that cannot, of course, be burked: but in the present state of the world no definite decisions or policy in this matter can be foreshadowed. The problem, however, is a serious one. The virtual exclusion from Egypt, by imposition of high duties, of melons grown in Palestine has seriously affected that industry quite recently. Another low is threatened by a similar raising of the tariff against Nablus soap, the manufacture of which for the Egyptian market is another important industry. If this export trade, too, is extinguished, olives will not be needed for their fats and oils: and the detrimental effects on olive production by the fellahin requires no emphasis.

If every farmer settled for high or intensive farming is to depend for his livelihood on growing the same products as his neighbor and exports are precarious or nil, the prospects are not very rosy.

The Minimum Farm

18. To revert to the "lot viable." A great deal of discussion has been devoted to this question which need not be repeated here. For the purposes of this First Report, I propose to take, provisionally, an average farm unit for irrigated land of 30 dunams and for unirrigated land of 130 dunams, with the reservation that these figures are liable to variation later in the light of further knowledge and practical experience. In my opinion, a study of local conditions alone can really determine what is an appropriate minimum for any particular allotment.

Accepting the figures at page 145 of the Hope Simpson Report of settling a family in a house and stocking a farm at £60, I would note that to this figure must be added the capital cost of the land and, in the case of artificially irrigated land, the expenditure on a share in a co-operative well and engine-pump installation, alignment of watercourses and the planting up with citrus or other fruit of, say, eight dunams out of thirty.

19.^[2] In the case of the Arab settler, I had hoped the figures would not work out to more than £300 per unit farm, whether of irrigated land (30 dunams) or unirrigated land (130 dunams): but closer calculations indicate that possibly not less than £350 to £400 will be the initial cost, provided prices remain at their present level. In the case of a Jew colonist assisted by one of the Jewish Organisations who would build his house and stock his farm, the cost may be taken as £60 per family less.

In areas such as Beisan and Huleh, where flow irrigation would be general, the cost of the Arab

settler and Jew colonist might, on similar hypotheses, be assumed to be respectively £270 and £210 per family for developed land. Such development would include drainage and reclamation of land, development of springs, canalisation and construction of roads and bridges, all by Government agency.

Terms of Settlement

20. From the views repeatedly expressed to me, it is evident that exaggerated notions of free gifts of all and everything in a Development Scheme have been entertained. I have not hesitated to deprecate such extravagances. The plans I have myself had in mind for recommendation are grounded on the fact that the funds are to be provided from a loan: and that any scheme advocated must show that it will be ultimately reproductive. If there are any returns to be obtained, Government, which bears the responsibilities, must receive them. All outlay to be incurred must be repaid by the settler on the basis of reasonable installments. These repayments must be strictly insisted on: and be a prior charge on a settler's income.

Such a scheme has not only a political, but also a sociological aim: that of giving both a landless Arab and a Jew colonist a fresh start in life.

Co-ordination of Development Schemes

21. This outline of methods advocated for settlement of both Arabs and Jews does not preclude the co-ordination of development to which Sir John Hope-Simpson refers at pages 144 and 145 of his Report. The Jewish Agencies *** still reserves of land which they will want to colonise on lines similar to those hitherto followed: but in fresh schemes of settlement of immigrant colonists by Government the Jewish Agencies will necessarily be consulted, *** as the Arab Executive will be, if they are willing to take up the responsibility.

Pre-requisites of New Schemes of Settlement

22. Before, however, any such large schemes can be considered in detail there are certain essential pre-requisites on which Government must give its decisions. These are five in number:

- (1) Acceleration of survey and of settlement operations;
- (2) Acceleration of partition of village lands held in common (*mesha'a*);
- (3) Establishment of a land administration agency;
- (4) Government control of lands in the areas coming under development;
- (5) Government control of water in similar areas.

When these decisions are given, detailed schemes can gradually be evolved; but the time required to carry them through must be reckoned in years, not in months.

A discussion of each of these pre-requisites follows.

(1) ACCELERATION OF SURVEY AND SETTLEMENT OPERATIONS

Progress of Survey

23. Survey is based on settlement operations now being conducted in certain villages by the Commissioner of Lands. The preliminary or basic process of triangulation over the whole country, which represents the framework, is expected to conclude in 1937. Survey directly for "settlement" comprises the

- (i) formation of fiscal blocks, or parcels of lands, with the ultimate object of revised taxation;
- (ii) formation of registration blocks, with the ultimate object of registration of ownership; and
- (iii) survey of the areas of individual fields; i.e. cadastral survey.

The fiscal block survey is expected to be completed by the end of 1933. The rest of the survey is scheduled to end in 1942—eleven years ahead.

Questions of Accelerating Survey. Its Cost

24. The question of speeding up this programme has been carefully considered. The Director of Surveys estimated that with his present supervisory staff it is not possible by any means to curtail the period by more than three years. The acceleration would result in a total increased expenditure of £12,000 spread over eight years, the "peak" period being the four years 1936-9, when the full efficiency of the additional establishment required would be attained. It is the time taken to reach this efficiency that costs the extra money.

On the other side, it is not to be forgotten that while the survey has hitherto been costing seven pence (30 mils) per dunam, the survey fee charged recoups five pence (20 mils) of this sum; and as efficiency of staff is increased with greater experience, the cost of Government will be lower.

The improved progress of operations is illustrated by the following figures. Last year 384 registration blocks were surveyed; this year, with the same staff, 650 have been completed. The latter figure represents 230,000 dunams; next year, the out-turn should be more than 50 percent greater.

Relation of Survey to Settlement Operations

25. For settlement purposes, survey operations must always keep several months ahead of settlement; and the corresponding expedition of settlement operations referred to below seems to postulate greater acceleration of survey than increased efficiency alone will provide.

Surveyors as Recruits Probably Not Possible

26. The feasibility of employing as additional recruits some of the private licensed surveyors in the country has not been lost sight of. In the more competent members of this profession could be

employed on Government work at no excess cost and with satisfactory results, this reinforcement would, on occasions, prove useful. There remains, however, the difficulty of supervision and check by the Government Department; for work cannot be given the official *imprimatur* unless the Director has satisfied himself of its reliability.

Acceleration of Settlement Operations

27. Decisions have recently been reached which will allow of settlement operations also proceeding more speedily. So far, in three years of active work, only some 30 villages out of over 1,000 have been finished; though the pace in this Department also is improving. The elimination of superfluous investigations into undisputed claims of ownership, and changes in the system of assessing fees—reforms which have long been recommended by the Commissioner of Lands—will, it is hoped, be achieved before long; and, in addition, an alteration in the form of certificate of ownership registered will make proceedings more expeditious. Unless, then, accelerated survey operations can continue to keep ahead of settlement proceedings a deadlock will be reached.

In considering the scheduled programme of survey, the contingency has to be considered that indeterminate demands will be made by the Development Department. If Government has to acquire land for landless Arabs or Jewish colonists, that land, unless already settled, must be surveyed before any contract can be completed; but it must also be subjected to some sort of “settlement” to allow of a clear field on which to plant new-comers; and the equilibrium between the two Departments remains *pro tanto* undisturbed.

Future Relations of Survey to Settlement Operations at Present Obscure

28. The position, then, is that merely by adherence to the schedule drawn up, survey is proceeding more rapidly as sufficiency increases; on the other hand, settlement operations will also move more actively by reason of the innovations described above. It is not at present possible to determine which Department will make the longer strides forward. Therefore, highly important though the acceleration of the long-drawn-out survey and settlement work is, I suggest that in view of prevailing financial conditions it will be wiser to defer consideration of expediting further the survey programme until we have a clearer insight into the future than speculation at present affords.

(2) ACCELERATION OF PARTITION OF UNDIVIDED LANDS (MESHA'A)

What *Mesha'a* Denotes and Connotes

29. The system of *mesha'a* or unpartitioned land held in customary joint ownership is described at page 31 of the Hope Simpson Report, where it is shown that the survival of this archaic system of land tenure has been the subject of investigation by a Government Commission as long ago as 1923, with no practical results. The continued existence of this joint ownership in land is, next to the want of cadastral survey, the greatest stumbling-block to agricultural development of the countryside. It is difficult for the English reader of to-day to realise the evils of the system. If he can imagine an English village where every farmer each year is compelled to pass on his lands and buildings to a neighbor for cultivation and occupation, and receive some other neighbor's farm in exchange, he will get some inkling of what obstacles to progress can exist to agricultural development in Palestine.

