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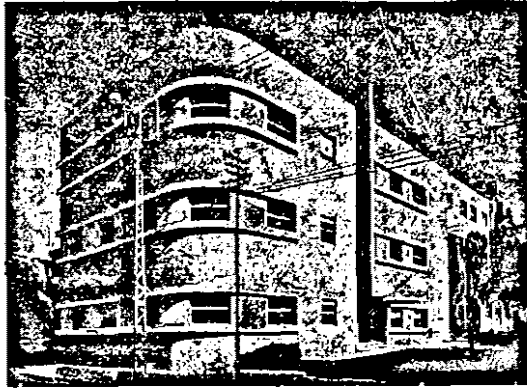
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1938

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Preface

With the present issue Palnews will have completed its fourth year of existence. For more than two years rioting and political uncertainty, bringing in its wake the full forces of economic depression, have held the land in its grip. Such abnormal conditions naturally make the publication of this work extremely difficult. Yet we have not been downcast, and with redoubled will and energy have continued publishing "Palnews Annual" year after year, so that it may serve as an economic guide for all those interested in the past, present and future economics of Palestine.

The favourable reception won by our volumes (as witness local and foreign press reviews, as well as personal endorsements), has encouraged us to continue publishing even in this most difficult year. We trust that the book will also appear in future years under more normal conditions.

In view of the political situation which provides for the creation of a Jewish State, we have opened this issue with a special article dealing with the economic possibilities for the existence of such a state.

The articles deal with the principal branches of the Palestinian economy—agriculture (special essays on the citrus industry and the water economy), building industry and industrial exports, trade, banking, communications, etc. A special article reviews the general economic situation at the beginning of this year.

The statistical material, portraying the economic and financial framework of Palestine, has been markedly extended this year, but this time the tables have not been grouped together in one section but placed immediately, after the articles to which they refer (industry, agriculture etc.). An index has been prefaced giving ready access to all the information contained within the volume.

We feel justified in assuming that this book will be of extreme value to all those interested in the economic development of Palestine.

As in the previous year, we now publish this book in two separate editions (Hebrew and English).

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FOREWORD

by **Prof. S. A. CUDMORE, B. A.**

(Tor.), M. A. (Oxon) F. S. S., F. R. Econ. Soc.

I am pleased to have been afforded this privilege of writing the foreword for the Palnews' Economic Annual of Palestine, 1938, more especially as all who are interested in the economic development of the country must feel themselves indebted to this publication for its dissemination of accurate information regarding the general business situation, as well as for the valuable special articles contributed by experts who deal with various phases of the Palestinian economy. As a comparative stranger to Palestine, I may perhaps be permitted to express my personal obligations to the Economic Annual for the valuable information provided therein, which has been found most useful in the expanding work of the Office of Statistics.

Palestine has passed through a difficult period in 1937, but in spite of this there has been considerable development, indicated more particularly by the larger exports of Palestinian products, which reached the record value of £P. 5,820,000 in 1937, as compared with £P. 3,625,000 in 1936 and £P. 4,215,000 in 1935, so that exports in 1937 were 38 per cent. more than in 1935, the highest preceding year, and 60 per cent. more than in 1936. While the bulk of these exports consisted, as in former years, of citrus fruit, exports of manufactured products also showed a gratifying increase. British statistics indicate that in 1937, Palestine was the largest single source of supply of citrus fruits to the United Kingdom, contributing nearly 36 per cent. of the oranges and nearly 58 per cent. of the grapefruit imported.

Palestine's imports of merchandise for consumption in 1937 were valued at £P. 15,904,000, as compared with £P. 13,979,000 in 1936 and £P. 17,853,000 in 1935, the only year when the 1937 figure was exceeded.

In respect of the continuing large excess of imports over exports shown by the preceding figures, it is to be noted that this is characteristic of all countries where rapid development is taking place. Palestine, however, is more fortunate than other countries at a similar stage of development, in that its capital imports are for the most part coming in with its immigrants, and thus do not involve an increase in its external indebtedness, which is comparatively small and is offset by Palestinian investments abroad. It must, however, be remarked that increasing difficulty is being experienced in the transfer of capital from European countries to Palestine. This makes it essential to make the best and most economic use of what capital we have and to increase our exports as far as possible.

For the formulation of plans for the economic development of Palestine, it is important to have "on tap" as much relevant information as possible regarding prevailing conditions both in Palestine and in other countries more especially those which are either actually or prospectively the natural markets for Palestinian products. In this connection it is interesting to note that the 1937 issue contains a special article on trade relations between the countries of the Near East. In fact, the Palnews' Economic Annual is making a valuable contribution toward the upbuilding of the Palestinian economy.

S. A. CUDMORE

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The past fifteen years has been a period of continuous development and expansion. Each year has seen new departments established and new products placed on the market. The most modern machinery has constantly been added and the Research Department has made untiring efforts to achieve further improvements in manufacturing processes and in the quality of the articles produced. At present "Shemen" turns out fifty different products valued at approximately LP. 500,000 annually and the name "Shemen" has become a household word throughout the country.

The achievements of the past fifteen years encourage the Company to carry on with the development of the factory even in these trying times, in order to increase the variety of articles produced and thus make the country more and more independent of foreign imports.

"Shemen"'s first fifteen years certainly mark an important chapter in the history of New Palestine's industrial development. With unabated confidence and enthusiasm the enterprise is working on towards further progress.

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S H E M E N

The Economic Situation in Palestine at the beginning of 1938

by the EDITOR

The 2½ years of prosperity which the Palestine economy enjoyed from the spring of 1933 to the autumn of 1935 were followed by an equally long period of depression, which without doubt brought in its train considerable setbacks for many branches of the economic development of the country. Despite the enormous difficulties resulting from the long maintained disturbances and the insecurity regarding the political future of the country, it is nevertheless possible to show that the advances and results realized during the years of prosperity have proved themselves on the whole to be firm even in times of depression. On the one hand the great falling-off in building activity due to the limitation of immigration to a fraction of the figures during the years of prosperity and the reduced investment activity in other branches led to a shrinking in the volume of trade and in the purchasing power of the consuming public. On the other hand, however, even during the period of disturbances production especially of Jewish agriculture developed further, whilst in the field of industrial production declines in certain branches were set off by advances in others, so that industrial production on the whole increased rather than decreased since 1935.

To obtain an accurate record of the depression and its effects upon various branches of the economy it is advisable to begin by examining the development of foreign trade. Imports are still of primary importance for the merchandise supply of the country, so that inferences may be drawn from the import figures regarding the development of investments as well as of the general purchasing power of the public, both being reflected in the import figures.

The Palestinian foreign trade statistics for 1935—1937 arranged according to separate categories and single articles, are included in another section of this volume, so that there is no point in repeating them here. Imports reached their peak in 1935 with £P. 17.9 millions, declined in the first year of depression 1936 by 21.7% but very largely recovered from this decline in 1937, so that the drop this year compared with 1935 only amounted to 10.9%. Import figures according to separate categories and single articles, cannot be compared with previous years because of the changes in classification adopted in 1937. Nevertheless in general it is possible to see that the imports of foodstuffs were not affected by the general decline in imports, whilst raw material and industrial goods imports were much

more affected. A specially marked drop is to be noted in the imports of building materials (cement, lumber, iron bars, girders, etc. door and window fittings), other iron goods, machines, automobiles and to a lesser extent textiles and articles of clothing. The decline in building, investment activity and to a certain degree in non-essential consumption goods is clearly expressed in the import figures.

Although imports last year were only 10% less than the peak imports in 1935, the year of prosperity, the decline in the volume of trade was without a doubt larger than this percentage shows; this relatively slight decline in imports is linked in particular with the increase in international prices, as a result of which the value of imports increased. Further it must be taken into consideration that the imports of the requirements of Government, army and other public and privileged institutions were not affected by the decline in the volume of trade. Imports for military requirements actually increased in the last two years (as the increased reexport figures show, part of these imports were reexported to Egypt). Further note should be taken of the fact that imports from Germany through Haavara were valued too highly in the import statistics, because the bonification paid by Haavara to equalize the over-valuation of Reichsmark compared with world prices was not considered in estimating the value of imports. For all these reasons imports in 1937 did not decline to such an extent as the decline in the value of trade itself would appear to show.

As a result of the increased exports (citrus fruits, potash, bromine and a number of other agricultural and industrial products) and reexports (of military requirements to Egypt) the trade balance deficit declined from £P. 13.34 millions in 1935 and £P. 9.71 millions in 1936 to £P. 9.45 millions last year. Even if, considering the small capital import last year estimated at £P. 4—5 millions, this trade balance deficit forms a pressing burden upon the Palestinian economy, it must nevertheless be recognised that there was a sharp decrease indirectly balancing out the reduced capital imports.

In the first quarter of 1938 imports fell by another 15% compared with the corresponding quarter in 1937. This may be partly explained by the decline in the development of international merchandise prices which had risen sharply just at the beginning of 1937, but is due in particular to the sharp reduction in the imports of grain and other agricultural produce (butter, eggs, fruit, vegetables) resulting from the large harvest last year and the increased production of Jewish mixed farming. Grain imports alone decreased from £P. 460,000 in the first quarter of 1937 to almost £P. 175,000 in the first quarter of this year. Since the harvest this year will also probably be good, these decreases in imports should be maintained. Citrus exports in the 1937/38 season increased sharply both in quantity and especially in value in view of the better prices realized. As a result the trade balance deficit decreased in the first quarter of 1938 to but £P. 771,000

compared with £P.1.07 millions in the first quarter of 1937 and £P.1.6 and £P.1.8 millions in the corresponding quarters of 1937 and 1935 respectively. Capital flow and removal of purchasing power abroad, as affecting the trade balance deficit, experienced a further decline this year.

Naturally the depression hit the building trade most severely, though here too the decline was not so marked as would be expected from the development of immigration, which dropped from more than 5,000 Jews per month on an average in 1935 to less than 1,000 in 1937. Building activity in the four large cities declined from 101,000 m² monthly average in 1935 to 48,100 m² last year. Whereas immigration last year declined to almost one-fifth of the level of 1935, building activity remained at almost half the 1935 level. However in the first quarter of 1938 a further decline in building activity in the four large cities was to be noted, from 148,000 m² in the first quarter of 1937 to 103,000 m² in the first quarter of 1938. This further decline can be traced back to the fact that large building schemes in Haifa and Jerusalem which were still in the course of construction last year, have now been completed. In addition Arab building activity has practically come to a standstill. On the other hand building activity in Tel Aviv, which is most intimately connected with business conditions, increased in the first quarter of 1938 to about 44,000 m² compared with about 42,000 m² in the first quarter of 1937.

Naturally the sharp decline in building activity had its greatest effect upon all those branches of the economy which are dependent upon the building industry (especially the labour market, building materials industry and subsidiary building trades). In view of the importance of building activity within the Palestinian economy, the decline in the building trade hits the actual nerve-spot of the crisis. Nevertheless the inner resisting power of the Palestinian economy is proved by the fact that by itself without the urgent impulse of immigration a volume of construction could be maintained in 1937, reaching almost half the level of the peak year 1935, when this activity had reached its most feverish heights.

As far as the production of Jewish industry and agriculture is concerned, no statistical data is available which would allow a comparison between production in 1937 and 1935. The recently published results of the new industrial census undertaken by the Jewish Agency show the value of Jewish industrial production in 1936 at £P.9.11 millions, compared with £P.5.35 millions according to the Jewish Agency's industrial census for 1933. It must be assumed that in certain branches of industry (especially in those connected with the building trade) declines in production set in in 1936 and 1937. To a certain extent this is also true for such enterprises as produce non-essential consumption goods. On the other hand there are very important increases in the production of other industrial enterprises in 1936 and 1937, whilst it should be remembered that quite a number of medium-

sized and large industrial enterprises first started production in 1936, which would also express increased industrial production compared with 1935.

Apart from the foodstuff industry, which during the last two years was able to increase its exports (especially edible oils, oil cakes, prepared rice, confectionery, essences etc.) more than threefold compared with 1935 and which has a strong basis reserve for production and sales in the steady home market, the large enterprises proved themselves to be the props of industrial production.

The Palestine Electric Corporation developed still further during the depression and increased its sales of current by 40% in 1937 as compared with 1935. This development also continued into the first quarter of 1938, in that the sale of current increased still further compared with the corresponding quarter in the previous year. The sale of current by Palestine Electric Corporation for industrial power was 28% higher in 1937 than in 1935. The large increase in the workings of the Palestine Potash Company Ltd. may be seen from the increase in the exports of potash and bromine, rising from £P. 99,000 in 1935 to £P. 223,000 in 1937. Here, too, a further tendency towards expansion is to be noted in the first quarter of 1938. Even the cement factory Nesher has only a moderate decrease in production to show despite the enormous decrease in building. This is due to the fact that the increased demands in the years of feverish buildings activity were covered by imports. The oil factory Shemen, which is closely bound up with the export of oil and oil cakes, increased its sales from £P. 340,000 in 1935 to £P. 460,000 last year. The increasing practice of utilising the local mills instead of introducing flour milled abroad, allowed the Grands Moulins de Palestine in Haifa to increase their annual turnover in 1937 by 35% compared with 1935. The other oil and soap factories and mills also increased their production correspondingly in the last two years. Amongst the industrial enterprises which first started production at the end of 1935, are to be found the Palestine Brewery Ltd., which last year supplied 60% of the beer which had until then been imported and the cotton spinning and weaving mill "Ata", whose annual turnover amounted to £P. 60,000 in 1937 (the products are mainly exported). In addition to these undertakings there are also the rice mill "Palestine Milling & Trading Co. Ltd.", which exported the greater part of its last annual production valued at £P. 100,000, the essence factory "Frutarom", the canning factory "Primason" etc.

It may be assumed that the increased production of these and other factories has at least balanced out the decline, especially in the building materials industry, and that since 1935 an increase of industrial production has taken place.

The sales of Jewish agricultural produce have not only remained unaffected by the slump but have large increases to show in the last two years. The export of citrus fruit, which composes the most important branch amounting to about 60% of Jewish agriculture, rose in the 1937/38 season to about 11½ million cases as against

10.8 and 5.9 million cases in the two previous seasons. After the sharp decline in prices in the 1936/37 season considerably better prices were realized in the following 1937/38 season, so that the export yield of that season should amount to over £P. 1 million more than in the 1936/37 season.

As regards the other branches of Jewish agriculture no detailed figures are available for the separate years. Nevertheless the sales figures of Tnuva, which handles the greatest portion of the products of Jewish mixed farming, give some idea of the development of the sales of Jewish agricultural produce. Thus in the business year 1936/37 ending on 30.IX.1937 "Tnuva" sold £P. 560,000's worth of produce which was one-third higher than at 30.IX.1935 the end of the 1934/35 business year. However, last year Tnuva's turnover did not increase much compared with 1935/1936, although the quantity sold was larger. The increase in the quantity of produce sold was balanced out by the price drops in the previous years. Only as far as prices are concerned does the depression make itself felt in agriculture, because production is moving in an unbroken upward curve. Nevertheless the great increase in the quantity and value of citrus exports and Tnuva's turnover show that the value of production of Jewish agriculture was considerably higher in 1937 than in the last year of prosperity.

After this survey of the main branches of Palestinian economic life, upon which the development of the economic situation ultimately depends, it is now necessary, to obtain a comprehensive picture of the general economic situation. For this purpose it is worthwhile glancing at the development of government revenue and currency circulation. Both these items provide in a certain sense a comprehensive cross-section of the whole economic life of the country. In one way or they another reflect all the phenomena of the economic life. They are, therefore, highly symptomatic of the development of the whole economic position.

The revenue of the Palestinian government reached its peak in the financial year 1935/1936 with £P. 5.77 millions. It fell in 1936/37 to £P. 4.64 millions and rose in the financial year ending on 31.III.1938 to £P. 4.88 (provisional figure). Thus the decline in government revenue is about 15%, compared with the 1935/36 financial year. However it should be noted that the second half of the 1935/36 financial year already entered upon the beginnings of the depression. Comparing the revenue figures for the period April/October 1937 with those for April/October 1935 a drop of 19% is obtained. In the decline of government revenue the customs revenue is especially hard hit, dropping by 27% from £P. 2.75 millions in the 1935/36 financial year to £P. 2.000 millions in 1937/38. On the whole the remaining revenue items only declined slightly. The relatively large decline in customs revenue, which is far higher than the decline in imports of only about 11%, is to be explained by the increased proportion of duty free imports from Syria and by the larger proportion of foodstuffs imports which on the whole pay less duty than industrial products. The decline in the turnover on the land market led to a marked decrease in land

registration fees. On the other hand income from posts and telegraphs increased considerably, since the use of the telephone and wireless receivers is still in the stages of development.

Currency circulation, which is a very characteristic economic symptom and which corresponds fairly closely in its movements with the development of turnovers in general, reached its highest point at the peak of the prosperity period (end of August 1935), amounting to LP. 5.84 millions. (The further increase during the following months was due to the liquidation of deposits and was of an abnormal character). After the end of 1937 the currency in circulation fell to LP. 4.83 millions. Thus during the depression it was reduced by about 17%. Afterwards, to the end of January 1938 it decreased still further to LP. 4.79 millions but in the last few months an upward tendency has been noticed in that the circulation at the end of April 1938 was raised to LP. 5.07 millions. This was an increase of about 6%, whereas a decrease of 3% was to be noted for the corresponding period of the previous year. This increase expresses a relief in the general economic situation and may be determined more closely by the position of bank deposits. From the middle of 1937 bank deposits declined rapidly, falling from LP. 17.4 millions in the middle of 1937 to LP. 16.3 millions at the end of 1937. In the first quarter of 1938 a slight increase to LP. 16.6 millions is worthy of attention.

Summing all these facts together we have the government revenue in 1937/38 showing a decrease of 15% compared with 1935/36 and the currency circulation showing a 17% decrease. These figures should correspond fairly closely to the average business and turnover declines which varied between 15—20% compared with the prosperity year 1935. This decreased turnover is not, however, uniform in all branches of the economy, but practically does not affect some branches at all, whilst others suffer all the more severely. The decreased imports were largely due to decreased imports of certain raw materials and industrial goods (building materials, other investment goods and non-essential consumption goods). Inland production remained on the whole unaffected by the depression. Agricultural production actually increased compared with 1935; industrial production probably increased as well though certain industrial branches suffered considerably drops in production. These drops were balanced out, however, by the further extension of other branches. On the other hand building activity was very strongly affected by the depression, and in this connection all those factories suffered which are connected in any way with the building industry.

If a decrease in the total volume of economic activity of 15—20% does not appear very serious compared with the considerably larger decreases during the last world crisis, we must not lose sight of the fact that the Palestinian economy is still a developing one and is based on an expansion of sales and markets. This consideration was taken into account in the calculations regarding the founding

of new enterprises in recent years. Thus the national economy was much more severely hit by the depression than the figures show. In addition the unequal distribution of the decrease in turnover made its effect much sharper. The building industry and allied trades lie submerged under the concentrated pressure of the depression, whilst their position is rendered still more precarious by the inadequate financial basis of many undertakings concerned. The slump depressed production and in many cases reduced the production of factories below their minimum capacity for profitable working. With the building industry as its centre the depression spread its net over traders, agents, professional men and income classes who derive their income therefrom. Thus agriculture, too, was affected. In agriculture the depression made its appearance chiefly as a crisis in prices, reflecting the reduced purchasing power of the urban population.

The strong powers of resistance of the Palestinian economy in spite of the difficult present conditions, and the symptoms of recovery which are beginning to become apparent in the early months of 1938, nevertheless provide reason for the expectation that after settlement and classification of the political situation, the depression will be rapidly overcome and new developments take place. The lively capital import of the spring of 1938, the increased yield of citrus exports, the larger local sales of agricultural produce, the tendency toward increased bank deposits and currency circulation, the decline in the retail trade index after its considerable increase in the years 1936 and 1937 through which the cost of living was burdened, the strength of the Palestinian securities, all these are favourable signs in this direction.

The Partition of Palestine and its Economic Aspects

by Dr. ALFRED MICHAELIS

Despite the uncertain position regarding the execution of the Royal Commission's recommendations, and despite the acute problems thrust into the foreground as a result of the tense economic situation, the possibilities of the economic existence and development of the proposed Jewish State still remain both politically and economically a question of fundamental importance. The economic capacity of the state in one of the determinative factors to be taken into consideration in its formation and one which will determine its future fate.

How it is possible to estimate the economic possibilities of developing a country? However impracticable or difficult it may seem to forecast the economic future of a state for a long time ahead, there are nevertheless certain factors and standards upon which this future depends. These factors lie above all in the productive capacity and consuming power of the country concerned, and these must bear a balanced relationship to one another. We shall, therefore, attempt below to consider and estimate this relationship.

The Jewish State as proposed by the Royal Commission covers an area of between 5,500 and 6,000 sq. km. In practice the economic importance of a sq. km. varies from country to country. In irrigated Egypt the population per sq. km. is more than 400, in Belgium 265, in England 190, France 75, in European Russia but 27 and in the South African Union only 7. The standard of living in all these countries varies enormously; in Egypt it is very low, in Belgium and England very high whilst in France and Russia it is on the whole lower. The density of population and the standard of living depend upon the developed productive capacity of the country concerned and its relationship to the population; to a certain level this increases the productive capacity but, above and beyond this level it acts as a depressing influence upon the standard of living.

The proposed Jewish State will have a population capacity corresponding to the productive powers that can be developed. Any excess population above this level will only depress the standard of living. Where does the maximum production and population capacity lie?

The maximum density of population in the proposed Jewish State might be estimated at 200—300 souls per sq. km. i. e. about $1\frac{1}{4}$ — $1\frac{1}{2}$ million inhabitants,

if intensive irrigated agriculture were adopted and all possibilities of industrial development systematically exploited. The following investigation attempts to show how far the agricultural and industrial productive capacity would suffice as a basis of existence for such a population.

It must not be forgotten, however, that the productive and population capacity of the projected Jewish state will also be determined to some extent by a number of factors which cannot be accurately predetermined. The most important question is how large a section of the Arab population will remain in the Jewish state and what areas of land will remain in their possession thus becoming temporarily withdrawn from intensive, rational exploitation. It can be taken for granted that the number of such cases will be quite considerable and that as a result the practical population capacity will be considerably reduced. In this investigation this factor will have to be neglected and the question of productive and population capacity dealt with theoretically on the basis that agricultural productive powers will be developed in accordance with the objective possibilities available. In so far as this will not be the case the potential population capacity objectively possible can also not be attained.

1. POSSIBILITIES OF AGRICULTURAL DEVELOPMENT.

The development of agriculture is of fundamental economic importance for the proposed Jewish State. Our present state of knowledge informs us that no mineral resources lie within its boundaries. In consideration of this fact and also in view of the limited size of the market which renders impossible the production of such articles as require extensive marketing possibilities, industrial development will be confined within certain limits; thus the future state will to a great extent remain dependent upon the import of raw materials and industrial goods. Since, however, a country cannot be permanently a large importer of agricultural produce, raw materials and industrial goods without possessing correspondingly large export possibilities or "invisible" assets in its balance of payments, the Jewish state will be forced largely to supply itself with its requirements of agricultural produce. In so far then its agricultural productive capacity is at the same time the decisive factor in its population capacity. It is hardly to be expected that the expandable yet nevertheless limited export possibilities can become sufficiently large to equalize in the balance of payments a considerable import of foodstuffs in addition to the imports of raw materials and industrial goods.

The importance of agriculture for the future Jewish state is increased in that, until now, the deficit in agricultural production amongst the Jews was supplemented by the Arabs. Even if the two economic sectors are largely isolated from one another within Palestine itself, nevertheless outside the country as far as the balance of payments is concerned they form an unity. After the partition of Palestine into independent Jewish and Arab states, Arab foodstuffs deliveries which

today are burden upon Palestine's balance of trade and payments will indeed form such a burden upon the Jewish state. Thus after partition the present supplementing of the Jewish economy by the Arabs will be ended (except for the relics of the Arab economy persisting within the Jewish state).

The agricultural productive capacity of the Jewish State is above all a problem in irrigation. Irrigation is dependent upon the following four sources of water:

1. Direct precipitation
2. Ground water
3. Surface water (rivers, lakes, wells)
4. Dams (reservoirs, cisterns)

In so far as direct precipitation is concerned the conditions for the proposed Jewish state are relatively favourable. Galilee and the coastal plain, which mainly compose the Jewish state, are amongst the highest precipitation zones in Palestine.

In the years 1935/36 and 1936/37 the precipitation was as follows (number of measuring stations in brackets):

Jewish State Area	1935/36	1936/37	Average for both years
	mm.	mm.	mm.
Galilee hills	495 (8)	721 (9)	608
Huleh region	370 (2)	494 (4)	432
Ain Harod/Beisan plain	237 (1)	438 (3)	337
Haifa — Acre plain	462 (3)	595 (5)	528
Plain of Esdraelon	273 (1)	535 (4)	404
Carmel region	375 (2)	622 (3)	498
Coastal plain	407 (21)	556 (27)	482
Average	418 (38)	578 (27)	498
Total Palestinian Average	343 (68)	520 (98)	432

1935/36 was a year with a very poor precipitation rate whilst on the other hand the rate of precipitation in 1936/37 was very high. The average of both years gives a fair picture of the normal precipitation; in the regions falling within the projected Jewish State it amounts to about 500 mm per year, whereas the total Palestinian average is only about 430 mm.

Dr. W. Stern writes the following about irrigation possibilities from ground water: —

"From our present knowledge and experience of Palestine's water resources it may be stated that the known sources as well as those still awaiting exploration can add another 2.5 million dunams, that is ten times the area now irrigated, to

the area intensively cultivated and settled. As to how far such exploitation of the subsoil water can endanger the constancy of the water supply can only be decided by careful study of the increase and decrease of the water supply. As far as can be foreseen the utilisation of half the possibilities mentioned above would not involve any danger to the water supply¹).

The areas here considered as irrigable by ground water mostly fall within the projected Jewish State, so that an area of ca. 1 million dunams can be reckoned as irrigable by ground water.

The quantity of irrigable water available from surface water (Jordan, Yarkon, wells) in the Jewish state is estimated by Dr. A. Werber²) at 760 million cbm. to which another 200 million cbm. may be added from water stored in reservoirs and cisterns. With an average water supply of 400—500 cbm. per dunam this about 1 milliard cbm. would allow the irrigation of a further 2 million dunams of agricultural land.

If all these irrigation possibilities were exploited to their maximum, though this first would require a comprehensive hydrological survey of the country which is so far lacking, it should be possible to irrigate between 50—60% of the land area of the projected Jewish state i. e. about 3 million dunams.

Grain cultivation, the basis of the national food supply, has only been carried on till now by Jewish agriculturists on very small areas, firstly because insufficiently large areas were available and secondly because unirrigated extensive grain cultivation brought in very small yields. Irrigated areas were used for the cultivation of intensive cultures, especially (citrus-) fruits and vegetables. The grain requirements of the Jewish population were partly covered by Arab supplies and partly by imports.

The average per capita consumption of wheat in Palestine amounts to 170 kg.; Jews probably consume more and their average may be estimated at 200 kg. thus a Jewish population of 1½ millions would require about 300,000 tons of wheat, which can be valued at between £P. 3—4 millions CIF varying with the changes in world prices. Such a large wheat import would be an extremely heavy burden upon the balance of trade, especially when it is remembered that the balance will already be heavily weighted by the import of raw materials, industrial goods, etc. which cannot be produced in the country.

In view of the insecurity and lack of profitability in unirrigated grain cultivation, the agriculture in the Jewish State can only adopt irrigated grain cultivation, especially since the yield is three times that of unirrigated grain cultures. The irrigation of grain cultures only requires a relatively small amount of water because the vegetation period of this crop falls in the rainy season and

¹) Palnews Economic Annual of Palestine 1936 (pp. 98—99).

²) Palnews Economic Annual of Palestine 1937 (pp. 106—117).

thus only additional irrigation is required. With irrigated, intensive grain cultivation a yield of about 300 kg. per dunam could be reached, so that to supply the wheat requirements of the Jewish population would necessitate the utilization of about 1 million dunams of land — a third of the irrigated area in the state. In addition if grain cultivation is neglected in the future as the chief farm enterprise the multiplication of the land available for Jewish agriculture will lead to such an overproduction of other intensive cultures, as a result of the neglect of wheat, that the market will collapse under the unavoidable crisis brought about in prices and distribution.

Next to grain cultivation the second largest need and present lack in the field of Jewish agricultural production is the maintenance of cattle. The production of milk amongst Jews at present amounts to about 30 million litres. To this must be added about 90 million litres of milk being the equivalent of the butter, cheese, condensed milk and milk powder imports; in these imports the non-Jewish urban population also participates to a certain extent. The milk and milk products requirements, reckoned in litres of milk, of a Jewish population of $1\frac{1}{2}$ millions can be estimated at least at 300 million litres, which with an average annual milk yield of 3,000—3,500 litres per cow would require the maintenance of about 100,000 cows. Beef cattle requirements, so far practically completely covered by imports (import value at present £P. 330,000) and Arab supplies, can be estimated at least at 150,000 head to cover the needs of the population at the figure given above. To cover all milk requirements and at least a substantial portion of the beef cattle requirements would require a fodder raising area of about 200,000 dunams.

Irrigated vegetable cultivation upon 75,000 dunams only would cover the needs of a population of $1\frac{1}{2}$ millions. The area required to satisfy the demand for vegetables, fruits (including citrus areas), and other vegetable and animal products can be reckoned at about 1 million dunams.

Taking the irrigated cultivatable area at ca. 3 million dunams there remain nearly 1 million dunams available for the cultivation of other foodstuffs and agricultural raw materials which either impose a burden as imports upon the balance of trade or for which export opportunities are available or could be found. In addition to extending potato cultivation to replace imports both of potatoes and a large part of the rice the cultivation of sugar must also be considered here. The present Palestinian imports of potatoes and rice amount to almost £P. 300,000 and the import of sugar to £P. 200,000. By cultivating the sugar beet, local requirements of sugar can be produced at home on limited areas of land. In the neighbouring countries of the Near East sugar production has been systematically stimulated in recent years both to cover local demands and also in part for export. Sugar beet production would also extend the fodder basis for cattle maintenance (beet vegetation, residues from the manufacturing process). In addition attention should be paid to the possibility of growing cotton, though this crop requires heavy

irrigation. Cotton plantations, which quite apart from Egypt are being cultivated increasingly in all Near Eastern countries, would provide the raw materials for textile industry of the Jewish state and this is a matter of great importance in view of the lack of mineral raw materials. To a limited extent cotton exports should also be possible. Cotton would also fit in very well in the crop rotation of other cultures, since cotton can be rotated with wheat, maize, clover, lucerne, legumes and potatoes. The heavy irrigation requirements of cotton would be balanced out in rotation years by the lesser needs of grain cultures. In addition the lack of vegetable oils will be strongly felt in the Jewish state after most of the present supplies of olives and sesame fall within the Arab state. The obtaining of cotton seed oil would be of great importance for use as edible oil and also in the manufacture of soaps and margarines. The stalks of cotton plants are also suitable for the manufacture of paper.

With an irrigated area of 3 million dunams it should be possible to more or less cover the foodstuffs requirements of a Jewish population of 1½ millions, special reference being made here to wheat, milk, milk products and eggs (mostly providing own fodder requirements) beef cattle, fruits, potatoes, vegetables, sugar and a few other less important products. To this must be added the possibility of producing cotton to supplement the industrial raw material basis, the cultivation of tobacco and drinks (wine) which already today lie within the boundaries of the Jewish state, the production of olive oil to be supplemented by cotton seed oil and above all citrus production mainly intended for export. The following articles may also be exportable: — winter vegetables, early potatoes, certain kinds of fruits, possibly cotton and wool and other special products which show themselves suitable.

The following land cultivation and water requirement would result from such an agricultural production programme. This table is only approximate and bears no claim to accuracy:—

	Dunams	Water Requirements per dunam (in cbm.)	Total
Citrus	300,000	600—700 ca.	200,000
Wheat	1,000,000	150—200 „	200,000
Fodder Crops	200,000	900—1,000 „	200,000
Vegetables, Fruits	500,000	Veg. 800—1,000	
		Fruits 200—300 „	250,000
Various, fallow	1,000,000	500—600 „	550,000
Total	3,000,000		1,400,000

The covering of Palestine's food requirements as far as possible by local production prerequisites with regard to market conditions that production costs are not

driven to a level which would bear heavily upon the purchasing power and cost of living of the urban population and so far as only necessitates the imposition of a moderate tariff protection.

2. INDUSTRIAL RAW MATERIAL SUPPLIES.

As far as raw material supplies are concerned the Jewish state as proposed by the Royal Commission is in a very bad position. All known mineral deposits in Palestine lie within the confines of the Arab State. According to a list in the Palestine Blue Book 1936 (p. 165) they comprise the following: —

Potash, Bromine, Magnesium chloride (quantities unlimited)	Dead Sea
Petroleum (quantity unknown)	Jebel Usdum Area
Petroleum (large structure located)	Gaza
Bitumen (known deposits limited)	Jebel Usdum Area
Bituminous limestone (10 square Kilometres)	Nabi Musa Area
Phosphate (100 sq. km.)	Jebel Usdum Area
Gypsum (quantity large)	Nabi Musa Area
Gypsum (deposits unfaulted strata, quantity unknown)	Menahemia
Salt (quantity unlimited)	Jebel Usdum Area
Sulphur (1 sq. km.)	Gaza
Manganese (deposits large but quantity not determined)	Akaba
Copper	Akaba.

Even if the concessionary rights of Palestine Potash Ltd. over the Dead Sea (and the Palestine Electric Corporation's concession) remain as such, they will nevertheless fall within the Arab State.

An awkward gap in the raw material resources is formed by the lack of wood, which can certainly not be put right for a long period ahead. In particular the citrus export industry requires large imports of prepared wood for citrus cases.

In view of the unfavourable mineral and wood-resources position it is all the more necessary from the economic point of view to press forward agricultural production to the limits of possibility as rapidly as possible, for a country cannot at the same time be a large importer of agricultural products, raw materials and industrial goods.

3. POSSIBILITIES OF INDUSTRIAL DEVELOPMENT

With a population of 1½ million the Jewish state must remain to a relatively high degree dependent upon imports of industrial goods, because certain categories of industrial goods, especially products of heavy industry and mass produced goods, cannot be manufactured profitably for so small a market. Nevertheless local industry's share in supplying the local market's needs can be increased far more than at present;

at any rate the demands of a population of $1\frac{1}{2}$ millions will be much larger than those of a population as at present of 0.3—0.4 million Jews.

The gross value of the production of Palestinian industry in 1935 was estimated at £P. 11—12 millions, of which ca. £P. 8—9 millions was Jewish industry's share. As a result of the depression last year the value of production is estimated to have dropped to £P. 10 millions and Jewish industry's share to ca. £P. $7\frac{1}{2}$ millions. Industrial imports in the boom year 1935 amounted to £P. 10.8 millions, in 1936 to £P. 6.6 millions and in 1937 (including imports of gov't, military, I.P.C. and other public institutions which were classified separately in the previous year) to £P. 10.1 millions. This amount is increased further by about £P. 1 million from the heading "Foodstuffs, Drinks and Tobacco", which includes the products of the foodstuffs industry (in particular flour, sugar, chocolates, confectionary, beer and other drinks and cigarettes). Import values are reckoned CIF so that the local value is increased by an average of about 20% as a result of custom charges, harbour fees, and transport costs. In the last three years the local value of industrial imports (including the imports of public and privileged institutions) amounted to between £P. 12—15 millions. In obtaining the total value of industrial goods sold in the country it should be noted that the products of Palestinian industry largely include imported raw materials and semi-finished goods which have already figured in the trade statistics under imported industrial goods (iron ware, chemicals, leather, etc.). These must be subtracted here to avoid duplication. Taking this fact into account it is found that Palestine's industrial requirements vary with the state of the market between £P. 18 and £P. 24 millions, i. e. on the average amount to at least £P. 20 millions. Jewish industry covers about 40% of this (apart from the value of manufactured agricultural goods and other raw materials the net production value of Jewish industry would scarcely amount to more than about 20% of the total industrial requirements).

With the increase in the Jewish population from the present level of 400,000 to ca. $1\frac{1}{2}$ millions the need for industrial goods would expand enormously. Although the Jewish State will largely remain dependent upon industrial imports, especially the products of heavy and mass-production industry, the local industrial production can be increased far above the present level. If the gross value of Jewish industrial production were increased from the present level of about 40% of the total requirements to between 65—70%, this would render possible a four- or five fold increase of present Jewish industrial production. Such a development depends, however, upon adequate tariff protection for those articles which can be produced profitable at home.

4. THE PROBLEM OF BALANCE OF TRADE AND PAYMENTS.

One of the most important tasks of the Jewish state will be to attain over a developmental period a trade balance which need not be absolutely equalized but

one in which the deficit is reduced to a bearable amount. Since 1933 the trade balance deficit has reached such proportions that a considerable portion of our capital imports flowed once again abroad. During the 5 years 1933—1937 the deficit in the trade balance reached the following proportions:—

	1933—1937
Imports	£P. 74.01 millions
Exports and Reexports	„ 21.65 „
Trade Balance Deficit	£P. 52.36 millions

This extraordinarily high trade balance deficit is reduced, however, by the import of immigrants' effects which are included in the trade statistics but which constitute an unpaid import, by the imports of the Iraq Petroleum Company and the import of military materials (the Palestinian Government only gives a supplement to the military establishment). Part of the trade balance deficit is to be placed at the door of the Arab economy. The part of the trade balance deficit due to the Jewish economy may be estimated, after subtracting all these items, at about £P.35 millions. The deficit was covered by the extraordinarily high capital imports during these years, amounting in all to £P.45 millions; but the largest portion of this capital import flowed back again to cover the excess imports, part of which were for investment purposes but a part also for purely consumption purposes.

It must be assumed that the imports and excess imports of the Jewish state will remain very high for a long transitional period during which agricultural and industrial production is developing. During this period, as before, the trade deficit must be covered by capital imports. After a certain period, however, a level must be reached where imports can be covered by the exports and other normal active items in the balance of payments. Large capital imports cannot be considered a normal permanent phenomenon, quite apart from the fact that their expenditure upon imports weakens the country economically.

The equalizing of the balance of trade and payments can only ensue from both the import and exports sides. On the import side the policy of the Jewish state must be to reduce the imports of all such agricultural and industrial products as can be produced profitably at home. At present Palestine's imports may consist two-thirds of goods which are either already produced in Palestine or could be produced without serious difficulties. Even if this is the case there still remains a fairly large need to import such agricultural products as cannot be produced in the country, further nearly all raw materials and the many industrial products for which an extensive enough local market does not exist. With increased industrial production there is created at the same time an additional demand for raw materials and semi-finished goods as used by local industry. For a population of $1\frac{1}{4}$ — $1\frac{1}{2}$ millions these imports would still amount to at least £P. 20 millions and it will be one of

the most difficult economic tasks of the Jewish State to balance this out in some way by means of exports.

The most important export item is citrus fruit. The citrus plantations owned both by Jews and Arabs, will fall practically entirely within the boundaries of the projected Jewish State. When the whole citrus area comes into fruit, we shall have to reckon with about 20 million cases of exportable fruit, which at 5/- f.o.b. per case would yield about £P. 5 millions. It is estimated that 60% of the exportable fruit will come from Jewish groves and 40% from Arabs. It may be presumed that the Arab citrus exports will be despatched through Jaffa, so that the projected Jewish state will have a citrus export valued at about £P. 3 millions.

The next most important export item is the potash and bromine produced by the Palestine Potash Company Ltd; the production of this company is increasing rapidly. The Royal Commission proposed that the rights of concessionary companies should remain protected, but nevertheless the works of the Palestine Potash Company will be within the confines of the Arab State, and thus the exports of potash and bromine will be excluded from the balance of trade of the Jewish state.

Altogether Palestinian exports in 1937 developed as follows (in £P. 1,000's):

<i>Citrus fruit</i>		4,330
<i>Other agricultural produce</i>	199	
<i>Food Products</i> (edible oils, oil cakes 240; rice 58; fruit juices, jams, essences, confectionary, chocolates 49; wine and other drinks 21)	375	
<i>Raw Materials</i> (Hides and skins 190; scrap iron and metal 95; intestines 24; raw wool 13)	349	
<i>Manufactured Goods</i> (Potash and bromine 223; cotton yarn, textile and apparel 113; laundry soap 74)	565	1,488
<i>Total</i> (exclusive of live animals and precious metals)		5,818

The export of agricultural products other than citrus fruit (barley, maize, wheat, sesame, melons), depending upon the size of the crop, is mostly due to Arab agriculture and must be excluded from the exports of the Jewish state. On the other hand Jewish industry practically monopolizes the export of food products. The export of raw materials, mainly consisting of slaughter-house products and scrap metal, mostly falls within the Jewish economy; in view of the vastly enlarged economic extent of the Jewish state this export could probably be increased considerably in so far as the raw materials are then not utilized locally. The export of manufactured goods as well (apart from laundry soap and a few other items) is mostly due to Jewish industry. Altogether the export of goods other than citrus fruits increased last year to almost £P. 1½ millions, of which about £P. 0.8 millions would be transferred to the economy of the Jewish state.

By developing agriculture and industrial production within the framework of the Jewish state, these exports can be considerably increased though it must not be forgotten that the possibilities are set within certain limits. Great hopes are frequently laid upon exports to the neighbouring countries of the Near East, which doubtless could absorb far greater quantities of Palestinian products than they do at present, especially since Palestine and the future Jewish state imports now and will continue to import from these countries. Nevertheless the possibilities of exporting to the neighbouring countries should not be overestimated, for in all these countries industries, similar to those that come into question for the Jewish state (light industry and consumers' goods production), are being developed and the countries concerned are naturally anxious to protect the interests of their local industries. The neighbouring countries of the Near East are only limited consumers of those agricultural products which come into question as export products of the Jewish State. Altogether the trading connections between the countries of the Near East are relatively weakly developed compared with the total volume of these countries' foreign trade; essentially these countries export raw materials which are purchased by the big industrial countries who supply their needs of industrial products in so far as local industry cannot satisfy the demand.

Since the future Jewish state, as opposed to the present Palestinian mandatory territory, will be able to conclude compensatory and clearing agreements, its chances of exporting should be more favourable than is at present the case in Palestine; the opportunity will thereby be given of balancing out imports to a great extent by exports.

Even if it appears that the exports of the projected Jewish state can be expanded considerably, nevertheless it also appears that it will be extremely difficult to expand them to such an extent that the remaining import requirements will be totally or even largely balanced out by exports. The establishment of a healthy balance of trade will be one of the most difficult tasks of the economic policy of the Jewish state, and this task can only be fulfilled if all possible chances of exporting are made use of to their maximum and if agricultural and industrial imports are reduced to the lowest possible level, i. e. as far as is compatible with profitable local production.

5. THE FINANCIAL BASIS OF RECONSTRUCTION.

It hardly needs special mention to be made of the fact that the economic development of the Jewish state is linked with enormously high capital requirements. It has been estimated that £P. 120 millions have been invested in the Jewish reconstruction of Palestine since the World War. The continuation of the reconstruction work should be rendered easier in many ways within the framework and with the energetic cooperation of the Jewish state; and the execution of large-scale, organized development plans should be carried out more rationally than the piece-meal work so far undertaken. Further it should be taken into account that the work done up to

now presents a far better basis for further development than the country completely devastated as it was after the World War. In addition the experience so far gained will help to avoid many failures and abortive investments, which increased the cost of the work upto now. Taking all these points into consideration we shall, nevertheless, have to reckon that the extension of the economic and population basis of the Jewish state, as sketched out, will require certainly not smaller but probably much larger capital investments than have been provided so far.

There are five basic financial sources available for the economic reconstruction work of the Jewish State :

1. the budgetary surplus of the Jewish State, i. e. the surplus of revenue over current expenditure.
2. the income of the national Jewish institutions, above all the Keren Hayesod and K. K. L.
3. Private capital imports.
4. Local capital accumulations.
5. Foreign loans and investments.

As far as the budgetary surplus of the Jewish State is concerned, the experiences of the Palestinian Government have shown that revenue increases sharply as a result of immigration so that large surpluses have been formed during years of high immigration. Thus during the immigration period 1924—36, a budgetary surplus of £P. 1.3 millions was formed, and in the period 1932—36 a surplus of £P. 5½ millions. From this fact alone it can be reckoned that the Jewish state, too, during a long period of development connected with large immigration, will be able to form large revenue surpluses over its current expenditure and will be able to use these surpluses for economic development work. If it be reckoned that this development stage will take about two decades and that £P. 1—2 millions can be made so available each year, we already have a sum of about £P. 30 millions for investment purposes from this source alone. It must be remembered here that the Palestinian Government never called overmuch upon the financial resources of the country itself, so that the Jewish state can raise the level of its income as long as it safeguards itself against imposing too heavy a tax burden upon the inhabitants. Even if the Jewish state has to pay more attention than the Palestinian Government did to health and education, on the other hand the expenses for the Arab sector, which the Palestinian Government was used to cover from the Jewish revenue sources, will vanish. The Jewish state will also have to make considerable provision for defence, but it should not be forgotten that upto now the Palestinian Government has been involved in considerable expenditure for police and military security. In the year previous to the disturbances (Financial Year 1935-36) the expenses under this heading (Police and Prisons, Defence, Transjordan Frontier Force) amounted to £P. 0.86 millions, and in the meantime they have increased considerably. As with all the expenditure of the

Palestinian Government this, too, was raised to a disproportionately high extent from Jewish sources, but it need not be presumed that expenditure upon defence by the Jewish state will exceed the present bounds very considerably.

Already now the income of the national Jewish institutions (above all the Keren Hayesod and K. K. L.) has reached a level of about £P. 1 million per annum. It should be presumed that this income can be increased, but even if this is not the case, they would realize during the 20 year developmental period, a sum of about £P. 20 millions. This sum could be directed for more than before to economic reconstruction work, for the Jewish State itself should free the Keren Hayesod from a large part of its former responsibilities with regard to education, health, etc.

Private capital imports between 1933 and 1936 reached the astounding sum of £P. 35-40 millions (Jewish immigration during this period amounted to about 165,000 persons). Even if it be assumed that future immigrants will have far less capital resources and the total capital imports only amount to £P. 5-6 millions annually (an amount that was reached on the average even in the last two unfavourable years 1936-37), even then the capital imports during the accepted term of two decades will amount to £P. 100-120 millions.

Local capital accumulation, which itself is largely dependent upon the rate of economic development, is very difficult to estimate but it, too, should reach quite a considerable amount within the space of two decades.

As far as foreign loans and capital investments are concerned, economic development has so far been also financed to a not inconsiderable extent by such loans and investments. The level of these has been estimated at £P. 25 millions*. In the future, too, it should be possible for the Jewish state itself, as well as for the component parts of its economy, to attract foreign capital in the form of loans or direct investments. However, caution should be exercised so that the future income of the state is not burdened too heavily with interest and amortisation payments upon foreign loans.

In accordance with these facts, figures and estimates, it can be seen that on the basis of the actual post-war developments, very large capital and financial resources will be available for the economic reconstruction of the Jewish state; amongst which private capital will play the most important part. The success of the whole economic development will depend upon the rational utilization and avoidance of misplaced investment of the means available, which though large are nevertheless limited in relation to the size of the undertaking. Thus one of the most important tasks of the Jewish state will be to direct economic development and inflowing capital into the proper channels and to develop in a balanced ratio the various items of production and other branches of the economy.

* "Foreign Investments in Palestine". W. Düsterwald (Palnews Annual 1937, pp. 172-178).

The Development of Industry in 1937

by Dr. ERWIN WITTKOWSKI

I.

1937 will be recorded in the history of Palestinian industry as a very difficult year. The depression, having both political and economic origins, had a profound effect upon young local industry. Lessened purchasing powers of large sections of the public decreased the extent of the market, whilst the lack of faith induced by political and economic insecurity not only hindered the starting of new activities but also the structural and financial development of already existing concerns. The decrease in immigration lessened the demand for capital goods, houses, furniture, agricultural and industrial equipment, which was immediately reflected in the smaller turnovers of the industries — estimated as one-third of the whole industrial field — directly supplying this demand. Price movements for raw materials on world markets did nothing to ease the position. In the first half of the year prices rose in some cases by more than 100% whilst in the latter half there was an irregular drop though not equivalent to the rise in all cases. The result of this was increased production costs which could only in part be passed on to the consumer because of the depressed state of the home market, whilst at the same time the disposal risk was considerably increased.

Industry, the youngest branch of the Palestinian economy, was confronted with all these difficulties at a time when it was still faced with many structural tasks and problems. Young firms, who were still grappling with problems of organising production and were still amassing the technical and commercial experience required, had not yet solved their financial difficulties or faced the problem of winning and consolidating their markets. Under these conditions it is no wonder that comparatively speaking the development of industry in 1937 was at a standstill and to some extent even partly retrograded.

Nevertheless 1937 may not be classed as a year of reverses alone. As opposed to the negative results a number of positive steps were taken, which even if not so striking at first glance, will possibly prove in the long run to have a greater effect than the reverses upon industrial development. First of all industrial development did not stop entirely in 1937. Most factories continued work; many were able to increase production and sales, on the whole balancing out the declines

in other branches. The total decrease in industrial production is relatively small, in any case much smaller than is common during slumps in other countries. In some factories where difficulties in 1936 forced a stoppage of work and reorganization of the enterprise, renewed activities could be commenced in 1937. New undertakings still continued to be founded though at a slower rate. Several important enterprises were opened or began production this year. In some industrial branches operating conditions were improved during the year. In certain cases satisfactory agreements were reached with producers or consumers on the home market, whilst in a few cases an understanding regarding the Palestinian market was arrived at with foreign competitors. At the same time considerable progress was made in the winning of foreign markets. Palestine industrial export figures which had remained relatively stagnant till 1935, and had shown only a slight rise in 1936, increased sharply in 1937. Old established firms which were able to increase their foreign sales, shared this advance with enterprises appearing for the first time on foreign markets. In the financial field, too, a long-wanted need was filled towards the end of the year. The granting of ten year 5% industrial credits took cognizance for the first time of industry's need for long term credits.

This step was one of several measures undertaken jointly by the Jewish Agency, Anglo-Palestine Bank, Manufacturers Association and Palestine Industrial Bank in the interests of industry. These measures comprise the founding of an export institute to investigate markets and to organize the sales of Palestinian industrial goods abroad, an institute to advise on technical and scientific matters and institutes to regulate market agreements between producers and between producers and importers. It is possible that if these last steps which were taken only at the end of 1937 and then very carefully and tentatively, should develop into the basis of an active and large scale industrial policy by the public Jewish authorities, they will prove be to the most hopeful and important measures taken since years for the industrialization of Palestine; and 1937, through whose need they were borne, will figure in the history of Palestinian industry not so much as a year of industrial reverses and difficulties but as the year in which a basic and novel attitude towards industrialization was adopted.

II.

1. THE EXTENT OF PALESTINE'S INDUSTRIAL PRODUCTION.

The continuous development of Palestinian industry both during the years of prosperity and of depression, is confirmed by the results of the industrial census conducted by the Jewish Agency in August 1937. A comparison between the 1937, 1933 and 1929 census figures, as well as the Jewish Agency estimates for the intervening years, gives the following picture: —

Industry and Handicrafts in Palestine (Jewish Sector)

	1929	1933	1934	1935	1937
No. of enterprises	2475	3388	4165	4615	6300
Persons occupied	10968	19595	28890	32830	27300
Value of Production (in £P. 1000's)	2510	5352	7104	8593	9060
Capital (in £P. 1000's)	2234	5371	6937	8654	12700

Taking 1929 = 100 we obtain the following index figures for industrial development.

	1929	1933	1934	1935	1937
No. of enterprises	100	137	168	186	255
Persons occupied	100	179	263	299	249
Value of production	100	213	283	342	361
Capital	100	240	310	387	568

As compared with 1933, the year of the last comprehensive census, all figures show substantial increases. The number of enterprises increased by 86%, the capital invested in them by 137%. The value of production was 70% higher than in 1933 and the number of persons occupied about 40% higher.

Even compared with 1935, the last peak year in Palestine, the figures show considerable advances. During the two years 1935—1937 the number of the enterprises increased by 37% (1933—35 by 36%), the capital investment by as much as 47% (1933—35 by 61%). On the other hand the production figures portray the present depression; despite increased equipment the value of production only increased by 5%, whilst the number of persons occupied sank by 17%. It is true that caution must be exercised in using the estimates for 1935, nevertheless, the results are more or less in line with actual experience. The total value of industrial production was maintained even during the depression because the decreased sales in certain branches were balanced out by gains in others. The number of persons occupied was affected adversely by a number of additional factors, such as mechanization of the production process, increased output per worker, lowering of goods prices etc.

