

PALESTINE

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INTERNAL developments in Palestine during the year under review were, on the whole, favorable to its Jewish community. The most striking was the successful reconversion of most of Palestine's war industries to peacetime production. Begun earlier than in the major belligerent countries, this reconversion was largely effected before the formal end of the war in Europe.

The fact that reconversion succeeded without any serious dislocations or unemployment was widely hailed in Palestine as a proof of the basic soundness of the Yishuv and a convincing demonstration of its ability to cope with an extremely difficult situation. This demonstration of Palestine's economic maturity was particularly gratifying because it took place under adverse conditions: notably a lack of shipping and the unfriendly attitude of the local authorities, who are still more concerned with maintaining the White Paper than with fostering the economic progress of the country.

On the other hand, the Jewish community lived in an atmosphere of troubled political uncertainty. The strict adherence of the British Government to the immigration restrictions of the White Paper at a time when an increasing number of Jewish refugees and slave-workers, freed by the Allied armies in Europe, showed a definite unwillingness to return to their ravaged homes in Poland and other European countries, provoked profound uneasiness in the Yishuv. Moreover, the creation of an Arab League bitterly opposed not only to Zionism, but to the very existence of the Jewish community in Palestine, was a further reason for intense concern.

War Effort: the Jewish Brigade

One of the positive developments of the year under review was the formation of a "Jewish Brigade" officially announced in September 1944. The Yishuv greeted this belated recog-

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nition of the right of Palestinian Jewry to join in the world struggle for democracy under its own banner with a feeling of satisfaction tinged with regret. Had this recognition come in September 1939, when the Jewish Agency first proposed the formation of a Jewish Army composed of volunteers from Palestine and neutral countries, the military force thus raised might have sped victory in North Africa and the Near East.

The Jewish Brigade became virtually a small division, comprising infantry, artillery, royal engineers, transport, signal, ordnance, and ambulance sections. It did not, however, absorb all of the Palestinian units serving with other troops in Italy and France. It seems that these troops were reluctant to lose the expert services of the Jewish units, which had been long since attached to them. The Brigade was, however, completed by new recruits from Palestine, including recently liberated refugees who had arrived there.

The Jewish Brigade, going into action in the middle of March 1945, about five weeks before the collapse of the German front in Italy, distinguished itself by its bravery. It was mentioned by Prime Minister Churchill in his enumeration of the ten nations which had contributed to Allied victory in Italy. In July, the Brigade was part of the army of occupation in Carinthia, the southern province of Austria; later it joined the British occupation forces in Northern Germany.

During their stay in Italy—even before the formation of the Jewish Brigade—the Palestinian soldiers signally contributed to the re-establishment of Jewish communal life in that country. They were instrumental in rehabilitating refugees found in the freed regions, a number of whom were, after some training in agriculture, sent to Palestine.

In February 1945, the British Government, after repeated Jewish demands, finally increased allowances to the families of Palestinian soldiers to "European" levels. The Yishuv deeply resented Britain's previous insistence on putting the Palestinian soldier on a colonial level in the matter of pay. Moreover, this discriminatory practice burdened the Jewish community with the heavy task of providing additional support for the needy families of its soldiers. For the last two years the Yishuv has raised a large war fund, part of

which has been used to help needy soldiers' families victimized by sharply increased costs of living.

During the year under review, the Yishuv continued its efforts to cultivate good relations with Soviet Russia and its Red Army. A number of ambulances and considerable quantities of medical appliances, drugs, and serums made in Palestine were sent via Teheran to the U.S.S.R. by the "Victory League for Russia." Soviet soldiers who passed through Palestine on their way back from German prison camps in Italy, were received with exceptional friendliness. Soviet diplomats who visited Palestine or merely passed through the country were invited to view Jewish achievements there.

Bound up with Palestine's war effort are plans elaborated by its leading Jewish institutions to settle several thousand ex-servicemen on the land. The Government was presented with a demand to grant state land for this purpose, or, at the very least, to allow a special exception to prevailing restrictions on land buying for Jewish colonization. To apply the land restrictions of the White Paper to soldiers who have risked their lives in the service of His Majesty's Government would be a most unexpected interpretation of the law.

Rescue Work: Immigration

One of the major preoccupations of the Yishuv was the rescue of European Jews, many of whom were liberated during the year by the successful advance of the Allied armies into Hitler-dominated territories. Over a third of the War Needs Fund of six million dollars raised in Palestine during the last two years was spent to help Jewish victims escape Nazi Europe. But while the financial contribution of the Yishuv to relief and rescue work in Europe was necessarily limited, its importance as a rallying center for these activities should not be underestimated. In close cooperation with the Joint Distribution Committee, which supplied the major part of the required funds, the Jewish Agency organized the sending of food packages to Polish and other refugees in Soviet Russia. Many representatives of the Agency and the Histadruth traveled, at the risk of their lives, into various Axis countries to encourage the persecuted

Jewish inhabitants and to devise possible ways of escape. Later, after the liberation of the Balkan nations, large consignments of shoes and clothing were sent from Palestine to Bulgaria and Greece. David Ben-Gurion, chairman of the Jewish Agency's Executive, went to the Balkans to negotiate with the governments, the United Nations occupation authorities, and local Jewish communities on the problems of rescue and rehabilitation. He received a warm reception in Bulgaria, but was unable to obtain the necessary Soviet permission to enter Rumania. His report on the Jewish situation in Bulgaria was quite discouraging.

Representatives of Palestine were also included in several United Nations Relief and Rehabilitation Administration (UNRRA) teams created for relief work in the Balkans.

The Jews of Palestine generally regarded the problem of rehabilitating the rescued Jews as synonymous with their transfer to Palestine. This, they felt, would be their contribution to the solution of the critical problem of the displaced Jews.