A wealthy Arab landowner, who is a co-partner with kinsmen of an extensive estate, recently described his position to me succinctly:

“I am supposed to be a rich man: in reality I own very little. I cannot plant a tree on my lands; next year they will have passed to another’s cultivation. I cannot fertilise my fields; another shareholder will get the benefit next year, and why should I spend a pound per bag for manure for another person’s advantage? I cannot build a stable for my horse or my cattle: it will belong to another next year.”

Some Aspects of the Custom

30. One remarkable feature of this Arab system of customary joint ownership of land is that in theory the Ottoman Land Code (still the basis of land administration) categorically forbids it: another feature is the numerous forms that it assumes. Of these forms two examples only will be cited.

Strictly, females are entitled to share in the common inheritance; in practice, they are usually induced, for obvious reasons founded on marriage customs, to waive their rights.

One peculiar form of title is based on the present alone and is purely communistic. Every male—from the newborn babe to the old man on the brink of the grave—alive in the village on the day of partition is entitled to a share in the common heritage. Thus, the amount of the share of each copartner is constantly changing; and sales of land or permanent partition are alike impossible.

Methods of Partition

31. The expensiveness of official partitions and the, generally, unsatisfactory results of unofficial partitions are alluded to by Sir John Hope Simpson, who has made the pregnant remark, which I fully endorse, that “one of the essential pre-conditions of development is that the land shall be partitioned.” At present, the only really practical means of partition are two: one by the villagers themselves in agreement, the other through settlement operations which are planned to last over many years.

Disintegration of This Primitive Land System

32. The system, which is recognised on all hands as an evil, is gradually though very slowly breaking down, as is proved by the most recent figures available. These show that whereas in 1932 unpartitioned villages formed 56 percent of the total, in 1930 only 46 percent were so returned. If my latest figures are correct, the present proportion, owing partly to the compulsory partitions of settlement, is rather less than 40 percent. This residue will, of course, present the most stubborn cases to be handled.

The only criticism I have heard directed against the break-up of unpartitioned lands is that it is calculated to lead to multiplication of land transactions. This result is inevitable.

Beneficial Results of Partition

33. I have been much impressed during various tours by the rapid development by owners, Arab and Jew, of their lands in villages where partitions and settlement of rights have been concluded. Side

by side may be seen the unirrigated fallows of estates which have not yet had the benefits of these operations, and the newly planted citrus groves of the more favoured villages. In two small tracts of the Maritime Plains, out of 250,000 dunams covered by settlement operations, one-sixth of the whole area has already been devoted to citrus plantations by Arab and Jew cultivators. One-half of this total is attributed by the Settlement Officer directly to his official labours, while in the case of the other moiety progress has been helped by security of title and credit facilities, thanks to "settlement."

Past Schemes for Accelerating Partitions

34. Since the Commission of 1923, many fresh proposals have been put forward for accelerating the desired disintegration; but always with little effect. The new scheme for expediting settlement operations will have favourable reactions on partition; but much more is wanted.

"Unofficial" partitions in advance of settlement have been advocated and tried. Where an especially interested Area Officer has used persuasion, or given counsel, a good deal had been achieved. Some weeks ago, in company of the Area and District officers, Nablus, I myself participated in negotiations between the present proprietors of an undivided village for the unofficial partition of their *musha'a*. Difficulties were smoothed away and an agreement reached in my presence. Recently, the Area Officer has reported completion of the partition on the ground. The credit of this division rest very largely with the officers mentioned, whose personal interest and good offices have facilitated the task.

Still, partition work involves a great deal of tedium and places a strain on the patience which every busy officer is not able to bear with equanimity.

The Real Remedy

35. The remedy is, I think, to accept the suggestion revived at page 33 of the Hope Simpson Report for the appointment of a small special staff of selected Palestinian officials for the work of partition in advance of settlement. If the work is to be done thus, theory no doubt counsels the precise official methods used in settlement operations, because its accomplishment is tantamount to the previous performance of work which must otherwise be done subsequently in settlement.

But there is a tendency to dwell too much on the imperfections of practice which falls short of the best, and too little on the (very natural) Oriental prejudice against innovation, which does at times lead to absurd results.

Both Sir John Hope Simpson and Mr. Strickland (in his Report on Agricultural Co-operation) refer to the case of the landowner whose land (partitioned without any official guidance) measured over 31/2 miles long and averaged 14 feet in breadth. I have no doubt in practice the tillage results were not as bad as indicated on paper; for I have myself seen excessively long strips of land lying side by side which belonged to separate members of the same family, and when cultivated, as they were, as a plough unit constituted a respectably shaped field. Even in North India, where the peasantry have been accustomed to partitions and cadastral survey for decades, anomalies of this nature are not unknown. In a brochure on Co-operation, published in the Punjab, Mr. Strickland, demonstrating that it has been possible to correct undesirable partitions after settlement by means of village co-operative societies, writes:

“One zamindar (fella) had his land in 284 different places: it is now altogether in one place. Another man had only 1 ½ acres but never cultivated them because his holdings was not worth sowing in tiny and remote patches: he now, for the first time, finds himself a zamindar. It is even found at the conclusion of a village redistribution that surplus land is left over, and can be sold for the common good, since enumerated field-boundaries are removed when bigger fields are treated.”

Partition in Advance of Settlement to be Encouraged in Every Way

36. Almost any partition, however officially bad, is better than no partition at all: and cases have come to my knowledge where villagers have been persuaded to plan reasonably good partitions; but refused eventually to carry them out on their lands when pressed to abide by too precise official instructions.

When the traditional usages of centuries are being broken down, the transitions from one set of conditions to a new set needs to be very tenderly handled; and even if in the end some of the work has to be done over again, leniency and sympathy in applying a minimum of rules are not wasted.

Legislation Required for Advanced Partitions

37. For the appointment of special officers, as advocated above, only very simple legislation appears to be required. Under clause 51 of the Settlement Ordinance of 1928 the High Commissioner is empowered at any time to direct a Settlement Officer to carry out the partition of any land held in undivided ownership if such partition is deemed to be in the public interest. That power related only to areas included in settlement operations. An Ordinance conferring similar powers outside the settlement areas could easily be enacted, making the agents, not the Settlement Officer, but the other officers, whether district or specially appointed.

(3) ESTABLISHMENT OF A LAND ADMINISTRATION AGENCY

Existing Land Administration Authorities

38. In Chapter IV of the Hope Simpson Report will be found an account of land tenures in Palestine. The chief controlling authority is the Commissioner of Lands, who has charge of settlement proceedings. The Survey Department, which performs so large a part of these operations, and the Lands Department which is, in effect, the department established by the Ottoman Government for the purpose of compiling and maintaining a record of all estates and transactions in immovable property, are closely connected with the Commissioner.

Complexity of Land Laws

39. Nothing is simple in Palestine: and nothing is more complex than the land laws, based as they are on the vague and primitive Ottoman system; but complicated by a series of intricate Ordinances enacted under British administration with a view to supplementing deficiencies in the Turkish Code.

It is not necessary in this Report to discuss in detail these land laws; nor am I qualified by my brief experience to analyse the very great difficulties which have beset Government in its attempts to

administer these laws.

History of Existing Land Administration

40. I abstract from an unpublished Report the following historical retrospect: "In 1858 the Ottoman Government established a department of Land Registries for the purpose of compiling and maintaining a record of all estates and transactions in immovable property. The record was primarily personal and not territorial. In the absence of a cadastral survey no attempt was or could be made to mark on the ground the area of land to which each transaction related. Moreover, though registration was by law compulsory, it was not in fact enforced and much land remained unregistered and was held in virtue of privately and primitively drawn contracts."