The distribution of labour over the various branches may be seen from the following table, in which present figures are compared with those for 1933 (1933 figures in parentheses): —

Industrial Branch	Enterprises	Persons Occupied	Production	Capital
Foodstuffs	480 (360)	3480 (2630)	2300 (1046)	1850 (887)
Textiles	120 (76)	1300 (1182)	380 (259)	430 (232)
Clothing	1290 (711)	3460 (2282)	540 (375)	290 (120)
Metal	690 (631)	2760 (2934)	790 (672)	740 (344)

Industrial Branch	Enterprises	Persons Occupied	Production	Capital
Machine construction	500	1150	300	250
Wood	760 (447)	2980 (2462)	810 (536)	500 (205)
Leather	770 (451)	1790 (1311)	410 (261)	200 (97)
Printing and paper	450 (239)	2390 (1466)	580 (246)	600 (218)
Chemicals*)	100 (51)	1122 (730)	720 (471)	1040 (842)
Stone and cement	300 (156)	2480 (2730)	1060 (1085)	1820 (817)
Electricity*)	140 (40)	540 (545)	140 (257)	120 (1525)
Miscellaneous	700 (287)	1770 (954)	280 (143)	300 (81)
Total	6300	24830	8310	8140
Pal. Electric Corp.	—	1510	} 750	4530
Potash Works	—	920		
<hr/>				
Total Industry	6300(3388)	27260(19595)	9060 (5352)	12670 (5371)

As was already the case in 1933, the foodstuffs industry in 1937 takes the lead in capital investment, value of production and number of workers (excluding the concessions). The clothing industry comes very close as regards number of workers but the value of production is much smaller. The development of the production apparatus is most apparent in the younger industrial branches — metal working, machine construction, chemicals and electricity and also the paper (packing) industry as a result of the foodstuffs industry. Apart from this latter it is just these young industries which are particularly affected by the depression so that it is just in these branches that the development of production and of workers employed does not correspond with the growth in the number of enterprises.

2. DETAILS OF INDUSTRIAL DEVELOPMENT.

a) *Time.*

The position was not uniform throughout 1937, the first few months of the year were on the whole better and gave better promise for the future than the latter months. In the first half of the year there was an appreciable upward surge. Trading stocks depleted during 1936 had to be made good; the awaited price increases caused the trade and to some extent consumers as well to increase purchases; hopes for a speedy political settlement and favourable future provided a fairly sound basis for business.

In the second half of the year nearly all optimistic calculations proved to have been illusionary. Price increases made way for unforeseen drops; the political future remained uncertain; such temporary decisions as were taken, e.g. im-

*) In 1937 exclusive and 1933 inclusive of both concessions.

migration, were injurious to business. Consumers limited their demands to essentials and traders did not give new orders but preferred to reduce their stocks. The forecasts for the near future, if there is no change, point rather to a decline than to an improvement in the general position.

b) *The position in Individual Industrial Branches*

The changes in annual turnover vary considerably from branch to branch. Those factories producing building materials or allied capital goods were most severely affected. Building activity in 1937 shrunk to half that of 1935. In other cases, as in the shoe industry, increased foreign competition played an important role. Some exporting firms, e. g. knitted goods factories were affected by the devaluation and local industrial developments in Syria, whilst on the other hand other exporting firms such as the Palestine Potash Co. were able to avoid the local depression because they exported the bulk of their products and were thus enabled to maintain or even increase their turnover. Manufacturer's sales of consumption goods such as foodstuffs, cigarettes, and to some extent textiles as well, remained fairly steady; the same holds good for the industries dependent upon the former, such as the paper box factories etc.

In order to show the changes in business activity in various branches we give below an index figure calculation based on the results of a partial survey conducted by the Jewish Agency¹⁾. The number of workers in certain firms in February 1937 has been compared with similar figures for August 1935.

Industrial Branch	Business Activity Index (August 1935 = 100)
Foodstuffs	118.9
Textiles	86.2
Clothing	78.6
Metal	61.6
Wood	72.5
Leather	70.4
Printing and paper	127.9
Chemicals	105.5
Stone and Cement	82.4
Electricity	145.2
Various	80.6
Total	88.0

¹⁾ See "Aliya" issued by the Immigration Department of the Jewish Agency Vol. 4 tables 10 and 11, and also the Bulletin of the Economic Research Bureau of the Jewish Agency Vol. 1 No. 2/3 table on page 31. The above table was obtained by correlating the data from both sources. Since the number of factories investigated did not correspond exactly the calculation is not absolutely exact, but it does more or less show the actual development.

Within the framework of this picture of reduced business activity, which in the industrial section taken here amounts to 12%, there were certain industrial branches which increased their staff of workers, some even considerably, whilst others had to reduce them from 15 to 39%. It is interesting to note that in certain branches the demand steadied to a certain extent after the initial slump period, whereas in others the demand is continuously and in some cases even progressively decreasing. In this connection it is possible to differentiate between three industrial groups which are affected quite differently by cyclic phenomena, foodstuffs, chemicals, paper and electricity factories where the depression did not stop expansion (even if it did slow it down), textile and clothing factories, where the limits of wear and tear quickly produced a steady level, and finally, the metal, wood, stone and leather factories which suffered the heaviest and most permanent blow.

The development of wage rates in the various industrial branches like the development of the branches themselves shows very great differences. The Wage-rate Index prepared by the Govt. Office of Statistics portrays this for various industrial branches.

Index of Daily Wage Rate of Jewish Labour (1931 = 100)

Industrial Branch	1933	1934	1935	1936	March	Sept.	Change
					1937	1937	from Sept. 1937 to August 1935
Wood	104.2	134.9	129.0	115.3	112.4	103.9	—19.5%
Metal	109.4	126.1	126.1	121.1	121.1	114.2	— 9.4%
Printing & Paper	102.8	120.0	133.6	135.0	135.0	138.0	+ 3.3%
Textiles	105.9	122.1	128.9	128.9	126.2	121.0	— 6.1%
Tobacco & Cigarettes	112.3	130.8	143.6	159.0	169.5	166.6	+16.1%
Bricks	116.7	133.3	133.3	125.0	120.7	114.0	—14.5%
Oils & Soaps	—	110.0	114.3	114.3	118.6	118.4	+ 3.6%

These examples confirm the picture described above. Stability or even increased occupation with a corresponding effect upon the wage rate in the daily consumption goods industries (cigarettes, soaps, and as connected therewith paper), slight decline in the textile industry, larger declines in building materials, metals, and wood, the latter being particularly affected because of the superfluity of carpenters.

A certain light is thrown on the absolute level of industrial wages in Palestine, their nominal value, purchasing power and their relationship to wage rates in other

countries by an investigation conducted by the Office of Statistics. This investigation was conducted in connection with an official inquiry by the International Labour Office in Geneva into certain skilled trades, comparing the Palestinian wage rates and costs of living with those in a number of European cities. We only quote here the index figures of nominal and real wages for three trades.

Index of Nominal and Real Wage-Rates (London = 100)

	Cabinet Maker		Fitter		Hand Compositor	
	Nominal	Real	Nominal	Real	Nominal	Real
Palestine (Jewish Labour)	63	63	70	70	52	51
London	100	100	100	100	100	100
Marseilles	66	62	72	68	55	51
Vienna	44	41	62	59	60	56
Stockholm	75	72	64	62	77	72
Riga	24	46	34	65	33	62
Belgrade	32	41	52	67	48	60
Warsaw	30	45	51	77	54	81

This calculation shows that according to their money value and purchasing power Palestinian industrial wage rates are approximately equal to those in Marseilles, lower than in London and Stockholm and slightly higher than in Vienna. Compared with Southern or East-European countries the wage rates are much higher in money value but only slightly higher or equivalent in purchasing power, because the low cost of living in these countries allows workers to maintain a standard of life comparable to that of the Palestinian worker for a much lower nominal wage.

The important problem of wages as a factor in cost calculation, arising out of the relationship between wages and productivity of labour in comparison with corresponding labour costs in other countries, has not yet been studied sufficiently in Palestine. A considerable portion of the body of Palestinian workers first learnt their new trades after immigrating to Palestine and thus, despite all the adaptability of the Jewish worker, they cannot possess the productive powers of workers connected for generations or since childhood with their trades. It is probable that such a comparison would show that this factor imposes quite a considerable burden upon the production costs of Palestinian industry as compared with more industrialised European countries in which the standard of living serves as a model for the Palestinian worker. An inquiry of the Histadruth Haovdim made on 2nd March 1937 provides very interesting statistics regarding the changes of trade taking place in Palestine. From these statistics we obtain the following table:

Industrial Branch	In Palestine in this Branch		Immigrants of this Branch	
	Total	Entered Branch since Immigration	Total	working in different branch in Palestine
Food	2969	76%	1409	49%
Textiles	1110	75	1202	77
Clothing	2731	39	4564	63
Metal	5182	59	4441	53
Wood	3560	53	3009	44
Building Materials	2225	98	93	57
Leather	1333	41	1830	58
Printing & Paper	1426	69	889	51
Chemicals	653	92	132	76
Electricity	2384	69	1389	46

The result of this inquiry is in some respects astounding. First of all it shows that the vast majority of Palestinian workers only learned their trade in this country, i. e. only learned it a few of years ago. Between 40 and 98% of the workers in the different branches—the general average being 64%—have in this sense “changed over”, whilst it cannot be said that all those who practiced the same trade abroad as here can for this reason be classed as real specialists in the trades they now practice. At the same time the second column shows that of those immigrants practicing an industrial trade abroad altogether 54% (varying from 44 to 79% in the various branches) did not find employment or did not choose to work here in their original trade. This change of trades is partly unavoidable as amongst clothing workers of whom these were more immigrants than the market required or in the building industry for which insufficient skilled workers entered the country. Personal desires also play a part here as well as the temporary differences between the availability of jobs and the immigration of corresponding tradesmen. But the large differences that appear between these two categories seem to show that workers were to some extent misled. This deserves investigation both by industrialists because of the importance of skilled labour for industrial productivity as well as by the labour exchanges.

The number of labour conflicts in industry which was extremely small in 1936, increased considerably in 1937 as shown by the next table which was compiled from the publications of the Office of Statistics.

Labour Conflicts in Jewish Industries and Handicrafts

Year	No. of Conflicts	No. of Workers Concerned	Days Work Lost
1931	13	466	4564
1932	18	322	4642
1933	23	493	5529

Year	No. of Conflicts	No. of Workers Concerned	Days Work Lost
1934	18	478	10854
1935	16	519	5706
1936	5	60	622
1937	13	384	3808

The Labour conflicts in 1937 differ from those of previous years both in causes and results. Whereas the conflicts in the boom years 1933—35 were mostly concerned with improvements in working conditions — increased wages, decreased hours, etc. — mostly ending in success for the workers, 1937 found the workers rather on the defensive, fighting to hold down their jobs, to maintain their wage rates, etc. and the conflicts mostly ended in compromises.

Only four of the thirteen labour disputes in 1937 arose out of the workers' demands for better labour conditions (increased wages); only two of these were successful. The remaining nine cases were chiefly concerned with the maintenance of existing conditions, two of which were won by the workers, two by the manufacturers, whilst the remaining five resulted in compromises. Particularly interesting were the cases in a paper box factory and a bakery, the first in Palestine, where the workers tried to prevent mechanisation of the productive process because this would necessitate dismissal of part of the staff. The compromise reached here which allowed mechanisation but limited its use in the productive process thus avoiding part or all the dismissals can only serve as a temporary alleviation but not as a satisfactory solution to this important problem.

3. THE DEVELOPMENT OF INDUSTRIAL EXPORTS.

One of the most important positive results of industrial activity in 1937 is the marked increase in industrial exports. Even if industrial exports play a minor role both in the total exports as well as in the total industrial production nevertheless the marked increase in the export figures for 1937 show that a far greater development of exports is possible than was imagined after the stagnation of the previous years. Between 1932 and 1934 industrial exports varied round £P. 400,000. In 1935 they increased to £P. 488,000 in 1936 to £P. 556,000 and in 1937 to £P. 941,000. The importance of this may be seen from the following table: —

	1933	1935	1937
Industrial Exports £P.	400,438	488,507	940,965
Total Exports £P.	2,591,617	4,215,507	5,819,675
Share of Industrial Exports			
in total Exports %	15.4	11.6	12.2
Total Industrial Production £P.	5,371,000	8,654,000	7,500,000
Share of Industrial Exports			
in Total Industrial Production %	7.5	5.6	12.5

The part played by the different sections of industry in the development of exports is shown in the following table: —

Industrial Branch	1935	1936	1937
Food	£P. 118,323	138,616	376,047
Textiles	9,622	25,947	58,369
Clothing	74,554	54,982	44,834
Metal Works	5,621	11,317	16,375
Woods	5,172	3,273	6,760
Leather	7,002	4,914	6,266
Printing and Paper	17,554	17,828	43,865
Chemicals	188,739	243,215	320,701
Stone and Cement	2,885	885	1,728
Various	59,035	54,747	66,020
Total	488,507	555,694	946,965

The development is not uniform for all exports. The export of the clothing industry, especially knitted goods, decreased still further, mainly as a result of the difficulties on the Syrian market because of the change in exchange rates and the local factories started there. On the other hand since the foundation of the cotton spinning and weaving mill in Kfar Atta textile exports, especially cotton yarns, have increased considerably. The expanded production of potash and bromine from the Dead Sea Potash Works took a large share in the increased exports and; lastly, in foodstuffs the establishment of a rice mill near Haifa led to the export of rice for the first time. The exports of oils, soaps, perfumes and chocolate developed satisfactorily. The following table shows the exports of the most important articles during the last three years.

Article	1935	1936	1937
Potash and Bromine	£P. 98,982	167,954	222,941
Oils, Soaps, and Perfumes	145,556	148,208	301,488
Rice	—	4,288	57,573
Feed Cakes	9,630	2,205	39,935
Wines, Spirits	21,660	23,009	21,112
Fruit and Vegetable Manufactures	9,324	9,739	10,992
Confectionary, Chocolates	7,665	16,088	26,443
Cotton Yarn	1,678	19,298	40,093
Cotton Piece Goods	49	177	4,144
Stockings, socks	11,095	7,533	10,375
Artificial Silk	4,668	4,299	8,007
Underclothes, knitted goods	?	?	32,077

Article	1935	1936	1937
Artificial Teeth	33,762	32,200	34,429
Aluminium Ware	2,665	3,186	4,821
Leather Bags	6,731	4,006	5,423
Mother of Pearl goods	3,778	5,310	6,511
Books	9,609	8,543	11,085

Quite a number of other Palestinian industrial products, such as wire and wire netting, buttons, ladies dresses, toys, paper goods and many others appeared in 1937, some for the first time, on foreign markets in quantities which at present do not amount to much for Palestinian trade. Nevertheless even now these exports have increased manufacturer's production and they can be important in the future if it is only possible to utilize the experience won and contacts gained for the development of industrial exports.

* *

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Production Statistics 1935-1937

Intoxicating Liquors

		1937	1936	1935
Beer	Litres	1,830,245	1,954,786	242,600
Wine	Litres	3,393,569	2,257,556	2,619,980
Arak	Litres (of alcohol)	58,985	58,540	51,611
Cognac	Litres (of alcohol)	364,876	187,593	295,539
Other Spirits	Litres (of alcohol)	948,298	1,070,234	1,012,598
Methylated Spirits	Kilo	532,032	604,398	593,307
Salt	To.	9,856	9,139	10,376
Matches	Gross Boxes	237,620	217,433	221,275

Tobacco and Tobacco Products

Cigarettes	Kilos	756,907	815,196	791,624
Tombac	Kilos	74,671	77,883	89,392
Tobacco	Kilos	14,192	16,480	18,095
Other	Kilos	10,579	11,190	10,573
Total	Kilos	856,349	920,749	909,684
Cement	To.	165,000	165,000	187,000
Potash	To.	29,110*	19,793*	17,203
Bromine	To.	611*	478*	403*

* Exported.

Census of Jewish Industry and Handicrafts, 1937

(Taken by the Jewish Agency)

	No. of establishments	Personel on census day	Value of products ¹⁾ £P.1000	Salary and wages £P.1000	Cost of materials, fuel and electric energy £P.1000	Value added by manufacture ²⁾ £P.1000	Capital £P.1000	Horse-power
Food	383	3,950	2,305	410	1,471	834	1,651	6,492
Textiles	116	1,580	377	117	196	182	485	1,364
Clothing	1,207	3,470	546	236	221	325	285	131
Metal Works	600	2,760	788	310	338	451	710	2,811
Machinery	433	1,470	301	142	106	195	255	1,192
Timber products	657	3,030	806	341	340	467	482	5,803
Leather works	383	1,840	420	155	188	231	199	500
Printing & Paper products	425	2,830	597	267	192	404	583	1,252
Chemicals	91	2,050	888	214	485	403	1,600	5,897
Stone, Cement etc.	251	3,280	1,069	393	443	626	1,322	7,387
Electrical Mach. etc.	122	530	144	53	73	71	115	342
Miscellaneous	634	1,880	285	153	66	219	249	474
Total	5,602	28,670	8,526	2,791	4,119	4,408	7,936	33,645
Electric plants	4	1,370	583	353		—	3,701	72,850
General Total	5,606	30,040³⁾	9,109				11,637	106,495
thereof								
Industry ⁴⁾	1,556	22,050	7,892	2,213	3,690	3,619	11,064	104,866
Handicrafts	4,050	7,990	1,217	578	429	789	573	1,629

1) Calculated for full 12 months.

2) Calculated by deducting from the value of products the cost of materials, fuel, purchased energy, and contract work.

3) 7,850 owners, 1,370 relatives working part time, 690 engineers, supervisors or foremen, 1,970 office employees and 18,650 wageworkers.

4) Factories employing usually more than 10 workers, having an annual output of over £P.5,000, and possessing a capital of over £P.5,000.



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Agricultural Production and Marketing

By M. Brown, M.B.E., B. Sc. Econ. A.C.I.S., A.L.A.A.

Assistant Treasurer, Government of Palestine

The value of agricultural production in 1937, at wholesale prices, was about £P. 7½ million. The area and production of the principal crops in 1937 were as under: —

ESTIMATE OF AGRICULTURAL PRODUCTION IN 1937

	Area (Dunams)	Yield (Tons)	Area (Dunams)	Yield (Tons)	Value (Based on wholesale prices mostly during the harvesting season) (£P.)
<i>I. Cereals, Legumes and Oil Crops:</i>					
Wheat	2,258,908	127,420			
Barley	2,237,441	75,417			
Lentils	89,692	3,830			
Kersenneh	191,227	6,004			
Maize	74,456	8,673			
Beans	41,240	1,529			
Peas	29,373	2,037			
Durra	1,068,295	61,023			
Sesame	259,703	9,317			
Oats	6,044	792			
Total			6,256,379	296,042	2,213,143
<i>II. Tobacco</i>					
			55,434	2,371	142,242
<i>III. Vegetables:</i>					
Cabbages	5,256	6,803			
Cauliflowers	5,858	5,846			
Tomatoes	45,819	34,907			
Cucumbers	21,387	16,527			
Potatoes	9,454	9,536			
Onions and Garlic	22,744	14,620			
Eggplants	6,677	8,770			
Other Vegetables	34,325	23,386			
Total			151,520	120,395	480,733
<i>IV. Fruits other than Citrus:</i>					
Olives	535,190	47,247			
Melons and Water Melons	166,224	102,859			
Grapes	179,295	45,673			
Almonds	28,480	4,185			

	Area	Yield	Area	Yield	Value (Based on wholesale prices mostly during the harvesting season) (£P.)
	(Dunams)	(Tons)	(Dunams)	(Tons)	
Figs	104,471	18,107			
Apples	11,048	1,426			
Pomegranates	2,756	955			
Apricots	18,446	4,085			
Pears	1,414	106			
Peaches	1,337	119			
Plums	2,546	270			
Bananas	4,593	2,394			
Dates	2,250	2,206			
Quinces	361	41			
Sundry Fruits	4,342	360			
Total			1,062,753	230,033	1,197,369
V. Citrus (1936/37):					
		Boxes			
Oranges		9,116,904			
Grapefruit		1,538,301			
Lemons		70,792			
Other		10,368			
Total Exports		10,786,365			
Estimated local consumption		2,000,000			
Total			299,500	12,786,365	1,373,295(*)
VI. Fodder for Dairy Industry:					
Hay	66,438	21,881			
Berseem	6,891	38,018			
Lucerne	2,980	15,405			
Maize	11,830	17,742			
Total			88,139	93,046	133,611
Milk			Litres	101,000,000	916,000
Eggs			No.	108,000,000	342,000
Poultry			No.	2,250,000	172,000
Honey			Tons	275	13,750
Fish			Tons	2,048	64,203
			Total Estimated Value		7,048,346(†)

Wheat and barley occupy about half the total cultivated area of Palestine, but citrus which occupies only 300,000 dunams or 3% of the cultivated area, is about as valuable as the wheat and barley crops put together.

About 70% of the produce from Jewish farms is marketed cooperatively.

(1) This total excludes the value of livestock production other than poultry, and the value of straw and tibun from the wheat and barley crops.

(*) Valued at 2/6 (125 mils) per box for exports and 6d (25 mils) per box for local consumption.

through the Tnuva, but owing to the absence of marketing societies among Arab farmers, no produce from Arab farms is marketed cooperatively.

Our trade position in agricultural commodities is favourable. We produce almost everything which we need (but not in sufficient quantity), except foods such as sugar, tea, coffee and rice. In 1937, we imported agricultural commodities to the value of £P. 2,735,800 and exported agricultural produce to the value of £P. 4,370,139 resulting in a balance of agricultural trade in our favour of £P. 1,634,339. The exports, of course, are mainly citrus. Omitting citrus, this means that Palestine is self-sufficient in agricultural food-stuffs to the extent of 70% of its requirements.

Agricultural imports are made up as follows: —

Cereals, legumes and oil crops to the extent of	£P. 876,105
Livestock for food	604,501
Poultry and eggs	272,105
Dairy products, mainly butter	394,281
Fruits, excluding citrus	190,320
Vegetables, mainly potatoes	147,848
Fish	174,848
Tobacco leaf, mainly for blending	45,899
Fodder for livestock	30,047
	<hr/>
	£P. 2,735,800
Agricultural Exports	4,370,139
	<hr/>
Favourable balance of trade in agricultural products	£P. 1,634,339
	<hr/>

In this survey it is proposed to examine the situation to find out what might be done

- (1) to increase agricultural exports;
- (2) to diminish agricultural imports by producing more;
- (3) to increase the net return to the producers.

Wheat and Flour. In 1937, we imported wheat and flour to the value of £P. 770,000, (wheat 36,000 tons and flour 27,000 tons). As the population increases, and more and more cereal land is put under intensive cultivation, the imports of wheat and flour are likely to increase. The price policy in regard to wheat and flour is to stabilise the price of wheat at £P. 9 and the price of flour at £P. 12.500 per ton, and leave a margin of £P. 3.500 per ton for milling costs.

This policy is, perhaps, nullified to some extent by two factors: —

(i) The import of wheat and flour from Syria and Lebanon, *free of duty* under the Palestine-Syria Customs Agreement of 1929.

(ii) The fact that the poorer and smaller growers are compelled, through poverty, to sell a good part of their crops, at or soon after harvest.

The first factor could be eliminated by a suitable modification of the Agreement.

As regards the second factor, if a credit institution existed to make advances on crops, the grower would be able to benefit from the usual rise in the price of wheat after harvest, instead of as at present, the merchant.

There is also a third factor which, to some extent, nullifies the stabilisation policy, i. e. the import of wheat from Trans-Jordan, free of duty. (In years when the harvest in that country is abundant perhaps as much as 20,000 tons are so imported.)

The general economic situation could, perhaps, be improved if, gradually, the imports of flour were restricted and replaced by imports of wheat for milling into flour in the local mills.

Barley. Local production is insufficient to meet local requirements and imports have averaged nearly 20,000 tons yearly.

As in the case of wheat, the poorer growers have to sell out a large part of the crop immediately after harvest for about £P. 4 per ton; and it is the merchant who makes most of the profit when the price of barley rises. Here also there would appear to be need for granting advances to growers on their crops.

There are two kinds of barley grown in Palestine, the 2-rowed known as Chevalier malting barley, and the 6-rowed. Both these kinds are grown together and in consequence, when Palestine barley is exported in seasons of plenty, it fetches the price paid for "feeding" barley, and loses the premium of £P. 3 to £P. 5 per ton paid for malting barley. For the export markets, particularly in the United Kingdom, it would be desirable to grow the malting variety separately from the feeding variety.

Another factor which militates against an export trade, is our inability to guarantee regular exports, owing to the unreliable rainfall. In Beersheba district about 80% of the rain falls in six brief periods of the winter, and a good deal of this rain runs to waste, because after the summer, the land becomes dry and hard, and the rain rushes down into the wadis. More of the rain which does fall might be retained on the land if it were ploughed by tractors which would enable production to be increased owing to the vast areas available and suitable in Beersheba for cultivation.

Livestock, i. e. Cattle, Goats and Sheep. In 1937, we imported livestock for food to the value of £P. 605,000. (26,000 Cattle and 311,000 Sheep and Goats.)

Despite efforts to increase local herds in quality as well as in number, imports increase year by year, because, throughout the dry summer there is practically

no natural pasture for grazing. Consequently, animals cannot be economically raised or fattened, and in most cases, it pays to keep cows and goats only for their milk. Moreover, natural pasturage is likely to become more and more scarce from year to year, as land becomes more intensively cultivated.

Palestine cannot therefore be regarded as a country favourable for livestock production. Consequently, as we cannot produce meat, it might be desirable to try to divert the demand from meat to vegetables, fruits and milk, which we can produce. It is suggested that on economic as well as on nutritional grounds, there is justification and the need for organisation and propaganda to turn the consumers away from imported meat to home grown vegetables, fruit and milk.

Poultry and Eggs. The imports of eggs and poultry have increased to 93,000,000 eggs in 1937 and to nearly 2 million head of poultry in 1936. This does not mean that the poultry industry has gone backward. Indeed, the numbers of poultry have increased from a million head in 1932 to nearly 2½ million in 1937, but this increase, big as it is, has not kept pace with the increasing demand, because of the low prices for eggs and poultry.

Number of Poultry in Palestine.

	1932	1937
On Jewish Farms	128,551	530,511
On Arab Farms	907,077	1,943,101
Total	1,035,628	2,473,612

The industry has been assisted by the imposition of an import duty of 25 mils a bird and by increasing the import duty from 2/10 to 1 mil per egg during the period of greatest production (December to June, i. e. a period of 7 months.) But again, as in the case of wheat, flour and barley, imported eggs and poultry of Syrian and Lebanese origin do not pay the duty; and 65 out of the 93 million imported eggs came from Syria in 1937. Poultry keepers fear that the situation will become more and more serious until the Agreement with Syria is suitably modified. Their fears are justified because the cost of producing feed for poultry in Palestine is high. Surrounding countries, especially Syria and Egypt, have more water, larger areas, and cheaper labour costs, and can also keep more poultry under primitive backyard conditions which are the most economic for egg production.

The village hen kept under primitive conditions lays about 50 eggs a year, as compared with 120 from the pedigree hen. But these pedigree hens have to be fed with expensive food, whereas the village hens subsist mainly on the leavings of the farm. Consequently, the poultry industry in Palestine will require, for its continual development and expansion, suitable protection against imports from cheaper producing countries.

Dairy Produce, was imported in 1937 to the value of £P. 394,000. Of this,

£P. 234,000 was butter. The Jewish industry is organised on modern lines with up-to-date cowsheds and dairies and well-fed pedigree cows each producing about 3,500 litres of milk a year. Arab dairying is still primitive. The cows live in the open on natural winter grazing, are half starved in summer, and produce only about 500—700 litres a year.

The problem of the Jewish dairy industry is that after selling as much liquid milk, leben, and kefir as the market can absorb at satisfactory prices, about 35% of all the milk produced is left over for making into butter and soft cheese, and has to be sold at a loss owing to the competition of the cheaper imported butter.

Nevertheless, it seems desirable to encourage and expand dairying for the following reasons: —

First, consumption of liquid milk can be considerably increased by making it cheaper through reducing the costs of distribution, and exercising over the public, especially the children, the charms of a drink-more-milk campaign. Our annual per capita consumption of liquid milk is at least twice as low as in the other countries. Thus for nutritional reasons alone, milk consumption should be increased.

Second, the import of 2,400 tons of butter per annum is equivalent to over 60,000,000 litres of milk. Much of this butter is imported with the assistance of subsidies from the exporting countries, which lowers the price of the imported product by about 20%, and it is considered that the milk for at least some of this butter could be produced in Palestine. In 1936/37 the milk output from Jewish farms was about 35,000,000 litres. 18¾ million litres were marketed through the Tnuva and 9 million through other dairies, such as Golan and Hasharon.

Third, dairying is an import branch of mixed farming. On Jewish farms it produces 50% of the income, excluding citrus; and the manure is wanted badly for the citrus belt, and to improve agricultural lands generally.

Fourth, what alternative is there to dairying? Certainly not citrus, and areas for grain cultivation are not available.

The principal obstacle to the expansion of dairying, on a sound economic basis is the absence of large areas of natural pasture.

Distribution expenses, however, could be reduced by the organisation of better equipped and centralised dairies, by encouraging the consumer to go to the shop to buy his milk, and decreasing the number of milk sellers. (In Palestine, one milkman distributes 60—70 litres of milk a day which is less than half the quantity distributed per man in other countries.)

Another problem is the seasonal surplus of milk left over for butter-making owing to the unfortunate coincidence of two phenomena: — (1) Owing to climatic reasons the cows produce more milk in winter than in other seasons; and (2) it is just during the period of greater *supply*, that the demand *declines* for liquid

milk, kefir, and leben. In consequence, during the past two years, there has been an annual surplus of some 2 to 2½ million litres of milk which has had to be stored as cream and made into butter for sale during the autumn.

If consumption of liquid milk could be increased, the surplus for butter making would be considerably reduced; but a surplus is always likely because as agricultural settlement continues, year by year, on the basis of consolidation or new dairy farms, the supply of milk is likely to outpace the demand for it, unless production be strictly controlled and limited.

The cost of milk production on Jewish farms is nearly twice as high as abroad. It is about 12½ mils per litre compared with 7 mils which is the average cost in the principal butter exporting countries.

Costs of feeding work out to 7½ mils per litre of milk as compared with 3½ mils abroad, because of the absence in Palestine of natural pasture on large areas.

The cost of production of 12½ mils a litre of milk is made up approximately as follows: —

7½ mils feed,
3 mils labour, and
2 general expenses.
<hr style="width: 100%; border: 0.5px solid black;"/>
12½ mils

Feeding costs cannot be immediately reduced to any large extent. Experts do not believe that the *labour costs* can be lowered without a serious lowering in the standard of living. *General expenses*, including depreciation, interest and insurance, are also incapable of reduction immediately, but might be lower in the future, if capital costs of investment are cheaper, and if interest rates are lower.

Since costs of production cannot be immediately lowered, and as dairying cannot be abandoned for the reasons already given, to what extent should the dairy industry be protected?

Local producers themselves do not ask for their butter to be protected the whole year round because they produce only about 10% of the total consumption. Nevertheless, a loss of nearly £P. 5000 was incurred last year on account of storing the spring surplus of milk. The quantity stored is equivalent to less than one month's supply of butter. Therefore, it seems desirable that this surplus milk should be turned into butter and sold during one month, say May, instead of in the Autumn, as previously. Since the sales of local butter during one month in the year would be over 50% of the total consumption, a limited measure of fiscal protection might be justified. Then later on, in future years, as production increases, coupled, it is to be hoped, with a substantial reduction in costs of production, the protected butter season might be gradually extended.

Most of the cheese which is imported is of superior quality and cannot be said to compete unfairly with the local produce.

Condensed milk imports in 1937, were equivalent to about 2½ million litres

of liquid milk, There is therefore a demand to increase the duty on condensed milk so as to encourage its disappearance from the market.

There was an import of *milk powder* to the extent of £P. 23,700 in 1937. This includes a fair proportion of skimmed milk powder which is of little nutritive value. As adequate supplies of fresh milk are available, there are people who would like skimmed milk powder to be prohibited for human consumption, as they consider it is not fair to the dairy industry that water should be added to skimmed milk powder, which is then sold as liquid milk or made into skim-cheese.

To sum up, it may be said that the marketing of liquid milk, leben, kefir and cream has improved, and will continue to improve, and that the cheapening of distribution costs will increase consumption.

The butter problem, however, is not mainly a matter of marketing. It is principally a question of reducing costs of production. More experience and experiment will indicate how to cheapen irrigation and fodder costs; how to cheapen the cost of cow-shed construction; how to acquire cows yielding a milk with a higher butterfat content and more resistant to disease; and how to evolve a better system of rotation and farming. Pending, however, a reduction of costs of production, the expansion of dairying may require a limited measure of fiscal protection in the first instance, in one or two months of the year only.

Vegetables. Potatoes are the principal vegetable imported. (In 1937, the value was £P. 151,000.) Production is stimulated by a seasonal protective duty which is £P. 3 per ton during the five months April to August, the duty being £P. 1 during the rest of the year. Good seed potatoes are imported by Government and sold at cost price. These measures, plus propaganda, have increased production from about 1,000 tons in 1930 to nearly 10,000 tons in 1937.

The main crop is harvested in the three months May, June and July, so that the relatively abundant crop during this short harvesting season keeps prices low. Consequently, it is very necessary to continue to experiment to find out how to store potatoes for several months after June and July.

The autumn crop, grown under irrigation and yielding in December and January opens up possibilities of exporting "new" potatoes to the United Kingdom, provided the prices received make it worth while.

Other vegetables were imported to the extent of £P. 40,000 in 1937, almost entirely from Egypt and Syria.

There are complaints that not only do the Syrian imports, free of duty, depress local prices, but that the duty on the Egyptian vegetables should be increased. It seems useless to increase the duty on Egyptian vegetables until the duty can be collected on Syrian vegetables. Otherwise, any increase in the duty would stimulate growing in Syria for export to Palestine.

The old problem of the big spread between producer and retailer has not yet been solved. Mr. Verlinsky of the Tnuva has computed that the retail price is about 150% more than the producer's price, i. e. if a box of vegetables is sold retail for 250 mils, the producer only gets 100 mils. The spread is roughly as follows: . .

Farmer	40
Transport and packing	19½
Wholesale commission	7½
Retailer	33
	<hr/>
	100
	<hr/>

It is customary to run down the middleman and the merchant in this "spread" shops some of which sell dairy products and vegetables, 80 licensed vegetable hawkers problem but when it is considered that in Tel-Aviv alone there are 1,000 grocery and more than 80 unlicensed, and 125 vegetable shops, i. e. altogether about 400 vegetable sellers, (and these conditions are somewhat similar in Jerusalem and Haifa), it may be justifiably asked: "Do most of the profits go, not to the producer or to the merchant or to the shop-keeper, but to the landlords of the shops?" And if the problem be further analysed the high rents are found to be due to the high rates of interest on the capital borrowed for building purposes.

Another problem especially peculiar to Palestine is the short harvesting seasons. The result is that large quantities of vegetables reach the market during a few months of the year, and sell at very low prices. Frequently, it does not pay to gather them, and they are left to rot, or fed to cattle. Canning and preserving the surpluses will certainly help. If, in addition, a study could be made of the sowing and ripening dates of each vegetable in the various parts of the country where climatic and soil conditions are different, the results might enable the sowing and harvesting dates to be better regulated and the seasons of harvesting might thereby be lengthened.

Fruits. The total imports of fruits amounted in 1937 to £P. 195,000, mostly apples and pears from the United States of America. It is unlikely that we shall be able, for many years to come, to produce sufficient apples and pears either in quantity or quality to obviate imports.

Of the £P. 11,000 worth of grapes imported in 1937, most came from Syria mainly during the end of the season after the Palestine crop was over. The successful export of grapes where protective duties do not prohibit their export as is the case, e. g. in Egypt, depends upon gathering more data as to the varieties which can stand the journey better, and more knowledge about the times of picking and methods of packing, and transport.

More adequate customs protection during the main harvest seasons would

be helpful to growers. It would be desirable to lengthen the harvesting seasons by the growing of more "early" and "late" varieties.

Olive Oil. The olive oil problem arises out of the loss of the Egyptian market for olive-oil soap from Palestine. Exports from Palestine and Egypt have declined from over 5,000 tons in 1925, to about 1,000 tons during the last few years. This means there is a surplus of some 3,000—4,000 tons of oil for disposal. There are ample markets abroad for oil, provided its quality is improved. The defects today are that its acidity is too high and varies not only in each village but in the different jars in the different houses where the oil is kept. The remedy should be radical and should start with the picking of the olive. The olives must not be bruised when they are picked, otherwise the oil ferments. The presses should be cleaner. The oil should then be transported to central collecting stations, filtered, its acidity reduced to a uniform figure (5% f. f. a.) for export as crude oil, and reduced to under 1% f. f. a. and refined, for edible purposes. This involves also the installation of storage tanks, considerable capital, and a widespread business organisation. When the oil is made more uniform in quality, it could also enjoy a larger sale locally. Pickling of olives is also capable of improvemet to replace the imported pickled olives.

Fish. The total consumption of fresh fish in 1937 was about 3,832 tons (value £P. 198,000) of which 2,048 tons or 54% were caught locally.

The merchants probably make more money than the fishermen. The trouble is that so many fishermen are indebted to money-lenders for loans for boats and nets and repairs thereof, and as is the case with the workers on the land, they are charged high rates of interest. To make matters worse, these money-lenders are frequently fish-merchants, who fix their own prices, and where fish is auctioned as at Haifa, the money-lender-fish-merchant may also be an auctioneer. The result is that the fishermen get well under 50% of the retail price. The remedies appear to be the grant of loans to get the fishermen out of the clutches of the merchants, the establishment of municipal fish markets, and the organisation of the fishermen into co-operative groups so that they could sell their catch in the open wholesale market.

Tobacco. The average production for the last three years before the exceptionally large production of 1937 was about 900 tons.

Exports are negligible; imports are usually about 10% of local production, mainly for blending, and the varieties grown are chiefly Turkish.

Cultivation is confined mainly to the ranges of Acre and Galilean hills as it is believed that other parts of the country do not produce a good quality tobacco.

The growers complain that the prices paid by the factories are low, and that often they are paid for third quality rather than for first quality tobacco.

The baling and grading is unsatisfactory because the growers have not the

proper facilities and therefore have to bring their tobacco to the factories for grading, and thus, to a large extent, are in the hands of the factories.

Curing is done in the villager's own living room which is also his kitchen. It is improbable that the aroma of the tobacco is improved while curing goes on together with domestic cooking! To improve quality, the growers ought to form themselves into co-operative societies so that they can obtain finances for the erection of curing sheds and central stores for grading and baling. Then, certain grades could be established, and the bales could be labelled under supervision, and each labelled grade could receive a fixed price. At present each individual grower brings his crop to the manufacturer to be graded for quality, and he has practically no say in the matter of price fixing. He must take what he is given or take the tobacco back to his village.

The question of export is difficult. We could produce some 2,000 tons additional to our normal local production of 1,000 tons, but the quality is not sufficiently good, partly because the seed has deteriorated owing to the embargo on its export from Turkey and Greece, etc. Also many growers do not as yet pay sufficient attention to cultivation; they are out for quantity rather than quality. Moreover, there are high customs duties in the countries of import.

The Citrus Crop. The export crop of citrus last year was 10¾ million cases, and in seven years time we are to expect a crop of 20—25 million boxes. Most responsible citrus growers are convinced that marketing organisation must be improved if the yearly increasing crops are to be disposed of profitably.

The organisation of all growers or shippers into an Export Control Board would make it possible, inter alia, to regulate the supplies shipped abroad so as to prevent too large quantities arriving at any particular port on any particular day. This would prevent flooding of markets with sharp falls in prices. This applies mainly to the United Kingdom.

The sales to the Continent should much more than at present. So far, the United Kingdom have taken nearly 70% of our fruit. It is doubtful whether this proportion can be maintained in the future. In the present conditions of world trade, it seems impossible to induce continental countries to increase considerably their purchases of citrus fruit from Palestine without some special means of persuasion. To this end, the only practicable proposal which we have heard of so far is the introduction of differential duties or a quota system, which involves amendment of Article 18 of the Mandate.

Amendment of Article 18 might solve the question of markets so far as quantities are concerned. Whether shipments will be profitable, no one can prophesy; but would not the formation of an Export Control Board go a long way to improve prices and even reduce costs? Such a Board could also negotiate for purchases of the packing case timber, negotiate for lower freight rates and reduce selling expenses in handling the crop overseas.

The 1937/1938 Citrus Season

by P. Riklis

General Manager, Ness Ziona Fruit Growers Cooperative Society Ltd.

The 1937/38 season was on the whole better than the preceding one, though that is the apprehension that the closing of accounts may bring disappointments to many orange growers who tend to exaggerate the good results of the season. They fail to realise that though prices during the season were on the average good, many causes have united to reduce their proceeds. At any rate, though from the point of view of net income to the growers the season cannot be considered absolutely satisfactory, it does show some encouraging signs as far as the industry is concerned.

This season proves itself better than the last one in three respects. Firstly, the occurrence of decay that affected the fruit greatly in the 1936/37 season and which shook to a great extent the confidence of consumers in Palestinian citrus fruit, disappeared entirely at the opening of this season, thanks to the mild weather in the month of November, December, and half of January and due to the preventative measures adopted at the end of last season and again adhered to at the beginning of this season. The suitable weather conditions also caused the fruit to mature earlier than usual even though its color did not completely satisfy consumers. Unfortunately we were not absolutely free from decay this season. January and February were rich in rains which weakened the fruit and its keepability was greatly reduced resulting in a large percentage of rotten fruit when it arrived in the market. The amount of waste differed and the difference between fruit that was well selected and packed and fruit to which no great care was paid, was well apparent. This is a very important lesson, for there is still a difference of opinion as to the best system of packing the fruit.

Another feature characteristic of this season is a notable increase in our shipments to the continent (of Europe). The importance of this lies mainly in the fact that most continental countries buy at fixed prices though lately there too the tendency has been developing of dropping this practice and of insisting on sending the fruit on a consignment basis. It is to be understood that all continental countries cannot be dealt with "en block", conditions differ greatly. Nevertheless it may be said that if up to last season the absorptive capacity of our fruit on the continent was climbing slowly, this year witnessed a jump, and the fruit exports to the continent reached 38.6% of the entire crop compared to 28% last year. In so far as quantity is concerned Holland takes the lead absorbing this year 1,089,138 boxes as compared to

607,607 boxes last year (an increase of 79.2%). Then comes Belgium (121.2%), Czechoslovakia (57.6%), Sweden (46.6%), Norway (74.6%), Finland (47.2%), and Poland (27.2%). England on the other hand received this year 820,438 boxes less than in the previous season and only 60.5% of the entire crop as compared to 71.6% last year.

Distribution of Fruit during 1937/38 season as compared to 1936/37 season.

Countries	1937/38		1936/37		Rise or fall in %	
	boxes	%	boxes	%	—	+
England	6,899,229	60.5	7,719,667	71.6	11.1	
Holland	1,089,138	9.6	607,607	5.6		4.0
Belgium	539,547	4.7	243,892	2.3		2.4
France	220,304	1.9	289,334	2.7	0.8	
Germany	208,566	1.8	318,273	3.0	1.2	
Sweden	456,360	4.0	311,250	2.9		1.1
Norway	275,627	2.4	157,860	1.5		0.9
Denmark	89,174	0.8	73,500	0.7		0.1
Finland	109,799	1.0	74,556	0.7		0.3
Poland	391,582	3.5	307,791	2.8		0.7
Czechoslovakia	280,185	2.5	177,790	1.6		0.9
Roumania	246,499	2.2	219,698	2.0		0.2
Other European Countries	495,416	4.3	237,485	2.2		2.1
Canada	73,990	0.6	4,271	0.1		0.5
Other Countries	19,779	0.2	35,441	0.3	0.1	
Total	11,395,195	100.00	10,778,415	100.00	13.2	13.2
Total	11,395,195	100.00	10,778,415	100.00	13.2	13.2

As the above table shows there was a considerable drop in Germany, which received this season only 208,566 boxes compared to 318,273 boxes last season and also in France (220,304 boxes compared with 289,334 boxes). The causes for this may be found in the commercial restrictions on fruit imports in force in these countries. The import of our fruit to France depends upon a system of quotas which the French Government allots from time to time. The Government permitted this year an import of about 150,000 boxes of oranges from Palestine, but the permit was granted in February when most of the shippers interested in the French market had already contracted the whole of their fruit and were thus not able to exploit in full. In Germany permits were granted this year to buy Palestinian fruit to the value of 600,000 Marks or about 120,000 boxes of oranges (apart from an indeterminate number of boxes in payment for transport on German boats), but the transfer of the proceeds was connected with such difficult conditions that many exporters chose to

refrain from exporting fruit to Germany. Added to this, the German Government true to its racial policy, discriminates between Jewish and Arab shippers and this no doubt influenced the trade with Germany. Furthermore, there are grounds for the belief that this discrimination will continue to be exercised in the future, and the importance of the German market as far as citrus export from Palestine is concerned, will fall considerably.

It is readily understood that the increased consumption of our fruit in most countries on the continent is due primarily to the prolonged Civil War in Spain that has robbed that country of the possibility of supplying many countries regularly. The supply to England was less difficult, but even England received much less fruit than usual. The fact that the increase in the sale of our fruits in some countries on the continent is directly influenced by accidental causes must, therefore, not be overlooked, for when these conditions change the sales may again drop. However it may be hoped that the penetration of the Palestinian fruit with its excellent taste and flavour into some countries will aid in developing these markets for larger sales in the future, a fact which is of decisive importance in connection with the steady increase of our crops.

The third factor that marks the season for the better is the comparatively good prices in the market during the principal months of the season, from the middle of January to the middle of March. At the opening of the season prices were very low primarily because our fruit, which was still somewhat green, was met in the market by ripe fruit from South Africa and Brazil; the latter continued sending their fruit until Christmas while in previous seasons their exports terminated before the arrival of the Palestinian fruits. It is to be regretted that large quantities of fruit were sent at the beginning of the season and have caused great losses. On the other hand prices were high in the middle of the season thanks to light shipments from Spain. Were it not for the waste which involved repacking, resulting in great expenses and the loss of part of the fruit, the prices would have been absolutely satisfactory, especially for the smaller fruit. The prices were stable for about two months except for small fluctuations brought about by accidental causes. In the second half of March prices dropped again because of the Spanish fruit arriving on the market in a bad condition and causing a drop in prices. Our fruit, which arrived with a noticeable percentage of decay, naturally followed suit. In April prices rose again and remained high almost to the end of the season.

Thus there were fluctuations in the prices of the fruit, and the season was not uniform, but altogether a rising tendency was apparent. The reader will understand that so far we have only considered the prices of oranges. The prices of grapefruits continued low as long as they were sent in large quantities to England which is the principal market for grapefruits. Only at the close of the season, when the supply diminished considerably and the demands increased, did prices rise. It is worth noting that we had no competition in the market excepting the canned grape-

fruit which the public prefers because it is cheaper and less trouble to eat.* The fresh fruit is only eaten by the richer classes whose number is very limited, and whenever a larger quantity than usual arrives the demand collapses and it is sold at any price. In this season more than 70,000 boxes of lemons were sold at good prices, only the demand for them is limited to a few countries and during a short period. On the other hand, the Valencia type of orange is gaining for itself an important place in the market. Altogether 100,000 boxes were exported this season at excellent prices. This type ripens at the end of the winter when the Jaffa orange, the Shamouti, is much weaker and bound to suffer on a long voyage. Added to this it is small sized and very juicy, and is preferred by the consumers for its excellent quality and flavor.

When we examine the fluctuations in the prices of the prevalent type, the Jaffa or Shamouti orange, during this season and the one previous to it, we find that while in the 1936/37 season the prices were good at the beginning and only afterwards dropped because of the losses caused by the arrival of the fruit to the market in a very bad condition, this season the opposite was the case. During last summer a depression reigned among the buyers and the memory of the decayed fruit of the preceding season and the losses caused by it, made them reluctant to bind themselves to new purchases, and as a result the shippers were compelled to lower their prices as much as a shilling per box. Afterwards came the low priced months in England, the months of November, December caused by the competition of South Africa and Brazil and other accidental causes. The good prices that came afterwards helped to cover the losses but could not leave a large margin of profit for the growers. Added to this, the political instability of last summer and the armaments race caused a rise in the prices of packing materials (box shooock, paper, etc.) and in freight rates, and lowered still further the proceeds, that under circumstances would have been quite good.

It is worth noting that this season saw improvements in the preparation of fruit for the market, and some responsible shippers have taken great care in selecting and packing of the fruit. The new Tel-Aviv—Haifa road enabled the forwarding of the fruit to Haifa harbour by automobile and thereby decreased some unnecessary jolting. About half a million boxes were shipped in this manner. The railway administration has made great efforts to improve their transport service and has gained the true appreciation of the shippers, who anticipated difficulties in that field. This year the Tel-Aviv harbour transmitted more than 1,000,000 boxes and proved its ability to absorb still greater quantities in the future. There were also changes for the better in the maritime services. Some inferior steamers were taken out of service and new ones, recently lauched, were added. An important step forward were the refrigerated vessels. During the 1936/37 season a refrigerated vessel was brought for experiment, and this season there were already some sailings, few but regular. The experiment succeeded in the first sailings and the fruit arrived in excellent condition. In the last sailings some decay that may have been in the fruit when it was

loaded was noticed, and the fruit did not hold well after it was unloaded, and "melted" quickly. This calls for more study, but there is no doubt that the refrigerated vessels have justified themselves, and the shippers who dared experiment notwithstanding the large expenses involved, are to be congratulated.

The picture will not be complete if we do not briefly describe the attempts made during the year by the industry to develop markets that may in the future absorb part of the over increasing crop; to regulate the shipments by mutual agreement between the exporters, so as to guarantee a rational distribution among the different markets; and finally, to limit according to a previously set out plan the quantity of fruit for export so as not to overburden markets whose absorptive capacity is not unlimited. For the last few years Jewish shippers have attempted to export small quantities of fruit to Canada. This year a regular service of refrigerated boats between Palestine and the Canadian ports was set up for the first time, and most of the Jewish shippers pledged themselves to ship with every vessel regardless of prices in Canada. Added to this the sale of fruit was centralized in one firm which acted in the name of all shippers. The prices received for the fruit were very bad, the more so as the fruit was of specially selected quality. The cause for this lies, undoubtedly, in the fact that America had a large crop which lowered the level of prices. Some shippers, however, intend not to be taken aback by the losses and to continue in the hope that our fruit will be favored in Canada, and in the future an outlet for part of our fruit may be found on the other side of the Ocean.

Another attempt for united action amongst the shippers was made with regard to grapefruit. The very low prices caused the shippers to realise the fact that a mutual agreement as to the export of this fruit must be reached. The maximum quantity of boxes of grapefruits for export during the season was fixed by written agreement and a plan drawn up for dividing this quantity between the European continent and England in different months. Added to this a committee in London was instructed to study marketing conditions from time to time and advise as to the maximum amount of fruit to be sent to England. Since this agreement did not embrace all the shippers it was unable of course to carry out the plan in full. There is no doubt, however, that the agreement avoided a swamping of the markets at certain times which might have destroyed the remaining absorptive capacity.

The shippers also influenced the Government to adopt measures to limit the export of grapefruits, and upon the advice of the Committee for Citrus Fruits which includes members from all sections of the community, large grapefruits (64 to a box) were only allowed for shipment at the beginning of the season. Afterwards during the principal months of the season the export was limited to medium sizes only. The Government is now discussing new regulations by which only grapefruits packed in large boxes will be permitted for export, thus reducing the number of boxes shipped. Another governmental committee studied the unsatisfactory freight conditions and

advised that certain conditions should be imposed upon the steamship owners before they are allowed to carry fruit from Palestine. As things stand now, it does not seem likely that this proposal will be adopted. At present the government is also studying the suggestion to prohibit the export of certain odd-sized oranges, the demand for which is small, and to allow only a limited number of "counts", the difference between each count being 30 oranges. A suggestion was also put before the government to prohibit the export of the 120 size orange (oranges that are packed 120 in a box), but this suggestion met with the absolute opposition of most of the growers and was turned down for the time being.

These are but ineffective palliatives that are insufficient to solve the grave problems which the leaders of the Citrus Industry have to face, i. e. what to do with the ever increasing crop, and how to sell it at prices that will cover production and marketing expenses, and leave the grove owner a margin of profit with which he can decrease his original investment and provide for his livelihood. For though Spain is crumbled beneath the weight of Civil War, and is in no condition to hold its due place in the market, this chaos cannot last forever, and the day will come when it will once again deliver large quantities of fruit to the markets. Other countries too, face increases in their citrus crops and even those who had no citrus fruits before are attempting to raise them now. The consumption of citrus fruits has not yet reached the point of satiety, but who will guarantee that markets will develop in proportion to the increase in crops?

The economic conditions in the world do not offer any hopes in that field. Most of the countries which as yet consume little citrus fruit, are circumvented by tariffs and commercial restriction that limit the import of citrus fruits or by exchange restrictions or both. In the unavoidably harsh competition that will arise amongst the citrus exporting countries, we may have the advantage as far as the quality of fruit is concerned, but on the other hand our costs of raising and preparing the fruit for market are very high and we have no strong government to protect our interests. Our political status is not at all clear. On the one hand we are under the rule of England, and from an administrative point of view part of the British Empire, but on the other hand we are forced to pay considerable amounts in tariffs on our fruit that enters the United Kingdom, because from a judicial point of view we are a foreign country as far as England is concerned. All our efforts to change this attitude have been unsuccessful. No less difficult is our position towards other countries. According to Article 18 of the Mandate all countries enjoy equal economic rights in Palestine, and no discrimination is to be made against one country in favor of any other. The interpretation now given to this paragraph allows the various countries to set all kinds of limitations on Palestinian goods but robs us of the possibility of retaliating or of negotiating for mutual concessions. As long as the Mandate exists all our protests will be in vain, and these difficult conditions will continue to oppress us.

