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3. Administrative Problems

- a) Provisional Councils of Government
- The Commission regards paregraph I.B.4 of the Plan. providing for the creation of Provisional Councils of Government "as rapidly as possible" as one of the key provisions of the Assembly's resolution and as the first indispensable step toward the establishment of independent States in Palestine. In view of the attitude of the Arab Higher Committee and Arab resistance in Palestine, the Commission early concluded that it would not be possible for it to select the Provisional Council of Government for the proposed Arab State by 1 April 1948. Moreover, in view of the position of the Mandatory Power with regard to the retention of undivided authority in Palestine until the termination of the Mandate, it was not possible for a Provisional Council of Government to be functioning in either the Arab or Jewish State by 1 April. The Commission reported these facts to the Security Council in its Second Monthly Progress Report (S/695). The Commission, however. decided that in pursuance of the Assembly's resolution, it would undertake the necessary steps leading to/establishment of the Provisional Council of Government for the proposed Jewish State, on the understanding that no authority could be exercised by any such Council until after the termination of the Mendate.
- in what manner it was prepared, prior to the termination of the Mandate, to facilitate the work of the Commfseion respecting the measures it must take to establish the Provisional Councils of Government. The Mandatory Power replied: "Subject to its over-riding responsibility for the maintenance of law and order, the

Mandatory Power would not impede any preliminary measures taken by the Commission with this object in view, although such Councils could not exercise any authority prior to the date of the termination of the Mandate". This position of the Mendatory Power made it clear that if the Commission selected a Provisional Council of Government for the proposed Jewish State, the Council would not be able to "carry out its functions" in the sense of the plan prior to the termination of the Mandate.

- that it adhered to its position with respect to its refusal to allow the Provisional Councils of Government to carry out their functions by 1 April 1948. The Commission accordingly notified the Security Council in its Second Monthly Progress Report on 15 March (8/695) that it was not possible for it to fulfil the Assembly's resolution as regards either the Arab or the Jewish States, and also communicated that fact to the Secretary-General for communication to the members of the United Mations.
- preliminary steps towards the selection of the Provisional Council of Government for the proposed Jewish State. The Commission has communicated with all known Jewish democratic parties and other public organizations to obtain their views on the subject of the proposed Council of the Jewish State. All but two of these organizations have authorized the Jewish Agency for Palestine to act on their behalf in the consultations with the Commission. The Commission advised the Jewish Agency on 29 March 1948 that after further consultations with the Jewish Agency and representatives of other Jewish groups who had indicated a desire to consult directly with the Commission, it would proceed with preparatory steps looking toward the establishment of the Provisional Council

of Government, on the understanding that the Council, acting under the Commission, could exercise no authority before the date of the termination of the Mandate.

- v) At its meeting of 31 March 1948, the Commission decided that it would reach early decisions respecting:
 - a) the size, structure and composition of the Provisional Council of Government for the Jewish State;
 - b) the means of ensuring democratic representation for the population of the Jewish State, including the substantial Arab minority;
 - essignment of the various portfolios;
 - d) the extent of the initial authority with which the Council would be endowed;
 - e) the means of achieving the progressive transfer of authority from the Commission to the Council;
 - f) the extent of the supervision and control which the Commission would exercise over the Council when it began to carry out its functions, and the means of doing so.

In pursuance of its decision, the Commission is continuing its preparatory work leading to the selection and establishment of the Provisional Council of Government for the Jewish State.

b) Armed Militias

i) The Commission considered that it was the intention of the General Assembly that the armed militias provided for in paragraph I,B,8 should be created "within the shortest time possible" in order that they would be in a position to discharge their functions effectively by the date of the termination of the Handate. It recognized that a considerable number of preparatory measures would

have to be taken, well in advance of the termination of the Mendate, if there were to be no gap in the maintenance of internal order after the termination of the Mendate.