During the campaign in Palestine many of the registers were removed by the Turkish military authorities and the registries were closed till October 1920, when the Land Registries Department was established, which took over all the functions of the Ottoman department. The present Department of Lands date from 1922, when the Department of Land Registries and the Land Department and Land Commission, which were created in 1920 for the purpose of controlling State Domains and advising the Government on matter of land policy, were amalgamated.

Existing Land Administration: Land Registries

41. The duties of Land Registry are to record all transactions in immovable property.

The Registrar is responsible for seeing that the parties to a disposition have a good title, and all title deeds are examined; and all documents evidencing transaction are prepared in thirteen district Land Registry offices. The registration of a transaction, or of an entry in an unofficial register, does not give the person in whose name the land is registered any title to the land. It is merely evidence which may be rebutted of ownership.

Objects of the Scheme of Settlement Operations

42. Thus, the Land Registers of the Turks were very incomplete and only a fraction of the actual transactions were registered. In 1928 began a "settlement" under a special Ordinance of all claims and the registration of titles thereto. This comprises a cadastral survey in each village being settled, partitions of land held in common and a full investigation of all claims to ownership of land and finally a registration of title which it was hoped to make indefeasible.

The Defects of the Scheme

43. The scheme described suffers from several defects. The proposals drawn up for post-settlement registration will not suffice to ensure the due maintenance of the registers. There is a long-standing and intelligible prejudice, dating from the Turkish regime, against registration of title where it can possibly be avoided. Fellahin will not resort to district offices willingly in order to register their titles. It is only when some transaction compels them that they have recourse to the land registries.

The alternative is to bring the registration agency to their doors, and make all registrations of

ownership and tenancy simple and easy, by the appointment to a village, or group of villages, of a resident official corresponding to the Indian village registrar.

Further, the scheme has no place for the economic aspects of agricultural life: it ignores the existence of the tenantry (who are estimated to comprise 50 percent of the cultivators), and concerns itself solely with a proprietary body.

Lastly, and consequentially, it makes no provision for a subordinate agency through which the land may be duly administered by Government. It assumes that, Palestine being a small country, this administration can be attempted in future, as hitherto, from headquarters in Jerusalem rather than through natural channels of the District Commissioners and their subordinates. In the past, the results have been unsatisfactory: and a continuance of the system of centralisation can only produce similar consequences.

Inadequacy of Existing Land Administration Agency: The *Mukhtar's* Incapacity

44. In effect, the only local agency between the land and headquarters is the village representative known as the *mukhtar*, assisted more or less by a body of elders. If you go into a Palestine village (except in the case of some Jewish colonies), you will find no one on the spot to whom you can appeal for reasonably accurate local information. The *mukhtar* is probably quite illiterate and can only answer enquiries with the vaguest replies. His village not having been cadastrally surveyed, he is ignorant of areas based on measurements. He will describe fields by some such vague term as a "fedan," which may be anything from 50 to 250 dunams according to the local method of reckoning the year's work of the plough animals: or he may reply by letting you know how many pounds of seed are required to sow his dunams, all of which conveys more to himself than to his interlocutor. The *mukhtar* employs any chance literate person there may be in his village to assist him with his papers. Local village records of transactions in land, or of crops, or of rights and changes therein do not exist. Nor are there any registers to show the relations of tenants to their landlords. A few assessment papers detailing the taxes assessed on, or the individual assesses of, the village are the only official papers the *mukhtar* can produce.

Benefits of Survey and Settlement

45. Every man in the village knows (or thinks he knows) his own rights—approximately: and this qualification explains, at any rate in Arab villages, many of the internal disputes and feuds which might be avoided if accurate data were at hand.

There is no doubt that the survey and settlement proceedings are one of the most powerful temporary incentives to development that can be devised: because they enable a landowner, large or small, to know for the first time exactly what his rights in the land are *vis-à-vis* other landowners.

Tenant's Rights Not Covered by Settlement: Other Deficiencies in Land Administration

46. But, as the enactment of various Ordinances proves, tenants have rights which should be protected: and if, as has been advocated by Sir John Hope Simpson, and as I advocate in this Report, occupancy rights for tenants (which in fact exist in State Domains, at any rate) are to be recognised by

law, "not only the preparation of a register of existing tenants, but also the necessary machinery for keeping that register up to date" must be devised. If there is to be a sound and equitable system of land taxation, full information as to the prevailing rents paid by tenants from time to time must be easily available, as well as knowledge of the cash value of these rents paid in kind. The present collapse of world prices, and the consequent breakdown of the system of commuted tithes, both bear witness to these clamant needs. At present, the administration is not in a position to furnish evidence of any value in these respects: nor has it any statistics worth the name which will demonstrate the advance or retrogression of any particular tract.

Machinery Required: Its Uses

47. Conviction as to the necessity of some sort of official rural machinery will be strengthened by a perusal of pages 90 and 91 of the Minutes of the Twentieth Session of the Permanent Mandates Commission. It was not found possible to reply to a series of very pertinent questions put by the Vice Chairman: and it is not possible even now to answer them. The required statistics could all have been easily furnished by an agency of village registrars such as that sketched out below.

Similarly, in recurrent questions such as the extent of "unemployment" in Palestine, this agency would be effectively employed in ascertaining from time to time true statistics of the lack of occupation, seasonal and permanent, in all areas with which it is constituted to deal.

The Administration Report of 1930 (at page 98) specifically refers to the difficulty experienced at present in the collection of reliable statistics of unemployment.

Attempt by Department of Agriculture to Provide More Statistical Information

48. The Department of Agriculture deserves credit for its recognition that agricultural progress must depend largely on knowledge derived from statistics; and its institution of village notebooks providing for their collection is a praiseworthy innovation. But the attempt is really beyond the Department's strength; and when a body of village registrars has been organised, the latter will be able to take over and widen the scope of the work which is now being essayed with a tiny staff of technical Agricultural Assistants.

Mr. Strickland, in paragraph 57 of his Report on Agricultural Co-operation in Palestine, has also pointed out the advantages for his scheme to be derived from the appointment of village registrars.

Appointment of Village Registrars Advised

49. It will be observed that I have not adopted the word village "accountant," because that term connotes a connection of this official with finance or revenue. That is not his primary concern. In North India he assists the headmen of the villages by drawing up the statement of State dues, but he is not involved in the collection of land revenue or land taxes, which remains the duty of the headman or *mukhtar*.

The attempts to make this latter low-paid official responsible for all sorts of duties which he is quite incapable of performing have culminated lately in manifestations by these village *mukhtars* in

several parts of the country of their disinclination to continuance in office. The situation will be relieved by the proposed institution of village registrars.

Duties of Such Officials

50. The chief duties of a village registrar should be:

- (i) The maintenance of a record of crops grown at each harvest;
- (ii) The maintenance of the record-of-rights in land and water, both of tenants and of owners, by the punctual record of all mutations of such rights occurring in the villages of his circle; and
- (iii) The maintenance of accurately prepared statistical returns incorporating the information derived from the harvest inspections, registers of mutations, and standing records-of-rights.

Land Administration Duties Wrongly Imposed on Department of Agriculture Rather Than District Officers

51. These village registrars will in due time require a supervisory intermediary between them and their District Officer, who at present tends to be divorced from all concern with what should constitute one of the most important of his duties—that connected with land administration. This duty includes a variety of interests quite wrongly at present entrusted to Agricultural Assistants who are inferior in status and capacity to the District Officers, and should rather be engaged in the experimental and technical work of the Agricultural Department for which they have been recruited, and in the performance of which they are impeded owing to their diversion to extraneous work.

The Training of Village Registrars

52. Village registrars of the type indicated are made, not born; and before a staff, however small, is employed, it will have to be trained; and in the absence of any ready-made material the trainers themselves will need education. In the most favourable circumstances, a considerable time must elapse before the scheme can be put into operation even in the villages where settlement proceedings have been completed; and where the benefits accruing there from and the great expense incurred thereon will be wasted, if some sort of action to maintain and improve records is not shortly taken.