Yet if we are powerless to overcome the political difficulties today, we can

nevertheless correct many mistakes in our organization, which is unsatisfactory and does not befit the magnitude of our industry. During the course of the year long protracted negotiations were carried on between the different citrus fruit selling cooperatives, with a view to uniting them and centralizing the sales. To our regret the negotiations were not crowned with success because of the differences of opinions regarding the form of organization and because of the deeply rooted jealousies of the negotiators. The attempt made afterwards to bring about a mutual agreement for concerted action on certain points between the various parties has up to date brought no actual results. Nevertheless all efforts must be made to unite all parties on a healthy basis for centralization of the active forces in the industry and their direction towards one goal, so as to bring an end to the inner friction and competition which demoralizes the market. One central body, handling all the citrus fruit will, doubtless, succeed in reducing local expenses and in cheapening the costs of material and freight rates; it is bound to create great opportunities for the opening up of new markets, and in general will no doubt, strengthen the industry to such a degree that it will be able adequately to face foreign competition.

The Exploitation of the Water Resources of Palestine in 1937

by Dr. Ing. A. Werber

Consulting Engineer & Hydraulic Expert

The purpose of this article is to report upon and criticize those problems and undertakings of the water economy which have in any way attained realisation during 1937.

1. THE HYDROGRAPHIC SERVICE.

This is being carried out by the Government but was not affected to any great extent by the fact that the number of gauging stations for determining the run-off into wadis was increased to a total of ten. The number of wadis in which such determinations would be of value can be estimated at between 80 and 100. Nothing has been heard about increasing the number of gauging stations in the Jordan although such a measure would be extremely important for investigating the part played by the Jordan in the country's water economy and as chief tributary of the Dead Sea.

It is a matter of great regret that the results of previous Government investigations into water levels undertaken amongst others at Wadi Abu Samara (Beersheba District) and Wadi es Surar near Motzah (see Palnews No. 35, July 1937) have not been published, for interested hydrological circles would thus have had an opportunity of analysing and testing the results obtained especially in connection with the report of the Royal Commission.

2. HYDROLOGICAL INVESTIGATIONS.

The Royal Commission did the country an inestimable service in recognizing the importance of the irrigation problem. Their proposals for undertaking investigations in this field have already borne fruit in that the sum of £P. 80,000 has been allotted for this purpose, of which £P. 50,000 will be used for investigations in the country itself.

Hopes for further funds were raised when in Parliament on March 8th 1938 the Colonial Secretary pointed out the fundamental importance of investigating the water situation in Palestine and Transjordan in the partition problem, as the most important criterion for intensifying settlement and for the transfer of inhabitants

from one sector of the territory under discussion to another. These means will first of all be used to undertake *borings* in the Negev and to make hydrological investigations in the lower Jordan Valley. It would be extremely desirable to extend the investigation so as to embrace and utilize to its maximum all *continually flowing and reserved water*. The experiences recently gained in some regions with subsoil-water supplies should act as our guide. The fact that for instance in the neighbourhood of Pardess Hannah only seven of the thirty wells drilled by PICA are still in use should give food for thought.

In addition it seems to me that especial importance should be placed upon the solution of a fundamental problem namely the utilization of saline water directly or through ground filtration for irrigation purposes. My initial tests showed that such investigations hold out promise of success*). In particular it would be important to clear up the question as to whether it were not desirable to sacrifice a portion of the large areas otherwise lying fallow (e. g. in the Negev) as a temporary measure or even permanently (if they were used for the filtration of saline water) so as to be able to irrigate a much larger area with serviceable water (non-saline) and so make it fit for cultivation.

The fact that saline subsoil-water has *already* been obtained by boring in the Negev, would suggest that *immediate* investigation be undertaken on the spot without awaiting the results of such borings as are now under way.

The Jewish Agency is particularly interested on behalf of its colonies that this fund shall also be used for the purpose of undertaking investigations in many parts of the Emek and Beit Shaan areas, where saline water has been obtained by boring or is available from numerous, abundantly flowing springs. This could, for instance, be one of the first tasks of the National Water Institute which is to be set up.

3. WATER WORKS AND JEWISH COLONIZATION.

The Government has remained true to its principles of leaving irrigation work to private initiative (as opposed to the practice in India where 68,000 kms. of irrigation canals have been constructed with British aid). The Government has also not undertaken large projects on its own account, nor encouraged the execution of such projects. Everything that has been done in this respect up to now for colonization has been done on the initiative of private or Jewish publicly supported companies.

a) *The Gilboa Water Company*, founded with the aid of Keren Hayesod funds, succeeded during the course of 1937 in irrigating a portion of the West Nuris Zone (comprising Tel-Joseph, Heftsi-Bah Kfar Yehezkel, Ein Vered, Beit Alpha and Hashomer Hatsair) and expended £P. 10,000 on this project. It is

*) "Is Irrigation with Saline water possible?" — Hadar, September 1936.

unfortunately not known exactly for what area this sum served. Particular note should be taken of the Keren Hayesod loan which is for 38 years at 2%, beginning in 1947: *the first loan suitable to the requirements of irrigation economy.*

b) *The Emek Co.* expended about £P. 20,000 during the past year upon the irrigation of the following settlements: Mishmar Ha'Emek, Genigar, Kfar Yehoshua, Sede Yakoov, Tel Adashim, Balfouria, Merhavia, Nahalal and Ramat Yohanan. The supply is based upon wells with an hourly yield of 25—100 m³ (Ramat Yohanan 200—225 m³). The number of dunams effectively irrigated is unknown.

Here also the loan was given by the Keren Hayesod (with J.N.F. participation) for 30 years at 2%.

c) *Mekoroth Water Co.* So far the most important company in extent of activities in central irrigation works in the country. The company was founded with means raised by both funds, the Central Bureau for the Settlement of German Jews and Nir Ltd. Agricultural Settlements from Haifa Bay to Affuleh are to be supplied with water chiefly for irrigation purposes. The minimum plan comprises supplying 8000 dunams in the west and central Kishon block. Abundant ground-water streams have been tapped near Kfar Hassidim and Ramat Yohanan, though we learn but they are still insufficient quite apart from the fact that the durability of spring borings is nearly always a question of time. The pipe line, which is to extend for 20 kms. has nearly all been laid. It is to run through the foot-hills from Shekh Abreik past Sede Yaakov, Kfar Yehoshua, Irgun Ephraim, Nahalal, Kfar Baruch, Ramat David to Sarid. The undertaking is to cost £P. 75,000 and to be extended to £P. 90,000. The price of the water will have to be such that advantage of it can only be taken by very few settlements. The enterprise can only become profitable if its annual production of 8,000,000 m³ of water can be used, if absolutely safe, for drinking water purposes especially in the urban settlements of Haifa Bay and if suitable customers can be found.

d) *Water Supply of Kiriat Haim.* This water works is intended mainly for the supply of drinking water to Kiriat Haim and Kiriat Bialik, as well as for the provision of dune water from Mifratz Haifa for the numerous sprinklers in the settlers' gardens. Work is fairly well advanced and should be completed this year. The project is significant in that the first time in Palestine a group boring was undertaken with the universally recognized practice of collecting wells and connecting gear between the individual pumping wells. A new departure has been made here which may be more advantageous for the utilization of our ground water supply than the fitting of every boring with separate pumping gear.

Kiriat Haim thus obtain modern equipment for its water supply and the financial burden will not be too heavy because of the clever manipulations of transfer goods which were negotiated. A cubic meter of water should cost about 3 mils.

In connection with this it should be pointed out that a thorough exploration of the ground-water sources in Haifa Bay is desirable, not only with reference to Kiriath Haim alone but so as to enable an *irrigation network* to be extended over the whole area. Only such a *comprehensive plan* can ensure the supply of water to the urban and industrial zones.

At this opportunity the possible *salinification* of the first level ground-water in Haifa Bay must be investigated, that is to say measures must be determined which can prevent this happening as proposed by the author of this article *).

4. WATER SUPPLY PROJECTS.

a) Of numerous projects for supplying water to old and new settlements mention should be made of that for supplying the Beit Shaan region. First of all it is necessary here to clarify the question of utilizing the saline water and this will require detailed investigation. The proposed method to be adopted by the Jewish Agency, namely attempts with *biological methods* require considerable *technical* investigations or rather adaptation to local requirements of existing experience gained through utilisation of such methods for decades abroad (especially in California). Since this question is not confined to Beit Shaan alone but is connected with alarming signs of soil salinification in Emek Jezreel and Emek Hayarden due to inexpert irrigation, our whole forces of scientific research and practical experience must be brought to bear on the problem so that the mistakes already existing should not be intensified.

b) *Dam projects.* With Jewish Agency and J.N.F. support certain preparatory steps have been taken in making plans for reservoirs: In Yokneam the author undertook a general study which proved the possibility of constructing an experimental dam to collect 30,000 m³. The execution of this plan was postponed both because of the uncertain land position and because of lack of funds. This is very unfortunate both with regard to the standard of the water supply question in general and of Yokneam in particular (especially Kibbutz Hazorea).

Latterly an investigation has been started as to the possibilities of constructing an impounding reservoir in Kfar Hahoresh, where development has been held back enormously because of the precarious water supply. All that can be said at present is that possibilities do exist of solving the problem by means of a reservoir in view of the strong flow during the winter from their well Umm Kubba.

c) Near Metullah the Government intends to erect a dam to store up the large winter flows in order to irrigate PICA lands. As far as can be seen this work will be started in the near future.

In connection herewith it may be noted that near the new strategic road

*) The irregular salinification of Haifa Bay ground-water — Hassadeh, April 1936.

in the North a number of primitive rain-water reservoirs have been "discovered" (one near Salha village). These reservoirs supply the essential requirements of the local population and still hold water in September.

d) *The Water Co. Ltd.* which was supposed to undergo a transformation from a company just erecting water works for the settlements of its parent company (Palestine Economic Corporation) to a general water company carrying out all kinds of water projects (especially borings) hardly advanced from the preparatory stages during the period under review.

The only practical results of its work were a number of borings, mostly in the North of the country with modern machinery and reaching good depths. The company was, however, engaged in studying a number of large projects (e. g. Haifa Bay, Beit Shaan) and even invited a specialist from America for his advice. Nevertheless a proper plan for large projects based on its own means was not realized.

5. HULEH

It would be impossible to give even an incomplete report like this of the water economy at any period without mentioning this the most important object in reclamation and preparation for settlement. Unfortunately it is our painful task to record here that no advance was made in this nationally important object.

The commencement of the final preparations upon which the reclamation plan was to be based depended upon the success of the negotiations with ICA, which in their turn were dependent upon a Government decision. In view of the general political situation in the country and the fact that the tasks of the Technical Commission comprise an investigation into existing concessions the government was reluctant to come to a decision.

The Palestine Land Development Co. will probably soon be forced to take the whole matter into its own hands or to seek new partners with whom to finally realize its plans. Naturally in this case the company will have to leave the Northern portion to later government or private initiative.

For this smaller scale of operations the concessionaire will be able to manage with less means, which in case of necessity could even be raised in the country. Naturally cooperation in any form by ICA would be extremely valuable. In particular the whole undertaking could be made much simpler if some method could be found of utilizing the estimated 50 millions of peat for industrial, especially building, or agricultural purposes (in particular for fertilizers and packing material for fruit and vegetables). After removal of the peat, settlement could take place on the soil revealed with its higher mineral content. After completing the technical works the dried up lake area (where the Palestine Electric Corporation must come to some arrangement) could be utilized immediately for agriculture. The most important

task is the drawing up of plans as fast as possible though for this, basic topographical and other data is still necessary.

6. WATER INSTITUTE.

Endeavours have lately been made by the national institutions to set up a central institute for water questions (in belated execution of a Congress decision of 1935) by calling upon companies active in the water supply of the country. It is proposed first of all to open a small office in which to collect and assemble all hydrological material available in a number of places. This would, indeed, be a praiseworthy beginning if the necessities of the times did not demand much sterner measures. The whole partition problem in its territorial aspect is largely based upon the water problem and we ought, therefore, to appear with at least a general *water supply* plan at which all available and at present recognized forces would work together. The question cannot be postponed.

Cooperation between these forces which will eventually have to undertake large tasks can only take place in an institute built up on the broadest bases with the purpose of undertaking research, practice, advice and initiative in water supply. When it is remembered that an independent, well organized technical department of the Jewish Agency has been in existence for some years to supply the technical requirements of constructional work for water supplies, the demand for an adequately equipped central institute for water questions is certainly well justified.

The Water Balance of Palestine

by M. Sitz, Irrigation Engineer.

In 1936 the author was invited by the J. N. F. to centralize the material available on the Water Balance of Palestine in view of the impending arrival of the Royal Commission.

All the national institutions participated in this work very actively. Close contact was maintained with the University, Experiment Stations of the Jewish Agency and Mikveh Israel, Palestine Land Development Co. and what was especially appreciated, deep understanding and collaboration on the part of Government Departments in determining fundamental data. In particular there should be mentioned here the Development Department, the Department of Agriculture and the Geological Division of the Palestine Works Department.

Many private agencies for pumping machinery, well digging contractors, Jewish settlement managements, local farmers and specialists cooperated in the most friendly manner in the difficult task of collecting statistical data upon water supply and requirements at the very time of the disturbances of 1936.

The following is a brief description of the main results of the water balance of Palestine, then arrived at, whilst at the same time certain general problems, connected herewith have also been discussed.

Although the figures given here seem to be up to date, they should not be taken as final and absolute.

Further work has continuously to be done, investigations made, results discussed and from time to time corrections introduced as we gradually learn more about the special features of this highly contrasted country.

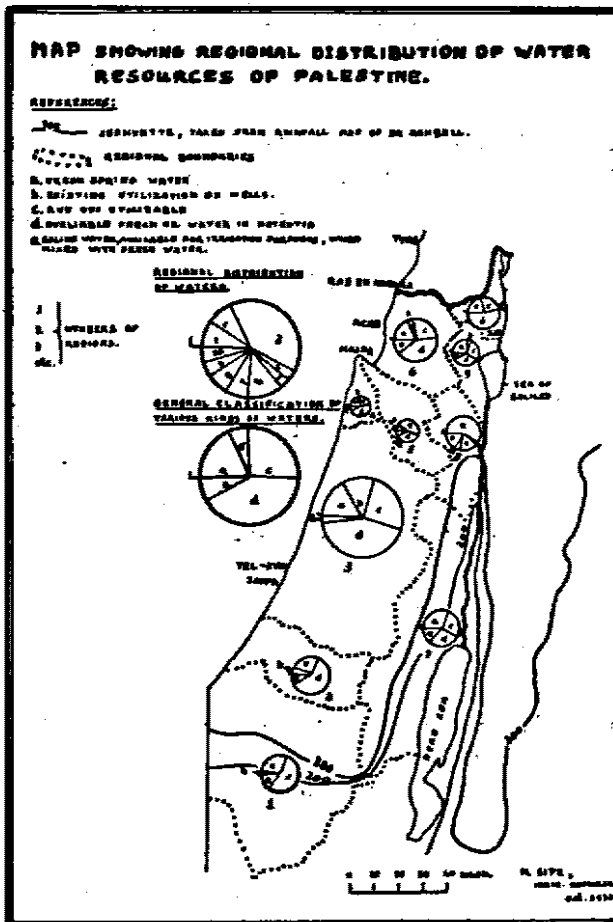
I. REGIONAL DIVISION.

The investigation covered the whole area of Palestine, west of the Jordan. This area was divided into the following 10 agricultural regions:

- | | | |
|---|---|--|
| Along the Mediterranean coast from South to North | } | <ol style="list-style-type: none"> 1. Raza — Migdal 2. Migdal — Gedera 3. Gedera — Binjamina 4. Zichron Jacob — Haifa 5. Emek HaKishon 6. Emek Zebulun |
|---|---|--|

- Jordan River South to North
- 7. Southern part of Jordan River
 - 8. Beisan — Ain Harod
 - 9. Central part of Jordan River
 - 10. Huleh.

The boundaries of these regions form watershed boundaries for groups of water basins. The water basins represent the net area of precipitation water supply for flat lands at the lower boundaries of these regions, which because of their texture and mild topographic features may be easily cultivated and turned into irrigable land.



II. MAIN WATER RESOURCES OF PALESTINE

In fixing the magnitude of the water resources of Palestine the following two factors have been taken into consideration:

1. Total Quantity of Precipitation falling above the 250 mm. Isohyette*.

* Isohyette is an imaginary line joining points with equal rainfall.

2. Water of the Jordan River and surroundings which enters Palestine from outside its mandatory boundaries.

Note: All springs and rivers rising or discharging within the mandatory boundaries are discussed below as derivatives of the total quantity of precipitation.

1. The Total Quantity of Precipitation

a) Calculation of Quantity of Precipitation

A special hydrological map was prepared based on all available data and from this map calculations of the rainfall in each basin were made. Only rain falling on areas above the 250 mm. Isohyette was considered on the assumption that rainfall of less than 250 mm. per annum could not be practically utilized.

b) Percentage of Utilizable Water in Total Precipitation

G. S. Blake, Government Geologist*, has given for two various localities the percentage of evaporation losses, and accordingly of utilizable water as 50%. This figure may be assumed to be correct, but for safety's sake we increased the percentage loss due to evaporation, thus reducing the total amount of utilizable water.

c) Division of total amount of utilizable water

Part of the utilizable water *percolates* into the ground whilst the remainder appears as *Run-off*. The exact division of the disposal of the utilizable water is a constant source of discussion, but no effective answer can be given until detailed, large scale investigations in various parts of the country have been undertaken.

The problem is important because the utilization of run-off may be of enormous interest both from the technical and economical point of view. The general opinion of local experts however, is inclined to doubt the possibilities of run-off utilization and to lay more weight upon the utilization of ground-water. It has, therefore, been decided to construct the water balance in such a way as to presume that most of the utilizable water corresponds to that *percolating* into the ground.

d) Determination of Total Amount of Ground Water and its Availability

All the internal river and spring water was subtracted from the total amount of percolated water. The resulting figure gives the total amount of *stored* ground water for each region separately.

It may be presumed that the *total amount of stored ground water is available*. The existing underground waters represent a good storage basin. Considering, however, that part of the water may be at depths from which it would be impracticable to raise it, and also considering that part of the water may be saline, various reductions have been made in the amount of stored ground water, varying according to local regional conditions.

* G. S. Blake, Water Resources of Palestine, Jerusalem 1928.

2. *Water of the Jordan river and surroundings which enters Palestine from outside its mandatory boundaries*

a) The flow of the Jordan river is given by various authorities at anything up to 100 m³ per second. The figure accepted during the construction of the first Jordan Power Station was 33 m³ per second. The possibility of using the Jordan river for irrigation purposes is quite eliminated, especially in view of the concessions held by the Palestine Electric Co., Palestine Potash Co., etc.

b) Within the mandatory area there are some lands lying East of the Jordan, near Lake Kinnereth. The Trans-Jordan waters at this spot are much larger than required for local irrigation and might very well be used for this purpose.

III. SECONDARY WATER RESOURCES OF PALESTINE

1. *Utilization of Run-off*

The possibility of utilizing run-off water by damming has been frequently discussed in this country. Before any conclusions can be drawn regarding this problem it will be necessary to collect observation records over a period of many decades. The utilization of run-off does not necessarily involve damming. A semi-intensive system of flooding land by means of earthen ridges might also be used.

The latest methods of evaluating run-off, and also of protection against erosion, are inclined towards the *conversion of run-off into percolated water*. Underground dams have been built to conserve the run-off as subterranean waters, whilst in the U.S.A. a method has been adopted of digging mechanically a vast number of holes and thus converting the run-off into stored soil moisture.

2. *Utilization of part of the saline water*

Much of the saline water is derived from springs and subterranean sources. During its passage to the surface the water often crosses a short soluble stratum which converts the originally fresh water into saline. Mr. G. S. Blake, the Government Geologist has remarked regarding the Feshka spring near the Dead Sea, that it should be possible to convert it into a fresh water spring by deviating it through a special canal. Mr. Goldshmidt, Irrigation officer of the Development Department has written about the problem of mixing saline water with fresh water. In his opinion 60% of the saline water along the Mediterranean Coast could thus be rendered utilizable. There seem to be possibilities here of further development.

3. *Utilization of waters at Eastern side of Huleh*

Huleh lies at the foot of Mount Hermon, which is covered with eternal snow. The total amount of precipitation is enormous, exceeding one billion m³ per annum, whilst the average rainfall exceeds 1000 mm. All this water enters mandatory territory from Transjordan. These waters are not required for the swampy land of Huleh

itself but in a later stage of utilizing the water resources of Palestine they may be extremely important for irrigating the dry land of the Jordan Valley, lying to the South.

IV. TWO MAIN STAGES IN THE UTILIZATION OF WATER IN PALESTINE

During the primary stage only the following waters can be used:

1. Fresh Subterranean water,
2. Fresh spring water,
3. Jordan River,
4. Transjordan Waters for irrigating land East of the Jordan.

During the second stage the remaining water to be utilized is as follows:

1. Run-off,
2. Part of saline Water,
3. Water at Eastern side of Huleh.

V. BRIEF DESCRIPTION OF METHODS USED FOR CALCULATING IRRIGABLE AREA

1. Calculation of Quantity of water available in primary stage

The available subterranean water was measured in m^3 per annum; the spring water in m^3 per second. All these figures were converted to m^3 per hour. Only that quantity of spring and river water was included as flows *during the irrigation period*. Water flowing outside this period will run to waste. The ground-water has been included in its *entirety* and will be fully used during the irrigation period. Both figures are expressed in m^3 per hour during the irrigation period. The irrigation period of each agricultural region was calculated separately. The following result was obtained:

TABLE I.

Summary of quantity of water available per region in m^3 per hour during primary stage of utilization

No. of Region	1	2	3	4	5	6	7	8	9	10	Total
Output	35,350	33,500	136,156	12,420	9,888	44,735	18,610	25,445	20,610	75,750	421,448

Note: — For key to numbers of regions see pages 73-74.

2. Calculation of Water Requirements

It was found necessary to calculate water requirements not according to *perennial crop* requirements, but according to the *unit of stream necessary to supply all requirements of one average agricultural dunam of land at the hottest period*. This figure is called the *hydromodule*, and is measured in units of m^3 per hour

per dunam: When the quantity of water available is divided by the hydromodule, the resulting figures gives the quantity of irrigable land.

On a basis of statistical data available it was possible to calculate the total water requirements of each typical culture and each region separately. Secondly the percentage of each crop in a region was discussed (projective regional agricultural plan), and thus the hydromodule for each region obtained.

TABLE II.

Hydromodules per region in m³ per hour per dunam

No. of Region	1	2	3	4	5	6	7	8	9	10
Hydromodule	0.192	0.183	0.167	0.155	0.147	0.155	0.250	0.205	0.277	0.160

Note: — For key to numbers of regions see pages 73-74.

3. Land Irrigable during primary stage

Coordinating the hydromodule with the quantity of water available we obtain the area of land available for irrigation. It has been considered wiser to revise these figures in accordance with the existing area of flat land suitable for irrigation in each Region separately. The following final table of irrigable land is thus obtained:

TABLE III.

Summary of land Irrigable during Primary Stage

No. of Region	1	2	3	4	5	6	7	8	9	10	Total
Existing area of flat land in dunams	390,000	434,000	1,410,650	70,000	410,000	278,000	252,000	252,000	178,000	231,000	3,914,650
Area Irrigable in dunams	184,000	183,000	815,000	70,000	67,175	278,000	74,000	124,020	106,000	231,000	2,142,095
Percentage irrigable	47	42	58	100	16	100	30	49	60	110	61

Thus the total minimum area irrigable during the primary stage of intensification is about 2,150,000 dunams.

The project for the settlement of 30,000 families within the next ten years requires 600,000 dunams of freshly irrigated land computing 20 dunams per family for intensive settlement. I have no detailed figures regarding the present area of

irrigated land but I compute it at 350,000—400,000 dunams divided approximately equally between Jews and Arabs.

4. *The future crops of Palestine*

It may, perhaps, be of some interest to see the kind and quantities of crops that will have to be grown in future on the irrigated land.

The irrigable land in the future in Palestine should be divided over various crops as follows:

Oranges, Grapefruit	26.50%
Bananas	2.04%
Deciduous Fruit, Grapes	13.40%
Vegetables	20.76%
Forage Crops	37.30%
	<hr/>
	100.00%

The most important crops of the future, apart from citrus, will be *forage crops* and *vegetables*. In the future they will have to occupy at least 50% of the available irrigable land. In this sense our agricultural development is still in its infancy.

Banking and Credit in Palestine

by Dr. Curt Grunwald

The enactment on the 7th of October of the Banking Ordinance brought to an end the second chapter in the post-war history of Palestine banking.

1. The first chapter of this history, which practically coincides with the first decade of the Civil Administration in Palestine, leaves the impression of far-reaching nationalisation. The banking and credit institutions established during this period, such as the General Mortgage Bank of Palestine, Workers Bank, Loan Bank, Mortgage and Credit Bank, and Palestine Corporation, were sponsored and controlled by national, semi-national and public spirited organisations, and even smaller, or private banks, such as the Mizrahi Bank or Mercantile Bank had to turn to a Zionist public abroad for their capital.

The influx of immigrants and capital which in 1935 had reached an unprecedented level, brought about a fundamental change. Palestine, hitherto lacking any appreciable amount of capital, and largely dependent for its development and maintenance on national, religious and charitable funds from abroad, suddenly became a country with a considerable capital reserve. This development led to the establishment of a great number of credit institutions, which had no difficulty in finding working capital locally, either in the form of share-capital or of deposits.

While during the first period only 37 banks were registered under the various laws relating to credit institutions, this figure had increased to 113 by the middle of 1935, when, together with about 140 urban and rural credit cooperative societies, about 250 credit institutions were on register (though not all operating); 16 of these institutions operated about 50 additional branches.

This rapid expansion of the country's credit organisation in so short a time, in some ways mindful of the mushroom growth of banking in Central and East European countries during the post-war inflation years, led to a demand for legislation to protect the interests of the public. A committee, appointed in November, 1933, to consider and propose such legislative measures, submitted its report in 1934, suggesting the requirement of a paid-up share capital of £P. 25,000 to act retrospectively, improved publicity, etc. But no action was taken by Government until the appointment of an Examiner of Banks in November 1935.

2. The appointment of an Examiner of Banks, though probably planned

before, followed soon after the banking panic in August/September 1935, resulting from the political tension in the Mediterranean. This event must be considered a turning point in the development of banking in Palestine. First attempts towards consolidation followed the period of rapid expansion and these attempts were ultimately strengthened and made compulsory by legislative measures. The first instalment of the new Banking Ordinance, published in March, 1936, compelled banks to submit monthly detailed returns to the Examiner of Banks who by friendly persuasion tried to bring about certain desirable improvements. Finally in October 1937, the last instalment of the proposed Banking Legislation was enacted, requiring a registered share capital of £P. 50,000, half of which must be paid up. Within three months from the date of enactment of the Ordinance, existing banks must increase their capital to £P. 25,000 and paid-up capital to £P. 10,000; and within two years to the prescribed minimum. Foreign banks must have a capital of £P. 100,000. The High Commissioner, however, is authorised to vary these requirements in respect of any company when he considers it to be in the public interest to do so.

Any company which carries on banking business has to pay an annual fee of £P. 100.—. Banks must publish their Annual Balance Sheet in a daily newspaper and exhibit it at their premises throughout the year. The unauthorised use of the name of a bank, bankers etc. is liable to prosecution. The High Commissioner may deprive any company of the right to use the name bank or any of its derivatives, and to refrain from receiving from the public money withdrawable by cheque or order.

Nobody who has been concerned in the management of a bank, wound up by order of the court, or has been sentenced to a term of imprisonment of one year or more, shall be connected with the management of a company carrying on a banking business.

The High Commissioner may appoint an Advisory Committee on Banking. A first committee has been appointed consisting of ten members, representing Government and the big (foreign) and medium size (local) banks.

3. The effect of the Ordinance became evident on the first of January 1938, when only 55 banks paid their annual fee (not including cooperative banks or credit societies) as against 76 banks, submitting returns to the Examiner in April 1937. Certain other banks, went into voluntary liquidation. Others decided upon amalgamation, as for instance the Ahusa Bank of Haifa with the Belgo-Palestine Bank, or the Jerusalem Bank with the General Commercial Banking Corporation (now J. L. Feuchtwanger General Commercial Bank Ltd.). The number of banks is, therefore, likely to decrease considerably until October 1939, when the full amount of £P. 25,000 will have to be paid up, and the registered capital raised to £P. 50,000. Some banks, in danger of losing their character, have like in the days immediately

after the war, appealed to Jewish sentiment abroad to raise the capital required. Of particular interest among them is the Near East Bank Ltd., which was been taken over by the Yemenite Community. A prospectus for the new share issue has been filed with Securities Board in Washington. The bank is intended to assist members of the Yemenite Community in establishing themselves in crafts and agriculture, in building small houses etc.

On the other hand, a number of new commercial banks will be created by the conversion of some of the large cooperative institutions, viz. the Industrial Bank Ltd., the Zerubabel Bank, the Ashrai Bank Ltd. and the Kupath Am Bank into joint stock Companies, as is now taking place.

It is of interest to note that throughout the depression no serious bank failure occurred. Only in three minor cases were winding up orders issued by the Registrar or Court against fairly unknown and unimportant institutions.

The salutary effect anticipated from the Banking legislation, will no doubt, encourage similar legislation to regulate the operations of Buildings and Savings Associations, Insurance Companies and other financial institution.

4. The changes in the Palestinian banking structure thus have been brought about without any disturbing effect on the economic life of the country. On the contrary, the banks were in a position to render assistance to the various branches of the economy throughout the protracted depression. Discount credits and advances, which from April to December 1936, had increased from £P. 12,343,305 to £P. 13,147,832, i. e. by £P. 900,000, rose by another £P. 840,000 to £P. 13,986,149 at the end of 1937, of which £P. 3,537,174 were bills discounted and £P. 10,448,975 advances to Customers or members.

The view that this increase is due to the renewal of previous credits plus the interest-accrued (to about seven per cent) — seems to be contradicted by the fact that the average loan decreased from £P. 146. — in September 1936, to £P. 143 — a year later.

These loans were distributed among the various branches of the economy in the following proportions:

To	30.9.36	31.3.37	30.9.37
Public Authorities and utilities	2.4%	2.2%	2.9%
Agriculture	26.0	23.9	25.7
Industry	11.9	12.4	11.0
Construction	3.7	6.1	4.0
Commerce	22.3	21.7	21.2
Miscellaneous	34.2	33.7	35.2
	<hr/> 100.0	<hr/> 100.0	<hr/> 100.0

The relatively low share of industry in the total volume of credits has been widely criticized. One must, however, keep in mind that industry also receives credits from financial houses which do not submit returns as well as from banks abroad, and these figures do not appear in the local statistics. But on the whole, the low share seems to be due to the fact that industry is mainly in need of medium and long term credits, which are supplied only to a very small extent by local banks. With the exception of the few ten year loans of the Palestine Corporation, and more recently limited amount of "Reconstruction Loans", issued by a syndicate consisting of the Jewish Agency, Anglo-Palestine Bank and Industrial Bank, no long-term credit facilities exist for industry. (For Medium-term loans the three years credits, introduced by the Loan Bank, and issued for the past six years by the Anglo-Palestine Bank, seem to suffice). Thus the problem of industrial finance is still open and awaiting solution.

In industry, as well as in agriculture the conversion of short-term indebtedness into long-term loans would greatly assist in improving the present depressed conditions.

5. In spite of the £P. 1,750,000 increase in credits since April 1936, deposits with banks and cooperative credit societies are still £P. 2,300,000 higher than the amount of credits outstanding. Deposits, which in April 1936, amounted to £P. 17,159,503 decreased only slightly up to December 1936, when they totalled £P. 16,985,457, but shrunk by £P. 599,100 during the year to £P. 16,286,356 in December 1937.

It is of interest to note that while Demand Deposits decreased during the two years of depression by almost two Million pounds, viz. from £P. 13,700,744 in April 1936, to £P. 11,710,377 in December 1937, Time Deposits increased in 1936, viz. from £P. 3,458,759 in April 1936 to £P. 4,599,568 in June 1936, and since that time remained rather stagnant with small fluctuations, amounting to £P. 4,575,979 in December 1937.

6. The capital structure of Palestinian banks, in its development during the year is shown in the following table (in £P. 1000's):

ASSETS	31.12.1937	30.9.1937	30.6.1937	31.12.1936
Cash in hand and in transit	541	665	532	749
Balances with other banks in Palestine	975	752	871	1,021
Balances with banks outside Palestine and with correspondents	560	511	556	664
Head Office and/or branches outside Palestine	2,339	2,510	3,075	2,947
Bills discounted	2,699	2,745	2,759	2,577
Advances to banks	190	155	135	201

ASSETS (cont.)	31.12.1937	30.9.1937	30.6.1937	31.12.1936
Other advances	7,692	7,585	6,928	7,363
Investments	3,175	5,186	5,248	4,442
Bank premises	226	221	207	185
Liabilities of customers for acceptances, guarantees, endorsements, etc.	1,299	1,430	1,443	1,175
Other accounts	262	255	243	249
Total assets	19,958	22,015	21,997	21,553
LIABILITIES				
Paid up capital and reserve funds	1,381	1,359	1,342	1,724
Debentures	152	143	135	120
Balances held for Palestine banks	1,387	1,374	1,638	1,509
Balances held for banks outside Palestine Head office and/or branches outside Palestine	1,073	2,495	1,902	1,302
Demand deposits	10,034	10,446	10,887	11,194
Time deposits repayable within 3 months	1,990	1,924	1,966	1,639
Time deposits repayable in 3 to 12 months	1,078	1,150	1,151	1,013
Time deposits repayable later than 1 year	365	383	377	350
Bills payable	179	235	218	219
Advances	210	208	154	325
Acceptances and guarantees, endorsements	1,299	1,430	1,443	1,175
Other accounts	588	595	528	713
Total liabilities	19,958	22,015	21,997	21,553

While an accurate comparison with the position as at the end of 1936 is not possible owing to the fact that the December 1936 figures included the Palestine Corporation Ltd., and further that since June 1937 a number of banking institutions are no longer required to submit monthly returns, in accordance with the new Banking Ordinance, it may be noted, nevertheless, that the total assets and liabilities as at the 31st December 1937 is £P. 1,595,000 less than at the same date in 1936.

It shows that the liquidity of the banks, though it decreased then during the year, is still maintained at the high level of 20 per cent, while capital and reserves amount to over 10 per cent of the total deposits.

7. During the year Currency in circulation likewise decreased. It is ten years since Palestinian notes and silver and nickel coins became the sole legal

tender in Palestine. From January 22, 1921 to March 31, 1928, Egyptian gold, banknotes and silver and nickel coins constituted legal tender, and it was not before the Order-in-Council dated February 7, 1927, the Currency Notes Ordinance of 1927 and a subsequent proclamation by the High Commissioner, that a Palestinian currency was introduced.

On March 31, 1928, the total value of currency in circulation was £P. 1,887,848, including £P. 1,692,500 in notes and £P. 194,848 in coins. There was a currency reserve fund of £P. 1,816,057. At the end of the financial year ending March 31, 1929, the Currency Board made a contribution of £P. 10,000 to revenue in respect of business during the year. During the following years payments rose continuously until they had reached £P. 115,000 in 1934/35, while during the following two years £P. 100,000 and £P. 80,00, respectively, were contributed by the Board. Total payments from 1928/29 to 1936/37 amounted to £P. 610,000. The Currency in circulation reached its peak level in October 1935 when it stood at £P. 7,545,134 and decreased to £P. 5,741,135 in December 1936 and to £P. 4,829,134 a year later. Thus the total liquid capital of the country (i. e. Deposits and Currency) decreased from £P. 23,370,639 in April 1936 to £P. 22,787,092 in December 1936 and to £P. 21,115,790 at the end of 1937. This means, that during the 21 months of unrest in the Country the liquid Capital of the Country decreased by £P. 2,255,000, £P. 1,576,000 alone during 1937. This movement, which seemed particularly strong during the months August—November, has however, been arrested, and a small increase can be recorded for December.

This decrease seems to indicate an adverse balance of payments during past year, inspite of an estimated capital import of £P. 6,000,000. The adverse balance of payment is mainly due to the large imports, which did not adjust themselves to the depressed conditions of the country. It is therefore, advocated that the banks should in their credit policy try to reduce imports and rather stimulate the sales of locally produced goods, for which there is still a wide market in the country.

To a small extent the decrease in deposits may also have been due to investments in foreign securities. There is, of course, no way of estimating such holdings by Palestinian residents. But it seems that the estimated losses of £P. 300,000 by such residents on foreign stock markets in 1937 are grossly exaggerated.

8. It should be pointed out here that Palestinian stocks have proved "shock-proof" throughout the depression, as the following table shows:

"LOW" AND "HIGH" BUYING QUOTATION OF PALESTINE SECURITIES DEALT IN ON THE TEL AVIV SECURITY CLEARING HOUSE DURING 1936 AND 1937 AND ACTUAL PRICES ON 3rd JANUARY (First working day) AND 31st DECEMBER 1937.

SECURITY	1936		1937		3 Jan.	31 Dec.	Rise or fall in year 1937
	Low	High	Low	High	1937	1937	
<i>Debentures:</i>							
General Mortgage Bank							
5% Deb. 1938/55—39/56	95¾	96	95¾	98⅞	95¾	98⅞	+2⅜
5% Deb. 1941/56—42/57	95¾	96	95¾	98⅞	95¾	98⅞	+2⅜
6% Deb. 1934/54	100½	102½	100⅝	102¾	102	100¾	-1¼
Bizur Ltd.							
6% Deb. 1938/43	97½	97½	97½	98¼	97½	98¼	+¾
Keren Kayemeth Ltd.							
2½% Deb. 1934/53	63¼	71¼	65¾	72⅞	65¾	69⅞	+3⅝
Nir Ltd.							
4% Deb. 1937/52	72½	73¾	70¾	76¾	73¼	75⅞	+2⅜
<i>Preference Shares:</i>							
6% General Mortgage Bank	102¾	109¼	105½	117	105½	110	+4½
6% Pal. Land Dev. Co.	88¾	103¼	88½	96¾	88½	90½	+2
5% Nir Ltd.	66	74	57	70¾	67	59	-8
5½% Palestine Potash Ltd.	13/3	19/4½	9/10½	14/1½	13/9	13/4½	-4½
<i>Ordinary Shares (bearer)</i>							
General Mortgage Bank	103¾	109⅞	105¾	129	105¾	113⅞	+7⅞
Palestine Land Dev. Co.	87	111	84¾	101	87	88	+1

It is also interesting to note that securities, traded in both in London and in Tel Aviv, showed a more stable market in Tel Aviv, than in London.

9. Outstanding among the Palestine securities are the 5% and 6% debentures of the General Mortgage Bank of Palestine Ltd.

The total circulation of debentures and mortgage loans of the Bank as at the 31st December 1937 was as follows:

<i>Circulation of Debentures</i>	£P.	<i>Mortgage Loans</i>	£P.
as at 31.12.1936	1,851,540	As at 31.12.1936	2,074,543
Issued in 1937 (5%)	480,000	Granted during 1937	633,495
	<hr/>		<hr/>
	2,331,540	Repaid in 1937	134,798
Drawn for redemption or converted in 1937 (6%)	101,540	As at 31.12.27	2,573,240
	<hr/>		<hr/>
In circulation on 31/12.37	2,230,000	Building Advances	30,990
		Total Mortgage loans	2,604,230

*The Balance Sheet of the General Mortgage Bank of Palestine
as at December 31, 1937 shows the following:*

<i>Assets</i>		
Cash in hand and at banks	£P.	199,709
Loans on Mortgage		2,604,230
Debtors and Debit Balances		33,783
Office furniture		1
		<hr/>
Mortgages held on behalf of third parties as per contra	£P. 5,737,607	2,837,723
		<hr/>
<i>Liabilities</i>		
Share Capital		
Authorised:		
600,000 Ordinary Shares of 100 mils each	£P.	60,000
150,000 Ordinary Shares of £P. each		750,000
38,000 Preference Shares of £P. 5 each		190,000
		<hr/>
		1,000,000
Issued and fully paid:		
600,000 Ordinary Shares of 100 mils each		60,000
40,000 Ordinary Shares of £P. 5 each		200,000
38,000 Preference Shares of £P. 5 each		190,000
		450,000
Reserve Fund		50,000
Debentures (Secured by Floating Charge on Assets)		
6% Twenty years Debentures		380,000
5% Twenty years Debentures		1,850,000
		2,230,000
		<hr/>
Debenture interest accrued due		25,756
Creditors, Reserves and Provisions		79,796
Profit and Loss Account (Balance carried forward)		2,171
		<hr/>
Third Parties for Mortgages held on their behalf as per contra	5,737,607	2,837,723
		<hr/>

10. There was little scarcity of mortgage loans, as the registration figures indicate. In 1937 mortgages amounting to £P. 5,977,389 were registered (mil. Transfers), against £P. 5,499,408 in 1936, and £P. 7,103,397 in the peak year of 1935.

More than 60% of all mortgages were registered in Tel-Aviv with £P. 2,344,700 and Haifa with £P. 1,455,635. Jerusalem appears only with £P. 953,471 and Jaffa with £P. 807,287, — in all other districts together (Acre, Gaza, Tiberias and Tul-karm) there were registered mortgages to the value of £P. 416,296.

11. In spite of the depressed conditions in the country, investments proceeded at the relatively high level of £P. 6,000,000. According to a conservative estimate of the American Economic Committee for Palestine, the following amounts were invested by Jews during 1937:

Construction	£P. 2,881,700
Industry & Handicrafts	717,300
Agriculture	1,130,000
Land Purchase	560,000
Commerce, Transport Services	560,000
	<hr/>
	£P. 5,848,000

12. The number and authorized Share Capital of new companies registered and of existing companies which increased their share capital in 1937 in comparison to previous years may be seen from the following table:

Year	New Companies		Companies increasing their Share Capital	
	Number	Authorized Share Capital	Number	Net Increase
1937	207	968,794	44	2,861,800
1936	167	1,046,464	51	832,272
1935	277	3,110,722	54	1,912,425

13. These rather impressive figures of economic activity in times of depression are not overshadowed by the figures of bills protested. In 1937, 7,987 bills were protested against 10,111 bills in 1936, and 7,264 bills in 1935. These figures cannot, however, be taken as a conclusive index for various reasons, nor the hitherto unpublished total of bankruptcy cases, as in many cases a settlement is arranged out of court.

14. A large section of the population are members of Jewish Credit Co-operative Societies. The number of such societies increased during the year from 93 to 95, the number of members from 79,756 to 85,665. Total own funds (capital and reserves) increased from £P. 753,822 to £P. 838,109. Total deposits grew steadily during the first half year, from £P. 2,745,378 to £P. 2,973,176 in June, and declined again to £P. 2,819,431 in December. Credits granted to members rose gradually from £P. 3,225,067 to £P. 3,405,619 at the end of the year, after a peak of £P. 3,504,525 had been reached in September. The ratio of total own funds and total deposits to total credits granted and outstanding at the end of the year was 107.4, as compared with 108.5 at the beginning of the year.

The summary of assets and liabilities of 95 credit cooperative societies as at the 31st December 1937, as compared with the end of 1936 is as follows (in £P. 1,000's): —

	31.12.1937	31.12.1936
ASSETS		
Cash in hand	130	142
With other credit cooperatives	102	49
With other banks and correspondents	572	744
<i>Advances to members</i>		
Repayable with one year	1,987	1,823
Repayable upwards of one year	580	551
<i>Bills discounted</i>		
Maturing within 3 months	448	460
Maturing upwards of 3 months	297	279
Overdue and unpaid	93	95
Investments	134	114
Premises (including furniture)	161	122
Other accounts	301	259
Liabilities of members for guarantees	216	222
Trustee funds	25	34
	Total	
	5,046	4,874
LIABILITIES		
Share capital or other contributions from members	391	349
Reserve funds	447	403
Debentures	88	88
Balances held for other credit societies	84	112
<i>Deposits</i>		
Demand deposits	1,677	1,834
Repayable within 3 months	489	432
Repayable later than three months	654	523
Advances from other credit societies and central banks		
of cooperative societies	409	371
Advances from banks	215	197
Advances from others	74	53
Other accounts	277	250
Trustee funds	25	34
Guarantees, endorsements, etc.	216	221
	Total	
	5,046	4,874

15. The development of Arab Credit Cooperative Societies is still in its infancy. At the end of 1937 there were registered 120 societies with 5,121 members, having own funds amounting to £P. 10,117, borrowed funds with £P. 62,278. The total amount of loans issued was £P. 71,790.

The Palestine credit machinery, after successfully withstanding the strain of the banking boom in 1935, has weathered the economic depression and political diffidence. This is an achievement which the banking leaders in this country may view with great satisfaction. Much has been done in recent years to strengthen this vital branch of our economy, and to cater for the increasing and manifold requirements of the country. But more is left to be done. Long-term credits both for agriculture and industry are badly needed and scarcely available. The capital market is still in its infancy, and practically closed to industry. There are some schemes under consideration to overcome these difficulties, but owing to the conditions prevailing little progress has been made. Such progress is dependent on security and upon the restoration of confidence in the political future of the country.

List of Banks doing Business in Palestine

No.	Name of Bank	Town & Street	P.O.B.	Telephone
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A. FOREIGN BANKS

- | | | | | |
|----|---|---|-----|---------|
| 1. | Anglo-Palestine Bank Ltd., The
<i>Registered Office:</i> | Tel-Aviv, Herzl
London E.C.4, 10-12,
Walbrook | 103 | 1447 |
| | <i>Branches:</i> | London, Tel-Aviv(2), Jaffa, Jerusalem, Haifa
Hadar-Hacarmel, Tiberias, Safad, Petah-Tikvah,
Hedera, Rehovoth. | | |
| 2. | Banco di Roma | Jerusalem,
Near Jaffa Gate | | 4601 |
| | <i>Branches:</i> | Jerusalem, Tel-Aviv, Haifa, Jaffa. | | |
| 3. | Barclays Bank (D. C. & O.) | Jerusalem | | 4646 |
| | <i>Branches:</i> | Haifa(2), Tel-Aviv(2), Jaffa, Nablus, Acre,
Gaza, Hebron, Nazareth, Ramat-Gan. | | |
| 4. | Holland Bank Union | Haifa, New Business
Centre, Bovis Bldg. | 709 | 1181/83 |
| | <i>Head Office:</i> | Hollandsche
Bank Unie N. V. Amsterdam, Heerengracht | 554 | 35000 |
| 5. | Ottoman Bank | Jerusalem, Jaffa | 669 | 3362 |
| | <i>Branches:</i> | Haifa, Tel-Aviv, Jaffa, Nablus, Amman. | | |
| 6. | Bank Polska Kasa Opieki S. A.
(Bank P.K.O.) | Tel-Aviv, 88, Allenby | 267 | 3691 |
| | <i>Branch:</i> | Haifa, Shapiro | 199 | 1574 |

B. MORTGAGE BANKS

- | | | | | |
|----|--|---------------------------------|----|---------|
| 1. | General Mortgage Bank
of Palestine, Ltd., The | Tel-Aviv,
28, Jehuda Halevy. | 69 | 1915/16 |
| 2. | Palestine Mortgage & Credit
Bank Ltd. | Jerusalem | 76 | 4637 |

No.	Name of Bank	Town & Street	P.O.B.	Telephone
C. LOCAL BANKS				
1.	Agrobank (Agricultural & Building Bank for Palestine) Ltd.	Tel-Aviv, 65, Allenby	4061	4244/5
2.	Alexander Eliash & Co. Ltd. Bankers	Jerusalem, Ben Yehuda	681	4722
3.	America Palestine Bank Ltd.	Tel-Aviv, 19, Achad Haam	972	2839
4.	Arab Agricultural Bank Ltd.	Jerusalem, Mamillah Rd.		2693
5.	Arab Bank Ltd.	Jerusalem, Jaffa Gate		4135
	<i>Branches:</i> Haifa			420
		Jaffa, Awkaf St.		79
6.	Arab Industrial Bank	Jerusalem, Mamillah Rd.		—
7.	Bank Atid Ltd.	Tel-Aviv, 42, Lilienblum	1192	2410
8.	Bank Baalei Habatim Ltd. (The Landlordsbank)	Tel-Aviv, 16, Herzl		0251
9.	Bank der Tempelgesellschaft (Bank of the Temple Society Ltd.)	Jaffa, Tel-Aviv Rd.	24	1555
	<i>Branches:</i> Haifa, Kingsway		344	382
		Jerusalem, Mamillah Rd.	328	4208
10.	Bank Haolim Erez-Israel Polonia Ltd.	Tel-Aviv, 20, Rothschild Blvd	425	2442
11.	Bank Lehityashvut Ammamit BeErez-Israel Ltd.	Tel-Aviv, 63, Nahlat-Benjamin	828	2220
12.	Bank Nurock Idelsack Ltd.	Tel-Aviv, 13, Herzl	937	662
13.	Bank Yehudi (Jewish Bank) Ltd.	Tel-Aviv, 28, Rothschild Blvd.	294	2583
14.	Belgo-Palestine Bank Ltd., The	Tel-Aviv, 120, Allenby	637	4291/2/3
	<i>Branches:</i> Jerusalem, 1, Ben-Yehuda		1065	2033
		Haifa, 31, Kingsway	595	1408
15.	Central Bank of Commerce Ltd. (Formerly Hebron Bank Ltd.)	Jerusalem, Jaffa Road Central Bldg.	694	3630
16.	Central Bank of Co-operative Insti- tutions in Palestine Ltd., The	Jerusalem, Hasolel	238	337
	<i>Branch:</i> Tel-Aviv, 14, Rothschild Blvd.		221	841
17.	Citizens' Bank Ltd.	Tel-Aviv, 28, Herzl	504	4337
18.	Ellern's Bank Ltd.	Tel-Aviv, 3, Rothschild Blvd.	947	1405/6

No.	Name of Bank	Town & Street	P.O.B.	Telephone
		<i>Branch:</i> Haifa, 63, Kingsway	256	1421
	(Representative: Mr. Kurt Ottensooser)	Jerusalem, Assicurazioni- Generali Bldg.	—	4858
19.	General Bank for Discount & Commerce Ltd., The	Jerusalem, 6, Princess Mary Ave.	933	2676
		<i>Branch:</i> Tel-Aviv, 33, Jehuda-Halevi	—	—
20.	General Palestine Bank Ltd., The	Tel-Aviv, 7, Rothschild Blvd.	1269	1417
21.	Hadar Hacarmel Bank Ltd.	Haifa, Herzl, Had. Hacarmel	908	715
22.	Haifa Bank Ltd., The	Haifa, Kingsway	138	892
		<i>Branch:</i> Haifa, Had. Hacarmel, 32, Herzl	—	—
23.	Heilbrooner A. M. & I. Bank Ltd.	Jerusalem, 3, Ben-Yehuda	1041	2745
24.	Hoffnungs Bank Ltd.	Haifa, Bankstreet Palafric Bldg.	1474	1744
25.	I. L. Feuchtwanger, General Commercial Bank Ltd.	Jerusalem, Assicurazioni Generali Bldg.	122	1305/6
		<i>Branches:</i> Tel-Aviv, 5, Rothschild Blvd.	1824	0623/4
		Haifa, Hadar Hacarmel, 19, Herzl		1053
26.	Jacob Japhet & Co. Ltd. Bankers	Jerusalem, Mamillah Rd.	897	1648/9
		<i>Branches:</i> Jerusalem, Rehavia 24, Rambam	—	—
		Tel-Aviv, 77, Nahlat-Benjamin	1346	1544/5
		Haifa, Palafric House	625	1033
27.	Jarcho Bros. Bank Ltd.	Tel-Aviv, 35, Jaffa-Tel-Aviv Rd.		
28.	Jerusalem Bank Ltd.	Jerusalem, 3, Ben-Yehuda	672	738
29.	Jordan Bank Ltd., The	Tel-Aviv, 79, Allenby	818	2608
30.	Kedem Credit Bank Ltd.	Jerusalem, 4, Lunz	723	191
		<i>Branch:</i> Tel-Aviv, 17, Ben-Yehuda	892	1580

No.	Name of Bank	Town & Street	P.O.B.	Telephone
31.	King Solomon Bank Ltd., The	Jerusalem, 9, Ben-Yehuda	827	1320
	<i>Branches:</i>	Tel-Aviv,		
		26, Rothschild Blvd.	581	2370
		Haifa, Hadar Hacarmel,		
		25, Herzl	1003	1389
32.	Klinger's Bank	Safed, Jewish Qur.	3	6
33.	Kollenscher, Loewenberg & Co. Bank Ltd., The	Tel-Aviv,		
		13, Rothschild Blvd.	1132	0017
34.	Metropolin Bank Ltd., The	Jerusalem, Jaffa Rd.	305	3825
35.	Mizrahi Bank Ltd., The	Jerusalem, Jaffa Rd.	685	4262/3
	<i>Branches:</i>	Tel-Aviv, 48, Lilienblum	309	1162/3
		Haifa, Kingsway	1203	1211
36.	National Bank of Palestine Ltd., The	Tel-Aviv, 17, Herzl	272	909
37.	Near East Bank Ltd., The	Tel-Aviv,		
		7, Rothschild Blvd.	—	1418
	<i>Branch:</i>	Jerusalem, 6, Ben-Yehuda		
		House Auster	—	2041
38.	Palestine Ashrai Bank Ltd., The	Haifa, Hadar Hacarmel,		
		Herzl	950	1444/5
	<i>Branch:</i>	Haifa, Kingsway	1472	1633
39.	Palestine Credit Utility Bank Ltd., The	Tel-Aviv,		
		14, Jehuda-Halevy	1117	1922
40.	Palestine Credit & Investment Bank Ltd.	Jerusalem, Ben-Yehuda		
		Josef Bldg.	882	2579
41.	Palestine Deposit & Investment Bank Ltd.	Haifa, New Bus. Centre,		
		Bank Street	658	1518
	<i>Branch:</i>	Haifa, Mount Carmel,		
		Spector Bldg.		
		(Central Carmel)	—	—
42.	Palestine Discount Bank Ltd., The	Tel-Aviv,		
		39, Yehuda-Halevy	95	2833
43.	Palestine Mercantile Bank Ltd., The	Haifa, Kingsway	159	241
	<i>Branches:</i>	Jerusalem, Jaffa Road	175	4255
		Rehovoth, Herzl	45	281
44.	Palestine Security Bank Ltd., The	Tel-Aviv,		
		97, Dizengoff Rd.	3005	
45.	Popular Bank Ltd., (Bank Amami)	Tel-Aviv, 30, Herzl	1003	0293

No.	Name of Bank	Town & Street	P.O.B.	Telephone
46.	Standard Bank of Palestine Ltd.	Tel-Aviv, 35, Jaffa Tel-Aviv Rd.	538	2218
47.	Workers Bank Ltd., The	Tel-Aviv, 21, Montefiore	27	4296/7

LIST OF CREDIT-COOPERATIVE SOCIETIES, THE CONVERSION OF WHICH TO CREDIT BANKS IS IMMANENT

No.	Name of Bank	Town & Street	P.O.B.	Telephone
1.	The Ashrai Bank Coop. Soc. Ltd.	Tel-Aviv, Nahlat Benj. Corner Lilienblum	119	4463/2966
2.	Palestine Industrial Bank Coop. Soc. Ltd.	Tel-Aviv, 73, Nahlat Benjamin	297	1564
3.	Palestine Kupat Am Bank Coop. Soc. Ltd.	Tel-Aviv,	352	0456
	<i>Branches:</i> Jerusalem		352	4409
	Haifa, Kingsway		116	771
	Haifa, Hadar Hacarmel			
4.	Zerubabel Bank Coop. Soc. Ltd., Central Institution of the Palestine Co-operative Movement	Tel-Aviv, 32 Lilienblum	75	1565

Palestines Balance of Payments

by Dr. Ludwig Gruenbaum, Jerusalem

Palestine has a chronically passive Balance of Trade which probably creates a record when compared both with exports and with national income. For an immigrant and colonial country such an state of affairs is quite normal but in spite of this it provides a constant source of worry in particular to foreign observers. Nevertheless each year the task present itself anew of examining and determining how exactly this import surplus was covered.