- whether the Mandatory Power, prior to the termination of the Mendate, would be prepared to facilitate the work of the Commission respecting the measures it might take to establish the armed militia for each State. The reply of the Mandatory Power was that it "cannot allow the formation of such forces prior to the termination of the Mandate. After that date, there will be no obstacle to recruitment in the areas evacuated by His Majesty's forces. In the areas in which the General Officer Commanding is exercising his overriding military jurisdiction, full discretion in this matter will be given to him". The Mandatory Power "would be prepared to consider any specific request not incompatible with that position".
- 111) The Commission accordingly entered into detailed consultations with the representatives of the Mandatory Rever with a view to taking advance preliminary measures which could result in the formation of effective armed militias immediately after the termination of the Mandate. Among the preparatory steps which the Commission had in mind were:
 - a) designation of cantonment areas;
 - b) recruting by the Commission itself or by either Provisional Council of Government;
 - c) training with or without arms;
 - d) equipping;
 - e) establishment of cadres.

The Mendatory Power advised the Commission that "generally speaking, none of these activities can be permitted in Palestine prior to the termination of the Mendate, although it is possible

night of the Mandatory period". The Mandatory Power also gave a negative reply to the Commission's inquiry as to whether it would be permitted to build up a store of arms and equipment puder and in Palestine, prior to the termination of the Mandate, and that it had "no suggestions to make as to how security could nest be maintained in the period between the termination of the Mandate and the formation of the militia". The Commission addiese the light of the clear intent of the Assembly's resolution.

the Mandatory Power in regard to the matter of armed militial and effective responsible militia cannot be organized, trained and equipped in a matter of days. The inevitable result of the angular of the Mandatory Power is that at the time of the termination of the Mandatory Power is that at the time of the termination of the Mandato there will be no responsible force in either the Armed or Jewish State which would be capable of maintaining internal and or preventing frontier kelashes. Moreover, it may be entitied that the more or less disciplined underground forces of both Armed and Jews in Palestine will abruptly emerge on the termination of the Mandate, subject to no overall control, and probably entitled against each other in organized combat.

c) The Palestine Folice Force

which are to be withdrawn from Palestine by A August 1948, were Government of Palestine has relied upon other necurity conserved maintain law and order in Palestine. The Commission has a natural interest as to what would be the disposition of those Forces and their armaments, and particularly the Palestine of those Forces. In response to an inquiry as to the disposition of those

forces and their arms, equipment and stores, the Mandatory Rower stated on 30 January 1948:

"The units of the Arab Legion in Palestine vill be returned to Trans-Jordan before the termination of the Mandate. The Trans-Jordan Frontier Force will be disarmed and dispanded before the termination of the Mandate. The arms and equipment of the Trans-Jordan Frontier Force, all of which have been provided from British Army sources, will in the case of munitions of war either be removed from Palestine by the British forces or destroyed, and in the case of other material, either removed or otherwise disposed of. The appointments and contracts of all members of the Palestine Police Force will be terminated with effect from the 15th May. the Force will thus cease to exist on that date and cannot as such be transferred, although its members may individually wish to serve under a new authority. It is expected that the British personnel will, for the most part, prefer to leave Palestine.

The arms, equipment and stores of the Palestine Police
Force will be left for the successor authorities, and the
Palestine Government will velcome the views of the Commission
on the practical steps involved."

Mandatory Power with a view to arranging that all the assets of the Palestine Police Force would be safely transferred to the Commission or to such bodies as the Commission would designate on the termination of the Mandate. The Mandatory Power advised the Commission on 27 February that all the arms, equipment, stores and depots "vill be available to be taken over by the Commission with effect from 15 May, and the Government of Palestine are ready to discuss the procedures...with representatives of the Commission's

