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PALESTINE

Statement by His Majesty's Government in the United Kingdom

*Presented by the Secretary of State for the Colonies
to Parliament by Command of His Majesty
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STATEMENT BY HIS MAJESTY'S GOVERNMENT
IN THE UNITED KINGDOM

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

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

3. His Majesty's Government have now received the report of the Palestine Partition Commission who have carried out their investigations with great thoroughness and efficiency, and have collected material which will be very valuable in the further consideration of policy. Their report is now published, together with a summary of their conclusions. It will be noted that the four members of the Commission advise unanimously against the adoption

* Cmd. 5634.

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

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

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

Palestine. As regards the representation of the Palestinian Arabs, His Majesty's Government must reserve the right to refuse to receive those leaders whom they regard as responsible for the campaign of assassination and violence.

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

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