1. Amongst previous estimates that in the Treasury report of the Palestine Government for 1934-35 deserves special mention because of the authority of its sources of information. In this report the following estimate is made of the cover of the trade deficit of £P. 11.5 millions: —

	Millions of Pounds
Immigrants' Capital	6
Tourist traffic in Palestine (£P. 10 per capita) and money repatriated by returning travellers (£P. 5 per capita)	1.25
Income of Zionist funds	— .74
Government income from abroad	— .35
Various items, capital imports by cultural organizations, the I.P.C., army and navy and immigrants' effects	1.20
	9.5
	Approx. 9.5
Other capital imports from foreign loans, remittances from emigrants, import credits, etc.	2.—
	11.5

Today these estimates are of but historic importance. We would, however, just remark that immigrants' capital and tourists' expenditure in Palestine have probably been grossly underestimated, whilst on the other hand the disbursements of Palestinians travelling abroad have not been mentioned.

An attempt will be made below to build up a more exact construction of the various items of the balance of payments. It is naturally to be understood that the statistics available do not allow absolutely accurate figures to be given in all cases. Nevertheless we consider it important to detail the individual items in the balance of payments as far as possible, even if only to stimulate the authorities concerned, in particular the Government, to make more accurate determinations.

Official statistics show that *in 1936* goods were imported to the value of £P. 13,979 millions, exported to the value of £P. 3,625 millions and reexported to the value of £P. 642,000. The passive balance thus amounts to £P. 9,712 millions.

2. In addition to the traffic in goods note must also be made of that in precious metals. Government statistics show that imports amounted to £P. 157,000 and exports to £P. 251,000, giving an export balance of £P. 94,000.

Apart from the movements in goods and precious metals which appear in the foreign trade statistics as "visible" movements, there must also be considered those "invisible" imports and exports. Here the very nature of the items concerned forces us to rely largely upon estimates.

3. The figures published by the Government Office of Statistics for the months February to October 1937 show that the per capita expenditure of the Jewish tourist entering the country can be reckoned at £P. 22 and that of non-Jewish tourist at £P. 7.5. Correlating these figures with the number of tourists entering Palestine in 1936 we obtain an income of £P. 297,000 from Jewish tourists and £P. 265,000 from non-Jewish tourists giving a total yield of £P. 562,000 from the tourist traffic. The same statistics show that Palestinian citizens travelling abroad spend £P. 18 per head if Jews and £P. 8 if non-Jews. This results in an "invisible import" of £P. 794,000 in 1936, £P. 429,000 being due to Jews and £P. 365,000 to non-Jews. It is probable that tourists' expenditure both in Palestine and abroad is considerably higher, but until more accurate figures are available we must make use of the results of the government's inquiry. Up to a year ago the general opinion had it that the balance of tourist traffic was favourable to Palestine, whereas in 1936 it was passive to the tune of almost £P. 250,000.

4. Palestinian ownership of foreign securities can be reckoned at £P. 11 millions, of which perhaps £P. 5 millions are held in local banks and £P. 5—6 millions on the accounts of private individuals with private persons or banks abroad. It is not likely that the yield from these investments will be higher than 3%, giving a total yield of £P. 330,000. Account must also be taken of those foreign investments of local capitalists which are not to be classed as marketable securities. There are a fair number of wealthy Jews, probably non-Jews as well, who for ideological reasons choose to live in the Holy Land but who nevertheless have not given up their businesses in America, Africa, etc. Their income from these foreign sources may amount to £P. 300,000. Altogether the incomes from foreign investments amount to £P. 630,000.

On the other hand account must be taken of the dividends, interest etc. which Palestine has to pay to foreign investors. According to the data given in an article by W. Dusterwald in *Palnews Annual 1937*, I compute foreign private indebtedness exclusive of government loans as follows: —

	Millions of £P.
Industrial Undertakings	4.—
Palestine Corporation, Pal. Econ. Corp. Ifico	1.—
KH Loans and JNF debentures held abroad	0.55
Anglo-Palestine Bank, Pal. Land Develop. Co., General Mortgage	
Bank debentures, shares etc. held abroad	2.—
Mortgages & participation by insurance companies	2.—
Investments of Shell, Vacuum Oil & similar companies	1.—
Other private mortgages & commercial participation, the yields of which flow abroad	1.—
	11.55

This £P. 11.55 should yield the average about 5%, i.e. £P. 575,000 all of which flows abroad.

Altogether then the yields from capital investments leave an active balance of £P. 55,000.

5. Palestine's payments abroad in bank commissions, insurance and reinsurance premiums, administrative expenses upon the bank accounts held by Palestinians abroad etc. may be estimated at about £P. 170,000.

6. On the other hand Palestinians perform remunerative services for foreign interests, e. g. as employees in foreign consulates, in companies such as Shell, Iraq Petroleum Company in ecclesiastical, social and cultural institutions, etc. All these "invisible" exports must amount to at least £P. 200,000, probably considerably more.

7. There is still to be taken into consideration the government's payments abroad and receipts from abroad. These payments and receipts are apart from those movements of goods which have already appeared in the trade balance and must, therefore, be excluded here.

First of all there is the cost of the British troops, in so far as it is borne by the British Government. The Palestinian Treasury has to pay the difference in cost between maintaining the troops in Palestine and England. The Jerusalem correspondent of the "Economist" estimates the burden upon the British Treasury at a maximum of £P. 1 million for 1937 (Economist 29.1.38). I cautiously estimate that part of the cost which was spent within Palestine at £P. 500,000 for 1936.

The Treasury report for 1936-37 states that Government receives as interest and dividends upon its budgetary surplus, Currency Fund, further as the British Government's contribution to the cost of the Transjordan Frontier Force and similar smaller items the sum of £P. 414,500.

On the other hand it has to pay £P. 894,500 as annual payment upon the government loans, and as maintenance and transport costs of British troops in

Palestine etc. Altogether the Government balance sheet closes with a small active balance of £P. 20,000.

On the basis of the above figures and estimates, Palestine has to pay £P. 9.745 millions abroad as is shown by the following table:

Table 1. CURRENT ITEMS (in thousands of £P.)

From	PALESTINE'S		
	Claims (Exports)	Liabilities (Imports)	Balance Claims + Liabilities —
1. Merchandise Trade	4267	13979	— 9712
2. Traffic bullion & specie	251	157	+ 94
3. Tourist traffic	562	794	— 232
4. Capital yields etc.	630	575	+ 55
5. Bank commissions, insurance premiums, etc.	—	170	— 170
6. Various services	200	—	+ 200
7. Government & military budget	914½	894½	+ 20
Total	6824½	16569½	9745

II

The above table shows that in 1936 Palestine had to pay £P. 16½ millions and to receive only £P. 6.8 millions from abroad. The question is then whence this passive balance of £P. 9.75 millions, as shown in the trade balance extended to include payments for services and traffic in previous metals, was covered; in how far the country was able to pay this sum and in how far it let it stand over. Below an attempt has been made to answer these questions, the result of which is usually referred to as the Balance of Capital Transactions.

8. The most important item in this connection during the last few years was the transfer of immigrants' capital. If we take Jewish capitalist immigrants of category A (I) as possessing per capita £P. 2000, artisan capitalists of category A (III) at £P. 500 per capita, non-Jewish capitalists at £P 1000 per capita and £P. 500 for non-Jewish artisans we obtain a Jewish capital transfer of £P. 6.025 millions and non-Jewish transfer of £P. 45,500, together making £P. 6.0705 millions. This sum includes both wealth transferred in cash as well as goods or as household equipment.

The corresponding opposing item is difficult to estimate because the emigration statistics only differentiate between "residents" who leave the country for more or less than one year. If it be assumed that on balance capital imports during 1936

amounted to £P. 5 millions, then £P. 1 million may have been transferred to emigrants or Palestinians who did not leave the country.

9. No clear differentiation can be drawn between immigrants and commercial capital such as is brought into the country by institutions like the Palestine Corporation, etc. Some idea of the amount in question can be obtained from the statistics relating to new foundations and capital increases of the same. The sum involved in 1936 was £P. 1.871 millions in all. On the one hand part of the new issues were taken up by capitalist immigrants (security funds like Haavara) and the amounts were already included in the previous paragraph. On the other hand foreign capital was invested so as not to appear in the figures mentioned above e.g. in land purchase, mortgages, silent participation, etc. We estimate these capital imports at £P. 500,000.

10. In addition to the capital imports through and on behalf of Jewish interests a not inconsiderable role is played by the capital imports of public, cultural, charitable and religious institutions. Jews received capital from abroad under this heading as follows: —

Jewish National Fund		£P. 309,000
Keren Hayesod	ca.	400,000
Hadassah	"	80,000
Wizo	"	15,000
Hebrew University	"	9,000
		<hr/>
		£P. 894,000

The corresponding Christian and Moslem funds publish no figures regarding their foreign incomes. Through lack of any guide to the amount I inscribed cautiously at £P. 500,000. Together these sums amount to £P. 1,394,000.

11. It is very difficult to estimate the sums despatched to Palestinian emigrants, help for relatives, legacies and bequests, etc. In the Jewish "Halukah" still plays an important role. In addition PICA's capital imports included above, must be added here. Finally there are still today complete villages which live on foreign support. Note must also be taken here of the sums collected in Moslem countries in connection with the riots and also of the sums vouchsafed by foreign governments for political purposes. I take it that it is not to be exaggerating the sums to inscribe £P. 1.1 millions for Jews and £P. 1 million for non-Jews, together making £P. 1.76 millions.

On the other hand Jews in Palestine despatch considerable sums to relatives still in the Galuth. For Poland alone this support has been estimated at 30 Zloty or more than £P. 1 million, so that the total remittances to Jews abroad may be put at £P. 1.2 millions. If this is true Jews send more to support the Galuth than they receive under this heading (including Halukah and PICA funds).

12. It is now necessary to account for the money imported as capital

amounted to £P. 5 millions, then £P. 1 million may have been transferred abroad by emigrants or Palestinians who did not leave the country.

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10. In addition to the capital imports through and on behalf of private interests a not inconsiderable role is played by the capital imports of public funds, cultural, charitable and religious institutions. Jews received capital from abroad under this heading as follows:—

Jewish National Fund		£P. 309,000
Keren Hayesod	ca.	400,000
Hadassah	”	80,000
Wizo	”	15,000
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12. It is now necessary to account for the money imported as capital by the

Government. According to the Treasury Report for the fiscal year 1936-37 (April—March) the Government drew upon its current account with the Joint Colonial Fund in London to the tune of £P. 657,500 and in addition overdraw this account by £P. 675,000. Together this makes a capital import of £P. 1,3325 millions.

The extraordinary structure of the Palestinian currency system results in every increase in the note circulation in the country being met by an approximately equal increase in the covering fund of the Currency Board in London, which consists of Empire securities. From the national economic point of view this means that Palestine is compelled by every new issue of paper money on the part of the Currency Board to invest abroad an equal portion of its foreign claims (which it for instance obtains through the sale of oranges) instead of transferring them to Palestine through the import of merchandise. The expansion of the Palestinian note circulation means, therefore, enforced foreign investment on the part of the Palestinian Economy. On the other hand if the note circulation in the country decreases the Currency Board must sell a certain portion of its holdings so as to redeem these notes, i.e. the Palestinian economy is under just as much compulsion to repatriate its foreign investments as it previously was to purchase them. In 1936 the note circulation decreased from £P. 5.7 to £P. 5 millions, by about £P. 700,000. A "concealed" capital import of this value must, therefore, have taken place at the same time.

Thus the Government and Currency Board together imported capital to the value of £P. 2.0325 millions into the country.

13. We said above that the visible and invisible imports and exports (items 1—7) resulted in a debit balance of £P. 9.745 millions. This deficit is covered by the items mentioned above in the balance of capital movements (8—12) to the extent of £P. 9.557 millions. The difference of £P. 188,000 may be due either to omissions or underestimates in the claims column or to overestimates in the liabilities column. Presenting those items of the balance of capital movements (items 8—13) in the form of a table we obtain the following: —

Table 2. CAPITAL MOVEMENTS (in thousands of £P.)

From	PALESTINE'S		
	Claims Capital imports	Liabilities Capital exports	Balance Claims + Liabilities —
8. Private Capital	6070½	1000	+ 5070½
9. Financial Capital Movements	500	—	+ 500
10. National Funds etc.	1394	—	+ 1394
11. Remittances, gifts, Halukah, PICA, etc.	1760	1200	+ 560
12. Government and Currency Board	2032½	—	+ 2032½
	<hr/> 11757	2200	+ 9557
13. Unexplained capital imports	188	—	+ 188
Total	<hr/> 11945	2200	+ 9745

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12. Government and Currency Board	2032½	—	+ 2032½
	<hr/> 11757	<hr/> 2200	<hr/> + 9557
13. Unexplained capital imports	188	—	+ 188
	<hr/> Total	<hr/> 2200	<hr/> + 9745

Import of capital through immigration, financial transactions of private individuals, banks, etc.; through the collections of national, cultural and charitable organisations and institutions abroad; and finally through remittances and contributions from nationals residing abroad would be exceptions to the rule in any other country but Palestine. In Palestine, however, they are the regular components of the balance of payments. Palestine as the national centre of the Jews on the one hand and as the religious and cultural centre of all three monotheistic religions on the other hand plays a particular role in the countries of the world. This fact has economic consequences and it becomes necessary to consider Palestine's balance of payments somewhat differently from, say, Belgium or Chile. It can be said that £P.93¼ millions on the passive side of the extended trade balance were covered to the extent of more than £P.7½ millions (items 8-11) by normal capital imports. To cover the remaining £P.2¼ millions the government and private individuals had to liquidate foreign securities and investments or foreign countries had to grant respites in their claims to allow the balance to be levelled up.

Taking the whole balance of payments for 1936 together we get the following: —

Table 3. PALESTINE'S BALANCE OF PAYMENTS in 1936
(in thousands of £P.)

	PALESTINE'S		
	Claims	Liabilities	Balance Claims + Liabilities —
1. Merchandise Trade	4267	13979	— 9712
2. Traffic in bullion and specie	251	157	+ 94
3. Tourist traffic	562	794	— 232
4. Capital yields, etc.	630	575	+ 55
5. Bank Commissions, insurance premiums etc.	—	170	— 170
6. Various services	200	—	+ 200
7. Gov't & Military budget	914½	894½	+ 20
1—7 <i>Current Items</i>	6824½	16569½	— 9745

	Claims	Liabilities	Balance Claims + Liabilities —
8. Private capital	6070½	1000	+ 5070½
9. Financial capital	500	—	+ 500
10. National funds etc.	1394	—	+ 1394
11. Remittances, Halukah, etc.	1760	1200	+ 560
12. Govt. and Currency Board capital transactions	2032½	—	+ 2032½
13. Other capital imports (Balance)	188	—	+ 188
8—13 <i>Balance of Capital Items</i>	11945	2200	+ 9745

What conclusions can be drawn from these figures for the balance of payments in 1937?

The balance of trade for 1937 shows an import of £P. 15.905 millions and an export and reexport of £P. 6.456 millions, giving a passive balance of — £P. 9.449 millions

Bullion and Specie were exported	£P. 430,000	
and imported for	404,000	
resulting in a claims balance of		+ £P. 0.026 "
Tourist traffic in Palestine realised	£P. 812,000	
whilst foreign travels of Palestine residents cost	£P. 1,218,000,	
both figures calculated according to the Gov't statistics		
of per capita expenditure and number of tourists. The		
result is a debit balance of		— £P. 0.406 "

The remaining current items are probably at the same level as in 1936 with one exception: The cost of maintaining the British military establishment, included in item 7, in so far as it is met by the British Government and expended in Palestine was taken in 1936 as £P. 500,000. As mentioned above, the "Economist" estimates it for 1937 at about £P. 1 million. If I then raise the credit balance under this heading by £P. 500,000 in 1937 I obtain an import excess of £P. 9¼ millions for the extended balance of trade, i. e. half a million pounds less than in 1936.

This deficit had to be balanced out in 1937 to a greater extent by Financial capital imports and less by transfer of private capital as in 1936, for the number of capitalist immigrants dropped from over 3000 in 1936 to 1300 in 1937. On the other hand the amount of capital arising from newly registered companies and from capital increases more than doubled in 1937 from £P. 1.870 to £P. 3.823 millions. Judging by the figures known regarding the Jewish national funds, it seems that those items increased in 1937. Nothing can be said as yet regarding the other items of the balance of payments.

The fact that according to our estimates the import surplus in the extended balance of trade of 1937 only sank by half-a-million pounds shows that the shrinking in the transfer of private capital must have been replaced by increased imports of other kinds of capital. We have already remarked above that it is probable that the import of financial capital and the incomes of the Jewish national funds increased as compared with 1936. These items would, however, not fill the gap completely. It is impossible to determine today how the deficit was covered. Nevertheless it is already possible to render improbable if not to deny entirely the suggestion that a portion of Palestine's import debts in 1937 were not paid but that the supplying countries had to grant or extend credits against their will. It is impossible to deny that the economic situation in Palestine is bad and that such a period of depression brings in its train stoppages of payments. But the break of the boom took place in the autumn of 1935 with the Abyssinian crisis, the decline was interrupted in the spring of 1936 by a short recovery and then continued with full force after the outbreak of the riots. If a large proportion of the imports of 1936 had not been paid for — and these are just as good objective reasons for this happening in 1936 as in 1937 — then the importing countries concerned would have stopped deliveries to Palestine or only delivered against documents. The import surplus would have shrunk. Let us examine the development to see if this is true.

Table 4. DEVELOPMENT OF THE BALANCE OF TRADE 1934-37
(in £P. millions).

Year	Imports	Exports & Reexports	Import Surplus
1934	15.153	3.412	11.741
1935	17.853	4.516	13.337
1936	13.979	4.267	9.712
1937	15.905	6.456	9.449

In fact the import surplus did decrease from 1936 to 1937 but by only £P. 260,000 or 2½%. This small decline is not due to a decline in imports; on the contrary these increased by almost £P. 2 millions or 12%. The cause of this decline is far more connected with the leaping exports which soared from £P. 4.3 to £P. 6.5 millions, an increase of more than 66%. Freezing of debts for goods may have occurred in 1936 just as in 1937 (especially in the Arab sector, for the position there is much worse than amongst the Jews) but this "enforced capital import" cannot be of considerable importance within the framework of the balance of payments.

The development of Haavara in the last four years merits an exceptional place in the history of Jewish economy during this period. In the whole economic history of Palestine there is scarcely a more outstanding example of the adaptive ability and power of initiative, which could, without previous experience and training conquer an important field of activity, almost completely foreign to it. The system of transfer, with all its accompanying manifestations, is essentially a state system, that only countries which have at their disposal administrative apparatus and disciplinary and legal powers can use and exploit.

Jewish actuality, which as yet lacks the governmental factor, imposed on Haavara the fulfilment of an exceptional mission, in the establishment of a system of clearing, without putting at its disposal auxiliary political power or at least, strong public support.

A summary of the activities of Haavara, since its inception in November 1933 until now, will prove how successful it was in fulfilling this mission. The once small institution has become one of the most important factors in Palestinian economic life. The first hesitant attempts became an efficient smooth-running system. The German-Palestine transfer became one of the most important influences in strengthening planned Zionist economic policy, well adapted to the vital necessities of Palestinian economics, and serving as a sure means for increasing the flow of incoming population and wealth.

From the beginning of its existence in November 1933 to 1938, Haavara was able to transfer to Palestine the sum of RM 85,000,000 that, if converted to £P. and subtracting the expenditure incurred in the transfer, would amount to about £P.4.7 millions. To this we may add the sum put at the disposal of immigration by the Reichs Bank in the years 1933—34 amounting to £P. 2.3 millions. From the beginning of the Jewish immigration from Germany till now, the total sum of £P.7.3 millions was transferred to Palestine.

Examining this dynamic development within these years, we see that:—

In the year 1933	Haavara transferred a total of RM	1,254,955,96	=	£P.	96,535
In " " 1934	" " " "	8,895,038,75	=		657,430
In " " 1935	" " " "	17,103,153,93	=		1,082,145
In " " 1936	" " " "	19,958,645,50	=		1,095,539
In " " 1937	" " " "	31,407,501,30	=		1,461,528
In 1st quarter of 1938	" " " "	5,914,278,26	=		284,504

So we see that the extent of Haavara's activities grew continually until they reached their height in 1937.

It should be mentioned here that Haavara did not limit its activities only to Palestine, but also endeavoured to utilize the import of goods from Germany to other countries, or other forms of sending money to Germany so as to advance Jewish immigration to Palestine. Thus, various transactions in the countries neighbouring on Palestine, as in Iraq, etc., the monetary extent reaching the sum of about RM 5,000,000, were included in the work of Haavara in recent years.

Special note should be made of the work of Haavara in selling its Support Marks. According to the permit granted it by the International standstill creditors and the German Government, Haavara was allowed to sell marks to Jews or Jewish institutions that wish to grant aid to Jews or Jewish Institutions in Germany. This line of work, that is not tied up with any import of goods opened up another possibility of increasing the extent of the transfer both in the past and present.

In every effort of Haavara to extend its field of activity there lay hidden two main aims:

1. The maximal advancement of Jewish immigration from Germany.
2. The enrichment of Jewish Palestine by the addition of money, initiative and people.

With regard to the first aim it is possible to state without exaggeration that Haavara, in its work, assisted in a great measure Jewish immigration from Germany, which comprised during the period of its existence about 42,000 persons. It furnished the immigrants with means, which it put at their disposal by transferring their capital. It made possible the transfer of the money necessary in order to receive an immigration certificate; it created the possibility of transferring money for fixed payment of rents and pensions. It arranged the support of Jewish school children from Germany in Palestine and aided the Youth Aliyah, helping in this way all these categories to gain a foothold when they had once arrived and to open up new forms of economic activity.

To obtain a true picture of the part played by Haavara in the advancement of Jewish Immigration to Palestine we have but to examine some statistics which show the proportion of propertied German immigrants to all immigrants to Palestine.

Year 1933	—	45%
„ 1934	—	32%
„ 1935	—	28%
„ 1936	—	49.4%
„ 1937	—	58%

The economic importance of Haavara from the Zionist view-point has been specially obvious when we examine the influence of Haavara on the development

of Palestine in the last four years. We see how it was possible for the Zionist movement to make use of Haavara, which served as its main implement for the transfer of capital to Palestine, and for the direction of this stream of capital into the proper economic lines in accordance with general Zionist economic policy in Palestine.

Of the sum of £P. 7.3 millions that entered Palestine through Haavara £P. 4.2 millions were paid in cash to the transferors, and for the National Funds and the settlement institutions connected with them there was created the possibility of obtaining credit amounting to £P. 0.8 millions. Industrial enterprises, individual farming enterprises and various business enterprises benefited to the extent of £P. 1.06 millions. It is evident that there is scarcely a branch of the Palestinian economy which does not benefit from the work of Haavara.

Even Jewish industry which complains against Haavara from time to time is not exempt from the benefits which Haavara grants. Haavara not only put additional credit and cheap raw materials at the disposal of Jewish industry, thus aiding its development and extension, but also eased its struggle with the tendencies of dumping on the Palestinian market. In adapting its commercial policy to the necessities of the Palestinian market, Haavara being the most important central institution for import of Palestine, under the supervision of the Jewish Agency, evolved a system which prevented anarchy on the import market. It was able to control the limits of its own activities and of those importers connected with it so as in no way to harm the home industry, even if such limitations acted sometimes against its own interests.

In spite of the economic depression in Palestine and in spite of the hardships of immigration the possibilities of Haavara have not yet dwindled. There are still hundreds in Germany awaiting immigration, who are dependent upon Haavara's possibilities of transferring their capital and who already inscribed their money in its accounts in Germany. These accounts amount to RM 31.4 millions, reserved for those awaiting immigration permits and the sum of RM 16.5 millions on special Account I. Altogether then Haavara has still RM 47.9 millions for transfer to Palestine.

The future development of transfer depends upon various factors, some of which Haavara can control and some not. One factor is the attitude which Jewish Palestine will adopt towards its activities. Assuming that Jewish Palestine properly evaluated the activities of Haavara in the past, there is reason to hope that its attitude will be both positive and helpful in the future.

Palestine's Foreign Trade in 1935-1937

After the setbacks in connection with the World Economic crisis the volume of Palestine's Foreign trade developed since 1932 in a continually rising direction and reached its highest point in 1935, the peak year of prosperity. In 1936 the volume of foreign trade declined sharply, imports and exports being reduced considerably. Last year foreign trade recovered from this reverse and the 1935 turnover figures were once again attained. Foreign trade statistics since 1931 show the following developments (in millions £P.):

	1931	1933	1935	1936	1937
Imports	5.94	11.12	17.85	13.98	15.90
Exports	1.57	2.59	4.22	3.63	5.82
Reexports	0.25	0.32	0.30	0.64	0.64
Total Volume	7.76	14.03	22.37	18.25	22.36

The volume of foreign trade in 1935 was almost triple that in 1931, both imports and exports developing in fairly equal proportions. When, after the reverses of 1936, the volume of foreign trade in 1937 once again attained the 1935 level, its make-up had been subjected to a market alteration. Imports had been reduced by almost £P. 2 millions compared with 1935, whilst exports and reexports had increased correspondingly. Thus, compared with 1935, the foreign trade deficit had been reduced by almost £P. 4 millions.

The considerable fluctuations in imports in the years 1935—1937 may be partly explained by the fact that the considerable imports in 1935 were to a certain extent destined not for direct utilization but for stocks. These stocks were drawn upon in 1936, resulting in a very sharp decline in the import volume of that year. In addition, however, imports requirements in 1936 were naturally reduced as a result of the depression. That imports increased considerably in 1937 despite the continued maintenance of the depression may be partly explained by the fact that stocks of imported goods were on the whole exhausted in the previous year, and partly by the fact that import values increased following upon the rise in international prices.

The decline in exports in 1936 must not be charged, however, to the general economic situation, but to the poor results of the 1935/36 citrus crop, and the decreased citrus exports resulting therefrom. However, exports are continually

surging upwards and have nearly quadrupled since 1931. This advance is not only due to increased citrus exports, but also to the exports of other agricultural produce, certain raw materials and above all industrial products, which have also developed considerably.

The following tables, arranged according to chief categories and articles, provide a summary of the composition of imports and exports in 1935—37. In comparing the imports of single items in 1937 with the imports of the two previous years, it should be borne in mind that last year the method of presentation of Palestine trade statistics was subjected to alteration. Imports for Government, military purposes, I.P.C. and other privileged public institutions are no longer, as previously, tabulated separately, but are added to the general import figures for the articles concerned, thus increasing the import figures of these articles.

The following tables are arranged slightly differently from the official trade statistics. Oil seeds, unrefined olive oil and other unrefined oils, seeds for agriculture and plants, etc. are here included under the category of "Agricultural products, Food, Drink, Tobacco", whilst in the Government statistics they are included under the category "Raw Materials". Live animals (not for food) are also included under "Agricultural products, Food, etc." whilst in the official statistics they are placed in a special category. The exports of manufactured foodstuffs and drinks are included under "Manufactured Articles". They represent the products of the most important branch of Palestinian industry i. e. the Foodstuffs Industry. In the official trade statistics they appear under "Agricultural Products". Further arrangements differing from the official trade statistics are of minor importance.

Imports into & Exports from Palestine

by Important Commodities 1935-1937

I. IMPORTS

	Quantity			Value £P.			
	1935	1936	1937	1935	1936	1937	
AGRICULTURAL PRODUCTS, FOOD, DRINK, TOBACCO							
<i>Grain & Flour</i>							
Wheat	To.	17.892	21.536	37.164	117.428	205.454	364.844
Wheat flour	"	33.787	30.630	27.317	348.950	352.727	416.377
Barley	"	12.503	33.673	12.143	63.560	167.414	80.015
Durrah, Maize	"	2.810	8.446	14.524	14.002	42.315	90.808
Rye, Rye flour	"	5.360	6.579	8.184	33.230	37.141	74.939
Other Cereals and flour	"	765	1.516	1.842	11.867	22.592	24.797
Total		—	—	—	589.037	827.643	1.051.780
<i>Legumes, Feeding Stuffs, Seeds</i>							
Beans	To.	4.610	2.314	2.113	36.984	23.554	26.767
Lentils	"	805	1.148	743	8.355	12.593	9.349
Peas	"	675	175	496	6.271	1.473	5.121
Lupins	"	320	97	105	1.952	737	435
Cake and Meal							
of Meat and Fish	"	676	1.544	1.405	6.739	16.063	15.274
Hay, tibbon and bran	"	3.204	7.180	6.814	15.293	30.902	27.932
Other feeding stuffs							
for animals	"	2.474	3.607	3.173	14.426	21.856	20.126
Seed, agricultural	"	319	641	1.456	9.115	12.422	18.272
Plants, Shrubs and Trees	"	—	—	—	12.172	9.469	7.742
Total		—	—	—	111.307	129.069	123.276
<i>Animals, living, for Food, Meat</i>							
Cattle	No.	28.535	32.660	26.443	296.990	332.763	329.574
Goats and kids	"	106.251	51.740	78.919	59.854	30.537	48.140
Poultry	1000	1.765	1.920	1.261	133.479	161.741	89.070
Sheep and lambs	1000	238	285	226	192.436	262.766	226.905
Animals for food, other		—	—	—	883	674	547
Meat	To.	1.244	905	864	62.641	59.956	57.907
Total		—	—	—	746.283	848.437	752.143

	Quantity			Value £P.		
	1935	1936	1937	1935	1936	1937
<i>Fish, Alive and preserved</i>						
Fish, alive	—	—	—	524	4.328	3.177
Fish, in brine, dry, salted and smoked To.	1.632	2.012	2.073	37.706	43.636	45.754
Fish, fresh and frozen "	1.755	1.674	1.896	67.151	65.171	77.444
Fish, in tins "	1.471	1.208	1.272	68.707	56.095	55.228
Total	—	—	—	174.088	169.230	181.603
<i>Dairy Produce, Eggs</i>						
Butter To.	2.292	2.492	2.422	191.353	224.579	234.729
Samneh "	617	556	571	56.463	45.410	51.035
Cheese "	1.040	837	1.059	56.260	43.878	57.040
Milk, condensed, powder, etc. "	1.284	1.598	1.949	42.235	48.356	51.956
Eggs 1000	75.924	91.225	92.910	138.209	190.081	182.530
Total	—	—	—	484.520	552.304	577.290
<i>Fruits, Nuts and Vegetables</i>						
Apples To.	6.331	7.021	5.449	125.736	156.957	106.289
Fruits, fresh, other "	6.342	7.046	8.309	78.499	84.212	78.329
Dates "	3.290	1.730	2.550	25.311	13.728	19.979
Dried fruits, other "	1.789	1.736	1.708	45.463	52.262	39.441
Nuts "	1.873	1.494	1.923	53.131	42.538	55.693
Potatoes "	15.774	17.604	17.695	97.208	105.266	85.410
Onions, garlic "	6.809	5.599	5.956	22.506	20.650	22.862
Vegetables, other, fresh "	4.727	7.302	7.540	29.188	46.908	45.113
Total	—	—	—	477.042	522.521	453.116
<i>Oil-seeds, Vegetable Oils & Fats</i>						
Groundnuts To.	6.124	8.488	15.783	72.939	108.647	226.382
Sunflower seed "	12.490	9.070	9.770	77.571	68.591	78.840
Copra "	1.923	2.506	2.180	22.979	36.979	44.872
Sesame "	1.468	1.338	1.452	20.589	20.715	24.407
Oil-seeds, other "	1.490	1.258	1.130	14.622	13.488	14.128
Acid oil "	2.092	1.645	2.500	37.796	32.423	52.818
Vegetable Oils, refined and unrefined "	3.088	923	707	116.771	38.484	31.498
Butter substitutes "	405	411	560	13.024	15.654	20.500
Total	—	—	—	376.291	334.981	493.445
<i>Coffee, Tea, Cocoa</i>						
Coffee To.	1.903	1.239	1.745	79.969	56.021	83.275
Tea "	256	315	295	36.374	43.843	43.901
Cocoa "	380	405	387	13.836	14.424	17.430
Total	—	—	—	130.179	114.288	144.606
<i>Other Foods</i>						
Sugar To.	26.960	26.466	24.123	206.829	195.155	201.553

	Quantity			Value £P.		
	1935	1936	1937	1935	1936	1937
Rice	17,919	17,946	20,104	193,204	162,369	202,088
Confectionery, Chocolate	1,892	1,591	2,057	85,214	57,429	59,584
Biscuits and Cakes	192	169	246	9,718	11,989	13,954
Spices	573	360	267	22,494	13,560	14,220
Tomato products	—	257	303	—	9,096	10,171
Glucose	881	819	828	9,605	9,572	10,311
Articles of food, other	—	—	—	176,842	170,688	164,451
Total	—	—	—	703,906	629,858	676,332
<i>Drinks</i>						
Beer 1000 Litres	2,588	958	1,154	79,031	24,581	27,235
Whisky " "	48	39	62	11,287	9,772	15,251
Drinks, other	—	—	—	16,805	11,871	21,571
Total	—	—	—	107,123	46,224	64,057
<i>Tobacco and Tombac</i>						
Cigarettes To.	63	56	83	41,036	35,628	56,495
Tobacco leaves "	179	151	111	48,090	47,359	37,324
Tobacco, other "	9	8	10	7,076	5,729	6,206
Tombac "	82	70	69	13,677	10,885	8,639
Total	—	—	—	109,879	99,601	108,664
<i>Animals living</i>						
Cows for milking No.	866	1,305	357	35,494	72,642	20,788
Camels "	4,449	2,269	3,552	28,599	13,851	19,355
Animals, not for food, other	—	—	—	30,378	16,636	17,934
Total	—	—	—	94,471	103,129	58,077
AGRICULTURAL PRODUCTS, FOOD, DRINK, TOBACCO						
Total	—	—	—	4,104,126	4,377,061	4,692,131
RAW MATERIALS						
Coal To.	79,924	38,949	92,590	91,502	55,112	132,564
Asphalt "	9,621	9,737	15,187	56,612	56,805	91,939
Wood and Timber	4,939	2,005	2,337	551,766	223,785	439,783
	214,284	93,495	145,005			
Cotton, raw To.	694	513	728	27,181	26,977	42,377
Textile Materials, other "	34	29	790	2,166	1,013	14,973
Diesel, Mazut, Gas Oil Fuel Oil and Crude Petroleum "	62,503	81,958	87,920	121,554	178,836	258,699
Hides and Skins, undressed "	311	600	873	14,219	30,272	63,237
Molasses for distillation "	3,293	3,613	2,963	10,718	12,638	10,379
Tanning substances "	508	141	317	9,569	2,573	6,100
Raw materials, other "	—	—	—	74,781	49,220	61,069
Total	—	—	—	960,068	637,231	1,121,740

	Quantity			Value £P.		
	1935	1936	1937	1935	1936	1937
ARTICLES MANU- FACTURED						
<i>Glass, Ceramic and Quarry Products</i>						
Cement To.	169.537	69.567	69.878	288.968	133.328	145.753
Bottles, jars and demijohns	—	—	—	52.102	43.887	43.634
Glassware, domestic and fancy	—	—	—	38.851	30.127	30.196
Plate and window glass „	3.986	2.351	2.835	68.041	32.831	46.570
Glass and glass ware, other	—	—	—	10.758	7.546	17.683
Earthen sanitary ware To.	1.560	928	1.037	54.799	35.643	41.420
Enamel ware „	278	231	184	17.438	13.911	12.169
Marble, worked	—	—	—	13.454	8.784	9.215
Porcelain and Chinaware	—	—	—	59.251	34.383	43.609
Pipes and flumes, earthen cement and lime „	4.642	2.719	3.942	30.389	18.334	29.461
Bricks „	5.667	2.127	2.634	20.048	7.327	9.476
Tiles	—	—	—	105.587	54.440	73.856
Other	—	—	—	26.674	17.119	27.641
Total	—	—	—	786.360	437.660	530.683
<i>Iron and Steed Products</i>						
Door and window fittings	—	—	—	69.510	32.172	39.981
Furniture of iron and steel To.	—	151	195	20.931	10.464	12.934
Baths of cast iron No.	1.264	430	4.455	35.425	13.016	13.880
Iron bars, angles and rods To.	65.696	28.021	34.399	470.500	225.569	362.527
Channels and girders „	21.386	8.167	6.100	143.907	64.138	58.458
Iron sheets and plates, black „	3.320	2.037	2.566	28.623	19.829	36.852
Galvanized sheets and plates „	5.484	2.192	3.645	79.441	31.209	83.516
Tinned plates „	2.366	2.272	2.197	46.782	51.114	53.405
Iron nails, staples, rivets, screws, bolts and nuts „	2.678	1.129	1.848	46.773	22.608	42.403
Iron pipes, fittings and drawn tubes „	32.263	15.146	19.808	495.404	221.358	336.106
Sanitary ware, iron „	1.513	1.287	1.132	39.975	29.083	28.813
Stoves	—	158	218	59.676	22.092	27.771
Iron wire „	3.765	3.644	4.694	42.679	39.235	58.803
Wire netting of iron „	494	152	349	18.584	5.970	13.546
Iron and steel manufactures, other	—	—	—	206.058	154.176	315.956
Total	—	—	—	1.804.268	942.033	1.448.951

	Quantity			Value fP.		
	1935	1936	1937	1935	1936	1937
<i>Non-Ferrous Metals</i>						
<i>and Manufactures</i>						
Aluminium foil						
and sheets To.	131	340	207	16.197	49.016	32.883
Aluminium manufactures	—	—	—	11.493	7.181	11.300
Brass and copper ingots,						
sheets, bars and wire „	437	329	193	21.174	18.668	15.842
Brass and copper,						
manufactures	—	—	—	54.109	26.580	36.535
Lead pipes, etc.						
and manufactures	—	—	—	10.856	10.553	12.869
Nickel manufactures	—	—	—	49.231	17.939	9.539
Tin bars, foil						
and manufactures	—	—	—	34.557	31.047	27.134
Zinc sheets, ingots						
and manufactures	—	—	—	11.432	9.569	8.100
Goldsmith's and						
Silversmith's ware	—	—	—	35.236	16.352	32.957
Sanitary ware						
of metals To.	—	213	220	—	41.608	43.082
Primus stoves and burners	—	—	—	—	10.857	10.555
Water heaters and						
batteries for geysers	—	—	—	10.191	3.655	6.087
Printing type and metals	—	—	—	16.450	6.137	6.372
Metals and Metal ware,						
other	—	—	—	59.613	63.193	21.377
Total	—	—	—	330.539	312.355	274.632
<i>Cutlery, Hardware, Imple-</i>						
<i>ments, Instruments & Films</i>						
Medical, optical, dental,						
veterinary and scientific						
instruments	—	—	—	117.158	90.491	87.048
Photographic apparatus						
and materials	—	—	—	34.399	26.390	32.911
Cinematograph apparatus						
and materials	—	—	—	6.415	6.326	12.501
Cinematograph films To.	9	7	10	16.391	14.358	21.657
Clocks and Watches	—	—	—	47.198	26.920	32.746
Cutlery	—	—	—	26.706	14.633	18.700
Water meters No.	12.142	8.103	22.704	19.562	11.891	37.716
Beehives, Incubators,						
Brooders & other dairy						
& poultry implements	—	—	—	15.930	14.516	11.016
Agricultural tools etc., other	—	—	—	12.937	9.880	14.203
Tools & implements, other	—	—	—	101.216	42.475	58.929
Blades for safety razors						
1000	3.999	3.213	2.508	10.631	7.846	5.182

	Quantity			Value £P.		
	1935	1936	1937	1935	1936	1937
Balances and scales	—	—	—	8.593	4.458	7.214
Other	—	—	—	6.650	2.483	7.172
Total	—	—	—	423.786	272.667	346.995
<i>Electrical Goods & apparatus</i>						
Electric cable & wire To.	1.722	876	1.427	78.727	49.650	95.694
Electric glow lamps 1000 Bulbs	695	643	643	17.669	16.286	16.221
Electric meters No.	27.771	19.758	19.827	21.001	15.672	12.509
Electric refrigerators and parts To.	526	397	288	84.699	72.749	54.545
Radios and parts "	177	136	173	81.873	64.957	79.343
Electrical apparatus, other	—	—	—	48.661	31.267	90.020
Electrical goods, other	—	—	—	142.429	95.046	118.997
Total	—	—	—	475.059	345.627	467.329
<i>Machinery</i>						
Agricultural machinery	—	—	—	72.068	39.435	49.715
Industrial & manufacturing	—	—	—	680.684	353.428	250.348
Printing & bookbinding	—	—	—	51.908	13.886	28.724
Electrical machinery for light and power	—	—	—	185.301	145.538	112.955
Pumping machinery	—	—	—	65.358	36.534	37.982
Railway, marine and other machinery	—	—	—	8.641	5.962	18.698
Component parts of these machinery	—	—	—			123.215
Accumulators, boilers and parts	—	—	—			55.763
Sewing machines To.	314	76	39	70.356	20.517	33.485
Typewriters and parts "	27	12	21	21.372	9.228	16.980
Machines and parts other	—	—	—	9.391	7.811	92.910
Total	—	—	—	1.165.079	632.339	820.775
<i>Manufactures of Wood and Timber</i>						
Furniture	—	—	—	72.959	35.627	43.080
Wood prepared for citrus cases M ^s	105.400	74.855	105.988	358.776	257.081	462.578
Ply wood To.	4.857	3.195	3.283	87.933	60.389	65.679
Wooden hoops for cases "	2.540	2.221	2.833	20.557	18.101	23.895
Corks	—	—	—	6.968	9.030	12.627
Other	—	—	—	60.691	36.111	42.505
Total	—	—	—	607.884	416.339	650.364
<i>Cotton Yarns & manufactures</i>						
Cotton yarn To.	752	430	558	97.958	55.470	80.831
Cotton thread "	61	49	83	28.614	22.386	30.116
Cotton piece goods, grey "	991	593	749	71.931	40.731	64.489

	Quantity			Value £P.		
	1935	1936	1937	1935	1936	1937
Cotton piece goods, bleached "	834	500	618	106.018	58.868	88.725
Cotton piece goods, dyed & printed "	2.149	1.405	1.656	351.293	206.297	290.892
Cotton surgical dressings	—	—	—	—	—	16.220
Cotton manufactures, other	—	—	—	143.158	89.736	111.565
Total	—	—	—	798.972	473.488	682.838
<i>Woolen Yarn and Manufactures</i>						
Woolen & worsted yarn To.	90	63	119	37.124	32.253	63.503
Woolen tissues "	486	288	412	289.757	180.252	266.011
Woolen manufactures, other	—	—	—	12.020	5.630	15.786
Total	—	—	—	338.901	218.135	345.300
<i>Silk Yarn & Manufactures</i>						
Silk yarn To.	110	104	167	41.472	40.747	61.018
Natural silk tissues "	65	22	30	60.236	19.797	26.706
Artificial silk crepe "	166	56	147	102.394	40.119	92.490
Artificial silk tissues, other "	393	283	400	139.364	99.447	134.521
Silk and artificial silk goods, other	—	—	—	35.544	18.941	34.025
Total	—	—	—	379.010	219.051	348.755
<i>Textile Manufactures, other</i>						
Cordage, cable, rope and twine To.	612	419	596	30.630	20.864	26.767
Carpets "	107	49	52	38.601	15.991	18.558
Linen tissues and manufactures, other	—	—	—	34.433	18.070	22.337
Sacks & bags, empty To.	1.844	1.145	1.900	45.608	25.866	44.031
Embroidered goods and needlework	—	—	—	11.143	8.859	9.830
Textile manufactures, other	—	—	—	50.980	25.207	51.689
Total	—	—	—	211.395	114.857	173.212
<i>Apparel</i>						
Boots & Shoes of Leather						
1000 pair	580	436	—	94.471	63.366	111.073
Boots and Shoes, other To.	247	111	—	36.039	20.389	
Cloaks "	72	33	41	26.539	9.985	14.102
Socks 1000 pair	1.603	956	1.304	21.921	12.904	20.786
Stockings " "	670	559	671	34.398	24.192	31.696
Wearing apparel of silk and artificial silk	—	—	—	101.821	73.226	81.453
Wearing apparel of wool	—	—	—	116.907	45.322	73.500

	Quantity			Value £P.		
	1935	1936	1937	1935	1936	1937
Pyjamas, shirts, tricot underwear & knitted underwear	—	—	—	317,484	60,987	77,416
Wearing apparel, other	—	—	—		97,812	112,110
Total	—	—	—	749,580	408,183	522,136
<i>Chemicals, Drugs, Dyes and Colours</i>						
Acid citric To.	67	16	50	5,651	1,444	4,472
Acid sulphuric "	117	78	231	1,310	771	2,889
Acids, other "	324	239	181	7,639	10,020	5,042
Calcium carbide "	360	185	327	5,217	2,248	4,315
Chlorine "	—	217	277	—	3,372	4,090
Nitrogenous fertilizers "	12,070	3,655	4,040	97,332	29,320	37,207
Phosphatic fertilizers "		2,109	3,210		13,703	25,173
Potassic fertilizers "		431	1,092		3,878	12,055
Fertilizers, chemical, other "		3,491	6,356		24,914	54,284
Potassium chlorate "	173	96	169	5,359	2,827	5,086
Silver nitrate "	—	0.2	2.5	—	436	5,624
Sodium carbonate "	553	1,062	754	4,195	7,271	5,707
Caustic soda "	1,646	1,154	1,689	18,639	12,953	19,174
Chemicals, other	—	—	—	35,090	40,425	40,748
Disinfectants and insecticides To.	597	456	645	22,075	7,750	19,981
Drugs	—	—	—	160,077	126,928	133,604
Aniline, Indigo and other dyes "	100	65	65	14,036	7,847	10,789
Blue ultramarine "	98	46	70	5,512	2,623	3,032
Paints, colours, varnishes, laquers and ochre "	1,884	1,228	1,736	64,150	41,257	61,708
Total	—	—	—	446,282	339,987	454,980
<i>Oils, Fats etc.</i>						
Kerosene 1000 Liter	57,586	59,600	60,839	199,494	189,230	189,409
Motor spirits " "	52,414	45,236	56,414	275,209	209,265	231,529
Lubricating oil & grease To.	4,135	2,682	4,021	79,930	50,200	71,234
Essential oils "	23	5	16	10,569	3,839	7,680
Soaps, paraffin wax and other fats	—	—	—	28,199	22,112	26,973
Total	—	—	—	593,401	474,646	526,825
<i>Leather and leather manufactures</i>						
Tanned hides, sole leather To.	349	342	551	33,333	34,358	69,697
Leather, other "	202	153	196	76,020	71,392	102,146
Leather goods	—	—	—	15,976	8,962	18,589
Total	—	—	—	125,329	114,712	190,432

	Quantity			Value £P.		
	1935	1936	1937	1935	1936	1937
<i>Paper, Cardboard and manufactures</i>						
Paper for packing citrus fruits To.	2.299	1.607	3.387	41.254	30.684	91.018
Printing paper „	included within		2.171	other paper		42.335
Cigarette paper „	52	44	58	5.843	4.514	6.420
Paper, other „	8.167	6.844	7.879	125.311	101.309	171.679
Bags, paper „	1.207	761	1.318	25.194	14.649	26.031
Cardboard, carton and boxes thereof „	2.370	1.746	2.874	27.602	21.790	45.771
Paper manufactures, other	—	—	—	30.914	24.074	30.141
Total	—	—	—	256.118	197.020	413.395
<i>Aircraft, Ships & Vehicles</i>						
Aeroplanes, private	—	—	—	—	—	16.354
Bicycles and parts thereof	—	—	—	3.895	3.516	16.306
Motorcars, omnibuses, lorries etc. No.	1.844	638	1.103	277.150	102.657	193.033
Motor chassis & tractors „	1.112	346	461	242.472	88.069	128.496
Parts of motor vehicles and tractors To.	} 595	226	363	130.306	57.886	87.813
Motorcar accumulators and batteries „		93	92		6.763	7.348
Motorcycles, tricycles and parts No.	462	97	—	20.714	3.787	7.036
Ships, boats and parts	—	—	—	12.627	3,213	24.425
Vehicles and parts, other	—	—	—	40.813	31.286	66.331
Total	—	—	—	727.977	297.177	547.142
<i>Rubber manufactures</i>						
Rubber tyres and tubes To.	619	408	698	86.011	56.384	104.263
Rubber manufactures, other „	—	—	—	28.247	24.260	44.068
Total	—	—	—	114.258	80.644	148.349
<i>Miscellaneous Articles</i>						
Advertising matter	—	—	—	} 36.518	{ 33.315	7.446
Printed matter	—	—	—			15.238
Books	—	—	—	63.912	40.548	46.304
Guns, rifles, pistols and other arms	—	—	—	7.985	9.393	19.540
Belting for machinery	—	—	—	16.544	5.264	8.431
Brooms and brushes	—	—	—	20.981	13.991	17.743
Buttons	—	—	—	15.138	8.658	11.101
Glue To.	306	211	230	9.126	6.490	9.216
Gramophones, parts and records	—	—	—	42.009	23.113	16.784
Jewellery, all kinds	—	—	—	26.258	13.682	13.999
Lamps, lanterns and parts	—	—	—	14.499	6.810	7.611

	Quantity			Value £P.		
	1935	1936	1937	1935	1936	1937
Oilcloth and linoleum To.	148	101	115	16.324	10.186	13.175
Printing ink "	42	51	46	7.226	5.879	8.713
Stationery	—	—	—	65.945	45.414	65.252
Toilet preparations, dentrifices, perfumery etc.	—	—	—	55.808	34.660	36.056
Toys	—	—	—	39.480	27.171	32.884
Goods manufactured, other	—	—	—	117.634	52.396	549.000
Personal effects	—	—	—	536.893	555.975	319.151
Canteen Stores	—	—	—	58.955	186.720	—
Government Stores	—	—	—	793.029	663.962	—
Military Stores	—	—	—	232.862	579.095	—
I.P.C. Stores	—	—	—	203.196	231.251	—
Stores of other public or privileged institutions	—	—	—	74.779	113.838	—
Total	—	—	—	2,455.101	2,667.811	1,197.644
Total of Articles manufactured	—	—	—	12.789.299	8.964.731	10.090.737
GRAND TOTAL OF IMPORTS	—	—	—	17,853.493	13,979.023	15,904.608