Estimated Cost of Proposed Agency

53. The cost of such as staff of village registrars cannot be foretold with any accuracy until survey and partition have further advanced, but as a provisional estimate the initial expenditure may be put at £500 per annum, rising in the course of a number of years to the completed establishment (for the 1,039 villages of the country) of from £15,000 to £20,000 per annum. The expenditure will be well worth while, if the agency is maintained with efficiency.

Deputation of District Officer Advocated

54. In my view a capable Palestinian District Officer should be deputed for some months to North India to study the land revenue administration and organisation there with a view to the adaptation of an

analogous system to the needs of this country.

Revenue Administration Not Dealt With

55. I refrain in this Report from entering in the sphere of the revenue administration, which seems to me also to need reorganisation.

(4) GOVERNMENT CONTROL OF LANDS

Problems to be Considered

56. For the purposes of this section of the Report I divide the problems under consideration into four heads:

- (i) Re-settlement of landless Arabs;
- (ii) Close settlement of immigrant Jews;
- (iii) Relief of the congestion among the hill fellahin; and
- (iv) Prevention, as far as possible, of the creation of fresh landless Arabs.

The two first-named subjects have in some aspects to be considered together; the same is true of the third and fourth.

How to Resettle Landless Arabs

57. (i) The method of re-settling landless Arabs, once their claims have passed scrutiny, may seem a simple one to those who are misled by memories of pioneer colonists on vast virgin lands. For example, in the Punjab canal colonies, millions of acres of such waste lands were available, inhabited only by nomad tribes similar to the Beduin. Yet even under these conditions colonisation work lasted for years and proved to be a very complex and special nature. The puzzle, if less comprehensive, is far more intricate in a country where virtually every cultivable dunam (1/4 acre) is already subject to proprietary or tenant rights. Every suitable dunam will have to be expropriated in some way or another. There is no escape from this difficulty.

Even if the actual occupier of any land required be a willing seller, there arise the question whether the land is subject to the custom of joint ownership in one of its numerous forms (*mesha'a*); and whether a body of co-partners, some of whom may be resident, temporarily or permanently, in distant countries, is willing to sell; and at what prices.

Difficulties Described

58. The question of suitability is one for the most careful reflection. It is not the quality of the selected land and its adaptability for cultivation that will be the issue here; rather, it is whether the selected settler or settlers can be put down among strangers who cultivate the surrounding lands. If the

numbers of landless Arabs turns out to be considerable, it will be necessary to acquire, with circumspection, the estates or portions of estates of many individual proprietors willing to sell, or in possession of, surplus lands.

You cannot introduce a clan of Beduin among fellahin; for example, it would be futile to expect these tribesmen to settle down on a plot of land I know to be purchasable (at a Price) near Jerusalem. Terrorism or boycott or both would at once become features of the countryside. Of settlement in anything but name there would be none. Police and other factors of administration also come into play.

Even if the difficulties of location are surmounted, the area which is to be peopled with landless Arabs, however large or small, must, as I have said above, be surveyed, subjected to some form of settlement of existing rights, and cut up into allotments. Comparatively easy though this sounds, it means that special survey parties have to be detached from their scheduled programme to the dislocation of other equally important, if not equally urgent, work. It takes many months to train additional parties; and the limits of supervision by the available officers cannot be overlooked. Almost all these obstacles are to be encountered whether small or large areas are being dealt with, they can only be smoothed away by patient application.

Restrictions on Land Transfers: Proposed Legislation

59. Some restriction on free transfers of land must, in any case, be imposed, if Government is to make its purchases at a fair market value and not be subjected to the exactions of land speculators. To encompass this aim a Transfer of Land Ordinance is required which empowers Government to prevent land speculation against itself by Arab individuals and Jewish Corporations.

Scope of Proposed Legislation

60. In my opinion, the only effective way such Ordinance can be used is to apply it to the whole country with power to the High Commissioner to exempt there from such districts as do not come within the ambit of any Development Scheme. The alternative plan is to empowered Government to apply the Ordinance, district by district, as appears at the time needed—a procedure that invites protests and embitterment. The former method is in the country's interests without discrimination of race.

Jewish Methods of Colonisation

61. (ii) In the past, as the Hope Simpson Report at pages 50 *et seq.* points out, Jewish settlement in Palestine has been effected by the Palestine Jewish Colonisation Association and the Zionist Organisation. In the former class of colony the land was bought by the Corporation and has been, or is being in the fullness of time, transferred outright to the colonists as their own property; in the latter case, the colonists remain, virtually, occupancy or permanent tenants of land which by the constitution of the Jewish National Fund for Palestine has become inalienable.

The State's Part In Colonisation Schemes

62. In considering the factors which are calculated to assist the moral and material development of Palestine, the position of the State in regard to the settler must be carefully determined. In my

opinion, the State which undertakes the provision of the land on which the settler, Arab or Jew, is to be placed should retain control of the land, and not allow any third party to be interposed between itself and the beneficiary.

In undeveloped countries the State has in modern conditions found it necessary, itself, to take a hand in and order colonisation or settlement operations on any considerable scale: and this interference is even more necessary in a partially developed country where conflicting interests have to be reckoned with. It has been pithily said “that a large scale of colonisation cannot be conducted independently of a Government, that it is the Government enterprise by nature and can only be completed if the Government by legislative and administrative action supports the colonisation.”

Settlers Should be Government Tenants

63. Any settler of Government-owned land should remain a Government tenant, with occupancy rights: or, in other words, the tenant should not be liable to eviction except for certain specified defaults to his landlord, and he should have no power of permanent transfer or alienation of his land.

The proposal applies to both races alike. The acceptance in the case of State-owned lands of the principle of inalienability, which has been adopted by the Jewish National Fund in its settlement of its own lands, will obviate any possibility of any Arab or Jew settler under Government auspices becoming “landless.”

State Acquisition of Lands Necessary to Settlement

64. To obtain land for closer settlement by Arab and Jew, as I have said, land must be acquired. There are certain comparatively large tracts—the Huleh Basin, the Beisan tract, the Jordan Valley, and the Beersheba district—where possibilities exist. If these or any of these tracts (or any other tracts) are to be developed for close settlement, it is an indispensable condition that Government should take over control both of the land and water in these areas, expropriate them where necessary and resettle them by redistribution of the land and water to the best possible advantage of all, and with the least possible disturbance of existing owners who may be prepared to settle down again to more intensive cultivation than the present chaotic conditions permit. The only alternative that I can see is to allow each and all to buy and sell at will, with the inevitable result that there will be recreated once more—and then too late—the problem of the landless Arab with which we are attempting at present to grapple.

The Process of Displacing Arabs in the Beisan Area

65. In the Beisan area, for example, symptoms of this process may already be detected. Purchases have been made, or options taken on, areas of a considerable proportion of certain villages, where the transferees have fulfilled the conditions of the Agreement of 1921. The next step will certainly be acquisition of the essential water rights; resulting in, not the estrusion of the present owners from their lands, but the silent reduction of these lands to unirrigated, which in the Beisan tract practically means uncultivable areas.

A similar sequence of events is to feared in the Jericho State domain (*vide* para. 108).

The State's Methods of Settlement

66.[3] Among objections to my proposal for Government control of land is one grounded on expense. But Government will not, I assume, place tenants on the land that it has developed by construction of roads, efficient canals, etc., and allow a state of affairs in which the colonist is placed on his farm at heavy cost and forgets all about the capital expended on his settlement and the interest due on that capital. Government under my scheme will recoup its expenditure on land and development by selling the permanent occupancy rights (less valuable than proprietary rights) to the new settler on reasonable installments, thus training him to shoulder his responsibilities as a worthy member of the community.

If he be a displaced Arab, Government will replace him, as a son of the soil, on the land of his country and provide him with a house, farm and stock at a cost over all of, say, £10 to £12 per dunam. In the case of the Jewish immigrant, it will suffice to sell him the occupancy rights of the developed land on equal terms, and leave the Jewish organisations to help the settlers, as they do now, with all the requisites of home and farm.

The only differentiation here will be that Government will surely recover in due course all its expenditure from the Arab settler: while from the Jewish colonist it will recover only the cost of the developed land, leaving Jewish bodies to recover their share.