In this respect, however, the hopes of the Yishuv were not fulfilled. While in 1944 Palestine absorbed a comparatively large number of Jewish refugees (20,849), the influx dropped sharply with the start of 1945. The immigration certificates remaining from the White Paper quota were by that time exhausted, and the British Government, to the dismay of the Yishuv, refused to renew them. Its previous promise of granting a Palestine visa to every Jew able to reach Turkey (quite a difficult undertaking at that time, when the Balkans were under Hitler's control) was formally withdrawn. Guided by British policy, Turkey refused to admit any Jewish refugees from the Balkans unless they possessed valid passports for Palestine. At the same time, the British delayed for months the opening of immigration offices in Bucharest and Sofia, and all present signs indicate that the primary task of these offices will be to refuse, not to grant visas.

In answer to interpellations, spokesmen of the Colonial Office openly declared in the British Parliament that since the Jews in liberated Eastern Europe were no longer in danger, they had no valid reason to go to Palestine or any other country. An attempt was even made to enlist the aid

of the Soviet authorities in preventing Jewish immigration to Palestine by insinuating to them that the prospective immigrants from Bulgaria, Rumania, and Poland were not grateful to their liberators. There is some evidence that the Soviet authorities in the liberated countries may have been influenced by this curious point of view.

The outlook for a large influx of refugees into Palestine immediately after the end of the European war received a further setback from the Allied occupation authorities in Germany. The latter adopted a policy of forcing the unexpectedly large number of displaced Jews found alive to return to the countries of their origin, regardless of their prospects there or of their own preferences. While the Poles in Western Europe received a definite promise from General Eisenhower that none of them would be forced to return to Poland against his own will, no such promise was obtained for the Jewish refugees who, in many cases, had lost all connection with the country in which they had lived before the war. While some of these refugees may, as a result of personal kindness on the part of Allied officers, be able to delay their return to countries where they see no prospects for their personal future, most of the others are forced to submit to military regulations. The fact that the Allied authorities in Germany did not register the displaced Jews as such and included them in the various national categories of Russians, Poles, Hungarians, etc., was severely criticized in the Palestinian press.

On February 6, 1945, Viscount Cranborne, Dominions Secretary, declared on behalf of the British Government that all certificates to Palestine would be exhausted by the end of May, and that a new immigration policy would not be announced until that date. In any case, he emphasized, the remaining certificates would be distributed very sparingly, since as a result of housing difficulties and general conditions no more than 1,500 Jews would be admitted in any single month.

At the end of May, the British Government was not yet ready to announce a definite immigration policy. Its only reaction to the urgent demand for certificates was to grant to the Jewish Agency 3,000 certificates for an indefinite period. The Palestinian press sharply criticized this grant;

and the Jewish Agency declared that it was a drop in the bucket compared with the urgent demands for immediate entry from displaced Jews in Europe. There was also a growing demand for visas from Jews in the Arab countries, who were becoming increasingly worried about their future.

One of the few bright spots in the field of immigration was the right of entry granted to some 1,400 deportees on the Island of Mauritius. Deported there in December 1940 for "illegal" entry into Palestine, these unfortunates will now return as certified immigrants. Their visas were, however, subtracted from the dwindling number still available in accordance with the White Paper of 1939.

Still hoping for a change in Britain's immigration policy, the Jewish Agency in March 1945 founded a school for specialists to be sent overseas to train and organize displaced Jews who wish to settle in Palestine.

Problems of Reconversion

During the year under review, Palestine made further progress in reconverting its economy to post-war conditions. At least 80% of the Jewish industries in Palestine successfully returned to peacetime production. This reconversion was achieved without any serious unemployment. At the time of writing, the number of employed in the Jewish sector of Palestinian economy is larger than ever.

The reconversion of agriculture was a much simpler task because even at the height of the war only a small part of Palestine's farm output had been used for feeding the Allied armies in the East. In normal times Palestine, particularly its Jewish sector, has a comparatively large food deficit. The task of its farmers in wartime was to eliminate the deficit, or, at least, to reduce it to a minimum. According to figures issued by the Jewish Agency, the Yishuv now produces a larger percentage of the food it consumes. While in 1939 it produced only 26% of its food requirements, it increased this figure in 1944 to 47%. The balance came from Arab farms (7% in 1939 and 6% in 1944) and from abroad.

While successful in its reconversion to peacetime activities, the Yishuv still faces grave problems which may arise after

the re-establishment of more normal trade and shipping conditions. The inflation in Palestine, driving living costs to a higher level than in several other belligerent countries, may place her in a difficult position with respect to post-war competition. But in most of the neighboring countries in the Near and Middle East, the inflation has been allowed to attain even higher proportions, and a general readjustment of the exchange rates will probably become necessary some time after the end of World War II.

On the other hand, the almost complete reconversion of Palestine's economy to peacetime conditions with a minimum of dislocations is being hailed as a proof of the country's fundamental soundness, and as an indication of its ability to overcome future difficulties. This optimistic attitude is strengthened by the abundance of free money in the country. By January 1945, deposits in Palestine's banks reached £P71,000,000 (\$285,000,000), and most of this money represents Jewish capital looking for investment opportunities. As a matter of fact, the influx of Jewish capital into Palestine did not stop even in the most critical period of the present war. This is proved by the following table:

Influx of Jewish capital into Palestine
(in Palestinian Pounds)

<i>Year</i>	<i>Public Funds</i>	<i>Private Capital</i>	<i>Total Influx</i>
1940	1,600,000	3,600,000	5,200,000
1941	1,700,000	2,650,000	4,350,000
1942	1,800,000	3,700,000	5,500,000
1943	2,900,000	5,500,000	8,400,000
1944	4,000,000	6,000,000	10,000,000
Total	12,000,000	21,450,000	33,450,000

While most of the public funds came from America and represent mainly the share of the United Palestine Appeal in the United Jewish Appeal, the private capital brought in during the war consisted largely of money withdrawn from European and Oriental countries.

