

CONFIDENTIAL
AP/14
22 March 1948

UNITED NATIONS PALESTINE COMMISSION

Memorandum dated 12 March from the Advance Party
Concerning Municipal Corporation of Jerusalem

The following memorandum by Mr. Ghosh was received in Advance
Party Air-Pouch Number 2 on 21 March.

PALESTINE COMMISSION ADVANCE GROUP

MUNICIPAL CORPORATION OF JERUSALEM

Interview with Mr. R. M. Graves, Chairman, Jerusalem Municipal
Commission, and Mr. Barp, Town Clerk

(Memorandum by D. Ghosh)

The affairs of the Jerusalem Municipality are now being managed by a Commission of four British officials presided over by a chairman, a retired British official and assisted by two co-opted members, a Jew and an Arab. The Commission was created in July 1945 to replace the elected Municipal Council which, according to government report, had failed to come to an agreed choice of the Mayor.

The Municipality was able to pay its way in past years, and hoped to end the year 1947/48 with a surplus of at least £25,000 to be added to its cash balance of £40,000 on 31 March 1946. It had also expected to raise more money by an increase of its Property and other rates, and by more stringent methods of collection. These hopes seem to have been foiled, however, by the increased disturbances in the City in recent months and the Chairman of the Municipal Commission fears that the Corporation will probably end the year 1947/48 with a large deficit. There has been a large decline in its revenue in recent months because of the sheer impossibility of collecting it. He estimates that the Municipality will require roughly £200,000 to enable it to meet its total liabilities during the year. There has been up to now no response from the Palestine Government to an appeal for aid, and though in the past the Corporation did, with the sanction of the Government, raise loans in the local market, the chances of such an operation proving successful in existing circumstances seem to be nil.

The Municipal Rates in Jerusalem which are all, in reality, property taxes, amount to an aggregate of about 25 per cent of the annual rental values of occupied property. This aggregate is higher than the corresponding figures for Haifa and Jaffa, though much less than that for Tel Aviv. Tel Aviv has, however, a much higher standard of civic services rendered by its Municipal Corporation.

Both Mr. Graves, who has a long experience of Palestine and Jerusalem, and Mr. Earp felt that there was no reason why capital and enterprise should move out of Jerusalem to cities in the Jewish and Arab States after the creation of the new City of Jerusalem. Indeed, they held that given conditions of assured peace, Jerusalem would probably receive an influx of capital and enterprise from outside, and they had no doubt about its prosperity in the future.

There is also another important reason to believe that the resources of the Jerusalem Municipality can be greatly expanded in the future. Up to now very little (or no) development activity has been undertaken by the Corporation. There would seem to be a great scope for such activity as a source of income to the corporation in the future.

Mr. Graves and Mr. Earp were not in a position immediately to supply me the figure of addition to the income of the Municipality which the proposed transfer of the Urban Property Tax to local bodies by the Central Government would make. They have, however, promised to send me the data shortly.

The other important aspect of civic administration of Jerusalem that was discussed related to the supply of water. The City of Jerusalem and some outlying areas receive their supply of water from three pools at (a) Ras-El-Ain, (b) Ain-Farah, and (c) Solomon's Pool. Of these, the first source is by far the most important; in 1946-47 it supplied 3.8 million cubic metres of water out of a total of 4.3 million cubic metres consumed.

It is, however, situated near Petah Tiqva (near Tel-Aviv) at a good distance from Jerusalem and the mains that bring water to the City are surface mains that pass through both Jewish and Arab territories. Up to now the system has been left untouched by mischiefmakers. But in future, the supply of water to the City of Jerusalem will evidently depend upon the maintenance of peace and order in the territories through which the supply is purveyed.

The present sources of water supply of Jerusalem are, according to the authorities, capable of expansion to meet the needs of the larger population which the United Nations "City of Jerusalem" would contain.

A summary of the ways and means for the year 1947-48 is given in the attached copy of a letter from the City Treasurer to the Municipal Corporation.

5. As regards the delay in the payment of the amounts shown under (a) and (b) and the withdrawal of the LP 3,700 referred to under X above, I think we are justified in taking these measures since an amount of about LP 52,000 water rates, is still unpaid by consumers, but is recoverable as soon as conditions become more normal.

CITY TREASURER

AES/CJG