Development Schemes Necessarily Lengthy

67. The expenditure of public funds will be gradual, lasting over a number of years. To demarcate and partition the 388,000 dunams (97,000 acres) of the Beisan area has taken 10 years: and a prominent Jewish agricultural scientist showed some sense of possibilities, if an extreme pessimism, when he recently opined that a development policy worth the name would cover three decades.

Special Legislation Needed

68. To enable this colonisation or re-settlement of lands in an extensive tract to be successfully carried through, a special Ordinance apart from the contemplated Transfer of Land Ordinance will be needed. Such special Ordinance would cover expropriation and re-settlement of lands already settled and would be administered in close relation to, and co-ordination with, the powers obtained under the proposed Irrigation Ordinance referred to in paragraphs 77 to 88 of this Report.

Relief of the Congestion of Arabs in Hills and Prevention of Creating More Landless Arabs

69. (iii) and (iv). There are two serious economic dangers which threaten Arab peasant proprietors in Palestine: the reduction in the size of holdings below a self-supporting minimum: and the unrestricted transfer of land by sale or mortgage to Jews or to Arab capitalists, leading to "displacement." The former of these perils has been accentuated by the substitution of the British for the Ottoman administration. Under the Turks, conscription of the young manhood of the country is estimated to have deprived the effective population annually of some 10,000 to 20,000 youths, the majority of whom never returned to their homes. The required statistics are not yet available from the recent census; but enquiries show that in many Arab villages the computation of an average of five persons per

family living on the “lot viable” is now far exceeded.

The Hills: Displacement of Arab Peasants by Jews and the Arab Effendis

70. In the hill tracts, there are two directions in which unrestricted transfers of land are proceeding. In some parts, it means the advance of the Jews, without such noticeable progress in development as in the Coastal Plains, but with similar results in reinforcing the class of landless Arabs. In other parts, it is the absorption, gradual but inevitable, of the Arab peasant proprietor by the Arab *effendi* or capitalist landlord. Both facts need to be faced. Some form of protection for the small owner appears vital, in order to ensure that the concentration of numerous small holdings into the hands of large proprietors does not lead to the same evil as is anticipated from excessive expropriation by the Jews. In one sub-district in the hilly tracts, it is reported that in a decade no less than 30 percent of the land has passed from Arab peasants to Arab capitalists.

Security of Tenure Needed for Arab Peasants

71. The first essential to the improvement and intensive development of land in the hills in order to secure to the fellahin a better standard of living is security of tenure for his land, as a safeguard against those economic evils which the undue rise in the values of land has brought upon him. If the process of dispossession continues, in another three or four decades the Arab peasant proprietor will become almost extinct; and the risk that the class of landless Arabs will thus be greatly augmented, while the pressure of population on the soil also increases (as the recent census results show), should be anticipated by timely legislation in some form or another, which will restrict the power of alienation of land.

The Maritime Plains: Restriction of Transfers to Jews Also Necessary

72. In the Maritime Plains, where the settlement of the Jews is most marked, some restriction of free transfers of land from Arab to Jew is also highly desirable. It is in these plains, where water is readily obtainable and the soil is especially suitable, that the capital and energy devoted to the extension of citrus cultivation, primarily by the Jews and secondarily by the Arabs, is most conspicuous. In passing, it may be of interest to record an estimate that 30 to 40 percent of the citrus groves are in the hands of the Jews, while the balance is with the Arabs. Although the average production of the former is at present the higher, the Arabs are rapidly learning from experience.

The Policy of the Arab Leaders

73. References are made from time to time in the Arabic press to the part played by some members of the Supreme Moslem Council or Arab Executive in sales by Arabs to Jews; from which it is not unfair to infer that in some leading Arab quarters such disposals of surplus lands are viewed with no disfavour. But the chief risk—an ever-present one—is that the progress of comparatively large growers, backed by plentiful financial resources, which weight the scale so heavily against the independent small Arab proprietor, will mean the entire and permanent displacement of the latter from the soil.

The Need of a Restrictive Ordinance

74. The dangers I have depicted seem to me further to emphasise the need of a Transfer of Land Ordinance in some form or other.

Advantages of Restrictions on Land Transfers Illustrated

75. I may conclude this part of the report by remarking that in the Indian Province in which I served a Land Alienation Act for the protection of the peasant proprietor was successfully placed on the Statute Book in 1900. All the gloomy predictions usually associated with restrictive measures of this nature have been falsified. The value of land has increased; and the corrosion eating into the heart of the peasantry stayed. There is no living land administrator of the Punjab with experience of the pre-existing conditions who would dream of advocating a return to the bad old days.

A Land Transfer Ordinance to Allow Reasonable Transfers of Land to Jews

76. The enactment of a restrictive Transfer of Land Ordinance “does not imply a prohibition of acquisition of additional land by Jews”; but it does not contemplate a control of land disposition and transfers while a scheme of settlement lasting over a period of years is to be undertaken. Given clear instructions as to the manner in which His Majesty’s Government wish that control to be worked by the Development authority, for the benefit of Arab and Jew alike, I see no reason why the protection of the one race and the legitimate aspirations of the other should not be achieved under the operation of the Ordinance.

(5) GOVERNMENT CONTROL OF WATER SUPPLIES

A Hydrographic Survey to be Undertaken

77. The subject of irrigation is dealt with in detail at pages 82-7 and page 147 of the Hope Simpson Report, where emphasis was laid on the necessity of instituting a hydrographic survey of Palestine, and it was pointed out that one of the first tasks of a Development authority would be the examination of the available water resources of the country in order that development may commence where there is most likelihood of success. Immediately on my entry of my duties, Government transferred to the Development Department the services of the Irrigation Officer and the study of water problems was actively pursued. I have recently been able to submit to Government my proposals for the early initiation of this hydrographic survey which will co-ordinate and complete the various disconnected studies of available water supplies which have been pursued in the last few years.

The proposals, which have involved the appointment of an Irrigation Inspector, contemplate completing the investigation within about one year, at a cost of about £8,000.

Importance to Palestine of Water Problem

78. It is noteworthy that until comparatively recent times the vast importance and the nature of the water problem has not been fully appreciated by the Administration. For example, even in the Beisan Agreement (*vide* Appendix IIIB) there is not a single reference to any of the local water supplies on which the whole cultivation possible in this arid tract practically depends. I believe the subject was scarcely mentioned or considered at the time the Agreement was made.

In 1929 the late Director of Agriculture and Forests brought the subject prominently to the notice of Government and, as the result of the report of an Irrigation Committee, the proposed Ordinance was drawn up.

Intricacy of the Problem Described

79. The whole matter is one of extreme intricacy and complexity of which some illustrations are needed to make the situation more intelligible to the reader, particularly if he has not studied local conditions. Water may be derived from (a) surface supplies; (b) underground supplies.

(a) Surface supplies, or flow irrigation, where little or no human effort is needed to supplement nature's gift, is more commonly devoted to extensive than intensive cultivation. The distribution of such water is universally based on period, not volume. The period allowed depends on the size of the stream and the number of cultivators. The application of the law of inheritance has often reduced a share to a fifteen minutes' supply, to be utilised at intervals of six weeks. Sub-division is reducing "turns" still further. So long as communal cultivation of undivided land subsists, the system is a practical one: it is only when partition of land occurs that the holder of a very small periodical "turn" suffers. In irrigated areas there is frequently as much traffic in water as in land; and when the latter is sold it is common to include a definite, but not necessarily coincident, period or fraction of the water with it; e.g., a cultivator will sell half his whole area but only one-quarter of his water rights. Thus small areas may have excessive water supplies, and *vice versa*. The affluent purchaser of a large area with small supply, immediately sets about increasing his water supply—even from a distance—this possibly entailing the transfer of water from one main spring on to the distributary of another spring. The complications are innumerable. Water may be leased for a crop, a season, a year or period of years. It may be pawned; and it may be sold in periods, or fractions of periods for one rotation, etc. When distribution from a copious spring is by means of several distributaries under such conditions, and some of the supply is intended for intensive and some for extensive cultivation, the weaker man usually goes to the wall.