Colonization: Farming

During the year under review, the Jewish National Fund continued its land buying activities on a comparatively large scale, despite legal restrictions and increasing prices. According to the latest available report, as of August 1944, the land area in the possession of the JNF amounts to 704,859 dunams, of which 42,899 were acquired in the last ten months.

Colonization activities were hampered by the lack of agricultural machinery. Nevertheless, several important settlements were established during the year. One of them was founded in the Huleh Region, south of Kfar Szold. Another one was established near Ein Hashofet (The Well of the Judge), named in memory of the late Justice Louis D. Brandeis. Near the highway leading from Tel Aviv to Jerusalem a new settlement, Abu Shusha, was established in the Judean Hills. Five new villages are being prepared for ex-servicemen upon their discharge from Palestinian military units.

A children's village serving educational and rehabilitation purposes was founded near Even Yehuda in the Valley of Hofer. The village, which will train 300 children of the Youth Aliyah as future agriculturists, will be largely maintained by the Canadian Hadassah. An important experiment in soil and water conservation was begun in the semi-arid Negev, where a dam with a capacity of 220,000 cubic meters collects water from the hills in the winter months to be used on the fields of Reviviah, a collective village founded there two years ago.

The production of Jewish farms greatly increased during the war. For example, their yearly output of potatoes, which before the war were mostly imported from abroad, is now 23,000 tons compared with 3,000 tons in 1938-39. The production of milk reached 60,000,000 litres compared with 34,000,000 before the war. The total output of food increased by 40-45% compared with 1939.

Fishing, which in Palestine is practiced as a part-time occupation of agricultural villages situated on the seacoast, made further progress. Deep-sea fishing and fish-breeding in ponds now supply most of Palestine's needs in this respect.

To facilitate the transition of agriculture to peacetime conditions, the Jewish Agency in cooperation with the Anglo-Palestine Bank recently founded an agricultural trust fund of £P150,000. This will make possible a larger amount of agricultural credit in cases where commercial bankers would hesitate to grant loans.

Nir, the agricultural finance agency of the Jewish Labor Federation of Palestine (Histadruth) recently issued 4½% preferred shares for £P250,000. The issue was quickly absorbed in Palestine, bringing the total capital of Nir to £P760,000.

A committee of experts studied and approved a development plan proposed by Solomon Blass, an engineer in Tel Aviv. It should result in an irrigated area of 8,500,000 dunams, which would increase Palestine's food output at least ten times. In some respects, the Blass plan follows the lines of the celebrated Lowdermilk Plan (Jordan Valley Authority) proposed in the United States, but it seems to arrive at more optimistic conclusions.

Industrial Construction

A few months ago, the Jewish Agency published the results of an industrial census conducted in 1943. Here are the figures compared with the pre-war census of 1937:

Jewish Industry in Palestine

	<i>Number of factories</i>	<i>Number of employees</i>	<i>Invested Capital (£P)</i>
1937	1,556	21,964	11,063,791
1943	2,250	45,850	37,500,000

This table does not include artisans' shops with less than five workers or without mechanical power. In all, the Jewish industries of Palestine employ about 60,000 workers.

Later figures pertaining to the end of 1944 reveal the index of employment as 175 and the index of working days as 219 (compared with 100 in 1940). Average wages in Jewish industries are given as 985 mils (1,000 mils equal a Palestinian pound), compared with 895 in July 1943.

Housing needs which have now reached a critical stage, offer vast prospects for new employment and capital investment. The war found the Jewish sector of Palestine handicapped by a considerable shortage of living facilities, and this situation was rendered even more acute by wartime prohibition of construction. When we consider the 60,000-70,000 Jewish refugees who, despite all immigration restrictions, entered Palestine in wartime, we will easily understand why Tel Aviv is today one of the most crowded cities in the world. A similar situation exists even in smaller Jewish settlements.

Although wartime restrictions on new building are being gradually abolished, large-scale housing activity is still being hampered by lack of building materials and shortage of labor. Still, by the spring of 1945 building had picked up, and there are indications of considerable building activities in the near future.

Protracted negotiations between the Palestine diamond industry and the London syndicate, which controls the world distribution of raw stones, resulted in an agreement granting a definite quota of raw diamonds to the Palestine industry, thus insuring the continuation of its activities in postwar years.

Solel Boneh, the largest contracting organization in Palestine, which has greatly benefited from war work not only in Palestine but in several other countries of the Near and Middle East, recently founded a holding company for a number of important factories acquired or built during the war.

According to Mr. M. Novomeysky, the founder and president of the Palestine Potash Syndicate, his company expects to add magnesium to the products previously extracted from the waters of the Dead Sea. Magnesium is 25% lighter than aluminum and much stronger. Its most serious defect, corrosion, is now being eliminated by scientific discoveries made in the United States during the war.

Hopes were raised by the founding of a Jordan Valley Exploration Company with an initial capital of £P250,000, equally contributed by the Palestine Potash, Ltd., the Palestine Electric Corporation, and the Neshor Cement Company. Should the possibilities of the Jordan Valley, mainly in

the mineral field, prove as attractive as expected, a much larger operating company will be founded.

Intensive preparations are being made for building a Palestinian merchant marine soon after the war. In the first step toward this goal, a maritime company "Zym" was founded with an initial capital partly contributed by the Jewish Agency. The Palestine Maritime League, with 13,700 members in 164 branches, supervises the training of 2,000 sea-cadets in several harbors. The Nautical School in Haifa, affiliated with the Hebrew Institute of Technology, trains 100 students for officers' jobs in the future Navy. More personnel for maritime pursuits will be available after the demobilization of some 2,000 Palestinians who enlisted in the Royal Navy. According to Mr. Meerowitz, secretary of the Maritime League, Palestine will need at least 200,000 tons of merchant shipping, which would mean several thousand jobs at sea and in the ports.