II. EXPORTS

	Quantity			Value £P.		
	1935	1936	1937	1935	1936	1937
AGRICULTURAL PRODUCTS						
<i>Citrus fruits</i>						
Oranges 1000 cases	6.880	5.715	10.156	3,152.271	2,506.565	3,757.460
Grapefruit " "	889	878	1,748	375.965	306.724	534.490
Lemons & other " "	31	70	83	22.499	40.657	37.754
Total	7.800	6.663	11.987	3,550.735	2,853.946	4,329.704
<i>Other Agricultural Products</i>						
Barley To.	103	0	7,563	421	1	56.650
Maize "	3,407	1,318	8,408	14,792	6,448	53,318
Wheat "	133	7	7,149	1,000	57	9,760
Sesame "	982	233	225	16,827	4,877	28,322
Melons "	11,316	6,642	6,901	30,869	20,138	16,065
Fruits, other "	156	76	250	1,808	716	2,532
Almonds "	52	41	45	2,278	2,875	3,459
Vegetables, fresh "	1,154	2,018	1,562	5,589	9,600	6,410
Animals, living	—	—	—	1,875	1,751	2,223
Agricultural products, other	—	—	—	23,983	16,926	23,749
Total	—	—	—	99.442	63.389	202.488
Total of Agricultural Products	—	—	—	3,650.177	2,917.335	4,532.192

	Quantity			Value £P.		
	1935	1936	1937	1935	1936	1937
RAW MATERIALS						
Sulphur To.	87	344	462	377	1,582	2,583
Wool, raw "	33	148	201	1,961	1,323	12,766
Metalliferous ores & scrap "	1,584	1,391	16,352	4,993	9,388	95,347
Hides & skins, undressed "	1,334	2,322	2,842	48,466	108,524	189,710
Raw materials, other	—	—	—	28,390	27,847	48,546
Total of Raw Materials	—	—	—	84,187	153,664	348,952
MANUFACTURED ARTICLES						
<i>Foodstuffs and Drinks</i>						
Rice, clean and broken To.	—	380	4,773	—	4,288	57,573
Oils, edible "	1,236	1,661	4,625	56,595	77,352	203,468
Oil cake "	1,842	447	4,233	9,630	2,205	37,935
Confectionery, chocolate etc. "	586	1,431	2,093	7,665	16,088	26,488
Fruit juices, jams etc. "	301	239	324	9,193	9,439	10,864
Wines, Brandy and Cognac 1000 Litres	746	749	702	21,403	22,671	20,526
Essences	—	—	12	5,478	5,083	11,530
Foodstuffs and drinks, other	—	—	—			5,229
Total	—	—	—	109,964	137,126	373,613
<i>Manufactured Articles, other</i>						
Iron manufactures	—	—	—	1,630	6,077	6,745
Aluminium domestic ware	—	—	—	2,665	3,186	4,821
Metal ware, hardware, implements, Electrical goods, machinery	—	—	—	2,285	3,471	8,175
Manufactures of wood	—	—	—	5,172	3,273	6,760
Cotton yarn To.	7	158	305	1,678	19,298	40,093
Silk tissues "	4	5	9	4,668	4,299	8,539
Textile goods, other	—	—	—	3,276	2,350	9,737
Socks & stockings 1000 pair	368	218	298	11,095	7,533	10,375
Apparel of silk Pyjamas, shirts, tricot and knitted underwear	—	—	—	63,459	47,449	23,077
Apparel, other	—	—	—			4,900
Potash To.	18,124	19,793	29,110	80,231	132,857	174,672
Bromine "	403	478	611	18,751	35,097	48,269
Other chemicals, drugs, dyes, colours	—	—	—	1,286	4,505	7,617
Essential oils To.	10	20	14	6,360	13,685	8,470
Soap, laundry "	2,636	1,822	2,432	77,897	52,091	74,259
Leather ware	—	—	—	7,002	4,314	6,266
Paper manufactures	—	—	—	5,011	4,430	26,812

	Quantity			Value £P.		
	1935	1936	1937	1935	1936	1937
Books	—	—	—	9.609	8.543	11.085
Cement To.	984	508	1.221	2.650	765	1.639
Mirrors	—	—	—	2.775	1.311	1.907
Mother of pearl goods	—	—	—	3.778	5.310	6.511
Teeth, artificial	—	—	—	33.762	32.200	34.429
Toilet preparations, dentifrices, perfumery, toilet soap	—	—	—	3.802	4.287	6.648
Other	—	—	—	22.316	20.177	26.630
Total	—	—	—	371.158	417.108	564.918
Total of manufactured articles	—	—	—	481.122	554.234	938.531
GRAND TOTAL OF EXPORTS	—	—	—	4.215.486	3.625.233	5.819.675

Imports and Exports by Countries

	1935		1936		1937	
	Imports from (in £P.1,000)	Exports to (in £P.1,000)	Imports from (in £P.1,000)	Exports to (in £P.1,000)	Imports from (in £P.1,000)	Exports to (in £P.1,000)
United Kingdom	3,212	2,554	2,776	1,970	2,519	3,149
India	159	13	169	13	284	19
Australia	235	19	172	16	188	24
Cyprus	86	4	80	3	84	7
Canada	52	21	68	6	45	8
South Africa	3	9	3	10	3	14
Other British Possessions	84	19	105	21	127	34
Total Empire	3,831	2,639	3,373	2,039	3,250	3,255
Germany	2,197	251	2,039	131	2,628	106
Roumania	1,208	92	1,068	72	1,372	113
Belgium	719	78	382	67	495	177
Poland	779	122	429	136	475	157
Czechoslovakia	668	50	421	53	474	77
Italy	449	23	86	3	320	78
France	350	90	214	48	270	139
Holland	272	186	227	199	230	352
Bulgaria	206	6	128	12	193	15
Yugoslavia	201	12	156	11	189	19
Austria	356	10	181	15	152	21
Switzerland	175	27	147	22	149	20
Lithuania	—	—	—	—	132	2
Sweden	228	54	98	126	126	155
Hungary	203	2	127	6	116	3
Russia	235	10	127	11	99	8
Denmark	116	39	79	45	84	59
Latvia	90	3	72	14	70	12
Greece	55	4	44	1	45	2
Finland	38	18	33	29	39	22

	1935		1936		1937	
	Imports from (in £P.1,000)	Exports to	Imports from (in £P.1,000)	Exports to	Imports from (in £P.1,000)	Exports to
Spain/Portugal	64	—	49	—	34	—
Norway	32	64	40	54	30	80
Other European countries	239	6	173	6	96	—
Total European countries	8,880	1,147	6,320	1,061	7,818	1,600
Syria	1,310	303	1,401	310	1,374	625
Japan	646	11	419	60	494	36
Iraq	220	7	156	6	369	12
Turkey	339	7	268	54	254	115
Iran	136	—	178	1	223	1
China	102	1	78	—	117	1
Dutch East Indies	52	—	70	—	91	—
Other Asiatic countries	28	1	19	2	38	—
Total Asiatic countries	2,833	330	2,589	433	2,952	791
Egypt	594	77	514	63	631	99
Other African countries	44	2	29	2	38	32
Total African countries	638	79	543	65	669	131
United States	1,499	16	1,008	22	1,099	35
Brazil	50	1	23	1	46	—
Argentina	36	—	38	—	40	1
Other American countries	86	3	85	4	31	7
Total American countries	1,671	20	1,154	27	1,216	43
Total Foreign countries	14,022	1,576	10,606	1,586	12,655	2,565
Empire & Foreign countries	17,853	4,215	13,979	3,625	15,405	5,820

Trade Relations between The Countries of The Near East in 1937

by Dr. A. Michaelis

Corresponding with the general expansion of world trade, the volume of foreign trade in 1937 in the countries of the Near East experienced a considerable development which was intimately associated with the international trade cycle. The exports of the countries of the Near East, which above all comprise agricultural produce and other raw material, benefited considerably both as regards quantity and price from the boom in raw material. This is especially true of Egyptian cotton exports, but nevertheless the other export products of the countries of the Near East (Leaf tobacco, citrus and other fruits, potash and other minerals, rice, oil fruits, skins, hides, sugar, vegetables and other agricultural produce) in part also increased their exports markedly. The increased purchasing power, resulting from increased exports, allowed these countries on the other hand to expand their imports correspondingly.

The imports and exports of the following five important countries of the Near East for which final foreign trade figures are available for last year, developed as followed in 1937 as compared with 1936 (in £P.)*.

	Imports		Exports	
	1937	1936	1937	1936
Egypt	38,017,000	31,496,000	38,665,000	32,971,000
Turkey	19,063,000	15,422,000	22,997,000	19,622,000
Palestine	15,913,000	13,979,000	5,820,000	3,625,000
Syria	8,719,000	7,121,000	4,183,000	4,069,000
Iraq	9,566,000	7,177,000	5,569,000	3,484,000
Total	91,278,000	75,195,000	77,234,000	63,771,000

In 1937 the imports as well as the exports of the countries of the Near East increased by 21% as compared with 1936.

This extension of the volume of trade is mainly to be traced back to traffic

* No final figures are available for Cyprus and Iran because their foreign trade year does not correspond with the calendar year. Syrian foreign trade figures were markedly affected by the several devaluations of the franc which occurred during 1936/37. Conversion into pounds was carried out on the basis of an average devaluation of 7.4% in 1936 and 39% in 1937 (according to Monetary Review 1938, published by the League of Nations, table on page 109).

with the important industrial countries, which take up the raw material exports of the Near Eastern countries and cover the latter's demands for industrial products and other import articles. The trade between the various countries of the Near East is only weakly developed and in essentials is limited to a number of agricultural products and raw materials; in the last year it was not extended to any marked degree.

The details of the trade between the various countries of the Near East show the following:

PALESTINE.

Palestine, as in the previous year, remained in 1937 that Near Eastern country whose trade to neighbouring countries plays an important role in relation with its total foreign trade, namely 18.4% of its imports and 14.8% of its exports. As the following table shows, trade with Syria was by far the most important manifestation of this.

Imports from:	1937 Total	(1936) (Total)	Food, Drink Tobacco	Raw Materials	Manufactured Articles	Un- classified
Syria	1,374,444	(1,401,484)	651,429	27,529	670,886	24,600
Egypt	630,521	(514,111)	435,074	112,515	82,469	393
Iraq	361,161	(156,172)	350,581	701	4,726	5,153
Turkey	254,159	(267,764)	237,968	14,632	1,349	210
Iran	223,357	(177,749)	9,556	177,785	36,016	—
Cyprus	84,267	(79,593)	69,422	2,488	6,161	6,196
Total	2,927,909	(2,596,873)	1,754,030	335,720	801,607	36,552
Percentage of						
Total Imports	18.4%	(18.6%)	42.3%	20.9%	7.9%	62.9%
Syria	625,264	(310,248)	363,091	114,647	147,293	233
Egypt	99,242	(62,964)	23,514	12,086	61,803	1,839
Iraq	12,047	(5,895)	8,274	3	3,770	—
Turkey	114,644	(53,743)	519	92,802	21,323	—
Iran	1,645	(1,289)	230	238	1,177	—
Cyprus	6,984	(3,384)	315	1,356	5,313	—
Total	859,826	(437,523)	395,945	221,132	240,679	2,072
Percentage of						
Total Exports	14.8%	(12.1%)	8.1%	58.6%	42.6%	93.2%

Altogether Palestine has a very passive balance of trade with the countries of the Near East; exports only amount to 29.3% of imports. The passive balance amounts to £P.2.07 millions. Palestine's imports from Syria were almost half covered last year by exports thereto, the same is true in 1937 for Turkey. In the remaining countries exports only amount to a small fraction of imports, this is especially true of the trade with Iran, Iraq and Cyprus.

Palestine obtains a large portion, namely 42% of its foodstuffs imports from the countries of the Near East, especially from Syria, Iraq and Turkey.

It only obtains about 21% of its raw material imports from these countries, whilst its imports of industrial wares is only 7.9% of the total Palestinian imports of industrial wares, though the absolute level reached is £P. 0.8 millions.

The most important exports are foodstuffs, although Palestine's foodstuffs exports to the countries of the Near East only amount to 8.1% of its total foodstuffs exports. This small percentage is explained by the fact that the neighbouring countries are not customers for Palestinian citrus fruit exports. On the other hand these countries take up more than half the Palestinian raw material exports and about 43% of the exports of industrial goods.

Whereas Palestine's imports from the countries of the Near East only just kept pace in 1937 with the increase in Palestine's total imports, its exports to these countries practically doubled in 1937 and increased from 12.1% in the previous year to 14.8% of the total volume of exports.

The most important commodities which Palestine imported from or exported to the countries of the Near East during 1936* are shown in the following table (in £P.):

	Imports from	Syria	Egypt	Iraq	Turkey	Cyprus	Iran
Wheat		191,607					
Wheat Flour		101,414					
Rice			134,084				
Barley		167,386					
Leguminous Plants		7,027					
Sugar			53,001				
Cattle for Slaughter		7,922		10,744			
Sheep and Goats for Slaughter		27,881		62,058	203,291	4,570	
Poultry for Slaughter		10,608					
Molasses			10,928				
Samneh		21,196		21,852			
Eggs		110,610	38,582	17,563	340		
Fish		3,648	41,121	15,705	7,686		
Fruit, Nuts		60,008	3,000	12,708	16,028	9,600	2,143
Potatoes		42,204	62			49,549	
Vegetables, Onions, Spices		38,266	28,484			1,121	
Fodder		24,644	19,543		1,105		
Confectionery, Chocolate, Biscuits, Cakes		39,935	438				

* Corresponding figures for 1937 are not yet available.

Imports from	Syria	Egypt	Iraq	Turkey	Cyprus	Iran
Beer	8,198					
Tobacco, Tombac, Cigarettes		2,915		24,079		10,885
Unrefined Olive Oil	21,652					
Raw Cotton	12,130	9,003				
Asphalt, Bitumen	20	41,653				
Petroleum products		8,541				148,473
Building Materials (Cement, Tiles, Stone, Gypsum)	50,684	4,573			1,915	
Furniture and other Wood Manufactures	23,345					
Iron and Metal Goods	17,375	6,178				
Silk Goods	66,234					
Other Textiles	32,774					
Carpets						11,066
Printed Matter		18,979				
Leather Shoes	43,269					
Other Wearing Apparel	91,361					
Sole- and Upper-Leather	39,215	2,751				
Camels, Horses, Donkeys, Mules	15,440		7,856		2,940	
Unclassified		40,976		2,671		
Exports to	Syria	Egypt	Iraq	Turkey	Cyprus	Iran
Oranges	21,712					
Melons	20,138					
Cereals, Flour, Vegetables, Leguminous Plants	16,876					
Edible Oils	52,398	3,604	2,207			
Confectionery and Sweets	14,338					
Wine		3,297				
Sesame	3,377					
Hides and Skins	36,674			45,275		
Intestines	7,239					
Textiles & Wearing Apparel	65,884	1,928		7,908		
Laundry Soap	22,605	28,704				
Other Manufactured Articles	27,234	11,801	1,907	297	1,635	1,103

• Palestine imported from Syria in 1936 in addition to wheat, barley and flour, in particular eggs, fruit, potatoes, vegetables, cattle for slaughter, confectionery, chocolates, biscuits, etc., unrefined olive oil, cement, silk goods and other textiles and articles of apparel, in addition leather, furniture and a number of other articles.

Imports from Egypt are mainly composed of rice, sugar, fish, eggs, molasses, vegetables, fodder and asphalt. Imports from Iraq are mainly composed of cattle for slaughter, samneh, eggs, fruit and fish, whilst those from Turkey consist mainly of sheep and goats for slaughter, nuts and leaf tobacco; from Cyprus potatoes and fruit; and from Iran petroleum products, tobacco leaves and carpets.

Palestine's exports to Syria include in addition to fruits and a number of other agricultural products, edible oils, hides, textiles and wearing apparel; laundry soap is exported to Egypt, whilst Turkey is a customer for hides and skins.

SYRIA.

Syria only draws a small portion of its imports from the countries of the Near East, namely 14.1% in 1937. On the other hand these countries take up nearly half (45.2%) of the total Syrian exports. As a result Syria has a highly active balance of trade with the countries of the Near East. The trading relations between Syria and Palestine are most highly developed. Palestine absorbs almost a third of Syria's total exports, so that the Syro-Palestinian balance of trade is extremely favourable to Syria.

The following table shows Syria's trade with various countries of the Near East in 1937 (Figures in £ Syr.):

	Imports from	Exports to
Palestine	3,567,256	8,082,103
Egypt	1,188,711	315,784
Iraq	1,154,968	778,110
Turkey	787,866	965,840
Iran	160,471	2,547
Cyprus	43,589	135,409
Transjordan	662,645	736,898
	Total	7,365,506
		11,616,691
Percentage of total Imports		
or Exports	14.1%	45.2%

Syria's trading relations with the remaining countries of the Near East are less developed, the turnover here only amounts to a small percentage of the total imports and exports. The details of Syria's trade with Palestine according to articles may be seen from the table given above which shows Palestine's trade with Syria. Syria's import and export trade with the remaining Near Eastern countries is mostly composed of agricultural products; the turnover in single articles is very small.

EGYPT.

Egypt's trading connections with the other countries of the Near East are extremely loose; in 1937 4.6% of Egypt's total imports came from these countries, whilst its exports to these countries at 3.4% was even lower.

Egypt's trade with the various countries of the Near East was made up as follows in 1937 (in £):

	Imports from	Exports to
Palestine	194,425	540,266
Syria	211,441	219,120
Iraq	125,978	135,113
Turkey	248,827	358,565
Iran	794,182	2,534
Cyprus	163,265	76,493
Total	1,738,118	1,332,091

Percentage of total Imports		
or Exports	4.6%	3.4%

More importance should be attached to Egypt's imports from Iran, which mostly consist of petroleum. Palestine is the most important export country, but its imports from Egypt have already been analysed. The countries of the Near East as exporting countries are not customers for Egypt's most important export product — cotton, which comprised about 65% of its total exports in 1937. These countries have only small requirements of raw cotton and partly grow their own requirements.

As a result of the heavy imports of petroleum from Iran, Egypt has a passive balance of trade with the Near Eastern countries.

TURKEY.

Turkey's trade with the countries of the Near East is of still smaller dimensions. In 1937 Turkey only drew 3.8% of its total imports from Near Eastern countries and only exported to them 3.3% of its total exports. The following detailed figures are available for 1937 (in Ltgs.):

	Imports from	Exports to
Palestine	934,649	650,115
Syria	838,197	2,256,215
Egypt	2,450,897	1,448,616
Iraq	17,113	32,713
Iran	71,113	32,161
Cyprus	19,430	102,653
Total	4,331,454	4,522,473

Percentage of total Imports		
or Exports	3.8%	3.3%

Turkey's trading connections with Syria and Egypt are most strongly developed. Turkey exported above all to Syria sheep, wood, coal and tobacco whilst to Egypt it exported tobacco, nuts, fruits, and coal. Turkish exports to Syria are,

however, to some extent transit goods for Palestine. Turkey imports from Syria essentially cotton yarn, lemons, skins and hides, and from Egypt also cotton yarn, skins and hides and sugar. Turkey's balance of trade with the countries of the Near East is almost level apart from a small export surplus.

IRAQ.

Only figures for the 1935/36 fiscal year are available for Iraq's trade with individual countries (as from I.IV.1936 Foreign Trade Statistics were altered). The share of Near Eastern countries in total imports is 13.5% and 26.4% of total exports.

The following detailed figures are available for 1935/36 (in l. D.):

	Imports from	Exports to
Palestine	15,286	298,190
Syria	137,590	201,073
Egypt	128,158	58,728
Turkey	31,933	8,494
Iran	650,533	220,983
Total	963,514	787,468
Percentage of total Imports or Exports	13.5%	26.4%

Iran is the most important importing country, whilst imports from the remaining countries of the Near East are inconsiderable. Amongst the countries exported to, Palestine stands first as a customer for agrarian products. The Iraqi balance of trade with the countries of the Near East is slightly passive to Iraq.

CYPRUS.

In 1936 the following figures were available for Cyprus' trade with the Near East (in £P.):

	Imports from	Exports to
Palestine	5,542	64,882
Syria	48,678	12,001
Egypt	48,841	131,238
Turkey	4,567	12
Iran	9,741	—
Total	117,369	208,133
Percentage of total Imports or Exports	7.9%	13.7%

Cyprus' trade with the Near East is small in absolute figures, and is of no great importance as a percentage of Cyprus' total foreign trade. Cyprus only

purchases very little from the countries of the Near East, its exports, on the other hand, to Egypt and Palestine are larger, so that Cyprus has an active trading balance with the countries of the Near East.

The development of trading connections between the different countries of the Near East is set, however, within relatively narrow limits. On the one hand the exportable goods of the Near Eastern countries can only be absorbed to a very limited extent by neighbouring countries, whilst on the other the various Near Eastern countries are developing similar industries, i. e. in particular consumption goods and light industry. Thus the different countries are making efforts to protect their own industries from the competition of neighbouring countries.

Nevertheless the trading connections between the Near Eastern countries could be developed not inconsiderably, if the latter undertook a trading policy which aimed at developing such connections as far as possible. So far this has only been the case to a very limited extent and it would be worth while making efforts to get this object pushed forward actively in the future.

Problems of Palestine's Industrial Exports

by Dr. Moshe Liwni

Manager of the Foreign Trade Institute, Tel Aviv.

1. THE FOREIGN TRADE INSTITUTE.

In view of the increasing difficulties in the marketing of our citrus exports it has become more important to grasp at every opportunity of exporting *industrial* products. To undertake the organisation of this task the Foreign Trade Institute was founded in July 1937 by the Jewish Agency for Palestine, the Anglo-Palestine Bank Ltd., the Manufacturers Association of Palestine and the Palestine Industrial Bank Ltd. First of all an industrial department was set up which started its activities in August 1937. More than 300 factories were visited, their exporting capabilities examined and samples with export price lists collected, arranged and despatched. In mid November 1937 the first representatives of Institute were sent abroad. Varying with the importance of the markets in the various countries either an office of the Institute was opened or a general agency turned over to an experienced firm of importers of good standing. The Institute not only operates in the Near and Middle East but has also started to engage in the export business to South Africa and is now beginning to penetrate into various European countries. As soon as arrangements permit operation will also commence in the United States of America.

2. WHAT INDUSTRIAL PRODUCTS CAN BE EXPORTED?

It may be said right away that here the discussion will be centred round only those export articles which are capable of withstanding *international competition*. Admitted that the aid of Jewish commission agents, importers, warehousemen, etc. will materially assist the introduction of Palestinian goods on foreign markets, nevertheless this aid can only be vouchsafed if prices, qualities and make-up are absolutely competitive with international standards. It would, indeed, be a great step forward if Jewish importers were to choose Palestinian products in preference to other goods of equal price and quality. However, apart from a few specifically religious and national articles it will be ability to meet competition and not origin which will be the deciding factor.

The products which Palestinian industry is at present in a position to export comprise first of all those articles for the manufacture of which *raw materials are available in the country* (potash, olive oil, soap, fish and vegetable preserves), or

where foreign raw materials can be bought at prices which do not vastly affect the prices of Palestinian exports (aluminium ware, chocolates). Then there must be included those goods in whose manufacture the price of raw material is relatively unimportant whereas the technical excellence of the manufacturing process is determinative (ink, carbon paper, baby carriages, spectacle frames). Lastly special mention must be made of certain fashion articles (some types of woven and knitted goods, leather manufactures, buttons, artificial flowers, perfumes, electric fittings etc.

3. FAMILIARIZING PALESTINIAN MANUFACTURERS WITH EXPORT PROCEDURE.

At present Palestinian industry consists mainly of very small establishments with little or no experience of exporting except to the neighbouring country Syria.

(The first and most important task of the Institute is to instruct the manufacturers in the competition to be faced on foreign markets. At the same time as the manufacturer sends his samples and price-lists abroad he must receive in return competitive foreign samples and price-lists. All the items in the export price determination (freight, packing, selling costs, collecting costs, etc.), must be made absolutely clear to the Palestinian manufacturer so that he can easily convert his FOB prices to CIF (including freight charges, etc., to the foreign port or railway station).

In some cases a small manufacturer will be unable to conduct his correspondence with foreign representatives and clients in an unfamiliar tongue. He must also not only be relieved of this task but also of that of compiling and printing an export catalogue.

When orders come in control must be exercised to see that they are fulfilled rapidly, honestly and accurately. At this opportunity the manufacturer will also receive advice as to packing and despatch.

Thus for the present the sole task of some manufacturers will be to deliver a good article at a reasonable price; everything else required by them — export price determination, correspondence, despatch and above all maintenance of a sales organisation — will have to be provided.

4. SALES ORGANISATION.

In most countries of the Orient a local manufacturer's representative sells his imported wares to wholesalers and retailers. These representatives do not usually work on their own account but as commission agents, the result being that they carry all sorts of goods but only work those intensively which show promise of bringing in good returns. An article that requires much spade work in way of introduction and even then only holds out the promise of doing moderately well does not appeal to the ordinary agent. The foreign organisation of the Foreign Trade Institute takes this fact directly into account; on the one hand it works

through its own official representatives or general agents whilst on the other it in principle does not exclude the cooperation of commission agents.

Where the Institute maintains an office of its own, its representative will work with some eight to ten commission agents in the chief cities and with one or two such agents in every smaller town. Each agent will hold the sole agency for one or more branches. For instance the office equipment agent will carry envelopes, carbon paper, typewriter ribbons, fountain pens, inks, rubbers, stamping pads, drawing pins, paper clips, notebooks, postcards, etc. As far as Palestine is concerned he can limit his activities to a few or even one branch. Each time he visits a customer he is not representing one but ten or more manufacturers jointly. His chances of making a sale for at least some of these manufacturers are considerably increased. Every new factory in his branch is passed on to him by the Foreign Trade Institute automatically and without delay.

The tasks of Institute's representatives are to cooperate freely with the commission agents, to collect and pass on current reports regarding the chances for various factories at the same time supplying rival samples and price-lists. In especially difficult cases the representative himself will work with agent, particularly when price reductions are necessary on the spot or when a client has or alleges that he has grounds for complaint.

Now as before the actual sales are carried out by the commission agent but he cooperates closely with the Institute's representative who only intervenes discreetly if the agent cannot get any further, does not work intensively enough, fails to answer the factories' requests, visits his clients too seldom or not at all, does not know the special points of his lines sufficiently, etc., etc.

In countries where the market does not at present warrant the opening of a special office of the Institute the general agency of the Institute together with that of the factories connected with it is given over to a recognised importer of good standing. In this case a contact official must work in this agency; his salary will be paid by the Foreign Trade Institute and he will receive his instructions primarily from Palestine.

As far as is possible a warehouse will be opened in connection with every foreign office or general agency. This will allow wholesale deliveries to be made promptly and immediate deliveries of small quantities to retailers in so far as required by market conditions. There are quite a number of Palestinian factories which cannot offer competitive articles to the wholesalers but still offer opportunities to the retailers.

In some countries and with some articles still another step will have to be taken in the opening of *Palestine shops* for the purpose of selling *directly to the public*. Publicity can be launched in cooperation with Jewish organisations (Wizo, Hadassa, Maccabi, Bnei Brith, etc.) and thereby respect won for really competitive Palestinian goods.

5. FINANCING.

As mentioned above the main task of the Palestinian manufacturer is to deliver a good article at a reasonable export price. All operations connected with exports as such will have to be taken from his shoulders. One of these tasks is the financing of his export business. In cooperation with the foreign corresponding banks of the Anglo-Palestine Bank the Foreign Trade Institute is in a position, after investigating each individual case, to arrange the financial side of Palestinian industrial exports.

The corresponding banks of the Institute are prepared to guarantee the purchase of goods ordered by foreign clients of goods standing even if no credit has been arranged (credits cannot always be arranged with every client). Based upon this guarantee by the foreign banks, working advances can be granted to solvent Palestinian factories. Advances will also be secured upon shipping documents; the Institute will also intervene in difficult cases of payment, in the discounting of foreign customers' bills and in the raising of credit upon marketable goods which are lying in the Institute's foreign warehouses. All these financial operations will only be carried out after carefully investigating each individual case.

6. ORGANISATION OF TRANSPORT.

Here need only be mentioned in short that the organisation of bulk despatches through the Institute's shipping contractor would secure a welcome decrease in freight rates to certain foreign ports. The powers of Palestinian manufacturers to compete in many countries depend upon the availability of *direct*, regular and cheap shipping facilities. For instance, the import of Palestinian goods into Turkey could be increased considerably if a bulk despatch rate could be agreed upon with a regular freight line.

7. PRIVATE EFFORTS AND STATE SUPPORT.

Only those industrial export problems have been touched on above which can at least to some extent be solved by the private efforts of Jewish organisations, banks and the Manufacturers Association.

Really effective stimulation of exports on a *broad basis* can only be undertaken with *State support*. This stimulation translated into action is the obtaining of import quotas from foreign countries, the subvention of transport undertakings so as to cheapen freight rates, the provision of export premiums to bridge over small price differences, the organisation of joint publicity for the export industry through permanent and moveable exhibits, the distribution of trade prospectuses and catalogues, the issue of press releases, etc.

The financial means and political power at the disposal of a *private organisation* are not sufficient to stimulate exports to the widest degree possible. It is the *State's* duty to conduct negotiations with other States and to provide financial

assistance where the strength of organised industry does not suffice. If it is intended to broaden the basis of national existence by the encouragement of exports then it is the State's duty to provide the public with the means necessary for this purpose so that the latter's essential interests may be both protected and stimulated.

More lies in this than just increasing the turnover of one or the other factory. The economic background of the Palestine of the future is seventeen million Jews. The export of Palestinian goods is a strong economic link with the lands of exile. Every Jewish commission agent, wholesaler and retailer can help build up the new economic structure of Palestine if he can but win the markets of his country for Palestinian goods, competitive both in quality and price. Every Palestinian manufacture sold abroad brings in money for the building up of the Palestine of the future.

The Investment of Capital in Building

by Dr. Kurt Nawratzki, Haifa

The present situation in Palestine is generally considered to be that of "crisis", analogous to corresponding phenomena in European countries and America. Thus the methods proposed to overcome this situation are similar to those which have been adopted abroad: — provision of public works, loan policies, etc. There are also suggestions based upon the shortage of money: — provision of credit to increase the purchasing power of the people. All these proposals miss the essential point *that permanent, additional purchasing power cannot be created without increasing production in general.*

Suggestions which take the building trade as the key position, because of its links with so many branches of the economy are based upon a still greater fallacy, in view of the peculiar situation in Palestine, than in many European countries. The apparent advantages linked with the relatively high wages offered by the building industry, are converted in Palestine under present conditions to the exact opposite. In the best case fixed capital will be removed from the production field and the economic and financial position thereby permanently weakened.

Above all, in the building industry the *capital required for permanently employing one labour unit is excessively large*, whilst the product is neither productive in the proper sense of the word, nor does it accumulate capital from which income can be derived, if a corresponding, additional, permanent labour field is not provided at the same time thus allowing the tenant to pay his rent from his continual labour income.

So far Jewish investment activity in Palestine has been relatively one-sided and a disproportionately high percentage has fallen upon building. In addition it should be noted that most of the urban economy (industry, trade, traffic, transport, even consumption goods) has been largely dependent upon investments in building. If we also consider that *a large proportion of the industries existing in the country* (building materials, wood, metal, sanitary installation, furniture) have been dependent upon the building industry, we can understand how a decline or practically complete stoppage of such activity is of *far-reaching* importance for the whole Jewish national economy.

In addition, the relatively high wages prevalent in the building industry called into being an *apparently* permanent prosperity in a certain section of the consuming public. Many enterprises were newly founded or extended so as to be able to supply this apparently permanent, well paid class of consumers. Favourable instalment and easy-term payment conditions persuaded these consumers to purchase articles far

superior to their real financial position and in no way corresponding to the temporary wages they earned.

Engagements were entered upon to make installment purchases of private homes built at inflated prices, including the appropriate furnishings, not to mention wireless sets and motor-cars.

The total investments in housing construction by Jews and Arabs in the larger towns and villages from 1925—1937 are shown in the following table:

Year	Investment in £P. millions
1925	2.06
1926	1.14
1927	0.77
1928	0.69
1929	1.74
1930	2.45
1931	2.72
1932	2.95
1933	5.60
1934	7.00
1935	8.44
1936	5.71
1937	4.15

During these 13 years (1925-1937) the total investment in housing construction was £P. 45.5 millions. The Jewish share was by far the larger, amounting to 80%, about £P. 36 millions. It is worth noting the abnormal increase in the last six years as a result of the large increase of the Jewish population.

The total Jewish investments in housing construction were larger than all their investments in other branches of the economy. This is shown by the figures for the last 6 years as given below:

Year	Jewish Investment in Housing (£P. millions)	Total Jewish Investment. (£P. millions)
1932	ca. 1.5	3
1933	„ 4.0	6
1934	„ 6.5	10
1935	„ 7.0	11
1936	„ 4.5	6
1937	„ 3.2	5
Total	„ 26.7	41

These figures are only estimates, but they nevertheless show that about two-thirds of all Jewish capital investments are due to housing construction and only one-third to all the remaining branches of the economy, namely agriculture (including citrus), industry, handicrafts, trade, transport, etc.

The Government statistics do not publish Jewish investments in housing separately, but there is no doubt that the Jewish share in housing construction amounts to nearly 80%. So as to explain and justify this statement we have divided the official statistics into four groups of towns and large villages:

- A. Purely Jewish towns and villages;
- B. Towns with more than 60% Jewish population;
- C. Towns with separate Jewish & Arab quarters and where the Jewish population is in the minority;
- D. Purely Arab towns and villages.

We give below the detailed table, arranged according to these divisions:

Building Activity in Palestine during 1935, 1936, & 1937
(Approximate Costs in £P)

	1935		1936		1937	
	Private Buildings	Municipal Public Works	Private Buildings	Municipal Public Works	Private Buildings	Municipal Public Works
A. Jewish Towns and Villages						
Tel-Aviv	3,154,900	137,935	1,567,000	99,640	1,034,000	121,523
Petah Tiqva	227,415	5,994	65,633	7,757	46,366	4,698
Ramat Gan	160,851	4,499	69,062	4,604	32,485	1,821
Rehovot	91,500	10,250	52,105	8,008	29,690	4,372
Rishon le Zion	125,000	2,876	42,339	1,232	29,250	2,188
Afuleh	4,250	298	5,120	469	8,450	3,374
Hadera ¹⁾	—	—	2,825	590	7,000	3,715
	3,763,916	161,852	1,804,084	122,300	1,187,241	141,691
B. Mixed Towns with a Jewish Population of more than 60%						
Jerusalem	1,433,327	19,541	1,384,909	35,718	844,000	44,775
Haifa	2,528,000	26,367	2,171,929	40,690	1,757,340	30,571
Tiberias	57,693	1,671	51,000	908	50,150	4,468
	4,019,020	47,579	3,607,838	77,316	2,651,490	79,814
C. Towns with separate Quarters for the Jewish and Arab Population						
Jaffa ²⁾	438,000	33,700	166,200	13,665	125,500	14,574

¹⁾ In 1936 newly included.

²⁾ About 85% of the building activity in Jaffa is due to the Jewish Section; this section is administered by Jaffa but road construction, etc. is connected with the Jewish Town Tel-Aviv.

	1935		1936		1937	
	Private Buildings	Municipal Public Works	Private Buildings	Municipal Public Works	Private Buildings	Municipal Public Works
Safad ³⁾	12,435	618	5,227	378	7,625	155
<i>D. Arabic Towns and Villages</i>	450,435	34,318	171,427	14,043	133,125	14,729
Acre	26,685	2,670	10,370	1,805	4,818	2,916
Lydda	16,620	3,433	7,911	1,719	4,336	209
Nablus	17,650	3,674	12,510	4,164	52,050	4,581
Nazareth	17,270	1,137	8,485	823	12,830	2,577
Tulkarm	18,000	3,600	7,320	1,794	8,010	950
Gaza	32,422	2,484	25,954	1,560	22,678	2,438
Hebron	11,331	1,638	5,697	4,777	10,096	3,021
Bethlehem	8,832	1,493	9,885	225	10,425	723
Ramle	27,370	3,084	9,860	1,958	11,610	4,146
Rāmallah	8,850	533	1,560	847	10,550	1,094
Beersheba	2,641	944	3,328	1,162	4,195	1,319
Beisan	2,550	3,880	1,885	91	2,495	748
Beit Jala	2,777	1,266	1,843	651	2,773	736
Beit Sahur	322	150	1,042	150	624	31
Bireh	1,454	397	3,853	53	4,745	82
El Majdal	3,827	271	2,781	140	2,392	886
Jenin	1,930	269	1,850	469	3,606	896
Jericho	1,150	386	893	784	420	218
Khan Yunis	730	397	1,151	505	971	584
Shefa Amr	4,400	285	2,315	275	2,144	347
Qualqilha ⁴⁾	—	—	868	107	4,318	588
Sarona ⁵⁾	—	—	2,225	466	520	400
	206,811	31,991	123,566	24,525	176,606	29,495
<i>Summary:</i>						
A. Jewish Towns and Villages	3,763,916	161,852	1,804,084	122,300	1,187,241	141,691
B. Mixed Towns with a Jewish Population of more than 60%	4,019,020	47,579	3,607,838	77,316	2,651,490	79,814
C. Towns with separate Quarters for the Jewish and Arab population	450,435	34,318	171,427	14,043	133,125	14,729
D. Arab Towns and Villages	206,811	31,991	123,566	24,525	176,606	29,495
	8,440,182	275,740	5,706,915	238,184	4,148,462	265,729

³⁾ The Jewish Population of Safad is about 30%.

⁴⁾ In 1935 the statement includes only 20 Arabic towns and villages and in 1936 and 1937 22 are included i. e. Qualqilya and Sarona.

⁵⁾ Mostly German Population.

We estimate the Jewish share in building activity in the first three groups as follows:

	1935	1936	1937
Group A	£P.3,764,000	£P.1,804,000	£P.1,187,000
Group B	„ 2,800,000	„ 2,520,000	„ 1,855,000
Group C	„ 200,000	„ 70,000	„ 50,000
Total	£P.6,764,000	£P.4,394,000	£P.3,092,000
Total Investment			
in Building	£P.8,440,000	£P.5,707,000	£P.4,148,000

Adding the public municipal works executed in the purely Jewish towns and villages (1935 — £P. 162,000; 1936 — £P. 122,000; 1937 — £P. 142,000) we obtain a Jewish investment of practically £P. 7 millions in 1935, £P. 4.5 millions in 1936 and £P. 3.2 millions in 1937.

Naturally as far as the mixed towns are concerned these are only estimates. Whereas, the main building activity falls to the share of Haifa, and here accurate statistics of Jewish building activity are available, the estimates in this group may correspond with the true circumstances. In group C, to which Jaffa and Safad belong, the Jewish share in building costs has been estimated at 40%.

In group D, the purely Arab towns and villages, the value of building activity in 1935 was £P. 206,000 (plus £P. 32,000); in — £P. 123,566 (plus £P. 24,525); and in 1937 — £P. 176,606 (plus £P. 29,495).

In Haifa detailed statistics are available and from them we learn that most of the building activity in recent years was due to Jews:

Building Activity in Haifa

	1935	1936	1937
Jews	7,060 rooms (76.3%)	4,258 rooms (75%)	3,981 (78.8%)
Others	2,218 „ (23.7%)	1,427 „ (25%)	1,074 „ (21.2%)
Total	9,278 rooms	5,685 rooms	5,055 rooms

This table shows that the Jewish share of the building activity in Haifa in the last few years between 75 and 78.8%. The following table (extracted from the report of the Jewish Chamber of Commerce in Haifa, 1938) shows the building activity in Haifa from the date of British occupation to the end of 1937, divided between Jews, Moslems and Christians.

Building Activity in Haifa (according to permits)

Year	Jews			Moslems			Christians			Others		
	Building Permits	Rooms	Shops	Building Permits	Rooms	Shops	Building Permits	Rooms	Shops	Building Permits	Rooms	Shops
1921-1931	1,301	3,463	129	919	1,953	133	1,359	3,052	297	—	—	—
1932	267	706	34	86	226	3	105	307	13	—	—	—
1933	642	3,833	173	262	666	34	306	1,249	103	—	—	—
1934	945	5,640	202	189	692	47	302	1,606	105	—	—	—
1935	1,262	7,060	204	111	590	71	229	1,588	191	11	40	4
1936	1,090	4,258	152	43	335	22	177	927	72	24	165	29
1937	924	3,981	352	62	423	50	125	609	66	76	42	28
Total	6,431	28,941	1,246	1,672	4,885	360	2,603	9,338	847	111	247	61

This table shows that during the period 1921-31 building activity in Haifa was relatively small and the Jewish share amounted to about 42% of rooms, but that during the six years 1932—37 the number of rooms built increased to 34,944, i. e. more than fourfold the number built during the previous years. The Jewish share in this activity amounted to about 73% according to number of rooms, and to more than 80% according to value.

These statistics show that the majority of the population of Haifa are Jews, as opposed to the current opinion both at home and abroad. In Jewish houses there only live Jews but there are many Moslems and Christians who rent their houses to Jews.

Number of Houses & Rooms in Tel-Aviv

Year	Houses	Rooms
1920	200	2,612
1925	2,612	15,452
1930	3,761	22,978
1935	6,676	67,481
1937	7,635	78,411

The 7,635 houses existing in 1937 include 890 huts with 1,866 rooms.

Building Activity in 4 Large Towns in the Last 5 Years

(in square meters)

Year	Tel-Aviv	Haifa	Jerusalem	Jaffa	Total
1933	353,322	197,330	145,037	86,947	782,656
1934	424,504	323,425	164,070	152,069	1,064,068
1935	448,459	390,071	182,115	193,657	1,214,302
1936	261,224	276,791	140,346	59,719	768,080
1937	180,745	213,387	147,451	35,801	577,384
Total	1,668,254	1,401,004	779,019	528,193	4,406,490

This table shows the preponderant role played by Tel-Aviv and Haifa, which during the last five years gathered to themselves more than two-thirds of the building

activity in the country. If we recollect that in Jerusalem and Jaffa, too, Jews play a considerable part in the building activity, it will be seen that during the last five years Jews occupied the principal place in Palestinian building.

It is a matter of great regret that the statistics do not show the share of Jewish investments in building, the most important field for determining the capital of the country from the Jewish point of view. With the founding of the new Department of Statistics great improvements and corrections have been made, whereas in previous years much fundamentally incorrect material was published. For example in Jerusalem the official figures of building activity for several years in no way correspond with *the actual facts*. It is presumed that the square metre was confused with the cubic metre.

All the statistics regarding the number of houses are far too high. According to the census of November 18th 1931 there were 12,545 houses in Tel-Aviv, whereas in fact at that time there were but 4,000 houses. (Great activity in building for 6 years after the census only brought the number up to 7,635 houses at the end of 1937, this figure including 890 huts). The same in the case in Haifa. At the end of 1937 the number of houses was 5,000, about 40% of the figure given in the 1931 census. This disparity was due to the fact that no accurate, exact definition was given of the term "house". Every flat was considered as a house and every story in a house as a complete house.

The value of the proposals for combatting the crisis has already been discussed at the beginning of this article. It only remains to add here that critical attention must be paid to the excessive role that building activity plays in the development of Palestine. The conclusion that immigrants always need houses and that, therefore, investments in this field are bound permanently to give good returns, is just as fallacious as the conclusion that investment in building is a particularly good method of setting the economic system on its feet again.

The case would be different if we satisfied the demand for housing from national capital and at the same time expanded production and productive jobs. Unfortunately this is not the case in Palestine, because most of the capital transferred from abroad is continually utilized for housing construction, and is thus not sufficiently available for actual productive purposes. At the same time additional permanent places of employment are not provided, because housing activity offers only relatively short possibilities of employment and thus housing construction is no solution to the problem. The first basis of housing is regular payment of rents, for otherwise the investment is no longer profitable.

We thus arrive at the problem of the economic basis for the development of Palestine, which must be provided by the authorities so as to utilize the existing production apparatus to its maximum advantage, at the same time continually expanding the economic capacity of the country. The bounds of this article do not allow us to go into this problem which must once and for all be clearly defined so as to be able to express the idea of the true economic capacity of the country.

The Transport System of Palestine

by J. Voznansky

The transport system of Palestine, both in its policy and as far as its facilities for passenger transport and haulage are concerned, mostly depends upon external factors. This is especially obvious in the sea-borne traffic. In this article we will consider the development of transport in shipping on the railways and roads, and we will also discuss the means whereby the transport system may render the maximum service to the Palestinian Economy and contribute to the independence of the Palestinian traffic system in general.

These topics will be discussed in the light of the following figures and facts.

THE MARITIME TRAFFIC

The shipping traffic in the Palestinian ports in 1937 was as follows:

Nationality	No. of Ships	Cargo (in Tons)
Italy	266	1,100,016
France	191	996,849
England	392	882,115
Germany	103	211,142
America	33	191,220
Denmark	122	187,138
Norway	99	160,163
Roumania	84	155,516
Holland	65	148,799
Greece	129	139,499
Sweden	109	134,649
Poland	29	99,533
Jugoslavia	22	87,732
Egypt	117	75,809
Palestine	110	75,517
Bulgaria	40	50,151
Russia	24	39,442
Belgium	23	38,101
Japan	7	30,474
Finland	5	4,962

Nationality	No. of Ships	Cargo (in Tons)
Hungary	11	4,618
Syria	6	2,193
Turkey	1	1,407
Cyprus	4	784

It is worth noting the increase of steamers from Denmark (in 1936 78 ships with a cargo of 115,114 tons) and from Sweden (in 1936 89 ships with a cargo of 116,139 tons).

PALESTINIAN SHIPPING

As compared to this increase we must point out that the Palestinian ships to-date still occupy an insignificant position in our transportation. (Palestine holds the fifteenth place in the above table). Mainly as a result of its own initiative the oldest of the Palestinian maritime companies, "The Palestine Maritime Lloyd" made great strides forward last year, as a result of a contract signed between it and the Roumanian company "Serbitual Maritime Roumania", the Jewish company received 40% of all citrus shipments to Constanza, the remainder going to the Roumanian Company. In passenger transport to Constanza the company's participation rose from 7% in 1935 to 11% in 1936 and to 23% in 1937. (The number of passengers in these three years remained almost stationary, an average of 4,000—5,000 per year).

The ship "Tel-Aviv" of the Palestine Shipping company transported about fifteen thousand passengers during its two years of operations. The ship was outstanding for the pleasant voyages enjoyed on it, for its good service, including a clean Kosher kitchen, and it was a source of livelihood for about one hundred people and also used Palestinian products. It is almost certain that the failure could have been avoided had Palestinian Jewry supported it more enthusiastically, and had its affairs been examined and reorganized by experts.

The ship Hana, of the Hebrew Near Eastern Shipping Company, which will soon fly the Palestinian flag, played a considerable part in the freight transport between Haifa and Constanza. Among the ships that visit the Tel-Aviv Harbour each week, attention should be paid to those of the Jewish company, the Orient Coast Line, which even last year was able to face the competition of the Egyptian and Greek lines, because of its low labour costs.

The establishment of the ship "Nachshon" by the Histadruth for the purpose of developing Jewish maritime activities should not pass without notice. Its loading capacity is 180 tons.

Of the remaining Jewish ships, notice should be paid to the training-ship Sarah A which appeared last year for the first time on Palestinian shores. In the Baltic there plies the large sailboat, "Theodore Herzl" (300 tons) which also serves as a training ship for Jewish sailors.

THE NEED OF A PROTECTIVE MARITIME POLICY

The Palestinian ships were affected by the increased competition of foreign companies. The Egyptian company, Khedivial Mail Line (now the Pharaonic Line) which with Egyptian government assistance has succeeded in practically expelling the Jewish company "Atid" that employed about fifty Jews (its total personelle numbers 70) from Egyptian waters may serve as an example. Notwithstanding competition the ship increased its freight transportation to Palestinian shores to about 100,000 tons. The ship docked upon the Palestinian coast 219 times, 98 times in Haifa, 66 times in Tel-Aviv and 64 times in Jaffa. The Arab boycott had of course its adverse influence, for several times Arabs refused to load or unload goods on Jewish ships.

Like the Italians, the Egyptians also increased their competition against Palestinian ships. This fact again proves the economic losses to Palestine caused by Article 18 of the Mandate, the more so when we remember that these countries import many times as much to Palestine as they buy from it. Italian imports to Palestine are four times greater than Palestinian exports to Italy, and Egyptian imports are eight times greater than Palestinian exports to Egypt. This shows the basic need for a definite maritime policy, that will protect the interests of Palestinian shipping and will support it from aggression or in times of depression. The Arab factor in Palestine and in the neighbouring countries, should not be overlooked. But it is noteworthy that the economic welfare of Syria forces it to make a friendly maritime agreement with Palestine; the realization of an agreement favoured by both parties should be sought after.

As far as freight transport is concerned care should be taken to cheapen the freight rates on commodities and raw materials brought to the country, but high rates should be charged on the other hand for transporting foreign goods which compete with local industry. Such a policy was lately adopted by most European maritime companies. The rights of Palestinian ships to carry goods to or from different countries should be guaranteed in the same way as, for instance, did Germany, which demanded that all goods shipped through "transfer" should be carried on German ships. The same is the case with Palestinian citrus fruits which are exported to Germany on German Ships.

The Palestinian maritime service calls for improvement and expansion. This is not at all impossible if we organize and centralize our forces in that field by founding a special company for the purpose as proposed by the Jewish Agency. It should not be forgotten that our country with its foreign business relations reaching twenty to twenty one million pounds annually (apart from the transport of passengers, who are overwhelmingly Jewish and who also bring in millions of pounds to the shipping companies) has certain well based demands when negotiating with foreign shipping companies for agreements as to the rates and privileges it deserves. The rights of

Palestinian ships to transport freight and passengers should be guaranteed. Polish ships, for example, (Poland sends more immigrants to Palestine than any other country) bring the immigrants to Palestine via Constanza. This affects the Roumanian service as well as the "Palestine Maritime Lloyd".

Steps should be taken towards guaranteeing the participation of our ships in mail services. Not long ago the Czechoslovakian postal authorities began shipping their mail to Iraq and Persia by a new route: Constanza—Beirout. A large part of this transportation should be allotted to Palestinian ships, considering the considerable Czechoslovakian imports to Palestine.

If through these measures we succeed in strengthening the basis of Palestinian maritime services, this field will become more attractive to private capitalists who seek new investments the more so when legal measures are adopted for controlling transactions in the shipping industry.

THE DUTIES OF THE GOVERNMENT AND PALESTINE JEWRY

In establishing our shipping industry a special task is imposed on our government which receives considerable income from maritime sources. It is the usual policy of governments to use such income (even when their treasury has no large favourable balances as ours) for the subvention of shipping; we, too, must demand this from the government.

There are still some means at our disposal which we have not as yet exploited for the furtherance of our maritime economy. If the maritime league of Palestine Jewry justifies its existence, it is likely to become an important factor in our transport system. The league's influence should at first be directed by planning on the part of our political institutions which will be obliged to advise and instruct it; in due course this influence will spread throughout the Diaspora and every Jew find it his duty to join the Hebrew fleet organization. Proper action along these lines may develop a new and large tourist movement corresponding to the ancient traditional custom of pilgrimage to Jerusalem.

It is noteworthy that the Hedjaz railway whose primary use is the transport of the pilgrims to Mecca was aided greatly by the collections arranged by Abud-el-Hamid among the Moslems throughout the world. Let this fact teach us how to mobilize means for subventions to Jewish shipping.

EXPORT OF CITRUS FRUITS

With regard to the transportation of the Palestinian citrus fruits it is worth noting that transport rates last season rose by about 50%. This rise can be disregarded only when the standard and speed of the ships improves accordingly. Even if the transportation facilities to the European Continent (especially those ships of the Svenska Orient Line) are still to be regarded as satisfactory, (modern, fast ships: the

voyage to Danzig for example takes 10—12 days) the shipping service to England is still pitiful. The ships in most cases are not fitted for their task and they differ not only in their transportation conditions but also in their speed. It happened more than once that citrus transports which were designed to arrive on English markets at different times, arrived together, of course flooded the market and caused a fall in prices. At times many ships were awaiting loading turn in Palestinian harbours, causing a delay in sailing and at times the contrary was true, there being insufficient tonnage available. Thus in improving marketing conditions attention must be paid not only to improving ships and their sailings but also to improving the general exporting plan, in which the speed of every ship must be taken into account and special care exercised to avoid a flooding of markets. The tendency to divert shipments this season from Jaffa to Haifa and Tel-Aviv facilitated the loading of the ships. There is need for greater solidarity among the growers; for with a solid backing the growers can expect a rapid response from the shipping companies to their justified demands for the care of the fruit during shipment, organized transportation, a speedy voyage, limitation of loads per ship, the prohibition of deck loading, air conditioning, the employment of Jews and purchase of Palestinian products.

TRANSPORTATION OF OTHER GOODS BY SHIPS

We note that after a long intermission, the export of grain was renewed in 1937 (through Gaza, Jaffa and some also by way of Haifa). We also note the export of raw materials such as scrap metal, waste paper, etc. The export of manufactured goods also increased. Additional products exported now are rice (as a result of the opening of the new rice mills) and the products of the spinning mills in Kfar Atta.