Intensive Cultivation Generally Benefits Large Owner Most Under Existing Legislation

80. Intensive cultivation is spreading and the fellah (an extensive cultivator) is being steadily squeezed out; because intensive cultivation calls for a reduction in the extent of area ploughed, unless additional supplies of water are made available; and the ownership of water in the free-flow areas is tending to pass into the hands of the capitalist, who usually gets more than his fair share of water.

Waste of Water Universal

81. On all sides waste of water is apparent, whatever the status of the owner or user. If such owner or user has a right to all the water in the stream for a certain time and cannot use it, he will, to safeguard his rights, rather let the surplus run to waste than allow another to absorb the precious supply.

Ottoman Water Law Outlined

82. In addition to springs, there are rivers or streams which I need not specify here in detail. I may, however, take the opportunity of explaining in skeleton outline some of the main principles of Ottoman or Islamic water law, because I believe that the influence of these principles has spread

through many countries of the world.

Water is common to all; and private ownership exists only when water is collected and reduced to possession. The water of a public river, i.e. one not flowing in a channel which is the private property of a body of individuals, is "common to all." Everyone may take the benefit of large sheets of water: and irrigate his lands from public rivers. The proviso imposed by law on any new-comer is that his operations do not damage any other user. The question of control of these streams by Government is obviously a most important one.

Troubles of Well-Owners

83. (b) Of well-irrigation little need be said. Its extension where water is known to exist is restricted by lack of capital. All through the Coastal and Acre Plains water of varying quantities and qualities and at varying depths can be found. The real trouble is that in various parts of these plains saline water is occasionally struck at different depths in close proximity to sweet water. Particularly towards the south, a well-owner having found his first supply of sweet water insufficient, deepens his well and occasionally strikes strata holding saline water. Whether still deeper boring will result in the tapping again of sweet water has not been satisfactorily proved.

Control of Well-Sinking

84. At page 86 of the Hope Simpson Report the question is raised whether powers for control over the sinking of wells in any Ordinance is necessary. It is stated that at one time a fear existed lest "the multiplication of wells in the Maritime Plain had caused a fall in the water table in that ware. The matter was examined by an expert Committee which came to the conclusion that the fear was not well founded. The water table had filled in a certain region, but there remained an ample supply at the deeper level."

Facts as to the Water Table in Maritime Plains

85. There appears to have been some misapprehension of the facts. During the years 1925-9 the water table did fall in the Plains, owing, it is believed, to the lack of rainfall during those years. But in 1929 the level of the water in certain areas, apparently as the result of a better rainfall, began to rise again: from which it may be argued that the extension of citrus cultivation was not the essential cause of the reduced level. I cannot find that any expert Committee ever investigated the matter. The Irrigation Officer and another expert, with an intimate knowledge of the Coastal Plains, have informed me that the question has never really been thoroughly examined: and for this reason and in view of the great extension of plantations during the last year or two, it is essential that Government should have power to control the underground supplies in any intensive cultivated tract and establish observation stations for the purpose.

California Experiences

86. A recent visitor to a part of California with conditions of climate similar to those of Palestine has described to me how large areas of land in the former country, which were once devoted to the production of various kinds of fruit, such as citrus and grapes, and to orchards, have been steadily

thrown out of cultivation owing to the fall in the water table having rendered all fruit-growing unprofitable. It is vital in the case of Palestine that no such disaster should overtake the citrus groves of the Maritime Plains, where at present they are being extended without any regard to their possible ultimate effects on subterranean water supplies.

The Rights of the State in Water: Water Law in British Columbia as a Parallel

87. It has been shown above that according to Ottoman law, water belongs to all, or in other words is vested in the State or commonwealth: but the law, conforming to an almost universal concept that everyone has the right to waste water as he likes, did not advance further to the comparatively modern doctrine that the State has also rights in the use of water.

I have before me as I write the Water Act of the Province of British Columbia—a province well endowed with surface irrigational supplies. It prescribes that “the property in and right to the use of all water at any time in any stream in the Province is for all purposes vested in the Crown in the right of the Province, etc.”

State Should Re-assert Rights in Water and Waste Water

88. It is in my opinion essential for any scheme of development that the State should in the interests of the community assert (or rather re-assert) its rights to the ownership of all water, and also to the use of all water which is running to waste because it is in the private possession of no user who has any concern for it. In a country where water is scarce, inefficient methods of its distribution and its economical use in cultivation are public sins which have too long been overlooked and call for early remedy.

Illustration of Connection of Haifa Water Problem with Agricultural Development

89. The inter-connection of current water problems with the prospect of agricultural development is illustrated by the position of the town of Haifa. The Haifa Harbour Works on which so large a sum of money is being expended are now tending towards completion, but, so far, no permanent provision has been made for an assured water supply and an efficient drainage scheme. The water at Haifa is very scanty and its quality so indifferent that ships calling at the port have to lighter their water across the bay from Acre: and the locomotives and machinery employed on the harbour construction works have almost monthly to renew parts which with less saline water would last years, the provision of sweet water for a large port is indispensable: and the only solution of this very urgent problem at present advance is to bring water some distance from the Kabri springs which already supply Acre. The diversion of the whole water of these springs to urban domestic supplies will affect the agricultural development of the countryside unless additional supplies of water can be tapped in the neighbourhood. This is one of the questions that is now receiving careful investigation and research.

(6) RECOMMENDATIONS FOR LEGISLATION

Summary of Recommendations for Legislation

90. Recommendations contained in sections (1)-(5) are summarised as follows:

- (1) The question of acceleration of survey and settlement operations beyond that already contemplated should be deferred until the situation is clearer. Meanwhile, the approved amendments of the existing Settlement Ordinances should be effected without delay. (Paragraph 28.)
- (2) The partition of undivided village lands outside the settlement areas should be expedited by the appointment of special officers, one for each district; assistance being rendered by the existing administration. Legislation, of as simple and broad a nature as possible, should at once be enacted to achieve the object. (Paragraphs 35 and 37.)
- (3) With a view to the establishment of a land administration agency, a Palestinian District Officer should be deputed to Northern India to study the system known there as the "land revenue administration." On his return the required agency should be established. (Paragraph 54.)
- (4) Legislation should be passed with a view to
 - (a) the constitution of a class of occupancy tenants: (paragraph 63).
 - (b) The control of transfers of land under the Transfer of Land Ordinance: (paragraphs 59, 60, 71, 72, 74, and 75).
 - (c) The constitution of a class of State occupancy tenants in tracts to be expropriated and resettled by Government: (paragraph 63).
 - (d) The due State control and administration of such tracts: (paragraphs 68, 94, 106).
- (5) The re-assertion of the rights of State to the ownership of all water and to the use of all waste water. (Paragraphs 88, 94, 106).

Simplification of Legislation

91. In concluding this part of my Report I venture to trespass, it may be, beyond the limits of my task; because the question I touch on is a serious one and concerns closely the development of this country in all spheres of life. If legislation for the promotion of development schemes is to be enacted, I would plead most earnestly that it should be framed on the broadest and simplest lines possible, all minor details being left to rules and regulations which can, if necessary, be first submitted to public criticism.

In the Province of India in which I served, a law covering, *inter alia*, the fields of land settlement and land revenue (or taxation) stood unamended for forty years. It consisted of some thirty clauses, and held good over the Province containing more than twenty times the villages and population of Palestine. Rules and regulations under that Act were amended or changed frequently, as experience dictated; but the principles of the Act were untouched. In this country (where, of course, experience has to be gained) very detailed Ordinances and Amending Ordinances (which comprise over 100 clauses), have already been issued dealing with the sole field of settlement operations, and further amendments are under consideration. The result is that settlement legislation, even after three and a half years, is becoming too intricate for the comprehension of the plain man.

The multiplicity of existing Ordinances, Amending Ordinances and Special Ordinances embracing all aspects of the Administration cannot, perhaps, be simplified now, except at the cost of years of labour, but I submit that the Secretary of State, the Palestine Government and the people of the country would be saved much travail and confusion if future legislation, in general, be directed to the embodiment of main principles only in all new laws, leaving the rest to rules and regulations duly gazetted under the Ordinances.