At the beginning of 1945, the Jewish Manufacturers' Association sent a delegation to England with a mission to persuade British industrial and government circles that the industrialization of Palestine did not conflict with their interests. The immediate task of this mission was to obtain more shipping space for machinery ordered for Palestine.

A United States economic mission, sponsored by the State Department and the Foreign Economic Administration and under the chairmanship of William S. Culbertson, visited Palestine at the end of 1944.

To facilitate the adjustment of Palestine's industries to post-war conditions, an industrial trust of £P200,000 was established by the Jewish Agency jointly with the Anglo-Palestine Bank. The Agency also participated in Palestine's industrial development through the Foreign Trade Institute, established earlier in the war jointly with the Manufacturers' Association. This Institute arranges for exports in cases when the manufacturers involved do not have the necessary trade connections or are reluctant to assume the risks involved. In 1943, its business amounted to £P439,000 of which 97% went to five places in the Near and Middle East (Egypt, Iraq, Syria, Cyprus, and Iran.)

At the beginning of 1944, the number of cooperative societies reached 1,217, of which over 90% are Jewish. 234 of

them are operating in the agricultural field, 230 are concerned with credit, 170 with consumer needs, 157 with housing, 106 with industrial production, and 67 with irrigation.

Tel Aviv further continued its astonishing growth. Its municipal budget for 1945-46 reached a new high of £P1,588,000 compared with £P1,371,000 in the previous year: 23% was assigned for education, 26% for public health, and 13% for social services.

Education and Culture

The opening of schools in the last academic year was delayed for about two months by a protracted teachers' strike, which was not settled before November 17, 1944. The strike was caused by the inability of the public institutions in charge of Palestine's Jewish schools to cope with the rise in living costs as promptly as private undertakings. The leaders of the Vaad Leumi (the National Council of Palestinian Jews) partly explained this situation by the refusal of the Palestine Government to support the Jewish schools to an extent commensurate with the number of their pupils. In 1943-44, the Government spent £P248,000 on Arab schools with a total attendance of 96,000 children, and only £P75,000 on the Jewish schools with 86,000 pupils. The leaders of the Yishuv emphasized that had the Government assisted the Jewish schools on the same scale as it had aided the Arab schools, there would have been no difficulty in insuring a decent standard of living for their teachers.

Apparently in connection with this controversy, the Government in November 1944 appointed a commission to study the Jewish school system. Hope was expressed that this study might result, among other suggestions in a proposal to equalize the amount of Government support to Jewish and Arab schools.

The school system of the Vaad Leumi now serves 72,000 children, or about 80% of the Jewish school children. The others attend private schools and religious institutions which are independent of the Vaad Leumi.

The total school expenditures of the Jewish community in the year under review amounted to £P820,000. Of this total £P305,000 are covered by tuition fees, £P326,000 by

municipalities and village councils, £P189,000 by subsidies of the Government, the Jewish Agency, and the Vaad Leumi.

During the year, the agricultural school of Mikveh Israel, the oldest of Palestine's modern schools, celebrated its 75th anniversary. Mikveh Israel was established, long before the beginnings of Zionist colonization, by Charles Netter on behalf of the *Alliance Israélite Universelle* of Paris. Originally a stronghold of French cultural influence, the school, after World War I, adopted Hebrew as its teaching language and was integrated into Palestine's Hebrew educational system. The collapse of France in 1940, cutting off Mikveh Israel's main source of financial support, placed it in a critical situation; but the Jews of Palestine, led by the alumni of the school, covered its deficit and made possible the further continuation of its useful work.

Another anniversary in the field of education was celebrated by the Hebrew Technological Institute in Haifa, which completed the 20th year of its existence. Begun in a very modest way, it now possesses four faculties, 14 laboratories, 60 teachers and 400 students; its yearly budget, gradually increasing, now amounts to £P260,000.

With the help of the American Hadassah, the Vaad Leumi established a system of vacations for needy school children insuring every run-down pupil a month's vacation in the hot summer months.

A "Garden of Prophets and Sages," which is to contain every plant mentioned in the Bible and Talmud, was planted on an area of 230 dunams in the vicinity of the Hebrew University.

Despite the acute shortage of paper, book publishing was maintained on a comparatively large scale. About 300 books were published during the year, and this does not include pamphlets and booklets issued. Several literary prizes were distributed to promising Palestinian writers. Two Bialik prizes were given to Yehudah Karni for his *Songs of Jerusalem*, and to F. Lachover for his book on Bialik. The Tchernichovsky prize for classic translations was shared by Dr. Z. Wislowsky for his translation of Sigmund Freud, Dr. S. Perlman for his translation of Heine, and J. D. Berkowitz for his Hebrew version of Sholem Aleichem. The Ussishkin prize

established by the Jewish National Fund was awarded to J. Burla.

A relatively large number of the books printed in Palestine during the year 5705 are of lasting value. Important studies have appeared: on present-day Palestine by M. Atiash; on *Kenesseth Israel* by D. Gulevitz; on the movement of population by Abramovitz and Gelfant; and on Arab economy by D. Horowitz. Significant historical works include a book by Strauss on the Jews in Medieval Egypt; one by Ber on the Jews in Christian Spain; and one by Volinsky on the Jewish return to England in the nineteenth century. Several studies on recent Jewish history, particularly Zionism, have been issued; and among the many original novels published have been works by Smilansky, Fichman, Kabak, Shimonovitz, and Steinman. A posthumous edition of the poems of Saul Tchernichovsky also appeared.

The theaters had a normal year, and the same may be said of Palestine's musical activities. The first Palestinian opera, "Dan the Watchman," was presented in Tel Aviv on February 17, 1945.