- Palestine prior to 1 Mey 1948 and to the fact that it has no funds available to recruit a police force of its own, the Commission has thus far been unable to conclude any arrangements for taking over the assets of the Palestine Police Force. In the meantime, the Commission has endeavoured to obtain an inventory of those assets. It is a matter of concern to the Commission that these assets should not be merely abandoned or permitted to fall into the hands of irresponsible elements in Palestine.
- has been establishing local municipal Arab and Jewish police forces in Arab and Jewish areas respectively, of which the former were being armed in part with arms of the Palestine Covernment. The Mandatory Power informed the Commission that these local police forces would not be dissolved on the termination of the Mandate, and that they were being formed to ensure as far as possible at least a measure of local security furing the period between the termination of the Mandate and the organization by the successor authorities of some machinery for the preservation of law and order. As the Commission reported to the Security Council in its First Special Report on 16 February 1948 (8/676) it "is fully aware that these armed Arab municipal forces may prove to be hostile to the Commission and in opposition to the implementation of the Assembly's recommendations".
- iv) The Mandatory Power has also advised the Commission that if it should proceed to Palestine it would require a police force for its own security.
- and order in Jerusalem and protecting the Holy Places in the City, the Assembly's resolution provides in III, C, 4, for the organization of a special police force by the Governor of the City of Jerusalem.

The Mandatory Power has advised the Commission that in addition to local police forces consisting of 300 Arabs and 300 Jews, a force of 1,000 non-Jewish, non-Arab personnel would be the minimum required for the preservation of law and order in the City of Jerusalem area. Such a force would cost more than IP 40.000 per month, excluding the cost of accommodation, arms, and equipment. The local Arab-Jevish police forces would cost about LP 12,000 per month, so that in all likelihood the municipalities would not be able to contribute to the cost of the larger force. The Secretariat Advance Party has reported to the Commission that in addition to the municipal police forces in Jerusalem, an additional force would be necessary for the protection of Jerusalem's essential public services, such as communications with airports and seaports, and water, food, and fuel supply lines. The Secretariat expert estimated that a military force of about 10,000 might be sufficient for these purposes.

vi) The Secretariat Advance Party has also informed the Commission that some 200 British police personnel would be prepared to volunteer their services after the termination of the Mandate, if they could be assured of some permanence in their employment and of the payment of their wages. The Commission considers that these British police might become a useful nucleus of either an interim emergency police force or of the special police force to be created by the Governor of Jerusalem. It is accordingly exploring the possibilities of obtaining their services, although it is hampered by its inability to give necessary assurances as to the future status of such personnel.

- d) Administrative Personnel of the Falestine Government
 - (i) The Commission considers it as a matter of prime importance that civil servants of the Falestine Government should continue in the government service of Palestine. There can be no continuity in administration without continuity in the personnel and machinery of administration, at least until arrangements can be made for an orderly and progressive transfer to the successor authorities.
 - (ii) The Mandatory Fower has advised the Commission that "ilis Majesty's Government in the United Kingdom would like to take this opportunity of making clear to the Commission its views as to the position of Falestinian staff after the date of the termination of the Mandate, As the Government of Palestine, the present employer of all British and Palestinian staff, will cease to exist on 15 May, all appointments, contracts and agreements with that employer must, therefore, be terminated by that date. It will be open to the Commission or to any successor authority to offer employment to any personnel thus released. There can be no question of the outgoing authority handing over to the Commission their former servants under any obligation, by the terms of their employment, to continue service with the Commission. In these circumstances, it is essential that the Commission should announce at an early date the terms which it is proposed to offer to Palestinian officers and also to those British officers who may decide to terminate their appointments with the British Administration so that the Commission may be given information as to what personnel are likely to be available in Palestine ... If a British Civil Servant terminates his contract with the Government

and leaves the British service, there would, of course, be no objection to his volunteering, if he wishes to do so. But I think that a good many of the officials there are members of the Unified Service and would probably, for the most part, be able to take service under His Majesty's Government somewhere else. Consequently, it is not to be expected that very many of there would wish to terminate their service and volunteer. There may be some, but I do not know."

The Mandatory Power also advised the Commission that it was not able to second any British personnel of the Palestine Administration to the Commission.

With respect to the Arab employees of the Government of Palestine, who constitute some 62 per cent of the civil service, the Mandatory Power has advised that there was strong reason to believe that mone of them would be prepared to serve the Commission.