PART III

SOME SPECIAL MATTERS

Special Areas

92. Instructions have been conveyed to me that the problems of the Beisan tract and the Huleh Basin should receive my special and early consideration.

I now turn to these two questions.

(1) BEISAN AREA

The Future of the Area

93. The modern history of Beisan—the Beth-Shan of the last chapter of the First Book of Samuel—is set forth in some detail in Appendix IIIA.

As that history shows, the situation is extremely complex. Reduced to simple language the problem is: How is it possible to deal with this tract, the permanent settlement of which with the original cultivators has only just been brought to completion, but which is clearly susceptible of development on more intensive lines? Development is proceeding as I have stated in paragraph 65 above, but wide spaces of demarcated partitioned land are lying untilled, awaiting intensive development by the extension to them of water supplies which in default of unified control are being wasted and will continue to be wasted until such control is applied.

Possible Course of Action in Regard to the Area: State Control Recommended

94. There are four courses from which a choice can be made:

(1) To leave matters in their present state. This would be tantamount to perpetuating chaos and nullify the declared policy of His Majesty's Government to further intensive settlement.

(2) To relax the terms of payment of the transfer price and allow new-comers to buy land more freely than has hitherto been permitted, in fact, permit this class to spread themselves, as and when they can, over all the estates in which they can find a footing.

The result would, of course, be a rapid creation of another landless Arab problem with possibly more

serious political results, because of the propinquity of the tract to Trans-Jordan and the Hauran.

(3) For Government to take control of the water and its distribution, but to allow new-comers to reap the advantages of penetrating the lands at will.

This would not obviate the recurrence of the landless Arab question. For, inevitable, as is noted in paragraph 65 above, the new settlers would secure a predominant hold over available water supplies and thus force out of possession the existing cultivators.

(4) For Government to take unified control of land and water, and create an entirely new settlement of land and water for the benefit of the existing settlers and orderly development by introduction of new settlers.

This last is the only method by which an adequate use of this fertile area can be secured, with justice done to all its cultivators, actual and potential.

The Complications of the Situation in the Beisan Area

95. A reference to the section [\[4\]](#) of this Report which deals with the subject of water control will give some clue to the irrigation complexities of a tract where there are some twenty-seven named springs or streams of varying qualities of water. The question of control of the land presents difficulties almost as great. Use of land and water is at present as unsystematic and chaotic as can be conceived. Areas of well-cultivated land are interspersed with areas thickly overgrown with weed and jungle shrubs; and water channels wander about apparently with no object and no system. Yet they are all subject to well-known rights. If economical use is to be made of this water, and equitable distribution secured, it will be imperative to group all intensive cultivation and all extensive cultivation (that may remain) separately. Nor are the difficulties of land and water the only problems. The primitive habits of a large part of the transferees, their intense suspiciousness and unresponsiveness to civilising methods are political considerations which have all to be taken into account; and even when at length the cultivators shall have been re-settled, they will need careful control and supervision for years. And, in addition, the whole tract will require much closer and more vigilant administration than has been found necessary in the past. Many years must elapse before the work can be completed. The possibilities of re-settlement and colonisation were very carefully investigated by the Irrigation Officer last year, under the instructions of the High Commissioner, Sir John Chancellor. Mr. Shepard, who examined the whole tract in the light of his great experience in Egypt, and made the most detailed calculations, came to the conclusion that, in theory at any rate, close settlement of about 3,500 families in an irrigable area of 105,000 dunams was possible. The expenditure at a conservative estimate for the whole scheme was put at over a half-million pounds. Given a thriving community he believed the value of the land would multiply perhaps fivefold.

The State of the Existing Arab Population

96. It is certain that, speaking generally, the present holders if left to themselves can never develop this fertile tract. They have neither the education nor the resources.

Some two years ago the Director of Lands reported that in no case had a transferee, even under

the modified terms of the 1921 Agreement, been able from his own resources to discharge his financial obligations. The local authorities were of opinion that while the terms of the Agreement were not unduly severe, the indebtedness of the transferees prevented them from paying up the capital sums due. If a prize were offered to the cultivator who had done best, it would fall to one who still required twenty-two years to pay off the capital sum, quite apart from any interest. For villages to clear off the original capital sums due for the land, without interest, periods ranging from 45 to 143 years will be required. It is added that the "transferees are fully aware of their obligations under the Agreement and that the land will revert to Government at the end of the fifteen years, if the total amount due is not paid, and are merely trusting that Government will, in due course, solve the problem for them."

Perhaps it is not unfair to these fatalistic cultivators to hazard the opinion that they are shrewd enough to believe that Government would not eject them from their lands and leave them stranded, any more than the Turks did. Probably, they anticipate, at the worst, confiscation of their proprietary rights—and a return to the *status quo ante*.

The Potentialities Under State Control of the Area

97. If solution (4) be adopted, the legislation mentioned in paragraph 90 will be required. I have already sketched roughly in paragraph 66 the methods of settlement and re-settlement that might be adopted. The latest estimates of families actually resident on the irrigated lands is about 950. If there is room for 3,500 families in all as suggested in paragraph 95, the number of new families that can be introduced on about 110,000 dunams (not 105,000) of irrigable land will be approximately 2,500. These figures are, of course, only estimates.

What the total cost would be must depend on the numbers of Arabs and Jews settled, and the principles adopted for settlement.

Political Effects

98. Finally, the political repercussions among the Arabs of any disturbance of the *status quo* cannot fail to be considerable; particularly, as long as the ultimate benefits of any scheme devised are not fully understood by the fellahin and Beduin. This factor in the situation must, in any case, be faced, unless things are to be left to drift on in their present unsatisfactory condition.

II. THE HULEH AREA AND CONCESSION

The Huleh Plain a Unit

99. References to the Huleh Basin will be found at pages 18 and 83 of the Hope Simpson Report: and any repetition by me is superfluous. Appendices IV, A and B, should be consulted.

Taking the whole Huleh plain as integral, it may be stated emphatically that no scheme of development which does not embrace the entire basin can be of any real use. I have explored the whole area, personally, and arrived at the following conclusions. In no other tract has nature endowed the soil with such fertile qualities. The existing agriculture is primitive and thriftless. Except in a few patches intensive cultivation is practically unknown. Of the 165,000 (more or less) dunams at which the total

area is estimated, 65,000 dunams are said to belong to absentee Syrian landlords: and about 45,000 to fellahin or Bedu families: the residue is comprised within the Concession, which is the key to the situation.

Reasons for Waterlogging

100. Owing to geological conformations, the waters poured into the lake and marshes by the affluents cannot be discharged quickly enough by the outlet channel into the Jordan bed: and the only relief possible is the deepening of this basalt-bedded channel by sub-aqueous blasting operations along a stretch of water of, approximately, 2 ½ miles. Once the water can be got away, drainage will automatically effect some reclamation of the marshes—how much it is impossible to say because no one knows to what extent they are fed from hidden springs.

Recent Survey Results

101. The Concessions area, the history of which is given in Appendix IVA, has only recently been scientifically surveyed for the first time. The result is that the real areas are now available. Marsh accounts for 30,450 dunams; lake for 13,800 dunams and cultivated land for 11,165 dunams. That is to say, that out of the total area in the Huleh plain, 55,415 dunams have under the Turkish concession—the validity of which has been upheld by all legal authorities—been made over to concessionaires, the members of one family, most of whom are resident on the banks of the lake, where they watch vigilantly over their own interests.

Attitude of Local Population to Concession

102. It is, perhaps, unnecessary to add that the existence of this concession is felt by the local population to conflict with their interests or supposed interests.

Methods of Dealing with the Concessions

103. There are four possible means of dealing with this concession. First, to leave the concessionaires to fulfill their obligations, in which case, at the best, some portion of the marshes will be reclaimed and the lake will be left shrunken but otherwise uncontrolled. Further, the mere reclamation and drainage of the concession will not effect the development of the upper area of the Basin outside the concession area. It will still remain subject to the effects of over-irrigation and the consequent malaria that has had such pestilential effects on the local population, now reduced to some 4,200 inclusive of Jewish settlements.