The cornerstone of a Nahum Sokolow home for journalists was laid in Tel Aviv. It is to serve a triple purpose: as a guest-house for visiting journalists and writers, as a writer's club, and as a Sokolow Museum.

Health Activities

As in education, so in public health, activities were hampered to a considerable extent by the stubborn refusal of the Government to recognize Jewish needs in this field. On the assumption that "Jews are rich and can take care of themselves," the Government's contribution to the total Jewish health budget of £P1,600,000 was limited to £P30,000.

Most of the Jewish health budget was covered by Kupat Holim, the health organization of the Histadruth. In the past year, the expenditures of this growing organization exceeded one million pounds, 95% of which was contributed as dues and fees by its 110,000 members.

The American Hadassah, occupying second place in the volume of its medical activities, is largely instrumental in

maintaining and stimulating a high standard of public health in Palestine. It maintains its largest and best equipped hospital in Jerusalem, an excellent tuberculosis hospital in Safed, and other important medical institutions elsewhere. During the year, it spent in cooperation with the Vaad Leumi £P200,000 for school luncheons. Some 27,600 children were beneficiaries of these luncheons furnished below cost.

Rear Admiral Stephenson, U.S.N., an outstanding American health authority, surveyed Palestine's preventive health institutions on behalf of Hadassah. His report will serve as a basis for Hadassah's post-war activities in the field of health.

During the year under review, the Jewish hospitals and sanitariums reached a total bed capacity of 2,000. This is a higher total than in all Government institutions, which mainly serve the Arab population.

The most important addition to the Jewish hospitals now under construction is Tel Aviv's medical center, which is being built on 97 dunams of land granted for this purpose from the area of Saron, a large German colony adjacent to that all-Jewish city.

Tuberculosis, which before the war was comparatively rare in Palestine, has lately become more frequent because of the arrival of many refugees who escaped from Hitler's ghettos and concentration camps. To cope with this situation, three new tuberculosis hospitals are now being built, and they probably will be opened in 1946.

The Tiberias health resort expanded continuously during the war. Its Jewish concessionaires built a number of new buildings and a park. Among its patients are many Allied soldiers, suffering the aftermath of battle wounds or illnesses.

According to latest Government figures, Palestine has 2,520 medical practitioners: 188 of them are Christians, 85 Moslems, and the rest Jews.

Following a severe decline in the Jewish birth rate after the second year of the war, the figure again rose to its pre-war level. According to the latest available Government statistics, it was 29 per thousand in 1943, with a death rate of 7.7 and a net natural increase of 21.3. The Moslem birth rate in 1943 was 52 per thousand, with a death rate of 19 and a natural increase of 33, one of the highest in the world.

Community Life

On August 2, 1944, general elections to the Assefath Hanivcharim, the General Assembly of Palestinian Jewry, took place. Several Rightist groups (Sephardim, Revisionists, Landowners, and a General Zionists fraction) boycotted the elections. They asserted that the proportional system adopted in voting for the Assembly was "super-democratic"—"it is a distortion of democracy, and it discriminates against quality." Nevertheless, 24 parties and groups put up 1,694 candidates, and a total of 200,881 among 280,000 eligible voters cast their votes. Of these the Mapai (Palestine Labor Party) received 73,367 votes and 63 seats, the Left Bloc (Hashomer Hatzair and Left Poale Zion) received 24,773 votes and 21 seats, the Aliyah Hadashah (New Immigrants) 21,403 with 18 seats, the Hapoel Hamizrachi 19,346 with 17 seats, and the dissidents of the Labor Party (Achduth Haavodah) 18,168 votes with 16 seats. In addition to the "big five," who received 78% of the votes and mandates, ten smaller groups received 36 mandates. The more important of them are the General Zionists who, divided into four different electoral groups, received 14 seats, Mizrachi 7, Yemenites 6, Communists 3.

In September 1944, the Assefath Hanivcharim held its first session. It issued an urgent appeal to the Allied Powers to make possible large-scale rescue work among the European Jews, and closed with the election of a permanent body, the Vaad Leumi (National Council) of 42 members, with all factions represented.

One of the first decisions of the Vaad Leumi was to send a delegation to the World Jewish Congress called in Atlantic City, N. J., at the end of 1944. Most of the elected delegates were not, however, able to go to the United States because of visa restrictions and a shortage of travel facilities.

Realizing that the boycott tactics it had adopted had failed, the opposition expressed its willingness shortly after the election to participate in new elections in the event that they would take place in a year or two under a slightly modified electoral system. On the other hand, negotiations have been started on the temporary participation of these groups in the present Vaad Leumi — on the basis of their

representation in the previous Assefath Hanivcharim. While there is a general willingness to compromise, negotiations have not yet advanced sufficiently to forecast their prospects of success.

Elections to the community council in Jerusalem held in December were canceled after the discovery of widespread frauds.

During the year 5704, the total income of the Jewish Agency reached the unprecedented amount of £P2,867,751, and its expenditures £P3,185,932. The largest items of expenditures were (in £P):

Immigration and training.....	1,218,348
Agricultural settlement.....	821,691
Housing, Public Service.....	216,281
Trade and industry.....	179,169
Education, Youth Aliyah.....	104,747
National Organization, Security....	587,344
Social Services.....	13,407
Administration.....	32,051

To cover the deficit in its budget, the Agency borrowed from Lloyd's Bank in London £P300,000 at 4% to be repaid in six years. The above budget, met largely by funds from the Keren Hayesod, does not give a full picture of Zionist work. It does not include the income and expenditures of the National Fund (Keren Kayemeth), which almost equal those of the Keren Hayesod.

The vastly increased income of the Jewish Agency does not, however, insure correspondingly greater constructive activities. The reason is that the decreased purchasing power of the Palestinian pound makes all new settlement or similar undertakings more expensive than in the past.