Palestinian industry faces some difficulties in the exporting field because shipping fees are at times too high to allow exports. It happens too, that a ship may refuse to transport goods if the shipping fees do not at least cover the harbour charges payable by the ship. The export of goods to Turkey that offers a good market for our products, may serve as an outstanding example. Though many ships (in particular those of the Palestine Maritime Lloyd) berth in Constantinople regularly, they refuse to accept goods for Constantinople if the shipping fees do not amount to £P. 30 minimum, which constitutes harbour fees (if special privileges are not enjoyed).

The increase of Palestinian exports by sea, particularly citrus fruits, potash and grain, commands and justifies the establishment of an intermediary organization for the chartering of ships. Such an organization may increase the importance of a port to such an extent that it may become a factor in stabilization of fees. An "exchange" of this sort, auxiliary to that in London, only exists on the Piraeus and Palestine may taken upon herself such a role for all the Near Eastern coastline. The conditions for exporting citrus fruits which were discussed above would benefit thereby considerably.

TRAVELLERS' AND TOURISTS' MOVEMENTS BY SEA.

The figures below show the movements of travellers to and from Palestine by sea:

	E n t e r i n g				L e a v i n g			
	1935		1936		1935		1936	
	Total	Jews	Total	Jews	Total	Jews	Total	Jews
Inhabitants	13,676	10,985	13,471	11,113	15,992	13,130	19,828	17,243
Tourists	33,389	20,517	14,890	9,957	25,034	14,396	14,813	9,975
Immigrants	56,252	55,499	27,583	27,007	—	—	—	—
In transit	2,658	408	1,364	153	1,923	367	1,358	165
Total	105,975	87,409	57,308	48,230	42,949	27,893	35,996	27,383

It cannot be said that the passenger services were outstanding for comfort. The crowding and congestion was at times inconvenient, and on board some ships it reached the point where passengers feared that the ship might not be equipped with sufficient life-saving apparatus for the large number of passengers. Complaints about the service were not infrequent. We might note that the foreign passenger vessels make all their purchases for the voyage in their own countries, and do not patronize Palestinian products at all.

FREIGHT MOVEMENTS ON PALESTINIAN SHORES

From the following figures we learn of the part played by Palestinian harbours in handling freight.

Year	Haifa		Jaffa and Tel-Aviv	
	ships	tonnage	ships	tonnage
1935	2,489	4,924,044	2,000	2,438,717
1936	2,390	4,788,005	870	958,732
1937	2,470	4,648,723	1,866	1,498,105

Loading and unloading of goods at Haifa and Jaffa

Year	Haifa			Jaffa		
	unloaded	loaded	total	unloaded	loaded	total
1935	787,307	138,427	925,734	402,524	171,819	574,343
1936	756,723	165,029	921,752	135,493	115,302	250,795
1937	698,430	296,492	994,922	126,842	152,427	279,269

Freight handled in Tel-Aviv, Gaza and Acre

Year	Tel-Aviv			Gaza and Acre		
	unloaded	loaded	total	unloaded	loaded	total
1936	27,514	1,854	29,368	5,715	530	6,245
1937	97,304	26,795	124,099	10,679	9,009	19,688

The above tables show the drop in the freight handled in Jaffa Harbour in contrast to the rise in Haifa and Tel-Aviv harbours. This change will continue to increase since the shipping companies dispensed with the additional 5 shillings per ton charged for unloading in Tel-Aviv.

In connection with the Jaffa Harbour, it is worth noting that the government completed in March 1937 the new buildings, repairs and improvements which were begun early in 1934. According to government reports the execution of this plan cost £P. 342,963. The imports and exports by way of Jaffa harbour on the other hand fell during the period 1935—1936 from £P. 10 millions to £P. 4¾ millions, a decrease of more than 200%. These figures bear witness to the high price paid by Jaffa Harbour for the strike and rioting of the Arab dock-workers who were incited to upset the Jewish economy.

THE TEL-AVIV HARBOUR

Among the improvements in the Tel-Aviv Harbour special attention should be paid to the 250 meter breakwater, the five warehouses with an enclosed space of 6,200 square meters and the open space of 10,000 square meters. The basin shelters about one hundred boats (among them nine motor boats). In February 1937 the government granted the permit for landing passengers at the Tel-Aviv harbour, and for that purpose three motor boats were built, and a waiting hall for passengers (covering a space of 710 square meters) with all necessary improvements, including quarantine, was constructed. The harbour employes about one thousand workers, all Jews.

If we are interested in increasing the attractiveness of this harbour for shipping companies, it is necessary to continue introducing technical and marine improvements and to enlarge its absorptive capacity for loading and unloading. Only then can this open roadstead compensate for the lack of a natural bay, convenient for anchorage such as is to be found in Haifa. In order to control the loading of goods and to avoid the loss of ships' time and unnecessary expenditure not only should its absorptive capacity be increased, but improvements should be introduced in its communication with the hinterland, that is to say, a direct automobile connection be introduced between the harbour and the Sharon. This will also alleviate somewhat the traffic congestion in the streets of Tel-Aviv.

Just as much as it is our duty to gain the patronage of the shipping companies so it is necessary to interest insurance companies. Insofar as handling of goods improves and damages decrease, so will insurance premiums decline. We must hope that the Jewish worker, realizing the great responsibility that rests upon him, will improve the quality of his work, increase his production and will help to improve handling methods so that the attractiveness of the Jewish harbour will grow.

The funds for constructing and managing the harbour were raised by Palestine

Jewry through the purchase of shares of the "Maritime Trust", to the amount of a quarter of a million Palestinian pounds. The income from the fees paid by ships, loading and unloading, storage etc. goes to the government. According to the activity in the harbour to-date it may be estimated that the government's income from the harbour is twenty to twenty-five thousand pounds annually. But there seems to be no intention on the government's part to change its unjustified policy towards the Tel-Aviv harbour. The fact that the government permitted the Jewish City to build its own harbour may not be regarded as a special favour, since the Arab dock-workers' strike in Jaffa was liable to cut off the food supply to Tel-Aviv. The Jews who supply the government with the majority of its funds (those same funds of which more than £P. 300,000 were spent on improvements in Jaffa Harbour) may hope that the government will understand that the income of Tel-Aviv Harbour which was built with Jewish Capital, belongs to that harbour, if the government does not intend artificially to raise the prices of goods in Jewish Palestine.

As far as the future prospects for the harbour are concerned there is no doubt that it will have to be expanded considerably with the increase of citrus fruit exports in the coming season. Outside the citrus season, there is a necessity for a larger harbour if only the unloading of goods increases and the export of potash via Tel-Aviv continues. Tel-Aviv harbour is after all the natural outlet for this export if only the Jerusalem—Tel-Aviv road be improved at Motza by a bridge or tunnel to avoid the curves. The suggestion in the report of the Royal Commission for building a joint commercial harbour for Tel-Aviv and Jaffa, should, therefore, be given special consideration the more so as the government will undoubtedly complement such a harbour by constructing a railway, thereby vastly increasing its service capacities. A harbour cannot do without railroad communication for an indefinite period.

DISCRIMINATIONS AGAINST JEWISH RIGHTS IN HAIFA HARBOUR

The prospects for enlarging Tel-Aviv harbour or the construction of a joint commercial harbour for Tel-Aviv and Jaffa, are also of importance from the point of view of the existence of Haifa Harbour which cannot expand further despite its great present importance. Here, too, its connections with the railroad are not completely satisfactory and the necessity for improvement is very great. But it is noteworthy that last year many improvements were introduced and the harbour was able without any serious interruptions to meet the many calls upon its services. Above all, traffic in the harbour was not interrupted even once during the disturbances. The Jewish workers in Haifa Harbour were mainly responsible for this. In Haifa harbour, as in all official institutions, the number of Jewish employees is very small (only 10% of the 300 employees in the customs house are Jews) and is not proportional to the number of Jews in Palestine, and certainly does not correspond with the participation of Jewish Palestine in the government revenue. Three quarters of this income may be accredited to Jewish Palestine.

A special drawback of Haifa Harbour as regards Jewish Palestine is the fact that only Sundays and Christian Holidays are considered rest days, while the Port Office, for example, is open seven days a week. The harbour is, therefore, actually open to Jewish trade only five days a week (and it should be remembered that 80% of all shipping, export and customs agents are Jewish). If a Jew has to unload goods on a Sunday he must pay additional fees. Added to this, if the free storage period expires on a Saturday, when the Jewish customs agent remove his goods, he must pay storage fees for a full week as a fine. These facts show the drawbacks of the harbour, which inflicts greater expenses upon its Jewish than upon its Christian clients. These drawbacks could only be abolished by the increase of Jewish employment and the abolishment of the additional fees for removing goods on Sundays.

RAILWAY TRANSPORT

The following table shows the movements in the railways during the past two years:

	1936	1937
Income from goods transport	£P. 524,388	458,555
Income from Passenger traffic	318,064	260,013
Other income	55,876	89,572
	<hr/>	<hr/>
Total	916,328	808,140
General expenditure	652,328	730,058
	<hr/>	<hr/>
Surplus of income over expenditure	264,000	78,082
Number of Passengers	2,503,244	2,027,668
Amount of Freight	tons 1,006,778	1,075,515
Number of kilometer-tons	129,074	138,662

In 1937 the number of railway passengers dropped by 19% and the passenger income dropped accordingly. The income from goods transported dropped also (15.5%) even though the amount of freight increased. This is due to a cut in freight rates.

At the same time as railway revenue suffered a total drop of 11.8%, the general expenditure increased by 11.9%. Thus the surplus dropped from £P. 264,000 in 1936 to £P. 78,082 in 1937.

When we also consider the sums to be paid on loans, amortisation, etc., we see that the deficit of the railroad increased considerably. The drop in number of passengers transported came undoubtedly as a result of the disturbances and constant damage done to the railways. For that same reason, on the other hand, goods transport by railways increased, for after the strike was declared in Jaffa Harbour and ships

docked only in Haifa, it was necessary to transport goods to all parts of the country, and because of the attacks on automobiles, the railroad was chosen in most cases for such transport.

Army transport added somewhat to railway transportations, but for such transports a special low fee was set. For this reason there was a decrease in the income while the number of kilometer-tons increased.

We must note with satisfaction that the conditions of freight transportation had improved to the extent of filling the loading needs of the citrus industry. But it would be worth while enlarging the fruit warehouses in the stations of the large Jewish settlements such as Rehovot, Petach-Tikvah, Gedera, Magdiel, etc. The railroad begets most of its income from Jews and at the same time it employes a very small number of Jews (in 1935 only 6% of all employees and in 1936 — 8%). This discrimination should be discontinued immediately.

THE RAILROAD AND ROAD TRANSPORT

The railway deficits increase yearly. In the three years 1933/34—1935/36 expenditure exceeded income by £P. 156,000. In 1936 the deficit reached £P. 916,328 and in 1937 £P. 808,140. There are many reasons for this. The interest rates upon the loan received by the government for the purchase of the railroads from the British Army are very high. Apart from this, the amortisation expenses are very high because of the inferior quality of the rolling stock. There is also the fact that the Haifa—Lydda—Jaffa railway was built for strategic purposes and does not approximate to the economic necessities of the country. For this reason the direction of the line should be changed. Accordingly plans were drawn up by three committees of experts, but the situation remained as before. The railway service lacks all conveniences, and only after the completion of the Haifa—Tel-Aviv road did the railway authorities, realizing the new competition, institute overnight express trains between the two cities, a thing that the population has been demanding for the last sixteen years. The railway authorities do no advertising to attract foreign tourists as do railways in other countries, and no support at all is vouchsafed to the companies interested in developing the tourist trade. The railway services need basic improvement, and there are hopes that they will be instituted, primarily because of the competition offered by the Haifa—Tel-Aviv road. It should not be forgotten that in all other countries roads offer great competition to the railways because of the comparatively small investment in building a road as compared to those of a railway, as well as the convenience in transport and communication. This is one of the reasons, it seems, that prompted England to build a road and not a railway between Haifa and Baghdad. The same is apparent in Italy, which constructed roads in Abyssinia, etc. This is stressed by the Palestinian government itself in the report of the Department of Statistics for September which reads: "The transport of passengers and goods by

automobiles is more fitting the conditions of Palestine where in the last few years many city and rural settlements have sprung up. No other transit, for so small an investment, could have satisfied the increasing demands for a convenient and light communication”.

At the time as the railroads cause the government appreciable losses, the road traffic serves as a source of income. In 1937 the income was £P. 575,348. The government, nevertheless, uses several methods to check the development of this traffic. For example, with the completion of the Haifa—Tel-Aviv road and the beginning of traffic on it, the railway management took immediate steps to cut its passenger fees in order to compete with the automobiles. More than that, at the end of 1937, the government issued a new decree which raised the prices for transport on omnibuses and taxis. The public protested strenuously against this, and for the time being the decree has remained on paper only. But this condition remains unsatisfactory. A golden mean should be found which will put an end to the competition between the railroads and road traffic as the case is in other countries, including England. The first step in that direction was taken by the citrus exporters, who guaranteed the railroad 60% of all the citrus transportation. Such agreements should be reached in passenger transport (for example, to leave to the railways all passenger transportation from local stations).

The automobile service is mostly concentrated in the hands of drivers' cooperatives. The following figures show their number, the extent of their activities, turnover, their part in the import trade etc. up to September 1937. (We deal only with the organizations which belong to “Mercaz Hacooperazia”).

	for passenger transportation	for goods transportation
No. of Cooperatives	8	14
No. of members and employees	1,296	316
Investments	365,133	88,289
Shares and Funds	218,775	42,446
Income (January—September 1937)	412,939	111,161
Wages (members and employees)	146,880	35,763

The total balance of these organizations at the end of 1936 was £P. 534,690.

These cooperatives founded a special organization “Noa” which buys cooperatively all materials and apparatus needed for the transport service.

The number of Jews who derive their livelihood from transportation amount to 21,000, in other words 6% of the entire Jewish population.

These are the sums that the service cooperatives, organized in the “Mercaz Hacooperazia”, spent upon petrol, oils, tyres, cars and automobile parts:

	1934	1935	1936
Petrol	£P. 115,941	187,547	178,788
Oils and paraffin	7,515	11,155	8,499
Tyres	11,270	16,835	14,641
Cars (approximately)	—	145,000	45,000
Spare parts	29,303	57,633	44,783

The sum spent on petrol in 1936 includes £P. 20,000 used for army transportation during the disturbances. This petrol was supplied from the army warehouses.

The number of vehicles operated by the service cooperatives increased as follows:

	omnibuses	lorries	cars	total worth in £P.
At the end of 1934	384	138	88	279,527
" " " " 1935	555	172	88	351,102
" " " " 1936	556	191	106	291,642

Apart from the above omnibuses there are about another sixty Jewish omnibuses which do not belong to the cooperatives. The Arabs have 260-270 omnibuses most of which are smaller than those of the Jews.

The following eight cooperatives have the sole concessions for passenger transport: Hamaavir (Tel-Aviv area), Ichud Regev (service between Tel-Aviv and Petach-Tikvah), Darom Yehuda (service between Tel-Aviv and the southern settlements), Hasharon Hameuchad (Hasharon settlements), Egged (Tel-Aviv—Haifa—Jerusalem), Hamkasher (Jerusalem area), Mishmar Hamifratz (Haifa bay), Hever (Haifa area), Hakesher (between Haifa and the settlements).

Within the automobile services themselves there is much competition and many other faults which call for adjustments. It is essential to organize the traffic according to the demand so as to avoid congestion on days or at hours when the number of passenger is greatest. Concessions ought to be granted only to those companies which are bound up with reliable insurance companies so as to compensate for all damages and losses to passengers and goods in transit. A noteworthy example of this is the small taxi company "Aviv" which was founded not long ago.

It would be also worthwhile finding ways and means of electrifying the service over short stretches as in many other countries. This would decrease the necessity for imports of petrol and cars whilst the Palestinian electric industry would enlarge. The import reaches large proportions as is borne out by the figures for the last two years:

The import of Automobiles and Petrol

	1936		1937	
	No.	Value £P.	No.	Value £P.
Small cars, Lorries and Omnibuses	1,103	193,033	638	102,657
Chassis of cars and tractors	461	128,496	346	88,069

	1936		1937	
	Tons	Value £P.	Tons	Value £P.
Automobile Parts	363	87,813	226	51,886
Condensers and Batteries	92	7,348	93	6,763
Motorcycles	—	7,037	—	3,787
Tyres	698	104,263	408	56,384
Total		527,990		315,546

The import of petrol rose from £P. 44,043 in 1936 to £P. 55,894 in 1937.

THE NUMBER OF MOTOR VEHICLES AND LICENSES

The following numbers show the total number of motor vehicles registered and licensed at the end of 1937. The number of registered motor vehicles was 15,641 (as compared with 15,059 at the end of 1936) and the number of motor vehicles licensed was 10,559 (as compared with 9,182 at the end of 1936).

Registration and Licensing Statistics of Motor Vehicles in 1937

Registration of new vehicle during 1937 and total number registered and licensed on 31.XII.1937

Note: A. Registration of new vehicles effected during the year 1937.

B. Total number of motor vehicles registered on 31.XII.1937.

C. Total number of motor vehicles licensed on 31.XII.1937.

	A		B		C	
1) Private cars						
with seating capacity						
up to 7 persons	759		6,359		4,414	
over 7 persons	—	759	10	6,369	7	4,421
2) Taxis, used for hire	139	139	1,242	1,242	1,206	1,206
3) Omnibuses	77	77	1,296	1,296	969	969
4) Trucks with weight carrying capacity of						
1 to 250 kg.	22		115		100	
250 to 1500 kg.	86		767		473	
over 1500 kg.	284		3,147		1,944	
on six wheels	3	395	48	4,077	36	2,553
5) Tractors	4	4	24	24	18	18
6) Motor cycles solo	198		2,449		1,282	
" " with combination	7	205	184	2,633	110	1,392
Grand total		1,579		15,641		10,559

In 1937, 97 more vehicles were registered than in 1936.

THE GOVERNMENT'S ATTITUDE

TOWARDS THE ROAD TRANSPORT SERVICE

We have already pointed out the negative attitude of the government toward the road transport service despite the noticeable source of income it offers. Nevertheless in the Report of the Royal Commission, the government boasts of the expenditure of £P. 1,605,000 for road construction and £P. 1,265,000 for road upkeep from 1921 to the end of March, 1937. But it must be stressed on the other hand that in six years (1930—1936) alone the government received in tariff fees for cars and petrol (apart from license fees) £P. 4,427,378, in other words, the expenditure of sixteen years for construction and upkeep of roads did not amount to two-thirds of the government's income from the automobile traffic in six years.

The Report of the Royal Commission also tells of £P. 30,000 spent by the Government during 1935/36 for the construction of service roads to groves. In 1936/37 this expenditure dropped to £P. 20,000 because... riots broke out in the country. The private individuals interested in such roads were also in no position to participate as previously agreed upon upto one half of all costs involved. These are the reasons in the Report, and all this, when the government treasury accumulated a surplus of about £P. 5,000,000.

Such details in themselves are sufficient witness to the government's cool attitude towards one of the most important branches in the economic development of the country.

Transportation and Communication

NUMBER AND TONNAGE OF STEAM VESSELS ENTERED

	1935		1936		1937	
	No.	Tonnage	No.	Tonnage	No.	Tonnage
Haifa	1,818	4,900,535	1,848	4,770,650	1,841	4,630,346
Jaffa/Tel-Aviv	1,130*)	2,406,895*)	596	947,204	929	1,471,373
Total**)	2,954	7,311,216	2,449	5,721,095	2,784	6,107,665

*) Jaffa only.

**) Including Acre and Gaza.

CARGO DISCHARGED AND LOADED

(in 1,000 Tons)

	1935			1936			1937		
	Discharged	Loaded	Total	Discharged	Loaded	Total	Discharged	Loaded	Total
Haifa	787	138	926	757	165	922	698	297	995
Jaffa	402	172	574	135	115	250	127	152	279
Tel-Aviv	—	—	—	27	2	29	97	27	124
Total*)	1,189	310	1,499	925	283	1,208	933	485	1,418

*) Including Acre and Gaza.

RAILWAY OPERATIONS

	1935	1936	1937
No. Passengers (excl. Season tickets)	2,558,913	2,503,244	2,027,668
Tonnage of Goods carried in Tons	1,125,852	1,006,778	1,075,515
Heads of Live Stock No.	67,479	49,175	63,609
Ton-Kilometrage (in thousands)	132,502	129,074	138,662
Passenger Revenue £P.	339,618	318,064	260,013
Goods Revenue "	470,818	542,388	458,555
Gross Revenue "	863,711	916,328	808,140
Working Expenses*) "	653,850	652,328	730,058

*) Exclusive of debt charges.

**TONNAGE OF LEADING COMMODITIES TRANSPORTED BY PALESTINE
RAILWAYS AND OPERATED LINES 1935—1937**
(in Tons)

Grain, Flour and Forage

	1935	1936	1937
Wheat	27,967	28,809	34,894
Barley	19,229	25,184	18,057
Maize	6,973	8,976	14,971
Other Cereals	10,956	9,580	13,459
Rice	7,211	13,235	16,965
Flour	21,909	31,470	21,527
Tibben	13,833	13,474	12,641
Oil Cakes	4,116	4,724	2,884
Total	112,194	135,452	135,398

Fruits

Oranges	110,189	116,344	265,492
Grapefruit	12,389	14,234	14,950
Melons	15,584	9,004	13,810
Fruits, other	678	1,131	1,210
Total	138,840	140,753	295,462

Other Foodstuffs and Drinks

Sugar	15,552	18,311	16,396
Other Provisions and Drinks	37,524	69,392	38,155
Total	53,076	87,703	54,551

Building Materials

Sand and Stone	74,794	77,252	33,561
Cement	244,811	129,799	124,492
Asphalt	13,531	13,052	12,270
Other Building Materials	157,614	84,344	92,657
Total	490,750	304,417	262,980

Other Commodities

Kerosene and Fuel Oils	86,931	91,913	89,318
Coal	67,306	30,369	43,947
Petrol	15,883	17,036	12,259
Salt	8,466	9,050	10,967
Potash	17,636	18,195	27,742
Other Chemicals	2,612	3,851	3,198

	1935	1936	1937
Wooden Planks for Boxes	18,784	17,853	27,487
Manure	28,080	17,691	20,184
Miscellaneous	85,294	132,495	92,022
Grand Total	1,125,852	1,006,778	1,075,515

POSTAL, TELEPHONE AND TELEGRAPH RECEIPTS

(Figures in £P.)

	1935	1936	1937
Sale of Stamps	199,526	217,999	217,503
Telephones	146,100	165,141	205,461
Telegraphs	26,195	27,465	32,155
Broadcast Licences	4,700	10,474	14,291
Other Sources	32,651	29,377	38,176
Total	409,172	450,456	507,586

OPERATING TELEPHONE STATIONS & WIRELESS RECEIVING LICENCES

	Jerusalem District	Haifa District	Jaffa/Tel-Aviv District	Other Districts	Wireless Receiving Licences Total
End of 1933					2,500
" " 1934					5,900
" " 1935					10,381
" " 1936	3,562	3,165	3,808	1,945	12,480
" " 1937	4,068	3,850	4,526	2,404	14,848

MOTOR VEHICLES REGISTERED

	31.12.33	31.12.34	31.12.35	31.12.36	(thereof licenced)	31.12.37	(thereof licenced)
Omnibuses	905	1,037	1,251	1,370	(887)	1,296	(969)
Public Service Cars	1,046	1,084	1,087	1,194	(1,082)	1,242	(1,206)
Commercial Vehicles	1,239	2,436	2,953	3,970	(2,335)	4,077	(2,553)
Private Cars	1,688	3,454	4,682	5,942	(3,742)	6,369	(4,421)
Motor Cycles	1,120	2,163	1,873	2,565	(1,122)	2,633	(1,392)
Tractors	9	15	28	22	(14)	24	(18)
Total	6,007	10,189	11,874	15,063	(9,182)	15,641	(10,559)

IMPORT OF BENZINE

(in 1,000 Litres)

1933	1934	1935	1936	1937
27,157	40,270	52,610	45,400	60,983*)

*) Figure for 1937 includes Benzin imported as Government stores, military stores, stores of the I.P.C etc., previously included under "unclassified imports".

WOLSEY LIMITED Leicester	Underwear, Knitting-Wools, Bathing-Costumes, Jerseys, Jumpers, Cardigans, Stockings, Socks, Pullovers, Sports, Hose, etc. "Walsey", "Sportsman", "Lustral".
M. BERTISH & CO. LTD. London, E. C. 2	"Consulate", Shirts, Collars, Pyjamas, Evening Dress Wear. Trubensised collars.
THE ANGORA SILVER PLATE CO. LIMITED Birmingham.	H. M. Silver and E.P.N.S. loose, carded, cased and boxed goods. Cutlery-sets, Prize-cups, E.P. N.S. and Silver Tableware.
LINES BROS. LIMITED London S. W. 19.	"Pedigree" Prams, Childrens-Motors. "Triang" Toys. Doll's-prams, Pedalkars, Scooters "Fairy" Cycles, Clockwork-toys. Doll's-houses, Baby-chairs, etc.
BURGESS LEDWARD & CO. LTD. Manchester.	"Duro" Dress Fabrics. Shirting and Pyjama Materials
G. GLANFIELD & SON LTD. London, E. 1.	"Glanson" and "Supremus" Mens Suits, Golf Jumpers, Sports Clothing.
EXPRESS RUBBER CO.	"Topical" Waterproofs and Raincoats.
TELEMAC LIMITED.	"Telemac" Waterproofs and Raincoats.
AQUASCUTUM LIMITED.	"Aquascutum" Weatherproofs and travel wear.
JOHN CAVE & SONS LTD. Rushden, Northants.	"Commonwealth" and "Ansonnie" Mens Boots and shoes.
DOUGLAS & GREEN LTD. Belfast.	"Ideal" Handkerchiefs. Table-covers, etc.
FIRKINS & CO. LTD. Worcester.	"Ideal" Leather Gloves.
DUNLOP RUBBER CO. LTD. Liverpool.	Tennis Shoes, Rubber Winter footwear.
R. G. MAXWELL & CO. LTD. London.	"Gaul-Bau" materials for Ladies & Gentlemen's Sports Wear.
A. MERCHANT & CO. LTD. London E. C. 2.	Real Irish and Scotch Homespun.
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CARRON COMPANY Falkirk, Scotland.	Baths, C. I. Pipes, Manhole-Covers, etc. Cooking & Heating Appliances, Gratings, Lavatory-cisterns, Fire-grates, Castings of all descriptions.
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Three Epochs in The Record of The Jewish National Fund

(KEREN KAYEMETH LEISRAEL)

The Jewish National Fund has been in existence for 36 years, but its practical work in Palestine only began when it was six years old. In 1908 the Zionist Office was established, and the Fund first began to expend moneys in Palestine for land and settlement. A summary, therefore, of the practical work which has been carried out, should really begin not from 1902 but six years later. Thus 1937 saw the completion of 30 years of Palestine activity of the J.N.F. The three past decades are not of equal significance; they vary in respect to the achievements and practical effects in each case. The first decade, from 1908 to 1917, when the Turkish rule came to an end, was the most difficult. In the pre-War period considerable obstacles had to be faced, and the financial resources at the disposal of the Fund were very limited, while during the World War there was an inevitable suspension of all settlement, all efforts being then concentrated on maintaining just what existed. In the year 1920, however a new epoch of wide potentialities opened for the J.N.F., the scope and results of which will be described in this article.

Since its foundation the National Fund has considered its primary purpose to be the acquisition of land for settlement. During its 30 years of practical activity it has redeemed a total area of 390,700 dunams (or 31% of the total Jewish land possessions) in all parts of the country.

Considering purchases in the post-War years only, the share of the Keren Kayemet reaches the proportion of 51% of the total Jewish area.

In the post-War period, 96% of all its territory was acquired. At first, from the end of the War to 1927, activity was concentrated in the Emek Jezreel and Emek Zevulun, where lie 83% of all the land it bought in that period. In the last 10 years these two valleys have constituted only 45% of the total purchases, important acquisitions having been made in the coastal plain (35%) and Jordan valley (19%).

The function of the Fund as the central institution for acquiring land in Palestine becomes more prominent as time goes on. The pace of development has become increasingly rapid.

RELATION OF J.N.F. TO GENERAL JEWISH LAND PURCHASE.

In the coastal plain, to which private capital flowed in particular, the J.N.F. acquired only one-sixth of the Jewish land; in the Sharon its share increased to

one-third. The Jewish lands in Samaria are for the most part in the hands of the PICA and the J.N.F. was hardly active in that region. On the other hand national capital has played a decisive part in the acquisition of the western and eastern portions of Emek Jezreel. The estates of the J.N.F. in Galilea are few, but it is expected the Fund's share of this region, which has been neglected hitherto by the national institutions, will also grow.

A STIMULUS TO AGRICULTURE.

The land acquired by the J.N.F. has served, and continues to serve to-day, as a most significant basis for the development of the agricultural Yishuv. 123 villages have been established on it exclusive of workers' camps and various agricultural quarters, etc. which have been built adjoining private or PICA villages.

The number of new settlements particularly increased during the past five years (52 settlements). In the years 1933 and 1934 settlement on a large scale began in Emek Hefher, and in 1937 many groups occupied J.N.F. land in the Beisan region which has become a new centre of Jewish settlement in Palestine.

PROMOTING SETTLEMENT.

Just as the relative value of J.N.F. land has progressively grown, so its share in settlement has increased, its land now providing the sites of 56% of all Jewish rural settlements in the country. We thus see that the J.N.F. serves, and has particularly served in recent years, as the principal stimulant to the growth of Jewish agriculture, the fundamental basis of stability of the Yishuv.

It must also not be forgotten that the number of inhabitants occupied in agriculture has grown exceedingly in the settlements on National Fund land, far more than in other Jewish settlements. In 1937 the total number of Jewish farm units (families) was estimated at about 11,500, of which over 7,000, that is 60%, are on land of the J.N.F.

The settlements on J.N.F. land have a great share in the improvement and expansion of agriculture. It is true that the Fund has redeemed only 31% of the total Jewish land, but its territory contributes an important, sometimes a decisive share, to Jewish agricultural produce, particularly those branches which have never yielded large profits. Thus in respect of plantations, in which private capital was mainly invested, the share of J.N.F. land is small (14%). On the other hand, 52% of the grain fields are on national land, 56% of the vegetable gardens, and 65% of the fields under irrigated fodder. The J.N.F. lands thus provide the basis for mixed farming in Palestine.

POPULATION OF J.N.F. LAND.

The number of people living on land of the J.N.F. has considerably grown: from 600 in 1917 to 10,000 in 1927, and 47,000 in 1937.

The village population on J.N.F. land, which to-day totals 33,500, constitutes

one-third of the total Jewish rural population in the country, and the number of persons actually engaged in agriculture on J.N.F. land is more than half of the total Jewish land workers.

In the towns 13,500 people are on J.N.F. land, half (about 7,000 persons) residing in the urban quarters of Emek Zevulun.

The J.N.F. has also achieved considerable success in another field, namely that of afforestation. 9,000 dunams have been covered with forest plantations, in which there are 2,500,000 trees. The greater part of this work took place in the post-War years, only 15,000 trees having remained in the J.N.F. forests when the war stopped.

The J.N.F. also ameliorated 253,000 dunams for agricultural purposes, particularly by draining swamps, by the provision of water installations, 57 settlements benefiting in this manner.

This short survey should give the reader an impression of the wide scope of activity carried out by the J.N.F. during its 30 years of Palestine work. But what has been achieved is slight in comparison with the great task which awaits the Fund. It is far from its goal and in the coming years the Jewish people will be obliged to increase and extend its acquisition of land, for it is by means of its land areas and settlement that the fate of Jewish enterprise in the country will be determined for many years.

The Keren Hayesod

by Dr. A. Bein, Jerusalem

The first Zionist annual conference, which met in July 1920 in London, decided to form an "immigration and colonization fund" under the name "Keren Hayesod". This fund was registered in London on 25th March 1921 as Eretz Yisrael (Palestine) Foundation Fund Keren Hayesod Ltd"

The new fund was not originally intended to be a permanent collecting body. The plan was to make one huge appeal to the Jewish people in the course of a single year and thereby to raise a large capital sum — £P. 25 millions was the figure spoken of — which would provide a permanent basis for systematic reconstruction work. It was presumed that World Jewry, impressed by the Balfour Declaration and the San Remo agreement, by which the victorious nations would include this declaration in the peace treaty with Turkey, would realize the decisive importance of the occasion and would be ready to make great sacrifices for the cause. Unfortunately the Jewish people, torn asunder by the events and consequences of the war, did not show themselves equal to the exigencies of the hour, a lack which brought in its train the most severe consequences.

The direct result was that the tasks and methods of operating the fund had to be altered. In place of the one huge appeal, the continual appeal was introduced which called upon the Jews' sense of duty by demanding, in the manner of the old institution the Maaser, that every man tax himself each year for the rebuilding of Palestine. The "Foundation Fund" became the budget fund of the Zionist Organization and the Jewish Agency for all branches of development work in Palestine. Everything — apart from land purchase — which these bodies have accomplished in Palestine since 1921, has been financed with Keren Hayesod funds.

The influence of the Keren Hayesod is thus felt in all phases and fields of Jewish endeavour in Palestine. The training of immigrants in agriculture and trades was financed from its means. More than £P. 500,000 has so far been expended in this field.

The basis of any healthy economy is *agriculture*. It is only right then that the Keren Hayesod has always viewed as its principal task the development of Jewish agriculture in Palestine. Here more than £P. 2 millions have been invested, i.e. more than one-third of the fund's total income, and it can view the results of its work with justifiable pride.

It, alone, is responsible for the settlement of Emek Jezreel. In the course of fifteen years, with the aid of Keren Hayesod funds, it has been possible to stretch out a network of blossoming settlements over this ancient, much fought over valley, and to convert it from a desolate waste into a fruitful land.

Since 1933 the Keren Hayesod has been engaged in erecting a sound basis for the many settlements which sprung up in the meantime in Emek Hefer, the Sharon, Samaria and Judea. At first these settlements received little aid from the public authorities, but were surely anticipating their eventual support. Now they received from the Keren Hayesod the long term settlement loans, which they required, under very favourable conditions (2—4% interest, repayment within 20—40 years). Hardly were the riots of 1936 at a close when the Keren Hayesod in cooperation with the Keren Kayemeth, provided the possibilities for the erection of those 20 new settlements in the boundary zones of the country to the North, South and East, filling the Jewry of Palestine and the whole world with great wonder and pride. Altogether 88 settlements comprising 20,000 inhabitants have been established in part or whole by the Keren Hayesod.

In the establishment of these new settlements absolutely new paths were trodden. All these settlements — Moshavim and Kvutzot — are based on the principle of the settler's own labour and all are mixed farms. The systematic study of mixed farming and its gradual intensification by research (with the aid of the agricultural research station in Rehovoth founded with Keren Hayesod aid in 1921), instruction, as well as the provision of the necessary water supplies (with the aid of the special water companies founded in recent years) was only possible through the work of the Keren Hayesod. On the other hand private colonies were also encouraged by the granting of loans to many settlers, whilst the erection of houses and workers' camps helped to root the idea of Jewish work within them.

"He who makes peasants, also makes cities" (Franz Oppenheim). Thus just through its rural settlement work alone the Keren Hayesod indirectly encouraged urban colonization to a considerable extent. But in addition it also acted directly in this field. Large undertakings like the Rutenberg Electricity works and the Potash Co. were founded with its aid. It stimulated the building movement to a marked degree by the establishment of the General Mortgage Bank, which has already advanced more than £P. 2 millions of loans, and by the consolidation of other banks through the setting up of a guarantee fund, it has extended the possibilities of granting credits. Amongst other things it also supplied the initial funds for the construction of a harbour in Tel-Aviv.

The accomplishments of the Keren Hayesod in the field of schools and education are very important. The Hebrew school system with its far-flung network of kindergartens, elementary schools, higher educational institutions up to Technicum and University, has to thank the Keren Hayesod to a marked degree for its development and maintenance. More than one million pounds has so far been expended

on this alone. It also contributed not inconsiderable funds to the health services of the country, and on this it has spent £P. 300,000.

At this survey shows there is not a single field of Jewish development work where the Keren Hayesod did not take the lead, assist or is still assisting at present. On the basis of these accomplishments it was possible to obtain on the London money market in 1935 for the first time a long term loan of £P. 500,000 under favourable conditions, whilst a second loan of £P. 175,000 which the Keren Hayesod was able to raise in the spring of this year showed that the confidence of the financial world has not been shaken despite the uncertain position of the country.

In the year 1936 the Keren Hayesod founded its own settlement company (Palestine Agricultural Settlement Association — Pasa), in which it has so far invested £P. 182,000. The first issue of debentures was taken up with great success.

For some time it has been presumed in many circles that the role of public, national capital is played out and that everything can be left to private capital and initiative. The developments of last year showed that this view is false. Large developments without the participation of private capital are impossible. The latter can only work fruitfully if national capital acts both as the pace-maker and stands at its side as a support in times of need.

Palestinian Economy in Terms of Figures

I. Population and Migration

ESTIMATED POPULATION OF PALESTINE, 1933—1937

(exclusive of Nomads and Military Persons)

	Total	Moslems	Jews	Christians	Others
Midyear 1933	1,038,331	723,427	209,207	95,165	10,532
„ 1934	1,104,605	740,627	257,700	99,532	10,746
„ 1935	1,194,529	759,904	320,358	103,371	10,896
„ 1936	1,269,965	781,789	370,483	106,474	11,219
31.XII. 1936	1,300,151	796,177	384,083	108,513	11,378
Midyear 1937	1,316,767	809,394	386,084	109,769	11,520
31.XII. 1937	1,335,253	816,891	395,845	110,874	11,643

NATURAL INCREASE OF POPULATION

	Total	Moslems	Jews	Christians	Others
1933	25,215	18,636	4,173	2,095	311
1934	21,808	14,724	5,246	1,722	116
1935	31,691	22,095	7,119	2,239	238
1936	36,538	25,917	7,750	2,524	347
1937	29,863	20,169	7,293	2,156	245

RATES OF BIRTHS AND DEATHS

(per 1,000 of mean population)

	1933	1934	1935	1936	1937
<i>Total</i>					
Births per 1,000	44.34	41.59	45.16	44.89	41.58
Deaths per 1,000	20.06	21.84	18.63	16.10	18.90
<i>Moslems</i>					
Births per 1,000	49.78	46.56	52.54	53.14	49.74
Deaths per 1,000	24.02	26.68	23.46	19.97	24.82
<i>Jews</i>					
Births per 1,000	29.22	30.21	30.80	29.74	26.67
Deaths per 1,000	9.27	9.53	8.58	8.82	7.78
<i>Christians</i>					
Births per 1,000	35.96	33.55	35.61	36.34	33.55
Deaths per 1,000	13.95	16.25	13.99	12.63	13.91

	1933	1934	1935	1936	1937
<i>Others</i>					
Births per 1,000	46.99	41.78	42.86	50.98	44.10
Deaths per 1,000	17.47	30.89	21.02	20.05	22.83

MIGRATION INTO AND FROM PALESTINE, 1934—1937

	1934		1935		1936		1937	
	Total	Jews	Total	Jews	Total	Jews	Total	Jews
<i>Arrivals</i>								
Immigrants arriving	39,277	38,245	59,718	58,050	29,387	27,910	11,363	9,855
Residents returning	45,581	14,552	64,102	23,050	61,880	17,895	105,639	31,153
Visitors and Transit travellers	91,823	26,400	106,823	36,128	56,665	14,574	99,268	15,079
Total arrivals	176,681	79,197	230,643	117,228	147,932	60,379	216,270	56,087
<i>Departures</i>								
Residents departing	46,644	14,787	68,461	25,207	70,663	24,611	113,860	32,819
Visitors and Transit travellers	82,230	21,653	96,315	26,958	55,217	14,585	97,173	18,804
Total Departures	128,874	36,440	164,776	52,165	125,880	39,196	211,033	51,623
<i>Excess of Arrivals over Departures (Net Increase of Population due to Migration)</i>	47,807	42,757	65,867	65,063	22,052	21,183	5,237	4,464

CATEGORIES OF REGISTERED IMMIGRANTS, 1934—1937

	1934		1935		1936		1937	
	Total	Jews	Total	Jews	Total	Jews	Total	Jews
1. Persons with £P.1,000	5,191	5,125	6,398	6,310	3,014	2,970	1,300	1,275
2. Members of liberal Professions with £P.500	3	3	9	6	—	—	—	—
3. Skilled Artisans with £P.250	437	435	293	293	173	170	12	12
4. Persons with £P.500	34	32	14	14	6	5	1	—
5. Persons with minimum income of £P.4 p. m.	135	105	127	113	121	105	49	45
6. Orphans	7	—	4	—	12	3	31	23
7. Persons of religious occupations	532	207	1,056	743	501	234	295	39
8. Persons coming to employment	11,276	10,882	14,972	14,653	7,202	6,981	2,039	1,869
9. Students	2,035	1,893	2,071	1,964	1,658	1,591	1,165	1,043
10. Dependants on persons in 1	4,618	4,578	5,742	5,694	2,833	2,810	1,101	1,096
11. Dependants on persons in 8	11,259	11,153	13,135	13,076	4,533	4,496	1,315	1,282
12. Dependants on persons in 2—7	1,080	1,066	2,376	2,369	868	857	79	68
13. Dependants of residents of Palestine	7,283	6,879	17,629	16,610	10,235	9,495	4,557	3,784
14. Persons exempted from the provisions of the Immigration Ordinance	251	—	321	11	515	10	531	—
Total	44,141	42,358	64,147	61,856	31,671	29,727	12,475	10,536

II. Government Finances and Surplus Balance

GOVERNMENT REVENUE 1934/35—1937/38

	1934/35		1935/36		1936/37		1937/38*) (11 months)	
	in A.P. 1000	% of Total revenue	in A.P. 1000	% of Total revenue	in A.P. 1000	% of Total revenue	in A.P. 1000	% of Total revenue
<i>Customs</i>	2,600.4	47.7	2,751.3	47.7	2,019.5	43.5	1,852.8	42.5
<i>Port and Marine</i>	90.7	1.7	107.6	1.9	110.2	2.4	113.3	2.6
<i>Licenses, Taxes, etc.</i>	1,075.3	19.7	1,082.4	18.8	853.0	18.4	886.0	20.3
of which:							not yet available	
Animal Tax	16.5		39.4		19.3			
Tithes	108.9		25.5		5.6			
House and Land Tax	126.7		37.3		8.7			
Urban Property Tax	225.6		241.0		194.8			
Rural Property Tax	—		100.5		84.7			
Stamp duties			124.5		88.9			
Excise:								
Salt and matches	38.3		47.3		41.4			
Tobacco	266.1		248.3		214.9			
Wines and spirits	53.8		62.5		74.0			
<i>Fees</i>	845.9	15.5	913.0	15.8	703.1	15.2	667.4	15.3
of which:								
Court fees	114.9		141.9		114.6			
Land registration fees	407.8		398.9		196.3			
<i>Posts and Telegraphs</i>	355.8	6.5	418.9	7.3	477.5	10.3	471.7	10.8
of which:								
Stamps	171.0		205.6		219.4			
Telegraphs	25.6		25.4		33.0			
Telephones	126.5		151.2		179.5			
<i>Revenue from Government Property</i>	21.6	0.4	24.0	0.4	50.3	1.1	45.8	1.0
<i>Interest</i>	97.1	1.8	141.3	2.4	150.7	3.2	114.6	2.6
<i>Miscellaneous</i>	177.9	3.2	154.0	2.7	128.0	2.8	103.9	2.4
of which:								
Profits from currency	110.0		115.0		100.0			
<i>Land Sales</i>	31.6	0.6	18.9	0.3	2.4	0.0	7.6	0.2
<i>Grant-in-Aid</i> (<i>Transjordan Frontier Force</i>)	141.4	2.6	140.3	2.4	139.7	3.0	102.3	2.3
<i>Colonial Development Grants</i>	14.9	0.3	18.8	0.3	6.4	0.1	0.0	0.0
Total	5,452.6	100.0	5,770.5	100.0	4,640.8	100.0	4,365.4	100.0

*) (Provisional Total for 1937/38: 4,880.4)

GOVERNMENT EXPENDITURE 1934/35—1937/38

	1934/35	1935/36	1936/37	1937/38*)
	£P. 1000	£P. 1000	£P. 1000	(11 months) £P. 1000
Pensions, Public Debt, Loan Charges	155.7	160.7	163.5	203.1
High Commissioner, Secretariat	35.4	48.6	79.7	76.4
District Administration	108.8	154.8	156.9	130.9
Legal and Judicial Department	101.8	105.1	114.9	113.4
Treasury, Audit Department	29.3	30.7	38.5	35.8
Customs, Excise and Trade	147.6	243.5	277.5	214.5
Department of Health	166.3	194.6	204.4	186.1
Department of Education	201.5	221.1	243.2	262.3
Department of Agriculture, Fisheries and Forests	147.3	181.0	201.7	307.9
Antiquities Department	17.2	18.3	23.9	19.2
Department of Lands, Surveys and Development	117.7	124.1	142.1	212.0
Police and Prisons	506.7	527.5	744.6	837.7
Department of Migration, Office of Statistics	29.4	33.9	41.7	40.9
Transjordan Frontier Force	165.2	171.2	179.3	155.3
Defence	144.1	145.3	1,297.0	339.7
Department of Posts and Telegraphs	225.1	310.8	351.9	379.1
Public Works Department	48.9	58.7	76.4	119.1
Public Works Recurrent	228.9	288.1	320.4	263.5
Miscellaneous	257.9	297.5	502.2	399.2
Total Ordinary Expenditure	2,834.8	3,315.5	5,159.8	4,296.1
Posts and Telegraphs extraordinary	71.6	132.3	129.0	101.7
Public Works extraordinary	262.9	645.0	705.1	1,532.6
Transjordan Frontier Force extraordinary	26.6	18.5	10.0	11.9
Total Extraordinary Expenditure	361.1	795.8	6,003.9	5,942.3
Railway Deficit	33.8	124.2	69.6	0.0
Colonial Development	0.3	0.7	0.0	0.0
Total Expenditure	3,230.0	4,236.2	6,073.5	5,942.3

*) (Provisional Total for 1937/38: 7,297.3)

GOVERNMENT SURPLUS BALANCE 1933—1938

	£P.
Surplus at 1st April, 1933	1,230,295
Revenue Surplus 1933/34	1,280,637
Surplus at 1st April, 1934	2,510,932
Revenue Surplus 1934/35	2,222,623
Surplus at 1st April, 1935	4,733,555
Revenue Surplus 1935/36	1,534,255
Surplus at 1st April, 1936	6,267,810

Expenditure Surplus 1936/37*)	1,432,681
Surplus at 1st April, 1937	4,835,129
Expenditure Surplus 1937/38**)	2,416,929 ¹⁾
Surplus at 1st April, 1938	2,418,200 ¹⁾

*) Expenditure in 1936/37 includes contributions toward cost of defence and extra expenditure incurred in sending reinforcements to Palestine of £P. 1,2997,000.

**) Expenditure in 1937/38 includes a sum of £P. 1,506,310 in respect of the adjustment of expenditure and advances previously met from surplus balances, but which are now required to be met from voted monies. It also includes a sum of £P. 783,000 on account of the Government's contribution to the Imperial Government toward the cost of defence and £P. 6,783 expended locally on purchase and rent of land for the Army.

¹⁾ Provisional figure.

CURRENCY IN CIRCULATION

March 31, 1933	£P. 2,821,664
1934	„ 4,069,664
1935	„ 5,326,228
1936	„ 6,236,135
1937	„ 5,626,134
1938	„ 5,009,134

III. Electricity

UNITS OF ELECTRICITY SOLD TO CUSTOMERS

(in 1,000 K.W.H.)

The Palestine Electric Corporation Ltd.

	1935	1936	1936
Southern District	31,464	39,956	43,849
Northern District	18,898	25,540	27,417
Total	50,362	65,496	71,266

Jerusalem Electric and Public

Service Corporation Ltd.

Total	3,308	4,522	5,732
Both Corporations	53,670	70,018	76,998
hereof for Power Purposes	23,024	27,128	30,478
Irrigation Purposes (E.P.C.)	16,134	24,122	25,335
Other Purposes	14,512	18,768	21,185

IV. Companies and Capitalisation

	New Companies*) registered		Existing Companies*) increasing			Total new capital**)
	No.	Authorized share capital	No.	from £P.	to £P.	
1935	277	£P.3,110,722	54	£P.1,431,122	£P.3,343,547	£P.4,978,578
1936	167	„ 1,046,464	51	„ 1,068,111	„ 1,900,383	„ 1,869,839
1937	207	„ 968,794	44	„ 4,338,550	„ 7,200,350	„ 3,822,559

*) Local companies only, foreign companies were registered: 21 in 1935, 16 in 1936 and 15 in 1937.

***) In 1935 2 companies reduced their share capital by £P. 44,569, in 1936 2 companies by £P. 8,898 and in 1937 4 companies by £P. 8,035.

V. Land Transfers

NET AREA ACQUIRED BY JEWS

(in Dunams)

1933	1934	1935	1936	1937
36,992	62,114	72,905	18,146	29,367

Information Section

I. Weights and Measures

A. Measures of Length and Surface.

Cloth Measure	1 pic = 67.75 cm. = 26.67 inches
Building and Land Measure	1 pic = 75.80 cm. = 29.84 inches
	1 metre = 1.32 pic
	1 sq. metre = 1.778 sq. pic
	1 sq. pic = about 0.55 sq. m.

	sq. metres	Turkish dun.	Metr. dun.	Hectares	Acres	sq. pics
1 Turkish dunam	919	1	0.919	0.0919	0.227	1,600
1 metric dunam	1,000	1.08814	1	0.1	0.247	1,778
1 hectare	10,000	10.8814	10	1	2.47	17,778
1 acre	4,047	4.4	4.047	0.4047	1	7,295

B. Weights.

1 dirhem = 49 grains = 3.205 g.

1 okka = 400 dirhems = 1.282 kg. = 2.83 lbs.

1 kantar = 100 rotl; 1 rotl = 12 oqia

South 1 kantar = 225 okka = 100 rotl = 1,200 oqia

North 1 kantar = 200 okka = 100 rotl = 1,200 oqia

	Kantar		Okka		Rotl		Oqia		Kg.	Lbs.	
	S	N	S	N	S	N	S	N			
1 kantar	1		225		100		1200		288.45	635.92	
			1		200		100		1200	256.4	565.26
1 okka	0.004		1		0.444		5.33		(1.282	2.827
			0.005		1		0.5				
1 rotl	0.01		2.25		1		12		2.884	6.36	
			0.01		2		1		12	2.564	5.65
1 oqia	0.0008		0.18		0.0833		1		0.241	0.53	
			0.0008		0.17		0.0833		1	0.214	0.47
1 kilogram	0.0035	0.0039	0.78	0.78	0.347	0.39	4.15	4.67	1	2.20	
1 lb.	0.00157	0.00177	0.354	0.354	0.156	0.177	1.887	2.128	0.454	1	

The Turkish weights (kantar, oqia, rotl) are slightly larger in the South of Palestine than in the North. Only the okka is the same throughout the country.

II. Postal Charges

INLAND

<i>Letters:</i> for first 20 grammes	5 mils
for every additional 20 grammes	3 "
Post-Cards	4 "
Registered Newspapers	per copy 2 "
Printed matter and advertisements for 50 g. or under	2 "
Samples (minimum charge 6 mils) for every 50 g.	3 "
Registration fee	13 "
Parcels: for parcel of not more than 1 kgm.	20 "
for parcel of not more than 3 kgm.	40 "
for parcel of not more than 5 kgm.	60 "
for parcel of not more than 10 kgm.	100 "
Telegrams: 50 mils for the first 10 words; 10 mils for every additional 2 words.	
Postal charges to <i>Trans-Jordan</i> are the same as Palestine.	

FOREIGN

<i>Letters:</i> Countries participating in the "All Up" Scheme* 10 mils for every 10 gr. or fraction thereof. Other countries, 15 mils for first 20 gr., 9 mils for every additional 20 gr. or fraction thereof.
<i>Post-Cards:</i> Countries participating in the "All Up" Scheme* 5 mils. Other countries 8 mils.
<i>Small packages:</i> 6 mils for 50 g. Minimum charge 30 mils.
<i>Printed Matter:</i> 3 mils for 50 gr.
<i>Commercial Papers:</i> as for Printed Matter. Minimum charge 15 mils.
<i>Samples:</i> 3 mils for 50 gr. Minimum charge 6 mils.
<i>Registration fee:</i> 13 mils.
<i>Insurance:</i> 20 mils for first £P.12 of insured value or part thereof, then 7 mils for every additional £P.12 or part thereof. Maximum value £P.120. Amount varies according to country of destination.
<i>Parcels:</i> According to tariff for each country.
<i>Telegrams</i> (Rate per word. Figures in Pal. mils; Night Letters—minimum of 25 words)

* Great Britain and Northern Ireland, Eire, Canada and Newfoundland, Anglo-Egyptian Sudan, Kenya, Uganda, Tanganyika, Mauritius, Nyasaland, Rhodesia, South Africa, Zanzibar, Egypt, Aden, British India, Ceylon, Seychelles, Burma, Malaya, North Borneo, Sarawak.