Secondly, it is possible that the concessionaires may eventually find the performance of the conditions beyond their strength. In such an event, it is to be presumed that they would either resign the concession, or Government would exercise its rights of resumption of the area, as is provided for in the Agreement.

The third course is to buy out the concessionaires, if they would accept a reasonable sum. Hitherto, their demands have been considered exorbitant.

Lastly, there is the method of compulsory expropriation in the interests of the community at large.

Necessity of Appointing a Boundary Commission

104. The official survey of the concession area, which has only just been completed, has disclosed the fact that there are numerous boundary disputes between the concessionaires and the neighboring fellahin. These disputes are variously attributed to the vagueness and unreliability of the old Turkish maps and to the steady subsequent encroachments by the concessionaires on their neighbors' property or rights.

It is quite certain that a Boundary Commission is the only method by which these disputes can be settled: and I trust that as soon as it is practically possible, such commission will be appointed. In this connection, it is to be remembered that, owing to the state of the ground in winter and spring, no useful purpose would be served by constituting such a commission before next July, when free locomotion in the tract will again become possible.

Possibilities of Reclamation Considered

105. Whether, if the marshes of Huleh are drained, they will become available, generally, for cultivation remains to be seen. Small areas on the outside of the marshes have been, and are still being, reclaimed by fellahin cultivators, but the experience of draining the Kabara swamps on the Coastal Plain at enormous and uneconomic cost is not encouraging. It is a not unreasonable inference in the case of Huleh, that the presence in a land flowing with water of these undrained marshes argues the existence therein of numerous underground springs which are likely to prove as intractable as those in the Kabara swamps.

Necessity of State Control of the Huleh Area

106. I have said above that the whole Huleh Basin should be treated as a unit from a development point of view. To ensure such development it will be necessary to bring under the control of Government both the whole land and water. It is reported that the Syrian absentee landlords in some cases refuse to pay their taxes, because they find cultivation of their lands unremunerative. Their tenants in this rich area are so poor, and cultivate so poorly, as to be unable to spare anything for their landlords. Malaria decimates the population, or so enfeebles it, as to completely nullify nature's rich gifts. The only way in which development, agricultural and hygienic, can proceed is for Government to reduce to order the irrigation from the numerous rivers and springs by canalisation, and at the same time take over the necessary lands of those who own broad acres in order that it may carry out its declared policy of closer settlement. What the cost would be of resettling the whole Huleh plain—inside and outside the concession—in farms of thirty to forty dunams (on a general average with possible exceptions); of providing duly canalised irrigation and drainage and, at the same time, stamping out the dreaded Malaria, cannot at present be estimated. Intricate and difficult though the problem be, I cannot but think the estimate of one million pounds made by Jewish experts to be exaggerated, though to express any decided opinion without further detailed research would be hazardous.

Possibility of Jewish Settlement

107. I certainly believe that, settled as Government tenants, a leavening of Jewish colonists in this tract would tend to an acceleration of the desired development after the marshes have been drained.

III. OTHER AREAS

Other Areas Described

108. Besides the Beisan and Huleh tracts, there are the Jordan Valley and Beersheba plains which demand attention. In the former there is undoubtedly a large area—estimated at 100,000 dunams—capable of cultivation if water can be brought to it. If a high-level canal taking out of the Jordan be practicable (I think it may be found so) at a reasonable expenditure (a more dubious condition), it will not be an easy undertaking to be completed in a few months. The project would be one that will take years to carry out, involving, as it does, preliminary and complete surveys by a skilled irrigation-engineering staff and, inevitably, costly operations. I can frame no estimate for such a work, which may well be postponed until progress has been made with other schemes.

In the Jericho Jiftlik (or State Domain) in the lower Jordan Valley, there is an area of 3,000 or 4,000 dunams which depend for their irrigation on a famous Jericho spring. Approximately, 1,000 dunams are cultivated as gardens; oranges, bananas and other fruit and vegetables growing profusely in the sub-tropical climate to be found 1,200 feet below the sea level.

The rest of the cultivated lands are occupied by Beduin, and the cultivation is of the indifferent, expansive type usual among such tribesmen. Without irrigation, the lands are uncultivable. The use of the water by the garden owners is admittedly wasteful and they, on their part, have agreed to control on reasonable conditions. But, so far, it has not been found possible to persuade the suspicious tribesmen to abandon their extensive for intensive cultivation, despite close personal efforts directed to this end by the Irrigation Officer. A success here would be a great object-lesson for other tribesmen, and hopes are still entertained.

The waterless stretch of fertile lands in the Beersheba sub-district cannot be colonised without artificial irrigation owing to the scanty and precarious rainfall. To what rights this tract actually is subject is not known. It has not been surveyed and there are no records of rights worth the name. The first attempt to ascertain whether deep boring will produce the water supplies necessary for irrigation is actually under way. The success or failure of this attempt will not be known for some months. Until we have learned the upshot, we shall not be justified in risking further costly experiments of the same nature. In short, even if good fortune attend this experiment, years must elapse before we should be in a position to place settlers on the land.

The future of the Auja Concession is still under consideration by the Secretary of State, and I am not yet in a position to make any definite report about the irrigation of the Auja Plain.

No Order of Preference for Schemes Yet Devised

109. The main object of the proposals made in this First Report being to obtain orders on the principles which should, in my opinion, be adopted before schemes of development can be more fully considered, I have not thought it useful at this stage to attempt advice to the order of preference in

which such schemes should be carried out.

4. MISCELLANEOUS

Co-operative Credit

Appointment of a Registrar a Necessary Preliminary

110. As a consequence of the investigation and Report made by Mr. C.F. Strickland, C.I.E., last year, the Palestine Government had, before I took up my duties, requested the Secretary of State to arrange for the appointment of a Registrar of Co-operative Banks. In making such appointment a dilemma has to be faced, either a trained officer had to be invited from outside who would know nothing of Arab and Jewish agricultural methods and psychology, or else an officer must be appointed from the Palestine administration who was not conversant with the principles and technique of the subject of co-operative credit. It has finally been decided to act on the latter alternative, but it cannot be anticipated that the officer appointed will need less than six months' experience of various systems in force abroad before he is adequately equipped for his duties.

I am not myself qualified, from such experience as I have had in the past in India, to act as an expert advisor on this highly technical subject, and therefore feel that it would be useless for me to advise precisely in this First Report on the feasibility and advisability of providing credits for Arab cultivators and Jewish settlers. It has been represented to me that, in the case of the former, individualism is too strong to warrant any hope of success in organising in the villages a system of co-operative credit; Mr. Strickland thinks otherwise, and I am optimistic enough to agree with him. The establishment of co-operative credit rural societies has been tried in many quarters of the world and has always proved successful, I believe, when effectively organised.

As regards the Jewish settlers, I have no doubts.

For the best means of attaining the desired ends, I must await the advice of a trained expert before reporting my own detailed opinions.

Miscellaneous

111. The subject of leases of Government lands; the establishment of another Agricultural Experimental Station at Gaza; the distribution of trees for planting in the hills; and the extension of terracing in the hills are other matters which have been actively dealt with during the four months that I have been in the country.

Much of that period has been taken up with duties not strictly germane to any scheme of development. But so far am I from complaining of this extra labour, that I wish to express my appreciation of the opportunities afforded of gaining a valuable insight into the administration of the country which could only have been otherwise acquired after much longer experience, and then with difficulty.

Concluding Remarks

112. It only remains to add a tribute of my gratitude to Their Excellencies Sir John Chancellor and Sir Arthur Wauchope, and Mr. M.A. Young, Officer recently administering the Government, and to all other officers of the Palestine Administration for the kind and unsparing assistance that they have consistently rendered, and to Mr. Kitching, the Deputy Director, Mr. Shephard, the Irrigation Officer, and the members of my small office staff for all their energetic labours in the Development Department.

[1] *Vide* Appendix I.

[2] See also note on First Report, p. 58.

[3] See also note on First Report , p. 58.

[4] Paragraphs 77 *et seq.*