In its work, the Agency is effectively aided by the Histadruth (Jewish Labor Federation of Palestine), an organization concerned with colonization and industrial construction as well as with labor conditions. During the year under review, the larger institutions of the Histadruth used their increased credit to place bonds and preferred shares on the Palestinian market. Thus the Solel Boneh, the contracting agency of the Histadruth which during the war bought

several important factories, was able to finance them through its newly created industrial department, "Kur." Its first issue of £P250,000 preferred shares at 4.5% cumulative interest, was absorbed by private investors within a few hours after the subscription was opened on the Tel Aviv market. The same amount was realized by new bonds of "Nir," the colonization agency of the Histadruth, which specializes in financing its agricultural settlements.

On August 7, 1944, Histadruth elections took place with 106,000 of its 123,000 members participating. The "Mapai" (Labor Party), headed by David Ben Gurion, maintained its majority with 53% of all votes cast. This victory was, however, somewhat attenuated in view of the fairly large vote received by dissidents of the Labor Party, who called themselves the "Movement for the Unity of Labor." Another important opposition group was the "Left Front" made up of Hashomer Hatzair and the Left Poale Zion. The five opposition groups received together 37% of the votes, which gives them considerable strength in the councils of the Histadruth.

At the beginning of 1945, a delegation of the Histadruth participated in the International Trade Union Congress called in London by the British and Russian unions jointly with the American Congress of Industrial Organizations. Among its other decisions, the conference adopted a resolution favoring a Jewish national home in Palestine. The Palestinian press was greatly impressed by the fact that the Soviet delegation voted for this resolution, and there was a tendency to consider this as proof of a changed attitude on the part of Soviet Russia toward Zionist aspirations. Later this optimism was somewhat dispelled by attacks of the Soviet press and radio against "reactionary Jewish groups in Palestine," accused by the Russians of preventing Soviet Jewish refugees, particularly children, from returning to their homeland.

British Policy

On August 31, 1944, Sir Harold MacMichael who had headed the local British Administration for the past seven years, left Palestine; his place was taken by Field Marshal

Lord Gort, one of Britain's most distinguished military leaders in the present war. While this replacement did not involve any fundamental changes, the new High Commissioner, who arrived in November 1944, was warmly received by the Jewish community. His predecessor had generally been regarded as a bitter foe of Jewish aspirations. While Britain's Palestine policy is, in its main outlines, shaped in London, MacMichael was credited with having gone out of his way to enforce the repressive measures adopted since the issuance of the White Paper in 1939. Field Marshal Gort is considered open-minded and rather sympathetic to the Jewish cause. Moreover, Jewish Palestine is inclined to believe that military men less adept at political intrigue and stricter in the maintenance of public order, make better High Commissioners. At any rate, Field Marshal Plummer, who governed Palestine in 1925-27, is generally considered the best High Commissioner Palestine has ever had. The first months of Gort's rule seemed to confirm the favorable initial impression he made. In his numerous visits to various settlements, he showed great interest in their achievements and problems. The general line of Britain's policy in Palestine is, however, dictated by the White Paper, and no High Commissioner can alter it.

The expenditures of the Palestine Government for the fiscal year 1944-45 (ending March 31, 1945) reached a new high of £P18,791,000. Of this total, £P7,784,000 were spent for defense and war services, and £P3,400,000 for police and prisons. Only £P536,000 were spent for education, and £P181,000 for public health.

According to Abraham Ulitzer, a statistician of the Jewish Agency, the Jews of Palestine, who form a third of the total population, bear 90% of the country's tax burden and benefit from only 10% of the expenditures.

Another Jewish complaint is that considerable sums taken from Palestine's revenue are spent in Transjordan to maintain its frontier force and to cover the large deficit of its only railroad. As Transjordan is actually separated from Palestine (according to latest reports its rulers claim formal independence), Palestinian taxpayers ask why they should have to cover its deficits.

To make up for deficits created by war expenditures, the Government plans, among other things, a heavy profit tax on land sales. According to the Jewish press, the tax will make more difficult land purchases of the Jewish National Fund.

During the year under review, the Government issued three war loans with a total amount of £P5,000,000. The bonds bear only one per cent interest, but they give purchasers a chance to win an extra bonus through a lottery.

Considerable sums belonging to Palestine were frozen during the war in London in "blocked sterling accounts." The Hebrew press has repeatedly urged that at least a part of this money, which a Government source has estimated at £P88,000,000, be released to make possible its conversion into dollars for the purchase of American raw materials and machinery needed for the post-war expansion of Palestine economy. Britain seems to be unwilling to meet this demand, and offers instead to release a limited amount of sterling to pay for machinery orders placed in England. The Palestine press complains that India and Egypt, who are in a similar situation, are accorded more liberal treatment.

One of the most frequent complaints against the British Administration is the press censorship, which has become a purely political measure, without any relation to the war.

Terror and Its Repression

The Jewish community has become increasingly restive at the continuance of the White Paper, which is now tantamount to a prohibition of immigration. Coming at a time when many of the displaced Jews found in Germany and its adjacent countries are desperately clamoring for a new start in Palestine, this prohibition of immigration is a bitter blow. While the Yishuv, as a whole, has expressed its deep disappointment in oral and written protests and in demonstrations, and its orthodox sector in fast days, a small group has resorted to desperate terrorist acts directed at the Mandatory Power and its representatives.

On August 7, 1944, a band of terrorists hidden near the highway leading from Jerusalem to Tel Aviv, attempted to assassinate the retiring High Commissioner, Sir Harold Mac-

Michael. Fortunately, the High Commissioner, who was traveling on the road, escaped with a very light wound, while his adjutant and chauffeur were seriously hurt. Three months later, two young terrorists went from Palestine to Cairo, where they shot and killed Lord Walter Moyne, Resident Minister of Great Britain in the Middle East.