Via Eastern	England	Germany	France	Belgium	Czechoslovakia	Roumania	Italy	Jugoslavia	Poland	Holland	Switzerland	Sweden	Lithuania	Egypt	Syria
Ordinary	66	78	78	81	82	89	78	82	84	81	80	84	84	10	19
LC	33	39	39	41	41	45	39	41	42	41	40	42	42	—	—
Night Ltr.	19	26	26	27	27	—	26	27	28	27	27	28	28	—	—

Telegrams for express delivery are accepted for most of the countries in telegraphic communication with Palestine at double the usual charge.

SURCHARGED AIR MAIL TO EUROPE

By "All Up" mail planes 15 mils for first 10 grs. 10 mils for every additional 10 grs. 10 mils per post card.

By other operating Companies:

	First 10 grs.	Every Addit. 10 grs.	Post-Card
Austria	20	15	15
Baltic States	25	20	20
Czechoslovakia	20	15	15
France	25	20	20
Germany	25	20	20
Great Britain	25	20	20
Hungary	20	15	15
Switzerland	25	20	20
Italy	20	15	15
Roumania	20	15	15
Poland	20	15	15

III. Electricity Rates

THE PALESTINE ELECTRIC CORPORATION LIMITED

A. LIGHTING RATES

	mils per Kwh
1. Domestic Lighting (including fans with a connected load not exceeding 250 watts)	27
2. For Municipalities, Local Councils, Committees of Colonies and Rural and Urban Settlements	18
3. For Places of Worship	18

	mils per Kwh
4. For Government Offices and Railway Stations	23
5. Cafés, Restaurants and Stands (Kiosks):	
<i>I. Sliding Scale</i>	
First 25 Kwh in each month	27
Next 25 „	20
All in excess	18
<i>II. "Two-Part" Tariff</i>	
Fixed charge for connected load; per 100 watts connected per month — 150 mils in addition to above: For current consumed	10
<i>III. Flat Rate (Supply without meter)</i>	
(Limited to hours between dusk and 1 o'clock only)	
First 2000 watts connected load	
Per 100 watts connected per month — 400 mils	
All connected load in excess of first 2000 watts	
Per 100 watts connected per month — 300 mils	
6. For Hotels, Hospitals, Clubs and School Dormitories	
First 40 Kwh in each month	27
All in excess	20
7. For Shops selling Electrical Fittings, for Advertising, and Newspaper Printing Works operating at night	18
8. For Industries and Handicrafts:	
Lighting not exceeding 10% of total of the current taken for power in each month	14
All in excess	27
9. For Theatres and Cinemas (Power and Lighting)	
First 50 Kwh in each month	25
Next 250 „	20
Next 1700 „	10
All in excess	8
10. Lighting for Poultry Runs	10
11. Street Lighting:	
(a) For current up to 1000 Kwh in each month	14
(b) For current exceeding 1000 Kwh; —	
<i>I. Between Dusk and Midnight</i>	
First 1000 Kwh in each month	14
All in excess	12
<i>II. Between Midnight and Dawn</i>	
First 3000 Kwh in each month	10
All in excess	8

B. RATES FOR COOKING AND APPLIANCES

mils per Kwh

1. *Private Dwellings*

I. For Refrigerators and Domestic Electric Appliances
(other than cooking appliances) 10

II. Cooking

Scale "A" — For Cooking only

First 200 Kwh in each month 6

All in excess 5

Scale "B" — Combined Rate for Domestic Cookers and Electric Appliances (excluding Refrigerators)

for appartements of:

I. not more than 3 living rooms

II. 4 or more than 4 living rooms

First 10 Kwh in each month	First 15 Kwh in each month	10
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Next 200 „	Next 200 „	6
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All in excess	All in excess	5
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Scale "C" — All in Rates for Domestic Cookers and other Appliances (including Refrigerators)

for appartements of:

I. not more than 3 living rooms

II. 4 or more than 4 living rooms

a) During *April—October* (inclusive)

First 45 Kwh in each month	First 60 Kwh in each month	10
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Next 200 „	Next 200 „	6
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All in excess	All in excess	5
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b) During *November—March* (inclusive)

First 30 Kwh in each month	First 45 Kwh in each month	10
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Next 200 „	Next 200 „	6
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All in excess	All in excess	5
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2. For Hotels, Restaurants, Kitchens in Kvuzot, Cafés, Confectioneries; also for Kitchens in Clubs, Hospitals and Boarding Schools

I. Appliances (other than Cooking) 10

(including Fans in Cafés and Restaurants only)

II. Cooking Appliances

First 500 Kwh in each month 5

Next 500 „ 4

Next 2000 „ 3,5

All in excess 3

3. For Electric Irons in Tailoring Workshops, Laundries and Kvuzot

First 500 Kwh in each month 7

All in excess 3

C. RATES FOR HEATING AND REFRIGERATION

	mils per Kwh
1. Private Dwellings	
For Water Heaters separately metered and controlled by Time Switches (between 22 o'clock and 6 o'clock) and during November—March (inclusive) also between 12 o'clock and 14 o'clock	3
For Refrigerators	10
2. For Incubators and Brooders, Refrigeration for Commercial Purposes, and Airconditioning of Public Halls and Offices	
First 200 Kwh in each month	12
Next 400 „	9
Next 500 „	6
Next 500 „	5
Next 400 „	4,5
All in excess	4
3. For Brooders and for motive Power and Heating purposes for Incubators	
First 500 Kwh in each month	5
Next 500 „	4
Next 2000 „	3,5
All in excess	3

D. RATES FOR INDUSTRIAL POWER

1. Scale "A" (Sliding Scale)	
First 200 Kwh in each month	12
Next 400 „	9
Next 500 „	6
Next 500 „	5
Next 1400 „	4,5
All in excess	4
2. Scale "B" (Optional Two-Part Tariff)	
Annual Fixed Charge for Connected Load* LP. 4.— per KW and in addition for first 15,000 Kwh in each month	3
All in excess	7,8
Subject to a guaranteed payment of LP. 120.— for a minimum connected load of 30 KW.	

* Basis for determination of connected load.

100% of the connected load of the largest motor or apparatus

75% of the connected load of the next motor or apparatus

50% of all other motors or apparatus

E. RATES FOR CURRENT FOR WATER SUPPLY

	mils per Kwh
1. Scale "A" (Sliding Scale)	
First 200 Kwh in eachmonth	12
Next 400 "	10
Next 500 "	7
Next 1000 "	5
Next 1000 "	4,5
All in excess	4
2. Scale "B" (Optional Two-Part Tariff)	
Annual Fixed Charge for Connected Load* LP. 4.— per Kw	
Subject to a guaranteed payment of LP. 120.— for a mini	
mum connected load of 30 Kw, and in addition for first	
20,000 Kwh per year	6
All in excess	3

F. RATES FOR IRRIGATION

1. Scale "A" (Sliding Scale)	
First 5000 Kwh in each year	8
Next 5000 "	7
Next 10000 "	6,3
All in excess	5,5
2. Scale "B" (Optional Two-Part Tariff)	
Annual Fixed Charge for Connected Load	
First 5 kW	LP. 4.— per kW
Next 10 "	LP. 2.— per kW
All in excess	LP. 1.— per kW
and in addition for Current Consumed	
First 5000 Kwh per year	5
Next 5000 "	4
Next 10000 "	3,5
All in excess	3

JERUSALEM ELECTRIC & PUBLIC SERVICE CORPORATION LTD.*A. DOMESTIC & COMMERCIAL*

1. <i>Lighting</i> (for all types of premises):	
For the first 10 Kwh per month	35
From 11 to 20 (incl.) Kwh per month	30
From 21 to 30 (incl.) Kwh per month	25

* Basis for determination of connected load.

100% of the connected load of the largest motor for each well

75% of the connected load of all other motors for the same well

	mils per Kwh
Over 30 Kwh per month	20
2. <i>Heating, Cooking, Water Heating and Power</i> for all consumers (other than for industrial purposes):	
For the first 15 Kwh per month	14
From 16 to 50 (incl.) Kwh per month	12
From 51 to 100 (incl.) Kwh per month	10
From 101 to 200 (incl.) Kwh per month	8
From 201 to 300 (incl.) Kwh per month	5
Then, all Kwh over 300 per month	4
3. <i>Domestic Water Heating</i> only	10
From 10 p.m. to 5 a.m. only	5
4. <i>Optional Domestic "Two-Part" Tariff for Private Houses</i> only	
The sum of (A) and (B) as follows:	
(A) Monthly fixed charge based on the area covered by the house, multiplied by the number of floors occupied under the same tenancy; 30 mils per 10 sq.m.	
(B) For the first 50 Kwh per month	8
From 51 to 100 (incl.) Kwh per month	7
From 101 to 200 (incl.) Kwh per month	6
From 201 to 300 (incl.) Kwh per month	5
Then, all Kwh over 300 per month	4
The above tariff is for all electricity consumed domestically whether for lighting, heating or cooking etc.	

B. INDUSTRIAL POWER

1. <i>Sliding Scale</i>	
For the first 20 Kwh per month	16
From 21 to 50 (incl.) Kwh per month	14
From 51 to 100 (incl.) Kwh per month	13
From 101 to 250 (incl.) Kwh per month	12
From 251 to 2000 (incl.) Kwh per month	10 to 7
Then, all Kwh over 2000	6
2. <i>Optional Two-Part Power Tariff</i> alternative to Sliding Scale	
a) For power demands less than 4000 Kwh per month 700 mils per K.W. of maximum demand (or 560 mils per K.V.A. of maximum demand when the power factor is less than 0.8) per month, plus 6 mils per Kwh.	
b) For power demands exceeding 4000 Kwh per month 700 mils per K.W. of maximum demand (or 560 mils per K.V.A. of maximum demand when the power factor is less than 0.8) per month, plus 4 mils per Kwh.	

IV. Tariff of Excise Duties

INTOXICATING LIQUORS:	Mils
(a) Arak — per litre of alcohol	75
(b) Beer, — for each litre not exceeding 15 degrees of alcohol	10
(c) Cider and Perry — for each litre not exceeding 15 degrees of alcohol	5
(d) Cognac — per litre of alcohol	90
(e) Spirits made from molasses or grain and other spirituous mixtures and preparations containing spirits—per litre of alcohol	100
(f) Wine and Citrus Wine — for each litre not exceeding 15 degrees of alcohol	3
for each litre exceeding 15 degrees of alcohol but not exceeding 25 degrees of alcohol	8
MATCHES:	
(a) For every gross of boxes of matches not exceeding 10,000 matches	150
(b) For every gross of boxes of matches exceeding 10,000 matches, — for each 10,000 matches and so in proportion	150
(c) For every 10 booklets of matches —	
(1) Where each booklet does not contain more than 24 matches	3.750
(2) where booklets of matches contain more than 24 matches, for each 10,000 matches and so in proportion	150
METHYLATED SPIRITS: per kilogramme of spirit	15
SALT: per kilogramme	1.5
TOBACCO and TOMBAC: Tobacco — per kilogramme	300
Heisheh Tobacco — per kilogramme	100
Tombac — per kilogramme	250

V. List of Insurance Companies Operating in Palestine

Company	Head Office: (with branches all over Palestine)	Branches of Insurance
A. PALESTINIAN COMPANIES:		
"Hassneh" Insurance Co. of Palestine Ltd.	Tel-Aviv, 21, Montefiorestr., P.O.B. 805, Tel. 3131	L.F.WC.G.I.
Judea Insurance Co. Ltd., The	Jerusalem, Ben-Yehudastr., Abu- lafia Bldg., P.O.B. 85, Tel. 4349	L.
Migdal Insurance Co. Ltd.	Jerusalem, Mamillah Road, P.O.B. 913, Tel. 4171	L.A.F.B.R. MC.WC.GI.
Palestine General Insurance Co. Ltd.	Tel-Aviv, Ashrai Bank Bldg., 37, Lilienblumstr. P.O.B. 1190, Tel. 2046	L.F.
Palestine Lloyd Insurance Co. Ltd.	Tel-Aviv, Ashrai Bank Bldg., 37, Lilienblumstr. P.O.B. 1190, Tel. 2046	F.A.M.WC. MC.GI.
"Nezah" Insurance Company of the Palestine Cooperation Ltd.	Tel-Aviv, 32, Lilienblumstr., P.O.B. 75, Tel. 0085	L.
"Zion" The Palestine National Insurance Co. Ltd.	Tel-Aviv, 120, Allenbystr., P.O.B. 1425, Tel. 4239	L.F.GI.

B. FOREIGN COMPANIES, registered in Palestine:

Company	Branch Office, General Agents or Agents	Branches of Insurance
Al Chark (L'Orient) Insurance Co. Ltd.	Fahmi Omar Dajany, Jerusalem David Grabois, Tel-Aviv	} L.F.

Company	Branch Office, General Agents or Agents	Branches of Insurance
Alliance Assurance Co. Ltd.	J. M. Tocatly, Jerusalem (General Agent) F. Barclays Bank, Haifa Branch Syndicat National d'Assurances, Tel-Aviv, Jerusalem M.	
Allianz and Stuttgarter Lebensvers. Bank A.G.	} Paul Aberle, Jaffa & Jerusalem	L.
Allianz and Stuttgarter Verein Vers. A.G.		F.
Anchor General Insurance Co. Ltd.	The Mizrahi Bank, Jerusalem, Tel-Aviv, Haifa L.	
Assicurazioni Generali	Silbermann, Diskin & Kaplan, Jerusalem, Tel-Aviv, Haifa L.F.GI.	
Baloise Fire Insurance Co. Ltd.	The Palestine Credit Utility Bank, Tel-Aviv F.	
Central Insurance Co. Ltd.	(Unrepresented)	—
Century Insurance Co. Ltd., London	H. Fellman & Co., Tel-Aviv F.R.E.	
Caledonian Insurance Co. Ltd.	Isaac Hos & Co., Tel-Aviv—Haifa F.	
Car & General Insurance Corporation Ltd., London	Syndicat National d'Assurances, Tel-Aviv, Jerusalem MC.	
Commercial Insurance Co. of Ireland Ltd.	Levontin Bros., Tel-Aviv GI.	
Commercial Union Assurance Co. Ltd.	I. C. I. (Levant) Ltd. Haifa, Tel-Aviv F.A.M.C.R. G.B.E.GI.	
Concorde La Insurance Co. Ltd.	A. S. Recanati, Tel-Aviv L.A.F.GI.	
Cornhill Insurance Co. Ltd.	Palestine & Egypt Lloyd, Jerusalem, Tel-Aviv & Haifa F.GI.	
Crown Life Insurance Co. Ltd.	"International" Co., Tel-Aviv L.	
Danube General Insurance Co. Ltd.	Head Office: Tel-Aviv, L.F. 2, Hachashmalstr., P.O.B. 1382 Offices in Jerusalem, Haifa, Jaffa, Nablus	
Eagle, Star & British Dominions Insurance Co. Ltd.	Ottoman Bank, Jerusalem, Jaffa, Tel-Aviv, Haifa, Nablus F.	
Economic Insurance Co. Ltd.	Haifa Shipping Agency Ltd., Haifa F.GI.	

Company	Branch Office, General Agents or Agents	Branches of Insurance
Equity & Law Life Assurance	Soc. Ltd. J. M. Tocatly, Jerusalem, Tel-Aviv, Haifa	L.
Excess Insurance Co. Ltd.	Mulford & Co., Jerusalem	GI.
Employers' Liability Assurance	Corp. Ltd. Fulworth Ltd., Haifa, Jerusalem	WC.
General Accident, Fire & Life Assurance Corporation Ltd.	Spinney's Ltd., Haifa	L.F.A.GI.
"Genevoise La" Swiss Life Insurance Co., Geneva	Jona Kuebler, Tel-Aviv, Jaffa, Haifa, Jerusalem	L.
Gresham Life Assurance Soc. Ltd.	Herz Goldenberg, Tel-Aviv	L.
Gresham Fire & Accident Insurance Co. Ltd.	E. Gaitanopoulos, Jerusalem, Shañk Khouri, Jaffa, Aoues & Kafma, Haifa	F.A.GI.
Guardian Eastern Insurance Co. Ltd.	Palestine Corporation Ltd. Jerusalem—Tel-Aviv—Haifa	L.F.A.M.GI.
Helvetia Swiss Fire Ins. Co. Ltd.	Jona Kuebler, Jaffa—Tel-Aviv, Haifa, Jerusalem	F.
Instituto Nazionale della Assicurazioni	Karmi & Kazenelson, Jerusalem, Tel-Aviv, Haifa	L.
Liverpool & London & Globe Insurance Co. Ltd.	S. Rokach & Co., Tel-Aviv	L.F.W.M. M.C.A.GI.
London Assurance Co. Ltd.	M. Dizengoff & Co., Tel-Aviv, Haifa, Jerusalem, Petach-Tikvah	F.M.C.A.W. B.G.GI.
	Jacob Rose, Tel-Aviv—Jerusalem —Tel-Aviv—Petach-Tikvah	A.G.M.C.B. W.GI.
	The Consolidated Near East Co., Haifa—Jaffa—Tel-Aviv	M.C.F.W.GI.
Legal Insurance Co. Ltd., Liverpool	Pardess Coop. Soc. Ltd., Tel-Aviv	F.W.M.C.GI.
Legal & General Insurance Co. Ltd.	Herz Goldenberg, Tel-Aviv	F.A.
Manufacturers Life Insurance of Canada Ltd.	Offices: Jerusalem, Connaught Bldg. Tel-Aviv, Palatin Bldg.	L.

Company	Branch Office, General Agents or Agents	Branches of Insurance
Maritime Insurance Co. Ltd., Liverpool	Pardess Coop. Soc. Ltd., Tel-Aviv	M.
Motor Union Insurance Co. Ltd.	Haifa Shipping Agency, Haifa	MC.
Nationale La	Syndicat National d'Assurances, Tel-Aviv—Jerusalem	L.F.GI.
Northern Assurance Co. Ltd.	J. P. Albina, Jerusalem Associated Orange Growers Ltd., Tel-Aviv	F.
New Zealand Insurance Co. Ltd.	Mulford & Co., Jerusalem	F.
Palatine Assurance Co. Ltd.	M. Chelouche, Tel-Aviv	F.
Patriotic Insurance Co. Ltd.	J. M. Tocatly, Jerusalem	F.A.
Pearl Assurance Co. Ltd.	Jacob Rose, Tel-Aviv, Haifa, Jerusalem, Petach-Tikvah	L.F.E.
Phénix Le, Compagnie Française d'Assurances sur la Vie	Abdullah Zahil, Jaffa	L.
Phönix Life Insurance Co. (Vienna)	In Liquidation	L.
Phoenix Assurance Co. Ltd.	S. Gordon, Jerusalem	F.
Planet Assurance Co. Ltd.	J. I. Rivlin, Tel-Aviv, Jerusalem, Haifa	F.A.GI.
Pocztowa Kasa Oszczędności (Life Insurance department)	Bank P.K.O., Tel-Aviv, Haifa	L.
Préservatrice La	B. J. Halaby, Jaffa	F.A.
Provincial Insurance Co. Ltd.	M. Sternberg, Tel-Aviv, Jerusalem, Haifa	F.A.
Prudential Assurance Co. Ltd.	Mulford & Co., Jerusalem Carmel Insurances, Haifa Palestine Kupat-Am Bank, Tel-Aviv	L.F.A.M.GI.
Riunione Adriatica di Sicurta	Shalom Volovelski, Tel-Aviv Jerusalem, Haifa	L.A.W.MC. F.R.B.G.
Royal Insurance Co. Ltd.	The Jaffa—Tel-Aviv Shipping Agency, Jaffa—Tel-Aviv	M.GI. L.F.M.B.
Royal Ins. Co. Ltd., Liverpool	Henry Heald & Co., Haifa Pardess Coop. Soc. Ltd., Tel-Aviv	W.A.GI. L.
Royal Exchange Assurance Co. Ltd.	Silbermann, Diskin & Kaplan, Jerusalem, Tel-Aviv & Haifa	L.F.A.
Scottish Union & National Ins. Co. Ltd.	} Haifa Shipping Agency Ltd., Haifa	F.GI. M.
Standard Marine Insurance Co. Ltd.		

VI. Chambers of Commerce in Palestine

PALESTINIAN CHAMBERS OF COMMERCE

- Tel-Aviv & Jaffa Chamber of Commerce, Tel-Aviv, Hagdud Haivri St. 2,
P.O.B. 501, Tel. 33
- The National (Arab) Chamber of Commerce, Jaffa, Boustros St., Tel. 292
- Jerusalem Chamber of Commerce, Jerusalem, "Assicurazioni Generali" Bldg., Tel. 25
- Jerusalem Arab Chamber of Commerce, Julian's Way, Tel. 910
- Haifa Jewish Chamber of Commerce & Industry, Kingsway, P.O.B. 176

INTERNATIONAL CHAMBERS OF COMMERCE

- British Palestine Trade Assoc., T.-A., Barclays Bank Bldg., Allenby Rd., P.O.B. 1144
- Czechoslovakian Chamber of Commerce in Palestine, Tel-Aviv, Jaffa Road 48
- Czechoslovakian Chamber of Commerce in Palestine, Haifa, Kingsway 20
- Italian Chamber of Commerce in Palestine, Jerusalem, Mamillah Road, P.O.B. 866
- Hungarian-Palest. Chamb. of Commerce, Jerusalem, Jaffa Rd., "Nordia" Hotel Bldg.
- Palestine-Polish Chamber of Commerce, Tel-Aviv, Rothschild Blvd. 60
- Roumanian-Palestine Chamber of Commerce, Tel-Aviv, Nachlat Benjamin 72

ERRATA

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| p. 45 | Second line from last | for 7,500,000 read 9,100,000 |
| | last line | for 12.5 read 10.3 |

Palestine Customs Tariff

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Palestine Customs Tariff

The Schedule

Serial No.	Description of Article	Unit	Rate of Duty Mils	Serial No.	Description of Article	Unit	Rate of Duty Mils
CLASS I — GROUP A.							
GRAIN AND FLOUR							
<i>Grain: —</i>							
1	Barley where the value per ton is £P.5.— or under	ton	1000	18	Rye —		
	over £P.5.—	ton	Exempt		Where the value is: —		
2	Barley, pearled	kg.	3		£P.7.000 or over	ton	1000
<i>Beans —</i>					£P.6.750 or under £P.7.000	ton	1250
3	Haricot Beans	kg.	3		£P.6.500 or under £P.6.750	ton	1500
4	Other Beans	kg.	1.50		£P.6.250 or under £P.6.500	ton	1750
<i>Buckwheat —</i>					£P.6.000 or under £P.6.250	ton	2000
5	Unhusked	kg.	2		£P.5.750 or under £P.6.000	ton	2250
6	Other	kg.	3		£P.5.500 or under £P.5.750	ton	2500
7	Chick Peas	kg.	3		£P.5.250 or under £P.5.500	ton	2750
8	Groats	kg.	3		£P.5.000 or under £P.5.250	ton	3000
9	Lentils:				£P.4.750 or under £P.5.000	ton	3250
	(a) whole	kg.	2.50		Under £P.4.750	ton	3500
	(b) split	kg.	3.50	19	Wheat, other than hard wheat		
10	Lupins	ad valorem	12%		Where the value per ton is: —		
11	Maize	kg.	Exempt		£P.9.000 or over	ton	Exempt
12	Malt	kg.	Exempt		£P.8.750 or under £P.9.000	ton	250
13	Millet, unhusked	kg.	Exempt		£P.8.500 or under £P.8.750	ton	500
14	Millet, husked	kg.	3		£P.8.250 or under £P.8.500	ton	750
15	Peas	kg.	3		£P.8.000 or under £P.8.250	ton	1000
<i>Rice:</i>					£P.7.750 or under £P.8.000	ton	1250
16	Rough rice (including paddy, loonzain and cargo rice) —				£P.7.500 or under £P.7.750	ton	1500
	(a) of Iraqi origin	kg.	0.25		£P.7.250 or under £P.7.500	ton	1750
	(b) rough rice not elsewhere specified	kg.	0.50		£P.7.000 or under £P.7.250	ton	2000
17	Clean rice and broken rice —				£P.6.750 or under £P.7.000	ton	2250
	(a) of Iraqi origin	kg.	0.75		£P.6.500 or under £P.6.750	ton	2500
	(b) clean rice and broken rice not elsewhere specified	kg.	1.50		£P.6.250 or under £P.6.500	ton	2750
					£P.6.000 or under £P.6.250	ton	3000
					£P.5.750 or under £P.6.000	ton	3250
					£P.5.500 or under £P.5.750	ton	3500
					£P.5.250 or under £P.5.500	ton	3750
					£P.5.000 or under £P.5.250	ton	4000
					Under £P.5.000	ton	4250
				20	Wheat, hard (triticum durum)	kg.	3

Serial No.	Description of Article	Unit	Rate of Duty Mils	Serial No.	Description of Article	Unit	Rate of Duty Mils
21	Grain, not elsewhere specified	ad val.	12%		£P. 5.750 or under £P. 6.000	ton	6750
	<i>Flour:—</i>				Under £P.5.750	ton	7000
22	Barley or Millet	kg.	3.75	29	Flour, not elsewhere specified	ad val.	12%
23	Buckwheat	ad val.	12%	CLASS I — GROUP B.			
24	Cornflour	kg.	5	FEEDING STUFFS FOR ANIMALS.			
25	Rice Flour —			30	<i>Bakieh, Gelbaneh and Kerseneh</i>	ad val.	12%
	(a) rice flour of Iraqi origin	kg.	0.75		<i>Cake and Meal</i> of:—		
	(b) rice flour not elsewhere specified	kg.	1.50	31	Fish and Meat	kg.	Exempt
26	Rye Flour —			32	Rape, Soya, Nut, Seed (other than rice meal) and Oil Seed	kg.	0.50
	where the value per ton is: —			33	Rice Meal	kg.	1.50
	£P.8.000 or over	ton	3500	34	<i>Hay, Tibben and Bran</i>	kg.	Exempt
	£P.7.750 or under £P.8.000	ton	3750	35	Feeding Stuffs for Animals, not elsewhere specified	ad val.	12%
	£P.7.500 or under £P.7.750	ton	4000	CLASS I — GROUP C.			
	£P.7.250 or under £P.7.500	ton	4250	MEAT			
	£P.7.000 or under £P.7.250	ton	4500	36	Bacon and Ham	ad val.	12%
	£P.6.750 or under £P.7.000	ton	4750	37	Corned Beef, tinned:—		
	£P.6.500 or under £P.6.750	ton	5000		(a) in tins exceeding 400 grammes gross each	kg.	7.50
	£P.6.250 or under £P.6.500	ton	5250		(b) in tins of 400 grammes gross each or under	ad val.	12%
	£P.6.000 or under £P.6.250	ton	5500	38	Meat, frozen and chilled, excluding game and poultry	kg.	Exempt
	£P.5.750 or under £P.6.000	ton	5750	39	Sausages	ad val.	12%
	Under £P.5.750	ton	6000	40	Meat, other:		
27	Wheat Flour, and				(a) poultry, dressed	per bird	25
28	Semolina (including semoule) and crushed or ground wheat:—				(b) meat, other, not elsewhere specified	ad val.	12%
	where the value per ton is:—			CLASS I — GROUP D.			
	£P.10.500 or over	ton	2000	ANIMALS, LIVING, FOR FOOD			
	£P.10.250 or under £P.10.500	ton	2250	41	Cattle (Oxen, cows and calves)	number	Exempt
	£P.10.000 or under £P.10.250	ton	2500	42	Fish, alive	number	Exempt
	£P. 9.750 or under £P.10.000	ton	2750	43	Goats and Kids	number	Exempt
	£P. 9.500 or under £P. 9.750	ton	3000	44	Poultry	per bird	25
	£P. 9.250 or under £P. 9.500	ton	3250	45	Sheep and Lambs	number	Exempt
	£P. 9.000 or under £P. 9.250	ton	3500	46	Animals, living for food, other	number	Exempt
	£P. 8.750 or under £P. 9.000	ton	3750				
	£P. 8.500 or under £P. 8.750	ton	4000				
	£P. 8.250 or under £P. 8.500	ton	4250				
	£P. 8.000 or under £P. 8.250	ton	4500				
	£P. 7.750 or under £P. 8.000	ton	4750				
	£P. 7.500 or under £P. 7.750	ton	5000				
	£P. 7.250 or under £P. 7.500	ton	5250				
	£P. 7.000 or under £P. 7.250	ton	5500				
	£P. 6.750 or under £P. 7.000	ton	5750				
	£P. 6.500 or under £P. 6.750	ton	6000				
	£P. 6.250 or under £P. 6.500	ton	6250				
	£P. 6.000 or under £P. 6.250	ton	6500				

Serial No.	Description of Article	Unit	Rate of Duty Mills	Serial No.	Description of Article	Unit	Rate of Duty Mills
CLASS I — GROUP E.							
DAIRY PRODUCE							
47	Butter, including inner containers	kg.	20	69	Oranges in bulk	kg.	3
<i>Cheese: —</i>				70	Other citrus fruits in cases	kg.	3
48	in brine, including brine	kg.	10	71	Fruits, fresh, not elsewhere specified	kg.	3
49	other, including inner containers	kg.	20	<i>Edible Nuts: —</i>			
50	Eggs in shell			In shell:			
	(a) 1st December to 30th June	each	1	72	Almonds	kg.	5
	(b) 1st July to 30 November	each	0.20	73	Chestnuts	kg.	2.50
50a	Ghee of Iraqi origin	kg.	Exempt	74	Coconuts	kg.	2
<i>Milk: —</i>				75	Groundnuts	kg.	2.50
51	Condensed	ad val.	8%	76	Hazel Nuts	kg.	5
52	Sterilized	ad val.	8%	77	Walnuts	kg.	5
53	Powder and Milk Food	ad val.	8%	78	Edible Nuts, in shell, not elsewhere specified	kg.	5
54	Fresh, including inner containers	kg.	1	Without shell:			
55	Cream of Milk, including inner containers	kg.	20	79	Walnuts, including inner containers	kg.	10
56	Semneh, including inner containers	kg.	10	80	Edible Nuts, without shell, not elsewhere specified	kg.	10
CLASS I — GROUP F.							
FRESH FRUITS, NUTS AND VEGETABLES							
<i>Fruits, Fresh: —</i>				<i>Vegetables, Fresh: —</i>			
57	Apples	kg.	3	81	Cucumbers	kg.	2
58	Apricots	kg.	3	82	Eggplants	kg.	2
59	Bananas	kg.	3	83	Garlic	kg.	3
60	Citrons	kg.	3	84	Onions	kg.	1
61	Dates: —			85	Potatoes: —		
	(a) Dates, fresh, of Iraqi origin	kg.	0.50		1st April to 31st August	kg.	3
	(b) Dates, fresh, not elsewhere specified	kg.	1		1st Sept. to 31st March	kg.	1
62	Grapes	kg.	3	86	Tomatoes	kg.	4
63	Grapefruit in cases	kg.	3	87	Vegetables, fresh, not elsewhere specified	kg.	2
64	Grapefruit in bulk	kg.	3	CLASS I — GROUP G.			
65	Lemons in cases	kg.	3	BEVERAGES			
66	Lemons in bulk	kg.	3	88	Alcohol, undenatured	litre	250
67	Melons and Watermelons			89	Ale, Beer and Stout: —		
	From 1st May to 30th June	kg.	1		(a) In bottles not exceeding 40 centilitres	bottle	10
	From 1st July to 30th April	kg.	3		(b) In bottles of 40 to 80 centilitres	bottle	20
68	Oranges in cases	kg.	3		(c) In bottles exceeding 80 centilitres	litre	25
					(d) In wood or other containers	litre	20
				89a	Ale, Beer and Stout of Syrian or Lebanese origin	litre	10
				90	Cider, Perry and Porter: —		
					(a) In bottles not exceeding 40		

Serial No.	Description of Article	Unit	Rate of Duty Mils	Serial No.	Description of Article	Unit	Rate of Duty Mils
	centilitres	bottle	7.50		(d) In bottles exceeding 80 centilitres	litre	135
	(b) In bottles of 40 to 80 centilitres	bottle	15	101	<i>Sparkling Wine</i> , other:—		
	(c) In bottles exceeding 80 centilitres	litre	20		(a) In bottles not exceeding 25 centilitres	bottle	15
	(d) In wood or other containers	litre	10		(b) In bottles of 25 to 40 centilitres	bottle	25
	<i>Fruit Juices:—</i>				(c) In bottles of 40 to 80 centilitres	bottle	50
91	Unsweetened	ad val.	12%		(d) In bottles exceeding 80 centilitres	litre	66
92	Sweetened	kg.	15	102	<i>Other Wine</i> , including <i>Ginger Wine</i> and <i>Vermouth:—</i>		
	<i>Spirits</i> , including <i>Liqueurs</i> , <i>Cordials</i> , <i>Mixtures</i> and other preparations containing <i>Spirits:—</i>				(a) In bottles not exceeding 40 centilitres	bottle	20
93	*Arak				(b) In bottles of 40 to 80 centilitres	bottle	40
94	*Brandy and Cognac				(c) In bottles of 80 to 120 centilitres	bottle	60
95	*Gin				(d) In bottles exceeding 120 centilitres	litre	50
96	*Rum				(e) In wood, demijohns or containers other than bottles	litre	25
97	*Whisky			103	<i>Beerages</i> , non-alcoholic, not elsewhere specified	ad val.	12%
98	*Other Liqueurs, Cordials Mixtures and other preparations containing spirits.						
	* (a) In bottles not exceeding 25 centilitres	bottle	50		CLASS I — GROUP H		
	* (b) In bottles of 25 to 40 centilitres	bottle	75		OTHER FOODS		
	* (c) In bottles of 40 to 80 centilitres	bottle	150	104	<i>Agar-Agar</i>	kg.	Exempt
	* (d) In bottles exceeding 80 centilitres	litre	200		<i>Biscuits</i> and <i>Cakes:—</i>		
	* (e) In containers other than bottles	litre	250	105	Unsweetened, including inner containers	kg.	10
99	<i>Waters</i> , aerated or mineral:—			106	Diabetic or medicated	ad val.	12%
	(a) In bottles not exceeding 50 centilitres	bottle	2.50	107	Other, including inner containers	kg.	20
	(b) In bottles exceeding 50 centilitres and not exceeding one litre	bottle	5		<i>Bread:—</i>		
	(c) In bottles exceeding one litre	litre	5	108	Unsweetened, including inner containers	kg.	10
	<i>Wines:—</i>			109	Diabetic	ad val.	12%
100	<i>Champagne:—</i>			110	Passover, including inner containers	kg.	10
	(a) In bottles not exceeding 25 centilitres	bottle	25	111	Bread, other, including inner containers	kg.	20
	(b) In bottles of 25 to 40 centilitres	bottle	50		<i>Butter Substitutes:—</i>		
	(c) In bottles of 40 to 80 centilitres	bottle	100	112	Apple Butter or Peanut Butter	ad val.	12%

Serial No.	Description of Article	Unit	Rate of Duty Mills	Serial No.	Description of Article	Unit	Rate of Duty Mills
113	Butter Substitutes, not elsewhere specified	kg.	10	134	Flavouring Essences, including colouring matter for food		
	<i>Chicory: —</i>				(a) containing not more than 25% in volume of alcohol	ad val.	12%
114	Chicory, raw	kg.	4		(b) containing more than 25% but not more than 50% in volume of alcohol	litre	100
115	Chicory, other	kg.	10		(c) containing more than 50% in volume of alcohol	litre	200
	<i>Cocoa: —</i>				Fruits, dried or otherwise preserved without sugar:—		
116	Raw Beans, whole or crushed	kg.	Exempt	135	Apricot paste	ad val.	12%
117	Ground:			136	Apricots, dried	kg.	6
	(a) In containers not exceeding one kg. gross	kg.	25	137	Currants	kg.	6
	(b) In bulk or in containers exceeding one kg. gross	kg.	20	138	Dates, dried or compressed:		
118	Cocoa Butter	kg.	Exempt		(a) dates dried or compressed of Iraqi origin	kg.	0.50
	<i>Cocoa Preparations: —</i>				(b) dates dried or compressed not exceeding 5 kg. not elsewhere specified	kg.	5
119	Chocolate, plain, without milk, cream, nuts, fruit or liquor, including inner containers	kg.	40		(c) dates dried or compressed in containers exceeding 5 kg. not elsewhere specified	kg.	1.50
120	Chocolate, other, including nuts coated with chocolate, including inner containers	kg.	60	139	Figs, dried	kg.	6
121	Chocolate Powder, including inner containers	kg.	40	140	Prunes and Plums, dried	kg.	6
122	Cocoa Block, unsweetened	ad val.	12%	141	Raisins	kg.	6
123	Couverture and similar Cocoa Pastes, unsweetened	ad val.	12%	142	Fruitpulp, unsweetened	ad val.	12%
124	Coconut, Desiccated	ad val.	12%	143	Other dried fruits or compressed fruits not elsewhere specified	kg.	6
	<i>Coffee: —</i>				Fruits, preserved with added sugar:—		
125	Beans, raw	kg.	10	144	Fruits, crystallized, and Candied peels	kg.	40
126	Ground	kg.	20	154	Fruits preserved in sugar or syrup	kg.	20
127	Roasted	ad val.	12%	146	Fruitpulp, sweetened	kg.	20
128	Husks	ad val.	12%	147	Honey	ad val.	12%
	<i>Fish, including shell fish: —</i>			148	Hops	kg.	Exempt
129	In brine	kg.	5		<i>Macaroni, Spaghetti and Vermicelli: —</i>		
130	Dry, salted or smoked	kg.	5	149	Macaroni or Spaghetti, including inner containers	kg.	12.50
131	Fish, fresh or frozen: —			150	Macaroni, diabetic, and cooked Macaroni in tins	ad val.	12%
	(a) fish landed in Palestine caught by fishing vessels of Palestinian ownership and register	kg.	Exempt				
	(b) fish, fresh, not elsewhere specified	kg.	5				
	(c) fish, frozen	kg.	5				
132	Fish in oil or sauce and fish in tins, not elsewhere specified	kg.	10				
133	Fish paste	ad val.	12%				

Serial No.	Description of Article	Unit	Rate of Duty Mils	Serial No.	Description of Article	Unit	Rate of Duty Mils
151	Vermicelli, including inner containers	kg.	5	179	Spices, not elsewhere specified	ad val.	12%
	<i>Oils and Fats, edible: —</i>			180	<i>Starch</i> , including inner containers	kg.	5
152	Cod Liver Oil, other than medicinal Cod Liver Oil	kg.	Exempt		<i>Sugar</i> , glucose, molasses, saccharine and articles containing sugar, not elsewhere specified		
153	Cotton Seed Oil, edible	kg.	15	181	Sugar, including raw sugar, invert sugar and icing sugar	kg.	7.50
154	Olive Oil, edible	kg.	10	182	Candy sugar	kg.	10
155	Oils, edible, not elsewhere specified	kg.	10	183	Cerelose	ad val.	12%
156	Lard	kg.	15	184	Glucose	kg.	Exempt
157	Tehini	ad val.	12%	185	Molasses and Treacle, edible	ad val.	12%
158	Fats, edible, not elsewhere specified	kg.	10	186	Saccharine	ad val.	15%
	<i>Olives: —</i>			187	Syrups and melted sugar, not containing spirits	kg.	15
159	Fresh or preserved in brine or water	kg.	10	188	Confectionery and Sweets, including sweetmeats, marzipan, turkish delight and chewing gum	kg.	20
160	Olives in pickle	ad val.	25%	189	Jams, Jellies and Marmelades, including aspic jelly, jelly crystals and jelly cream	kg.	10
	<i>Pickles: —</i>			190	Jelly Powder	ad val.	12%
161	Cauliflowers and Cucumbers, pickled	ad val.	25%	191	Sugar-coated nuts	kg.	40
162	Sauerkraut	ad val.	25%	192	<i>Tea: —</i>		
163	Pickles, other	ad val.	12%		(a) in containers not exceeding 1 kg.	kg.	30
	<i>Salt: —</i>				(b) in containers exceeding 1 kg.	kg.	20
164	Table salt in containers not exceeding 5 kg. gross	kg.	10	193	<i>Tomato Juice</i> and other Tomato Products	ad val.	25%
165	Sodium chloride (common salt) in bulk or in containers exceeding 5 kg. gross	kg.	4	193a	Vegetables canned: Peas	kg.	6
166	Gravy salt, sausage preserving salt and salt preparations	ad val.	12%	193b	Vegetables canned: Other	ad val.	12%
	<i>Seeds, edible: —</i>				<i>Yeast: —</i>		
167	Pumpkin seed	kg.	2.50	194	Fresh	kg.	7
168	Seeds, edible, not elsewhere specified	ad val.	12%	195	Dried	kg.	20
	<i>Spices:</i>			196	Articles of food, other, not elsewhere specified	ad val.	12%
169	Aniseed	kg.	10		CLASS I — GROUP I.		
170	Cardamon	kg.	50		TOBACCO AND TOMBAC		
171	Cinnamon	kg.	10	197	<i>Cigarettes</i> , including weight of cigarette paper, mouth pieces & cotton	kg.	1000
172	Cloves	kg.	30				
173	Cumin	kg.	10				
174	Mastic	kg.	30				
175	Pepper	kg.	10				
176	Pimento	kg.	10				
177	Thyme, powdered	ad val.	12%				
178	Turmeric	kg.	10				

Serial No.	Description of Article	Unit	Rate of Duty Mills
198	<i>Cigars</i> , including bands and tubes	kg.	2000
199	<i>Heisheh</i>	kg.	100
200	<i>Snuff</i> , of tobacco or tobacc	kg.	600
<i>Tobacco:—</i>			
201	Leaves, unmanufactured	kg.	500
202	Leaves, manufactured, including chewing tobacco	kg.	1000
<i>Tobacc:—</i>			
203	Leaves, unmanufactured	kg.	100
204	Leaves, manufactured	kg.	600
CLASS II — GROUP A.			
COAL			
<i>Coal:—</i>			
205	Anthracite	kg.	Exempt
206	Coal, other	kg.	Exempt
CLASS II — GROUP B.			
OTHER NON-METALLIFEROUS MINING AND QUARRY PRODUCTS			
207	<i>Asphalt</i> or asphalt preparations of the types used in road making		
	(a) in containers of not less than 100 kg. each	kg.	Exempt
	(b) in containers of less than 100 kg. each	ad val.	12%
208	<i>Chalk Powder</i>	ad val.	12%
209	<i>Clay</i>	kg.	Exempt
210	<i>Felspar</i>	kg.	Exempt
<i>Gypsum:—</i>			
211	Burnt	kg.	1
212	Other than burnt	kg.	0.15
213	<i>Lime</i>	kg.	0.85
214	<i>Marble Slabs or Blocks</i> for paving, furniture and steps, unworked	kg.	1
215	<i>Sand and Stones</i> (See also Serial number 781)	ad val.	12%
216	<i>Silica</i> (SiO ₂)	kg.	Exempt
217	<i>Sulphur</i>	kg.	Exempt
218	<i>Non-Metalliferous Mining and Quarry Products</i> , unmanufactured, other, not elsewhere specified	ad val.	12%

Serial No.	Description of Article	Unit	Rate of Duty Mills
CLASS II — GROUP C.			
METALLIFEROUS ORES AND SCRAP			
219	<i>Metal Waste</i> and scrap of brass, copper, iron or tin fit only for the recovery of metal	kg.	Exempt
220	<i>Metalliferous Ores</i> and scrap, not elsewhere specified	ad val.	12%
CLASS II — GROUP D.			
WOOD AND TIMBER			
221	<i>Bamboo Stakes</i>	kg.	Exempt
222	<i>Corkwood</i>	kg.	Exempt
223	<i>Firewood</i>	kg.	Exempt
<i>Wood and Timber:—</i>			
224	Trunks and branches of trees with or without bark	kg.	0.30
225	Boards or planks of ebony, mahogany, sandal, oak, rose, beech, nut-wood and gum wood	M ³	500
226	Other boards or planks and wooden sleepers and beams and balks of wood	M ³	300
CLASS II — GROUP E.			
227	<i>Cotton</i> , raw	kg.	Exempt
228	<i>Cotton waste</i>	ad val.	12%
229	<i>Fibres</i> of hemp, jute, manila and sisal	kg.	12%
230	<i>Fibre</i> for upholstery, alfa	ad val.	12%
231	<i>Fibre, other</i>	ad val.	12%
232	<i>Wool</i> , raw	kg.	Exempt
233	<i>Textile Materials</i> , raw or waste, not elsewhere specified	ad val.	12%
CLASS II — GROUP F.			
SEEDS, BEANS AND NUTS FOR OIL, OILS, FATS, GUMS AND RESINS			
<i>Acid Oils and Fatty Acids</i> , containing not less than 30% of free fatty acids, calculated as oleic acid:—			
234	Acid Olive Oil	kg.	Exempt
235	Other Acid Oils and Fatty acids, as above	kg.	Exempt

Serial No.	Description of Article	Unit	Rate of Duty Mils
236	Beeswax	kg.	Exempt
237	Copra	kg.	Exempt
238	Grease, animal	kg.	10
239	Groundnuts, decorticated	kg.	Exempt
240	Gums and Resins, not elsewhere specified	ad val.	12%
<i>Oils:—</i>			
241	Castor Oil, including inner containers	kg.	10
242	Cotton Seed Oil, not elsewhere specified	kg.	15
243	Linseed Oil, including inner containers	kg.	10
244	Olive Oil for industrial purposes	kg.	Exempt
245	Olive Oil, other, including inner containers	kg.	10
246	Oils, unrefined, not elsewhere specified	kg.	10
247	Solar, diesel, mazut, gas oil, fuel oil and crude petroleum	kg.	Exempt
<i>Oils, Ofal:—</i>			
248	of Olive Oil	kg.	Exempt
249	of other Oils	kg.	Exempt
<i>Seeds:—</i>			
250	Castor	kg.	Exempt
251	Colza	kg.	Exempt
252	Cotton	kg.	Exempt
253	Linseed	kg.	Exempt
254	Olive	kg.	Exempt
255	Palm	kg.	Exempt
256	Sesame (or Gingelly)	kg.	3
257	Sunflower	kg.	Exempt
258	For extracting oil, other	ad val.	12%
259	Shea Nuts	kg.	Exempt

CLASS II — GROUP G.

HIDES AND SKINS, UNDRESSED

Hides and Skins:—

260	Buffalo, raw or dried	kg.	Exempt
261	Cattle, camel or horse, raw or dried	kg.	Exempt
262	Sheep or Goat, raw or dried	kg.	Exempt
263	Water Skins	ad val.	12%
264	Other, raw or dried, not including fur skins	kg.	Exempt
265	Fur Skins, raw	ad val.	12%

Serial No.	Description of Article	Unit	Rate of Duty Mils
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CLASS II — GROUP H.

MISCELLANEOUS RAW MATERIALS AND ARTICLES MAINLY UNMANUFACTURED

266	Bones and Horns	ad val.	12%
267	Braides of Straw or Hemp, coloured	kg.	Exempt
268	Cork in granules, raw	kg.	Exempt
269	Diamonds, rough	value	Exempt
270	Feathers	kg.	Exempt
271	Fenugreek (hilbeh)	ad val.	12%
272	Fibre and Fibre Sheets		
	(a) Bassine (Palmyra fibre)	value	Exempt
	(b) For manufacture of suit cases and bags	kg.	Exempt
<i>Hair:—</i>			
273	Animal Hair	kg.	Exempt
274	Hair, other than animal	kg.	Exempt
275	Intestines	ad val.	12%
276	Locust Beans (Carobs)	kg.	0.10
<i>Manure, Organic:—</i>			
277	Guano and other Organic substances, animal, vegetable or natural, for use as fertilizers or manures	kg.	Exempt
278	Malasses for distillations	kg.	0.50
279	Paper-Making Materials:—		
	(a) Waste paper	kg.	Exempt
	(b) Chemical pulp (Cellulose)	kg.	Exempt
	(c) Mechanical pulp (Wood-pulp)	kg.	Exempt
	(d) Lime of animal origin	kg.	Exempt
	(e) Casein and China Clay	kg.	Exempt
<i>Plants, Shrubs, Bulbs, etc.:—</i>			
280	Vines on American Stock, roots, tubers and bulbs for sowing purposes and nursery stock	value	Exempt
281	Raphia	kg.	Exempt
282	Rattan for the manufacture of cane seats for chairs	kg.	Exempt
282a	Rubber Raw (incl. Crepe)	kg.	Exempt
282b	Rubber Later	kg.	Exempt
283	Seeds Agricultural	value	Exempt

Serial No.	Description of Article	Unit	Rate of Duty Mills	Serial No.	Description of Article	Unit	Rate of Duty Mills
284	<i>Seed Pearls or Waste Pearl</i> (slugs)	kg.	Exempt	303	Glassware domestic and fancy	ad val.	12%
	<i>Shell: —</i>			304	Glass stoppers of fruit jars	value	Exempt
285	Mother of Pearl	kg.	Exempt	305	Lamp Glasses	ad val.	12%
286	Shell, other	ad val.	12%	306	Looking Glasses	ad val.	12%
287	Straw and Grass	kg.	Exempt	307	Mirrors	ad val.	15%
288	Tanning Substances, not elsewhere specified: —			308	Plate Glass not less than 4 mil- limetres thickness, unworked	kg.	Exempt
	(a) Bark, peel & extracts of oak, chestnut, walnut, po- megranate, mimosa, que- bracho, mangrove and va- lonia	kg.	Exempt	309	Plate Glass, other, and Window Glass	ad val.	12%
	(b) Tanning substances, other	ad val.	12%	310	Other Glass and Glassware	ad val.	12%
289	Tar and Pitch	kg.	0.50		<i>Marble: —</i>		
290	Vegetable Turpentine, crude	kg.	Exempt	311	Slabs or blacks for paving, fur- niture and steps, worked	kg.	2
291	Materials unmanufactured, not elsewhere specified	ad val.	12%	312	Granulated	ad val.	12%
				313	Worked, not elsewhere spe- cified	ad val.	12%
				314	Millstones	number	Exempt
				315	Pipes and Flumes, earthen, ce- ment or lime (See also Serial number 787)	kg.	1.50
				316	Porcelain and Chinaware	ad val.	12%
				317	Slates, roofing	kg.	1
					<i>Tiles and Ridges: —</i>		
				318	Asbestos	kg.	1
				319	Earthen or cement for roofing	kg.	0.30
				320	Earthen or cement for floor- ing, paving and walls	M ²	30
				321	Tiles, not elsewhere specified	ad val.	12%
				322	Mining and quarry products, manufactured, not elsewhere specified	ad val.	12%
CLASS III — GROUP A.				CLASS III — GROUP C.			
COKE AND MANUFACTURED FUEL				IRON AND STEEL & MANUFACTURES THEREOF			
292	Briquettes	kg.	Exempt	323	Buckets and pails of iron or galvanized iron: —		
293	Coke	ad val.	12%		(a) not exceeding 28 centi- metres internal diameter at open end	each	27
294	Charcoal	kg.	Exempt				
295	Manufactured Fuel, not else- where specified	ad val.	12%				
CLASS III — GROUP B.							
CERAMIC WARE, GLASS AND MANUFACTURED QUARRY PRODUCTS							
296	Asbestos manufactures, not else- where specified	ad val.	12%				
297	Bottles, Jars and Demijohns, empty	value	Exempt				
298	Bricks, including building bricks, firebricks and fireblocks (See also Serial number 781)	kg.	0.30				
299	Cement and White Cement	kg.	0.85				
300	Earthenware, such as Pottery	ad val.	12%				
301	Earthen sanitary ware	ad val.	12%				
302	Enamelware, whether enamelled on one or both sides of metal (other than cast iron)	kg.	10				
	Glass and Glassware, not else- where specified: —						

Serial No.	Description of Article	Unit	Rate of Duty Mills	Serial No.	Description of Article	Unit	Rate of Duty Mills
	(b) exceeding 28 centimetres internal diameter at open end	each	31		<i>Mattresses:—</i>		
324	<i>Chains, Springs & Hooks</i> of the types used in making bedsteads & upholstery	kg.	5	341	Spring Mattresses	ad val.	15%
325	<i>Door & Window Fittings</i>	ad val.	12%		<i>Nails, Nuts, Bolts, etc.:—</i>		
325a	Fittings & parts of metal for woden roller shutters	ad val.	30%		Iron Nails exceeding 25 millimetres in length:—		
326	<i>Flushing Cisterns</i>	each	100	343	Bright wire nails (cylindrical) except 43 millimetres & 43½ millimetres in length and having a thickness not less than 2.1 millimetres and more than 2.2 millimetres	kg.	4.50
	<i>Furniture of Iron and Steel:—</i>			344	Other nails & bright wire nails (cylindrical) 43 millimetres & 43½ millimetres in length & having a thickness not less than 2.1 millimetres & not more than 2.2 millimetres	kg.	3
327	Bedsteads	ad val.	15%	345	Iron nails, bright wire (cylindrical) not exceeding 25 millimetres in length	kg.	7.50
328	Tables and Chairs	ad val.	25%	346	Iron nails, other, and iron staples, rivets, screws and horse shoe nails	kg.	4
329	Other, not elsewhere specified	ad val.	15%		<i>Pipes, Tubes and Fittings:—</i>		
	<i>Iron:—</i>			347	Cast Iron pipes and connections with wall thickness not exceeding 7 millimetres (see also Serial number 787)	kg.	3
	Cast iron manufactures of the following description:—			348	Iron pipes, other (see also Serial number 787)	kg.	3
330	Baths of cast iron, enamelled:			349	Iron pipe fittings and drawn tubes	ad val.	12%
	(a) weighing more than 110 kg.	each	750	350	<i>Safes</i>	ad val.	12%
	(b) weighing 110 kg. or less	each	1000	351	<i>Sanitary Ware</i> , not elsewhere specified	ad val.	12%
331	Manholes, manhole covers, grating frames, gully grids and hydrant boxes	kg.	5	352	<i>Stoves</i> , not elsewhere specified	ad val.	12%
332	Stoves for Geysers	kg.	5		<i>Wire:—</i>		
333	Pig Iron	kg.	Exempt	353	Wire of calibre not exceeding 0.45 millimetres in diameter	kg.	Exempt
	Iron, not specially prepared:—			354	Hot rolled mild steel wire and strip imported in coils	kg.	Exempt
334	Bars, Rods or Angles	kg.	0.80	355	Wire, barbed	ad val.	12%
335	Black Sheets and Plates, plain or corrugated	kg.	1	356	Wire, other	ad val.	12%
336	Channels, not less than 6 centimetres in width, or Girders	kg.	0.50	357	<i>Wire netting of iron</i> , of mesh not larger than 18×18 to the square inch	kg.	Exempt
337	Iron, specially treated:—						
	(a) Galvanized Sheets and Plates, plain or corrugated	kg.	2				
	(b) Tinned plates, in sheeting, if unprinted, undecorated or unlacquered	kg.	Exempt				
338	<i>Cylindrical containers</i> of iron or steel	value	Exempt				
339	<i>Drums</i> , iron, empty	value	Exempt				
340	<i>Hoops</i> , iron, prepared for barrels	kg.	Exempt				

Serial No.	Description of Article	Unit	Rate of Duty Mils
358	Wire netting of iron, other	ad val.	25%
359	Wire Rope and Cables	ad val.	12%
360	Iron and Steel Manufactures, not elsewhere specified	ad val.	12%

CLASS III — GROUP D.
NON-FERROUS METALS AND MANUFACTURES THEREOF

<i>Aluminium: —</i>			
361	Foil	kg.	Exempt
362	Sheets	kg.	Exempt
363	Aluminium domestic ware	kg.	50
364	Aluminium manufactures, not elsewhere specified	ad val.	12%
<i>Brass and Copper: —</i>			
365	Ingots	kg.	Exempt
366	Sheets and Bars	kg.	10
366a	Copper, wire plain or tuned	kg.	Exempt
367	Brass wire of calibre not exceeding 0.45 millimetres in diameter	kg.	Exempt
368	Brass Wire, other	ad val.	12%
369	Brass & Copper manufactures not elsewhere specified	ad val.	12%
370	Fasteners, sliding metal (similar to the type commonly known as "Zip" fasteners)	metre	30
371	Frames of metal, unmounted, for leather bags	value	Exempt
372	German Silver in sheets (Alpacca)	kg.	Exempt
373	Geysers: —		
	Water heaters and batteries (taps, tubes, fittings and showers) for geysers	kg.	50
374	Gold in grain	value	Exempt
375	Gold plated wire	value	Exempt
376	Goldsmith's ware, including gold plated ware	ad val.	15%
<i>Lead: —</i>			
377	Sheets	kg.	5
378	Ingots	kg.	Exempt
379	Shot or pellets	kg.	10
380	Lead pipes exceeding 15 millimetres external diameter	kg.	Exempt

Serial No.	Description of Article	Unit	Rate of Duty Mils
381	Lead manufactures, other, not elsewhere specified	ad val.	12%
382	Locks for bags, portfolios, suit cases and trunks	value	Exempt
383	Nickel Manufactures: —		
	(a) Nickel rivets used in the manufacture of artificial teeth	kg.	Exempt
	(b) Nickel manufactures, other, not elsewhere specified	ad val.	12%
384	Palladium (all forms)	value	Exempt
385	Phosphor Bronze	kg.	Exempt
386	Platinum, including sponge platinum	value	Exempt
387	Primus Stoves and Burners or Stoves and Burners of a similar type	ad val.	25%
388	Printers' type	value	Exempt
389	Printing Metals imported for use with stereo-typing plants, composing or typesetting machines	value	Exempt
390	Sanitary Ware of Non-Ferrous Metals	ad val.	12%
391	Silversmith's Ware, including silver plated ware	ad val.	15%
392	Solder: —		
	(a) Silver solder discs used in the manufacture of artificial teeth	kg.	Exempt
	(b) Solder, other	kg.	35
393	Stereotypes (clichés)	value	Exempt
<i>Tin: —</i>			
394	Bars	kg.	35
395	Ingots	kg.	35
396	Foil	kg.	Exempt
397	Tin manufactures, not elsewhere specified	ad val.	12%
398	Titanium	kg.	Exempt
399	Wire netting, other than of iron, of mesh not larger than 18×18 to the square inch	kg.	Exempt
400	Wire netting, other than of iron, not elsewhere specified	ad val.	25%
<i>Zinc: —</i>			
401	Sheets	kg.	5

Serial No.	Description of Article	Unit	Rate of Duty Mils
402	Ingots	kg.	Exempt
403	Zinc manufactures, not else- specified	ad val.	12%
404	Metals, wrought or manufac- tured, other, not elsewhere specified	ad val.	12%

CLASS III — GROUP E.