Both attacks stirred public opinion in Palestine and abroad. The Vaad Leumi and the Jewish Agency, in addition to issuing a sharp public condemnation of terrorist activities, offered the Government their active help in suppressing them. Even the Revisionists, with whom the terrorist group "Irgun Zvai Leumi" (National Military Organization) was once affiliated, expressed their horror at such irresponsible activities.

The most noteworthy reaction from the British side was Prime Minister Churchill's statement of November 16, shortly after Lord Moyne's death. Declaring himself a friend of the Jewish people and an architect of their future, Mr. Churchill said that "if our dreams of Zionism are to end in the smoke of an assassin's pistol, and the labors for the future produce a new set of gangsters worthy of Nazi Germany, many like myself would have to reconsider the position we have maintained so consistently and so long in the past."

Even before the assassination of Lord Moyne, the acting High Commissioner, J. V. W. Shaw, and the Commander of British forces in the East, General Sir Bernard Paget, had issued an appeal to the Jewish community of Palestine, in which they declared that "verbal condemnation is not enough. What is required is actual collaboration especially in giving information leading to the apprehension of the assassins and their accomplices."

At the same time, the authorities in Palestine, after mass searches and arrests, deported 257 suspects who could not be formally indicted because of insufficient evidence, to Eritrea. They were later transferred to the Sudan.

The effective help of the Jewish community in this campaign against terrorism was fully recognized by the highest British officials. At the same time the Yishuv strongly disapproved mass deportation of Jews from Palestine under

mere suspicion. Even if the suspension of their civil rights and internment within the country could be justified by necessity, the Yishuv felt that no Palestinian citizens should be subject to deportation.

Still more pronounced was the Jewish criticism of the *tone* of the official warning, directed at the Jewish community in connection with the terrorism. The Yishuv felt that the British warnings of *collective responsibility* were reminiscent of the treatment meted out to Jewish communities in the Middle Ages. Prime Minister Churchill's threat to abrogate Jewish rights in Palestine because a desperate minority had reacted violently against Britain's alleged repudiation of her promises, was criticized by Palestine's Jewish leaders as unworthy of a man who was otherwise so deeply admired for his valiant leadership in the war against Nazism.

The assailants of Sir Harold MacMichael were never apprehended, but the nearest Jewish settlement to the place of the attack, Givath Shaul, a suburb of Jerusalem, was fined £P500 for not discovering their traces. The killers of Lord Moyne were seized by the Egyptian police and sentenced to death after a trial in which they attempted to justify their action by making the British Government, which had closed the gates of Palestine to refugees, responsible for the death of many Jews killed by the Nazis.

The attacks on MacMichael and Lord Moyne highlighted a campaign of terrorism which expressed itself in many other ways. On July 13, 1944, three Arabs and one Jew were killed, and two British policemen injured, when terrorists shot at the police in Jerusalem. On August 22, several people were wounded in explosions in police stations on the city boundary of Tel Aviv. In September, T. J. Willkin, assistant superintendent of Palestine's police, was assassinated in Jerusalem. Later in the month, four persons were killed when a group of twenty terrorists invaded the police station of Beit Dedjan and seized a number of rifles stored there. In October, a Government warehouse in Tel Aviv was robbed of textile goods worth tens of thousands of pounds. The robbery was admittedly arranged by the terrorists for the purpose of obtaining money to maintain their organization. After the death of Lord Moyne, terrorist activities ceased for a time. Whether the mass arrests and

deportations broke the backbone of the terrorist organization, or whether it became more circumspect because of the political results of their deeds, is a difficult question to answer.

The victory of the Labor Party in the British elections of July 1945 was generally greeted in the Yishuv. The Hebrew press, however, was almost unanimous in warning against excess optimism.

Jewish-Arab Relations

During the year under review, the Jewish Arab relations inside Palestine seemed to undergo a slight improvement. Examples of economic cooperation, as between citrus planters and workers in certain trades, became more frequent than before.

This apparent improvement in personal relations should not, however, foster illusions. Politically, Jews and Arabs are still in opposing camps. While there are a few Jewish groups who are willing to compromise the demand for a Jewish Commonwealth, raised by the majority of the Yishuv, for a certain minimum of immigration possibilities, no signs of a corresponding movement are noticeable among the Arabs. When a rumor was launched in Cairo that the Arabs might accept an influx of 250,000 Jews in the post-war period, all Arab parties and leaders were prompt to deny it.

Of late, political management of the Arab movement in Palestine has definitely been taken over by the Arab States. At a time when the Arab politicians in Palestine were split into several factions who could not even agree on a joint representation at the Arab conference in Egypt, the Arab States patched up their differences and presented themselves, at least to the outside world, as a united Arab League. This League, founded in March 1945 at the Cairo conference, could not, however, present any program of constructive activities and was therefore forced to lean heavily on the fight against Zionism. The League's first opportunity came at the United Nations Conference in San Francisco where the Arab States which, in the opinion of many observers, had been pro-Axis during the war and became pro-Allied

after Germany was defeated, made powerful but unsuccessful efforts to achieve a pro-Arab solution of the Palestine problem by proposing amendments to the section of the Charter dealing with trusteeships.

While lacking in unity, Palestine's Arab Nationalists are still under the dominating influence of the ex-Mufti of Jerusalem, Haj Amin el Husseini, who despite his open allegiance to the Axis cause, remains the most popular figure in the Arab world. He is now a prisoner of the French, who took him in custody when he attempted to flee from Germany into Switzerland. His fate is one of the most explosive issues before the Arab League. These newly converted friends of the Allies do not dare openly demand the release of an avowed Hitler agent, but at every Arab demonstration in Syria or Egypt, demands for his liberation and re-instatement are vociferous.

The influence of the ex-Mufti seems to be the main cause of Arab disunity in Palestine. While his followers (Palestinian Arab Party) insist on immediate independence, other Arab groups seem satisfied with an "honest fulfillment" of the White Paper, which would mean an Arab ruled state under British domination.

In February 1945, the late President Roosevelt and Prime Minister Churchill met with the most important Arab rulers of the Near and Middle East, Ibn Saud of Arabia and King Farouk of Egypt. It is widely reported that the late President's two-hour talk with Ibn Saud was largely devoted to Palestine and the Jewish problem. The astute Ibn Saud showed no inclination to compromise, feeling perhaps that as long as the Great Powers were willing to negotiate with him on a matter in which he has no legal standing, he could well afford to be adamant.

At the time of these negotiations, reports came from Cairo that the Churchill-Roosevelt plan, apparently rejected by the Arabs, called for the separation of the purely Arab districts (Nablus, Jenin and Tulkarm) from Palestine and their inclusion into a larger Syrian State, united with Transjordan. The remainder of Palestine, with the exception of Jerusalem, which was to become an international district, would be proclaimed as a Jewish state. A similar status would be given to the predominantly Christian Lebanon.

Strong pressure was exerted by the Arabs of Iraq and Egypt on local Jews to obtain from them a formal denunciation of Zionism. The *El Ahrām* in Cairo threatened the Egyptian Jews with dire consequences if they invested money in Palestine. The Hebrew press of Tel Aviv saw in such efforts the beginnings of a persecution which made advisable an early transfer of these Oriental Jews to Palestine. Similar threatening portents appeared in Syria and French North Africa.

In September 1944, Mustafa Khalidi, the Arab mayor of Jerusalem, died and his Jewish assistant, Daniel Auster, became the acting mayor. The appointment of Khalidi's successor developed almost immediately into an acute Arab-Jewish problem. The Jews, who form over 60% of Jerusalem's population, claimed the post on the basis of democracy. The Arabs' reply was that, as a majority of Palestine's population, they should control its capital even if they were in a minority there. The dispute dragged on until the new High Commissioner, Lord Gort, prepared to fill the mayor's office in Jerusalem in rotation, entrusting it in consecutive terms to a Jew, a Moslem, and a Christian. At the same time he appointed two British members to the city council previously consisting of six Jews and six Arabs. The Jews accepted the proposal with some slight modifications but the Arabs rejected it. In a final effort to dispose of the issue, the British dissolved the Municipal Council and appointed a city commission of five, all Britons. Considering this an unjustifiable appeasement of the Arabs, the Jews decided to boycott the Commission.

To improve local relations with the Arabs, the Jewish Agency founded a school of Mukhtars (village heads), where prospective leaders of Jewish villages receive an extensive course in the Arab language and local customs. Such instruction is particularly needed in newly established villages consisting exclusively of recent Jewish immigrants.

In April 1945, *Ittihad*, an Arab communist weekly in Haifa, carried an appeal of Mr. Gallacher, the only Communist member of the British Parliament, asking the Arabs to adopt a more friendly attitude toward Jewish aspirations in Palestine. There was much discussion in the Hebrew

press as to whether this appeal represented a definite change in Communist policy, which had previously been hostile to Zionism.

In connection with the United Nations Conference in San Francisco, the Arab press published a number of articles urging the establishment of Arab propaganda bureaus in London and Washington to offset "powerful" Zionist influence. A meeting of the newly founded Arab League approved this proposal and £350,000 are said to have been contributed for this purpose by the Arab member-states.

Another idea fostered in the Arab press was an organized boycott in the neighboring Arab countries of the products of Palestine's Jewish industries. It was reported that an Arab economic delegation would be sent to London to urge increased exports of British products, which could compete with Palestine's industries.

At the end of 1944, Jewish Palestine celebrated the seventieth birthday of Dr. Chaim Weizmann, the president of the Jewish Agency. It was the greatest homage ever rendered by the Yishuv to a living person. All differences of opinion seemed to disappear on this occasion. Two scientific institutes at the Hebrew University and the Technological Institute, a collective village, and several other institutions were named in his honor.

Necrology

During the year under review, Palestine lost an unusual number of highly esteemed Jewish leaders. Pre-eminent among them was Miss Henrietta Szold, the American-born founder of Hadassah, who had lived for the last 25 years in Palestine and who died in her 85th year. Despite her advanced years, she was unusually active and alert to the end. She not only supervised the various activities of Hadassah in Palestine, but also participated in the work of the Vaad Leumi as the director of its social service department. In the last years of her life, after the beginnings of the Jewish exodus from Hitler Germany, she became the revered "mother" of 13,000 child refugees who reached Palestine and were settled there under her supervision.

A great loss to the Yishuv was the untimely death of Berl Katznelson, one of the keenest minds in Palestine. Leader and founder of the Histadruth and editor of its daily newspaper *Davar*, he wielded profound moral and intellectual influence on all sectors of the Jewish community. His death, at the age of 57, was deeply regretted by all.

Another labor leader who became a national figure was Eliahu Golomb, who died in June 1945 at the age of 52. He was the chief organizer and commander of the Jewish self-defense body. More than anybody else he was responsible for the policy of *Havlagah*, which prevented self-defense from degenerating into retaliation.

Rabbi Amiel, the Chief Rabbi of Tel Aviv, was another outstanding loss. He was one of the leaders of orthodox Jewry in Palestine who understood the trends of the present time and helped to create an atmosphere of mutual respect in relations between the younger and the older generation in the country. He died at the age of 63.

Kabak, a very gifted Hebrew novelist, died at the beginning of 1945 in Jerusalem at the age of 63. His novels have been ranked with the best ever written in Hebrew literature and he died at the height of his unusual talent.