**CUTLERY, HARDWARE, IMPLEMENTS,
INSTRUMENTS & PHOTOGRAPHIC FILM**

405	<i>Balances and Scales</i>	ad val.	12%
406	<i>Beehives, beekeeping apparatus and parts thereof</i>	value	Exempt
407	<i>Blades for Safety Razors</i>	each	1.50

Cinematograph: —

408	Apparatus, cameras and parts thereof and materials and ac- cessories	ad val.	15%
409	Film, Blank	kg.	75
410	Film, Silent	kg.	250
411	Film, Synchronized with sound on special records	kg.	1000
412	Film, Synchronized with sound on film	kg.	1200

Clocks and Watches: —

413	Clocks and parts thereof	ad val.	15%
414	Watches & parts thereof	ad val.	12%

415	<i>Cutlery, other than silver or sil- ver plated or gold plated cut- lery</i>	ad val.	12%
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416	<i>Dairy and Poultry farming equipment: —</i>		
	(a) Incubators or Brooders	value	Exempt
	(b) Dairy and Poultry farm- ing equipment, other	value	Exempt

417	<i>Gauging apparatus, other than electrical</i>	ad val.	12%
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418	<i>Lantern Slides</i>	value	Exempt
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419	<i>Optical Appliances, other than Binoculars and Telescopes</i>	value	Exempt
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419a	Dental, Surgical and Medical appliances and apparatus; Vete- rinary instruments	ad val.	12%
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420	Photographic apparatus and Ca- meras and parts thereof and		
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Serial No.	Description of Article	Unit	Rate of Duty Mils
	materials & accessories	ad val.	15%
421	<i>Scientific Instruments and ap- pliances, not elsewhere spe- cified</i>	ad val.	12%
	<i>Tools and Implements: —</i>		
422	Agricultural, Arboricultural and Horticultural	value	Exempt
423	Other tools and implements	ad val.	12%
424	<i>Water Meters, not elsewhere specified</i>	ad val.	12%
425	<i>Welding Machines: —</i>		
	(a) Welding machines	value	Exempt
	(b) parts of welding machines	ad val.	12%

CLASS III — GROUP F.

ELECTRICAL GOODS AND APPARATUS

426	<i>Insulated Pipes and Lead Pipes for electric wiring</i>	kg.	8		
427	<i>Dry Batteries for pocket lamps and Electric Torches</i>	kg.	45		
428	<i>Electric Cable and Wire</i>	ad val.	12%		
429	<i>Electric Cooking Stoves</i>	ad val.	12%		
430	<i>Electric Lamps, Glow — Gas- filled or Vacuum and not ex- ceedin 260 volts: —</i>			Clear, frosted or painted glass	Other class
	(a) Not exceeding 50 watts	bulb	7		9
	(b) Exceeding 50 watts and not exceeding 75 watts	bulb	10		12
	(c) Exceeding 75 watts and not exceeding 100 watts	bulb	15		20
	(b) Exceeding 100 watts and not exceeding 150 watts	bulb	20		27
	(c) Exceeding 150 watts and not exceeding 200 watts	bulb	30		37
	(f) Exceeding 200 watts and not exceeding 300 watts	bulb	40		48
431	<i>Electric Light Fittings made wholly or mainly of metal</i>	ad val.	25%		
432	<i>Electric Meters</i>	ad val.	12%		
433	<i>Electric Refrigerators and parts thereof</i>	ad val.	12%		

Serial No.	Description of Article	Unit	Rate of Duty Mills	Serial No.	Description of Article	Unit	Rate of Duty Mills
434	Radios and parts thereof	ad val.	12%		one or more mathematical processes	kg.	250
435	Electrical Apparatus not elsewhere specified	ad val.	12%	451	Calculating machines, keytype, having more than 10 figure keys and including motors	kg.	200
436	Electrical Goods, other	ad val.	12%	452	Calculating machines, keytype, having more than 10 figure keys and including motors; and other calculating machines	ad val.	15%
CLASS III — GROUP G.				453	Totalizers not fixed to or incorporated in another machine	kg.	3750
MACHINERY				454	Duplicating Machines, bases, covers and other parts thereof	kg.	120
<i>Machinery: —</i>				455	Sewing Machines, bases, covers and other parts thereof	kg.	40
437	Agricultural	value	Exempt	456	Stitching Machines, bases, covers and other parts thereof	kg.	40
438	Industrial and Manufacturing	value	Exempt	457	Typewriters, bases, covers and other parts thereof	kg.	120
439	Printing & Bookbinding	value	Exempt	458	Machines and parts, other, not elsewhere specified	ad val.	12%
440	Electrical, for light and power	value	Exempt	CLASS III — GROUP H.			
441	Marine	value	Exempt	MANUFACTURES OF WOOD AND TIMBER			
442	Railway	value	Exempt	459	Cork: —		
443	Water-boring	value	Exempt	(a)	Corks of the type known as "Crown Cork"	ad val.	12%
444	Pumping	value	Exempt	(b)	Corks, other, granulated cork and cork powder	kg.	Exempt
445	For use in connection with the preparation of, or prospecting for any natural product of Palestine, or the development of any industry in connection with such product	value	Exempt	460	Cork manufactures, other	ad val.	12%
446	Component parts for such machines, but not including any duplicating machines, calculating machines, typewriters, sewing machines, motor vehicles or telephone apparatus or component parts or spare parts thereof	value	Exempt	<i>Furniture: —</i>			
447	Accumulators and Boilers and their component parts but not spare parts, or parts imported for repair, for use in connection with any of the machinery enumerated under Serial numbers 437 to 445	value	Exempt	461	Bentwood furniture, ready made, imported wholly or in parts	kg.	22.5
	Calculating Machines, bases, covers and parts thereof: —			462	Bentwood furniture, semi-prepared, imported wholly or in parts	kg.	15
448	Cash Registers	kg.	150	463	Bentwood, raw, that is, rough shapes	kg.	2
449	Postage stamp control machines incorporating totalizers	kg.	350	<i>Other than Bentwood, made wholly or mainly of wood: —</i>			
450	Calculating machines, barrel type, capable of conducting			464	Tables, chairs, armchairs, cabinets, cupboards, beds,		

Serial No.	Description of Article	Unit	Rate of Duty Mills
	wardrobes, sofas and bookshelves	ad val.	25%
465	Furniture, not elsewhere specified	ad val.	15%
466	<i>Olive Wood Manufactures</i>	ad val.	12%
<i>Wood: —</i>			
467	Prepared for citrus cases	M ³	355
468	Prepared or partially prepared or shaped timber for the purpose of manufacture into ploughs	kg.	Exempt
469	Plywood	kg.	1.50
470	Veneer wood	ad val.	12%
471	<i>Wooden Barrels</i> , empty	value	Exempt
473	<i>Wooden Hoops</i> for barrels	kg.	Exempt
474	<i>Wooden Hoops</i> for cases	ad val.	Exempt
475	<i>Wooden Nails</i>	kg.	Exempt
476	<i>Wooden Staves</i> for barrels	kg.	Exempt
477	<i>Wooden Sticks</i> for matches	kg.	3
478	<i>Wooden and Timber manufactures</i> , other, not elsewhere specified	ad val.	12%

CLASS III — GROUP I.

COTTON YARNS AND MANUFACTURES

Serial No.	Description of Article	Unit	Rate of Duty Mills
479	<i>Cotton Yarn</i>	kg.	Exempt
480	<i>Cotton Damask and Gobelin</i>	ad val.	12%
481	<i>Cotton Mosquito Netting</i> of mesh not larger than 12×12 to the square inch	kg.	Exempt
482	<i>Cotton piece goods</i> , excluding (a) embroidered stuff, (b) netting such as Mosquito Netting, (c) tapestries, such as Gobelin, Damask, etc., (d) designed		
	<i>Exceeding</i>	<i>Not exceeding</i>	
	grammes		
(a)	25 grs. per M ²	kg. 35	75 150
(b)	25	30 grs. per M ²	kg. 30 60 115
(c)	30	50 grs. per M ²	kg. 28 50 110
(d)	50	70 grs. per M ²	kg. 26 40 100
(e)	70	90 grs. per M ²	kg. 22 40 55
(f)	90	110 grs. per M ²	kg. 20 34 47
(g)	110	140 grs. per M ²	kg. 18 32 38

Serial No.	Description of Article	Unit	Rate of Duty Mills
	<i>Exceeding</i>	<i>Not exceeding</i>	
	grammes		
(h)	140	170 grs. per M ²	kg. 16 26 *33
(i)	170	200 grs. per M ²	kg. 15 24 *31
(j)	200	240 grs. per M ²	kg. 15 23 *30
(k)	240	280 grs. per M ²	kg. 15 22 *28
(l)	280 grs. per M ²	kg. 14	20 *27
483	Remnants not exceeding one metre a piece	kg. 13	18 25

* Or 25% ad valorem, whichever is the greater, in respect of these printed and dyed cotton piece goods.

484	<i>Cotton Surgical Dressings</i>	ad val.	12%
485	<i>Cotton Velvet</i>	ad val.	15%
486	<i>Sewing cotton</i> imported in hanks and skeins	kg.	Exempt
487	<i>Cotton thread</i> , other	ad val.	12%
488	<i>Cotton manufactures</i> , other, not elsewhere specified	ad val.	12%

CLASS III — GROUP J.

WOOLLEN AND WORSTED YARN AND MANUFACTURES THEREOF

489	<i>Woollen and Worsted Yarn</i>	kg.	Exempt
490	<i>Woollen Tissues</i>	ad val.	12%
491	<i>Woollen Blankets</i>	ad val.	12%
492	<i>Woollen Manufactures</i> , other, not elsewhere specified	ad val.	12%

CLASS III — GROUP K.

SILK YARN, ARTIFICIAL SILK YARN AND MANUFACTURES THEREOF

493	<i>Silk Yarn</i>	kg.	Exempt
494	<i>Artificial Silk Yarn</i>	kg.	Exempt
494a	<i>Artificial Silk Staple Fibre</i>	kg.	Exempt
495	<i>Silk Thread</i>	ad val.	25%
496	<i>Pongee</i> (Tussore silk, Sakarota)	kg.	300
	<i>Natural Silk Tissues</i> , not elsewhere specified and tissues containing more than 20% of natural silk: —		
497	Plush, Velvet and other Pile Tissues	kg.	700

Serial No.	Description of Article	Unit	Rate of Duty Mils	Serial No.	Description of Article	Unit	Rate of Duty Mils
498	Damask, Gobelin and Tissues ordinarily used for curtains and upholstery	kg.	700	508	Plush, Velvet and other Pile Tissues	kg.	150
499	Jacquard, not elsewhere specified	kg.	700	509	Remnants of Serial Number 508 of less than two metres each piece in length	kg.	110
	Crepe: —			510	Damask, Gobelin and Tissues ordinarily used for curtains and upholstery	kg.	80
	(i) Unbleached, bleached or dyed in the yarn or the piece in one colour except with satin surface: —			511	Remnants of Serial Number 510 less than 2 metres each piece in length	kg.	60
500	Not exceeding eighty grammes per square metre	kg.	600	512	Jacquard, not elsewhere specified	kg.	60
501	Exceeding eighty grammes per square metre	kg.	400	513	Remnants of Serial Number 512 of less than 2 metres each piece in length	kg.	45
	(ii) Other Crepe: —				Crepe: —		
502	Not exceeding eighty grammes per square metre	kg.	900	514	Unbleached, bleached or dyed in the yarn or the piece in one colour except with satin surface	kg.	200*
503	Exceeding eighty grammes per square metre	kg.	600	515	Other Crepe	kg.	250*
	Miscellaneous Silk Tissues: —				Miscellaneous Artificial Silk Tissues: —		
	(i) Unbleached, bleached or dyed in the yarn of the piece in one colour except with satin surface: —			518	Unbleached, bleached or dyed in the yarn or the piece in one colour except with satin surface	kg.	120*
504	Not exceeding fifty grammes per square metre	kg.	900	519	Other Miscellaneous Artificial Silk Tissues	kg.	130*
505	Exceeding fifty grammes per square metre	kg.	300	521	Remnants of Serial Number 514, 515, 518 and 519 of less than two metres each piece in length	kg.	100
	(ii) Other Miscellaneous Tissues: —			522	Silk and Artificial Silk Goods, not elsewhere specified: —		
506	Not exceeding fifty grammes per square metre	kg.	1200		(a) Silk goods, not elsewhere specified	ad val.	25%
507	Exceeding fifty grammes per square metre	kg.	450		(b) Artificial silk goods, not elsewhere specified	ad val.	25%
	Artificial Silk Tissues not elsewhere specified & tissues containing more than 20% of artificial silk: —				* or 35% ad val. whichever is the greater.		

CLASS III — GROUP L

MANUFACTURES OF TEXTILE MATERIALS, NOT ELSEWHERE SPECIFIED

Carpets and Saddle Bags: —

Khilimes: —

Serial No.	Description of Article	Unit	Rate of Duty Mills	Serial No.	Description of Article	Unit	Rate of Duty Mills
523	of cotton, silk, wool or a mixture thereof	kg.	50		pair	pair	200
524	of other materials such as jute and straw	kg.	25		(d) exceeding 660 grammes per pair	pair	250
	Other Carpets: —			538	With uppers of rubber, including inner containers	kg.	40
525	of cotton, silk, wool or a mixture thereof, including carpets for use in the manufacture of saddle bags	kg.	100	538a	Shoes, wooden	pair	20
526	of other materials such as jute and straw	kg.	50	539	Ammunition and Football Boots	pair	70
527	Saddle bags manufactured from carpets as specified under Serial number 525	kg.	100	540	Other, including inner containers	kg.	150
528	<i>Cordage, Cable, Rope and Twines</i>	ad val.	12%	514	Old: —		
529	<i>Embroidered Goods and Needlework</i>	ad val.	15%		(a) not exceeding 125 millimetres in length	pair	10
530	<i>Flax, Hemp, Jute and Linen Yarn</i>	kg.	Exempt		(b) other	pair	20
531	<i>Flax, Hemp, Jute and Linen Thread</i>	ad val.	12%		<i>Cloaks (Abaya)</i>		
532	<i>Linen Tissues and Manufactures, not elsewhere specified</i>	ad val.	15%	542	of silk or containing more than 20% of natural silk	kg.	500
533	<i>Sacks or Bags made of sacking, empty</i>	kg.	Exempt	543	Other cloaks	kg.	100
534	<i>Tarpaulins</i>	kg.	Exempt	544	<i>Furs, prepared</i>	ad val.	20%
535	<i>Velvet of material not elsewhere specified whether the nap is coarse or smooth, short or long</i>	ad val.	15%		<i>Socks: —</i>		
536	<i>Textile manufactures, other, not elsewhere specified</i>	ad val.	12%		Made of: —		
	CLASS III — GROUP M.			545	plain cotton yarn or shoddy of wool or cotton	pair	2.50
	APPAREL			546	plain cotton yarn mixed with artificial silk	pair	5
	<i>Boots, Shoes, Slippers and Sandals: —</i>			547	mercerised cotton, artificial silk, wool or mixtures thereof	pair	7.50
	New: —			548	natural silk or of other materials mixed with not less than 10% natural silk	pair	25
537	With uppers of leather: —				<i>Stockings: —</i>		
	(a) weighing not more than 200 grammes per pair	pair	50		Made of: —		
	(b) exceeding 200 and not exceeding 300 grammes per pair	pair	100	549	plain cotton yarn or shoddy of wool or cotton	pair	3.50
	(c) exceeding 300 and not exceeding 660 grammes per			550	plain cotton yarn mixed with artificial silk	pair	7.50
				551	mercerised cotton, wool or mixtures thereof or a mixture of these materials with artificial silk, provided that the amount of artificial silk does not exceed 20%	pair	10
				552	artificial silk or material containing more than 20% artificial silk	pair	25
				553	natural silk or of other materials mixed with not less than		

Serial No.	Description of Article	Unit	Rate of Duty Mills	Serial No.	Description of Article	Unit	Rate of Duty Mills
	10% natural silk	pair	50	580	<i>Fertilizers, Chemical:—</i>		
	<i>Wearing Apparel of Silk and Artificial Silk, not elsewhere specified:—</i>			(a)	Nitrogeous	kg.	Exempt
554	Bust bodices, girdles and suspender belts	each	75	(b)	Phosphatic	kg.	Exempt
555	Corsets	each	200	(c)	Potassic	kg.	Exempt
556	Ladies' dresses	ad val.	40%	(d)	Any other substances, mineral, artificial or natural for use as fertilizers or manures	kg.	Exempt
557	Other wearing apparel of silk or artificial silk	ad val.	30%	581	<i>Glycerine, including inner containers</i>	kg.	10
558	<i>Tarbrushes</i>	ad val.	20%	582	<i>Hydrogen Peroxide</i>	kg.	Exempt
559	<i>Wearing Apparel of wool, not elsewhere specified</i>	ad val.	20%	583	<i>Oxygen</i>	litre	3
560	<i>Wearing Apparel of leather, not elsewhere specified</i>	ad val.	20%	584	<i>Potash</i>	ad val.	12%
	<i>Wearing Apparel of materials, not elsewhere specified:—</i>			585	<i>Potassium Chlorate</i>	kg.	5
561	Bust bodices, girdles and suspender belts	each	30	586	<i>Silver Nitrate, in crystals</i>	kg.	Exempt
562	Corsets	each	100	587	<i>Sodium Bicarbonate</i>	ad val.	12%
563	Pyjamas, shirts, tricot underwear and knitted underwear	ad val.	22½%	588	<i>Sodium Carbonate (Soda Ash)</i>	kg.	Exempt
564	Other wearing apparel	ad val.	20%	589	<i>Sodium Hydroxide (Caustic Soda)</i>	kg.	Exempt
565	Old clothing of wool, linen or cotton	kg.	10	590	<i>Sodium Sulphate</i>	kg.	Exempt
CLASS III — GROUP N.				591	<i>Chemicals, not elsewhere specified</i>	ad val.	12%
CHEMICALS, DRUGS, DYES & COLOURS					<i>Disinfectants and Insecticides:—</i>		
566	<i>Acetylene Gas</i>	ad val.	12%	592	<i>Disinfectants</i>	kg.	Exempt
567	<i>Acid, Acetic</i>	ad val.	12%	593	<i>Arboricultural Insecticides</i>	kg.	Exempt
568	<i>Acid, Carbonic</i>	kg.	10	594	<i>Insecticides, not elsewhere specified</i>	ad val.	12%
569	<i>Acid, Citric</i>	kg.	Exempt	595	<i>Drugs, raw and prepared, other than the following anti-malaria drugs, and drugs not elsewhere specified</i>	ad val.	12%
570	<i>Acid Sulphuric</i>	kg.	Exempt	596	<i>Vaccine, lymph, sera, antitoxins and rat virus for veterinary purposes</i>	value	Exempt
571	<i>Acid, Tartaric, including inner containers</i>	kg.	20		<i>Dyes:—</i>		
572	<i>Acid, other</i>	ad val.	12%	597	<i>Aniline Dyes</i>	kg.	Exempt
573	<i>Ammonia, Anhydrous</i>	kg.	Exempt	598	<i>Indigo Dye</i>	kg.	Exempt
574	<i>Bromine</i>	ad val.	12%	599	<i>Other Dyes</i>	kg.	Exempt
575	<i>Calcium Carbide</i>	ad val.	12%	600	<i>Henna</i>	kg.	10
575a	<i>Calcium Stearate</i>	kg.	Exempt	601	<i>Blue, Ultramarine</i>	ad val.	12%
576	<i>Chlorine</i>	kg.	Exempt	602	<i>Linseed Oil Varnish (Lithographic Varnish)</i>	kg.	Exempt
577	<i>Chrome Alum</i>	kg.	Exempt	603	<i>Other paints, colours, varnishes, lacquers and ochre, not elsewhere specified</i>	ad val.	12%
578	<i>Epsom Salts, including inner containers</i>	ad val.	12%				
579	<i>Ethylene Gas</i>	kg.	Exempt				

Serial No.	Description of Article	Unit	Rate of Duty Mills	Serial No.	Description of Article	Unit	Rate of Duty Mills
CLASS III — GROUP O.							
OILS, FATS & WAXES, MANUFACTURED							
604	<i>Kerosene</i> : —						
	(a) in tins or drums not exceeding 18.2 litres (4 gallons)	each	37				
	(b) in other containers or in bulk	100 litres	203				
605	<i>Motor Spirits</i> : —						
	(a) in containers not exceeding 18.2 litres (4 gallons)	each	219				
	(b) in other containers and in bulk	litre	12				
606	<i>Lubricating Oil and Grease</i> : —						
	(a) in barrels and drums	kg.	3				
	(b) in tins	kg.	5				
	(c) in other containers, including inner containers	kg.	8				
607	<i>Candles</i> , including inner containers	kg.	6				
	<i>Essential Oils</i> : —						
608	Jasmin Oil	ad val.	12%				
609	Origan Oil	ad val.	12%				
610	Thyme Oil	ad val.	12%				
611	Other essential Oils for perfumery	ad val.	12%				
612	Other essential Oils, not elsewhere specified	ad val.	12%				
613	<i>Lanolin</i>	ad val.	12%				
615	<i>Paraffin Wax</i>	kg.	Exempt				
616	<i>Petrolatum</i>	kg.	Exempt				
617	<i>Pyrolime</i>	kg.	Exempt				
	<i>Soap</i> : —						
618	Toilet soap	ad val.	25%				
619	Other soap	kg.	10				
620	<i>Turpentine</i>	kg.	10				
621	<i>Vaseline</i>	kg.	Exempt				
622	<i>Wood Naphtha</i>	ad val.	12%				
622a	<i>White Oil</i> , used in the preparation of a spray	kg.	Exempt				
623	<i>Mineral Oils</i> , not elsewhere specified	kg.	10				
624	<i>Oils and Fats, manufactured</i> , not elsewhere specified, including inner containers	kg.	10				
				625 <i>Waxes</i> , not elsewhere specified ad val. 12%			
				CLASS III — GROUP P.			
				LEATHER AND MANUFACTURES THEREOF			
	626 <i>Tanned Hides and Sole Leather</i> : —						
	(a) wholly or partly prepared for boots, shoes and slippers	kg.	50				
	(b) other	kg.	30				
627	<i>Leather, chamois, designed, glazed, kid, and tressed</i>	kg.	150				
628	<i>Leather</i> , ordinarily used for upholstery and in the manufacture of fancy leather goods	kg.	40				
629	<i>Leather, other</i>	kg.	100				
	<i>Leather goods</i> , not elsewhere specified: —						
630	Ladies' handbags, purses and wallets, including inner containers	kg.	100				
631	portfolios, belts and brief cases, including inner containers	kg.	200				
632	wallets and ladies' handbags, purses, portfolios, belts and brief cases of artificial leather, including inner containers	kg.	150				
633	other leather goods	ad val.	20%				
634	uppers for boots, shoes and slippers, whether wholly or partly prepared: —						
	(a) not exceeding 125 millimetres in length	pair	50				
	(b) other	pair	150				
				CLASS III — GROUP Q.			
				PAPER AND CARDBOARD AND MANUFACTURES THEREOF			
				<i>Paper</i> : —			
	635 Cigarette Paper in rolls	kg.	20				
	636 Cigarette Paper, other than in rolls, including inner containers and cardboard boxes	kg.	50				
	637 Crepe Paper imported, in rolls						

Serial No.	Description of Article	Unit	Rate of Duty Mills	Serial No.	Description of Article	Unit	Rate of Duty Mills
	not less than 500 metres in length each roll	kg.	Exempt		prepared and not less than M ² 0.15	ad val.	8%
638	Paper for packing citrus fruit: —				(b) other, not elsewhere specified	ad val.	12%
	(a) in rolls of not less than 3000 square metres each	kg.	Exempt	652	Boxes of cardboard, paper and carton: —		
	(b) in sheets, 45×60 centimetres	kg.	Exempt		(a) prepared of partly prepared for cigarettes, tobacco, boots and shoes, including inner containers	kg.	15
639	Paraffin Paper and Waxed Paper	kg.	Exempt		(b) other	ad val.	12%
640	Printing Paper in sheets not less than M ² 0.15	ad val.	8%	653	Cards, Playing (pack not exceeding 53 cards)	pack	20
641	Paper cut in rhomboid shapes for the manufacture of envelopes	kg.	Exempt	654	Labels of Paper and Carton	ad val.	12%
642	Sensitized Paper and Drawing Paper	kg.	Exempt	655	Paper and Cardboard, tarred or otherwise for roofing	kg.	1.50
643	Paper, not especially prepared, in sheets not less than M ² 0.15	ad val.	8%	656	Paper Napery	kg.	10
644	Paper, other, not elsewhere specified	ad val.	12%	657	Paper manufactured not elsewhere specified	ad val.	12%
645	Bags, paper, not less than 63 centimetres by 40 centimetres	kg.	Exempt	CLASS III — GROUP H.			
646	Bags, paper, other	ad val.	12%	AIRCRAFT, SHIPS AND VEHICLES			
647	Bank Notes and other paper currency	value	Exempt	658	Aeroplanes and Aerial Gliders	number	Exempt
	Envelopes of paper or of a combination of paper, cotton, linen, etc.: —				Bicycles and Tricycles: —		
648	paper envelopes, loose or bundled in boxes, packets or otherwise, but not including paper envelopes to the number of fifty or less when packed with writing paper in one container for sale	kg.	10		Bicycles: —		
649	envelopes of a combination of paper and linen, cotton, etc. and envelopes bearing thereon any inscription other than of the manufacturer	kg.	1%	659	bicycles (except toys) each		750
650	other envelopes	ad val.	20%	660	frames and wheels of bicycles with spokes inserted	kg.	60
651	Cardboard and Carton: —			661	pipes for bicycle frames, bicycle lamps, bicycle horns, bicycle pumps and similar accessories	ad val.	12%
	(a) in sheets not specially			662	other parts, not elsewhere specified, including unassembled frames and wheels	kg.	30
					Tricycles: —		
				663	tricycles (except toys) each		750
				664	parts of tricycles (except tyres and tubes)	kg.	60
				665	Carts and carriages	ad val.	12%
				665a	Fire Engines and Motor Vehicles		

Serial No.	Description of Article	Unit	Rate of Duty Mils
	forming parts of fire engines	number	Exempt
	Motor Vehicles and Tractors:—		
666	motor cars, omnibuses, lorries and vans	kg.	40
667	omnibus bodies imported separately	kg.	60
668	chassis and tractors	kg.	30
669	parts thereof	kg.	50
670	motor car accumulators and batteries	kg.	20
671	Motor cycles and Motor tri-cycles and parts thereof, including, side cars and other component parts and accessories	ad val.	25%
672	Perambulators, Go-carts and parts thereof	ad val.	20%
673	Rollers, Steam and Motor Rollers for road making	number	Exempt
764	Ships and Boats and Parts thereof:—		
	(a) Ships, launches, lighters, boats and barges and integral constructional parts thereof	value	Exempt
	(b) Oars and Anchors	value	Exempt
	(c) Anchor cables of the "studded link" type	value	Exempt
675	Vehicles and Parts, not elsewhere specified	ad val.	12%

CLASS III — GROUP S.

RUBBER MANUFACTURES

676	Rubber thread or yarn	kg.	Exempt
677	Rubber heels, soles and attachments for boots and shoes, including inner containers	kg.	20
	Rubber Tyres and Tubes:—		
678	for cycles, including inner containers	kg.	30
679	for mechanically propelled vehicles, including inner containers	kg.	35
680	for other vehicles, including inner containers	kg.	30

Serial No.	Description of Article	Unit	Rate of Duty Mils
680a	Rubber Wells for fountain pens	number	Exempt
681	Rubber manufactures, not elsewhere specified	ad val.	12%
681a	Rubber Raw (including Crepe)	kg.	Exempt
681b	Rubber Latex	kg.	Exempt

CLASS III — GROUP T.

MISCELLANEOUS ARTICLES, WHOLLY OR MAINLY MANUFACTURED

682	Advertising matter:— Trade catalogues, price lists and all printed or lithographed or manuscript matter for use solely for advertising purposes	value	Exempt
683	Antiquities, provided that the Director is satisfied that they are not imported for purpose of sale	value	Exempt
684	Architectural and Scientific designs, diagrams, and all kinds of drawing material, plans, maps, globes and atlases	value	Exempt
	Arms and parts of Arms:—		
685	Air guns and rifles and non-automatic pistols (excluding toys)	each	500
686	Automatic or repeating pistols, rifles, carbines and revolvers	each	1000
687	Guns, single-barrelled, other than automatic guns	each	1000
688	Guns, other	each	2000
689	Arms, not elsewhere specified, including parts and accessories for arms	ad val.	20%
690	Asphalt Boilers	value	Exempt
691	Asphalt Sprayers	value	Exempt
692	Basketware, other than basket furniture not elsewhere specified	ad val.	12%
692a	Basket Furniture	ad val.	15%
	(a) Baskets or Crates of palm leaves & packages for trans-		

Serial No.	Description of Article	Unit	Rate of Duty Mills	Serial No.	Description of Article	Unit	Rate of Duty Mills
	sporting fruit & vegetables	kg.	Exempt		metres in diameter	each	25
	(b) Basket ware other than furniture not elsewhere specified	ad val.	12%		(c) exceeding 28 centimetres and not exceeding 33 centimetres in diameter	each	40
693	Belling for machinery	value	Exempt		(d) exceeding 33 centimetres in diameter, including records for use with films	each	100
694	Books, printed or manuscript, bound or unbound	value	Exempt		Gun Powder, Explosives and Fireworks:—		
695	Brooms and Brushes	ad val.	12%	711	Gun Powder	ad val.	20%
	Buttons:—			712	Blasting Powder, Detonators, Dynamite, Fuses, Gelignite, Percussion Caps, Fireworks and other Explosive goods not elsewhere specified	ad val.	10%
696	of Mother of Pearl, including inner containers	kg.	35	713	Handbags for Ladies, of material other than leather or artificial leather, including inner containers	kg.	150
697	of other materials	ad val.	12%	714	Horn, artificial (including Bakelite, Galalith and similar plastics), in sheets, slabs, rods, wire and tubes	kg.	Exempt
698	Capsules for Bottles	value	Exempt	715	Horn, artificial, other, and manufactures thereof, not elsewhere specified	ad val.	12%
699	Cartridges:—			716	Ice	kg.	Exempt
	(a) Unfilled	each	0.50	717	Jewellery of all kinds such as precious and imitation stones, bangles, pearls, trinkets and necklaces, not elsewhere specified	ad val.	15%
	(b) Filled	each	1	718	Lamps, not elsewhere specified, lanterns & parts thereof	ad val.	12%
	bulk	litre	12	719	Life Saving Appliances	value	Exempt
700	Celluloid sheets, rods, wire, slabs and tubes	kg.	Exempt	720	Lighters, Mechanical, and any component part of a mechanical lighter other than a flint	each	50
701	Celluloid manufactures, other	ad val.	12%	721	Matches:—		
702	Curios and Articles of Piety	ad val.	12%		(a) for every gross of boxes (of each point of ignition) not exceeding 10,000 matches	gross	240
703	Dentifrices	ad val.	12%		(b) for every gross of boxes (of each point of ignition)		
704*	Effects:—						
	(a) Passengers' Baggage	value	Exempt				
	(b) Settlers' Effects	value	Exempt				
705	Essences, perfumery	ad val.	25%				
706	Fire Extinguishing Apparatus and refills therefor	value	Exempt				
707	Fishing Nets	value	Exempt				
708	Glue	ad val.	12%				
709	Gramophones, parts and accessories thereof	ad val.	15%				
710	Gramophone and Phonograph Records:—						
	(a) not exceeding 20 centimetres in diameter	each	15				
	(b) exceeding 20 centimetres and not exceeding 28 centimetres in diameter	each	15				

* Applications for the clearance of immigrants' effects under Serial No. 704(b) of this Ordinance, should be addressed direct to the Director of Customs, Excise and Trade, — Haifa.

Serial No.	Description of Article	Unit	Rate of Duty Mils	Serial No.	Description of Article	Unit	Rate of Duty Mils
	exceeding 10,000 matches				imported for packing purposes); periodicals; music (other than roll music); and photographs (other than picture postcards)	value	Exempt
	10,000 Matches		240				
	(c) for every ten booklets of matches where each booklet contains not more than 24 matches of one point of ignition	10 booklets	6	739	Printing Ink	kg.	Exempt
	(d) where matches are imported in booklets containing more than 24 matches of one point of ignition			739	Scrolls of the Law, handwritten	ad val.	20%
	10,000 matches		240	740	Stationery, not elsewhere specified	ad val.	12%
722	Metal Signs for advertisements	value	Exempt	741	Straw Mats	ad val.	12%
723	Mineralized Methylated Spirits	kg.	40	742	Straw manufactures, not elsewhere specified	ad val.	12%
724	Mezuzoth, handwritten	ad val.	20%	743	Suit-cases and trunks other than of leather	ad val.	12%
725	Mother of Pearl Goods, not elsewhere specified	ad val.	20%	744	Tooth, artificial Toilet Preparations and Perfumery: —	value	Exempt
726	Moulding Powders	kg.	Exempt	745	Toilet preparations such as hair wash, toilet powder, etc., but not including dentifrices	ad val.	25%
727	Musical Instruments, not elsewhere specified	ad val.	15%	746	Perfumery and Eau de Cologne or other perfumed Spirits containing 50% or less of alcohol by volume	litre	500
727a	Nibs for fountain pens number		Exempt	747	Perfumery and Eau de Cologne or other perfumed Spirits containing more than 50% of alcohol by volume	litre	200
728	Oilcloth and Linoleum	ad val.	12%		Toys: —		
729	Packages for fruit packing, not elsewhere specified	value	Exempt	748	Soft toys, wholly or partly made of plush, velvet, wool, cotton and other similar material	ad val.	25%
730	Phylacteries, handwritten	ad val.	20%	749	Other toys	ad val.	12%
731	Pianos, Pianolas and parts: —			750	Umbrellas (other than silk or artificial silk or embroidered) and Walking Sticks	ad val.	12%
	(a) Upright pianos	each	10000	751	Works of art, not elsewhere specified	ad val.	12%
	(b) Other pianos	each	20000	751a	Zambils (rush containers used for packing rice)	number	Exempt
	(c) Pianolas whether attached to a Piano or otherwise	each	5000	752	Goods, manufactured, other, not elsewhere specified	ad val.	12%
	(d) Piano and Pianola parts and accessories	ad val.	15%				
732	Pictures and Drawings executed by hand on canvas or paper or similar material	value	Exempt				
733	Pictures, Albums and Postcards	ad val.	12%				
	Polish: —						
734	Boot Polish	ad val.	12%				
735	Other Polish	ad val.	12%				
736	Postage Stamps	value	Exempt				
737	Printed Matter, namely, newspapers (other than newspapers						

Serial No.	Description of Article	Unit	Rate of Duty Mills	Serial No.	Description of Article	Unit	Rate of Duty Mills
CLASS IV							
ANIMALS, LIVING, NOT ELSEWHERE SPECIFIED							
753	<i>Buffaloes</i>	number	Exempt				
754	<i>Bulls</i>	number	Exempt				
755	<i>Camels</i>	number	Exempt				
756	<i>Cows for Milking</i>	number	Exempt				
757	<i>Donkeys</i>	number	Exempt				
758	<i>Horses</i>	number	Exempt				
759	<i>Mules</i>	number	Exempt				
760	<i>Animals, not for food, other (except poultry)</i>	number	Exempt				
CLASS V							
BULLION AND SPECIE							
761	<i>Gold Bullion and Gold Coins</i>	value	Exempt				
762	<i>Silver Bullion</i>	ad val.	12%				
763	<i>Silver Coins</i>	value	Exempt				
764	<i>Other Coins</i>	value	Exempt				
CLASS VI							
UNCLASSIFIED EXEMPTED GOODS, NOT ELSEWHERE SPECIFIED							
765	<i>Agricultural Exemptions:—</i> Substances and equipment imported for the prevention or control of animal or plant pests and diseases.						
766	<i>Aircraft.</i>						
767	<i>Articles and Goods</i> imported for their personal use by the Orthodox, the Latin and het Armenian Patriarchs and benzine or kerosene consigned to such Patriarchs from a bonded installation in Palestine.						
768	<i>Articles</i> imported by or for the use of the Government of Palestine.						
769	<i>Articles</i> imported by Religious, Educational, Scientific and Charitable Institutions.						
770	<i>Building materials, tools, appliances and stores</i> imported by, and consigned to, any duly authorised War Graves Commission.						
770a	<i>Cinematograph films</i> of an educational						
					character.		
771	<i>Cloth</i> of the type suitable and intended for the manufacture of fumigation tents.						
772	<i>Coffins</i> containing corpses and funeral caskets containing ashes.						
773	<i>Commercial Agents' Effects.</i>						
774	<i>Consuls and Consular Officers' Effects.</i>						
775	<i>Effects of Officers: Approved Institutes</i> for Members of His Majesty's Forces.						
776	<i>Equipment</i> for Canning or Bottling Fruits and Vegetables and Juices.						
777	<i>Equipment</i> for the Extraction of Minerals and Chemicals.						
777a	<i>Goods</i> imported or purchased prior to clearing by the High Commissioner for his use.						
778	<i>Household Equipment</i> consigned to Archaeological Societies.						
779	<i>Iraq Petroleum Company Stores.</i>						
780	<i>Machinery, apparatus and basic materials</i> of any factory for the manufacture of flavouring material and essences for export exclusively.						
781	<i>Materials</i> of the following categories used in the manufacture of glass:—						
					(a) fireproof blocks in sizes not less than 40×30×30 centimetres;		
					(b) fireproof bricks;		
					(c) sand;		
					(d) sodium sulphate.		
782	<i>Medals, cups</i> or other articles of gold and silver imported for presentation as prizes at exhibitions, agricultural shows and sports meetings.						
783	<i>Memorial tablets</i> and brasses, tombstones and ornaments for graves.						
784	<i>Motor Lorries</i> for Archaeological Expeditions.						
785	<i>Municipalities, local councils and fire brigades:—</i>						
					(a) Chlorinating apparatus imported by municipal and local councils for use in connection with water supplies.		
					(b) Destructors (refuse incinerators) used exclusively for municipal purposes when imported by municipal and local councils. Spare parts and		

Serial No.	Description of Article	Unit	Rate of Duty Mils	Serial No.	Description of Article	Unit	Rate of Duty Mils
	parts or materials for the repair of the municipal incinerators.				irrigation schemes provided that in the case of cast iron pipes the wall thickness exceeds 7 millimetres.		
	(c) Steam rollers, mechanical vehicles and refuse containers used exclusively for the storage, collection and disposal of town refuse and sewage, provided such items are not for disposal to the public by sale and are imported and used exclusively by municipal and local councils.			788	<i>Plant and Machinery</i> imported for installations in hotels and necessary for the upkeep thereof: provided that the following only, in so far as they may be fixtures, shall be deemed to be plant for the purpose of this item —		
	(d) All spare parts required for the maintenance of the mechanical vehicles specified in paragraph (c) hereof, provided that such spare parts are imported by municipal and local councils for use on vehicles belonging to them.				(a) Boilers,		
	(e) Fixed appliances for municipal or local council abattoirs and spare parts and parts or materials for their repair.				(b) Laundry apparatus,		
	(f) Life saving appliances and apparatus for the use of a fire brigade and uniforms and badges for members of a fire brigade: provided that such appliances, apparatus, uniforms and badges are consigned to the municipal or local council or private undertaking by which the fire brigade is maintained.				(c) Lift apparatus,		
	(g) Pipes, flumes and fittings therefor imported exclusively for drainage and sewerage schemes by municipal and local councils.				(d) Mechanical kitchen appliances worked by steam or electrical power,		
	(h) Sanitary fittings imported by local authorities for use in public latrines.				(e) Ovens,		
	(i) Traffic light apparatus, imported by municipalities for their own use.				(f) Radiators for heating.		
	(j) Water meters imported by, and for the exclusive use of, municipal and local councils.			789	<i>Provisions</i> imported into Palestine by the International Sleeping Car and European Express Company.		
786	<i>Palestine Administration Lighthouse Stores.</i>			790	<i>Samples</i> , if they are not such as can be sold as merchandise.		
787	<i>Pipes, flumes and fittings</i> therefor imported for water installations, drainage and			791	<i>Spare parts</i> of the running gear of the coaches of the International Sleeping Car and European Express Company.		
				792	<i>Steam and Motor Rollers</i> for road making when imported for private companies engaged in road construction.		
				793	<i>Trans-Desert Motor Transport Services.</i>		
					(a) Motor vehicles and tyres and tubes for such vehicles imported direct to Palestine.		
					(b) Petrol for the use of the motor vehicles of such enterprises as aforesaid.		
				794	<i>Young Men's Christian Association.</i> Equipment, furniture and foodstuffs for any Young Men's Christian Association hut or centre.		
				795	Parcels or letter packets containing dutiable goods imported by post, where the import duty on each parcel or packet is less than twenty-five mills.		

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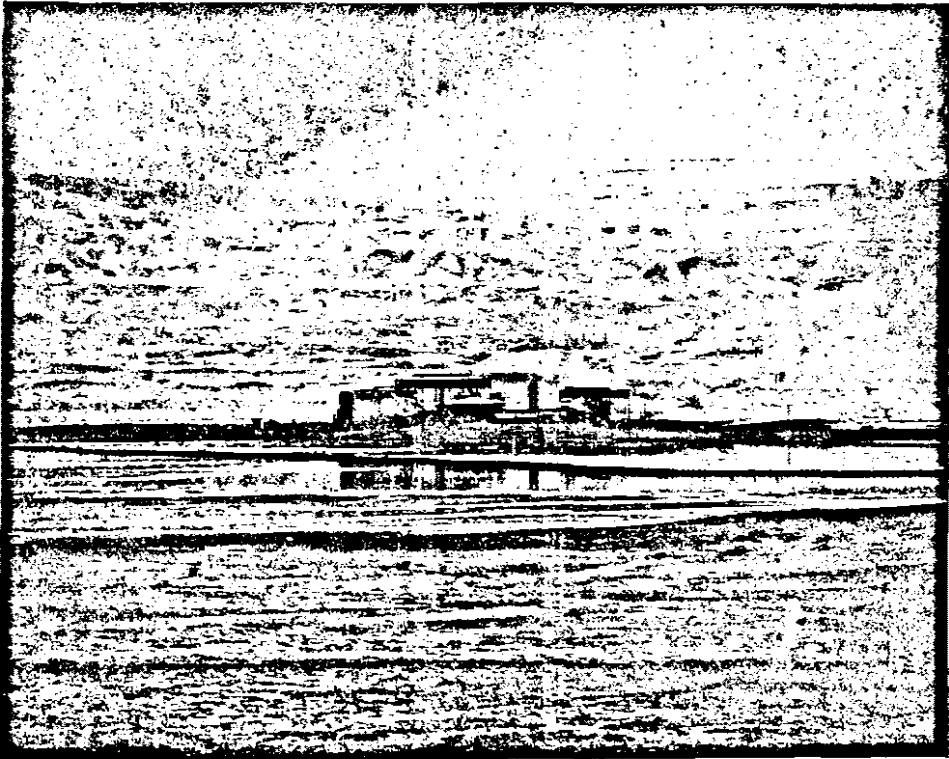
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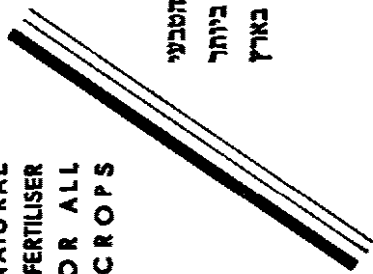
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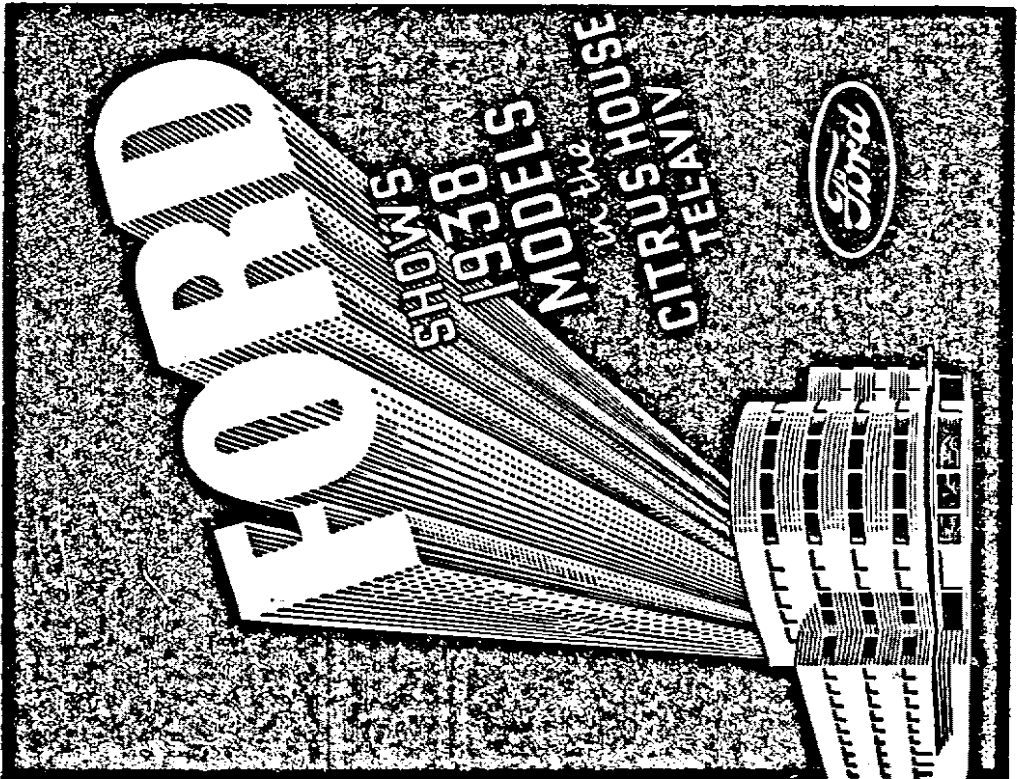
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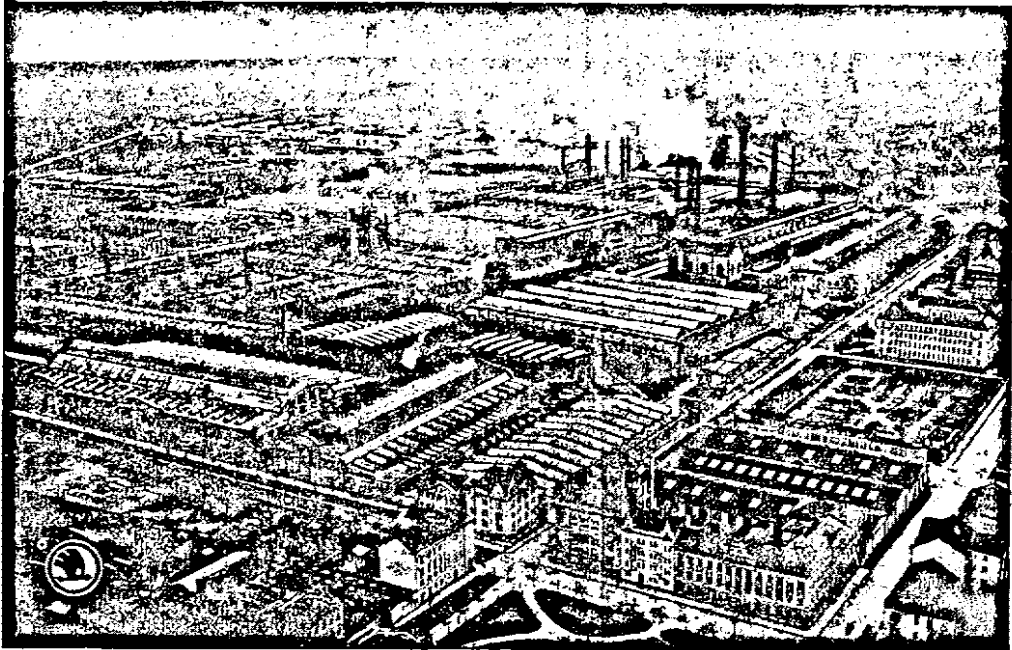
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