As regards the British staff of the Palestine Folice
Force, a representative of the Mandatory Fower pointed out that
all personnel up to the rank of sergeant were contract officers
whose employment would automatically come to an end with
the termination of the Mandate. Some of the officers of the
Palestinian Folice Force were on contract. Most of them
were permanent pensionable members of the Colonial Unified
Police Service. Thus it would be quite impossible to absorb
into other colonies all the police forces in Palestine. A
number of them would have to have their appointment permanently terminated; that is to say, they could not be posted
anywhere else and they also would be available.

(iii) On 6 February 1948, the Commission approved the following statement of policy regarding the continuance in

service of Falestinian officials, to be eleculated to all officers of the Falestinian labeled a retions

"In view of the changes in Palestine Administration consequent upon the termination of the Mandate and the implementation of the resolution of the General Assembly of the United Nations, the United Nations Palestine Commission states that it will be its policy to ensure the maintenance of existing conditions of employment for all employees of the Palestine Administration who continuein service after the termination of the Mandate."

The Chief Secretary's Office in Jerusalem circularised the above statement on 15 March 1948 with a request that the officers who wished to continue their services should in due course notify the United Nations Falestine Commission through Heads of Departments.

(iv) The Commission requested the Eandatory Fewer to defer any action on measures with regard to the payment of abolition benefits to civil servants in the Falestine Administration, in order not to prejudice the budgetary situation in Palestine at the time of the termination of the Mandate.

The Mandatory Power, reminding the Commission of the automatic termination of the contracts of employment after the surrender of the Mandate, stated that, in cases where the appointment of civil servants were not renewed on the same terms and with the same rights as those enjoyed under the Mandatory Government, there should be just terms of compensation for loss of office. Such employees would receive whatever retiring benefits accrue to them and such additional benefits in compensation for loss of career and office as offered by the Mandatory Power.

Recurrent payments (total pension commitment) were estimated by the United Kingdom Government at LP 935,000 yearly.

The grand total of non-recurrent payments was LP 2,000,891.

The Commission has asked the Mandatory Fower, if possible, to withhold the benefit payments for the time being.

(v) The Commission decided to issue a statement to the staff of the Palestine Administration explaining that the administrative policy of the Mandatory Fower would remain unchanged under the Commission. The Commission approved, in 26 February 1948, a communication to all the members of the Palestine Administration calling upon them to continue their service with the successor authorities in Palestine when the British Mandate was terminated, reiterating that it was the policy of the United Nations Palestine Commission, as the successor authority, to maintain services on the same terms and with the same rights for employees as those enjoyed under the Mandatory Government.

At the same time the Commission requested all present employees of the Palestine Administration to inform the Palestine Government for communication to the Commission at the earliest possible date whether they would be willing to remain in the service of the successor administration under such terms.

(vi) The Palestine Administration has warned the Commission that most of the British employees may leave Falestine before the termination of the Mandate, unless their presence is required in Palestine for consultation with the Commission.

The Administration has asked the Commission to indicate which departments the Commission intends to operate directly, in order that the officers in those departments may be retained until the termination of the Mandate, while the others, presumably, will be sent out of Palestine. The Commission obviously has been in no position to take such binding decisions, since it cannot go to Palestine until only two weeks before the termination of the Mandate.

(vii) The Commission from the outset, in accordance with the clear intent of the resolution, has considered itself as the successor authority in Palestine and has been duly acknowledged as such by the Mandatory Power, as entitled to inherit the framework of the Administration of Falestine including its structure, employees and physical assets.

The Commission wishes to record the fact that it has also received offers of service from several quarters in Palestine. The Jewish staff of the Town Planning Department in Jerusalem has expressed its willingness to continue to work under the United Nations Palestine Commission. The Jewish Agency for Palestine has informed the Commission that 4,500 Jewish Government officials in Palestine are ready to cooperate with the Palestine Commission. The Commission has asked for additional information regarding the grades of the officials in question and the branches of the Government they were serving, Information has also been received indicating that some at least of the Arab personnel of the Government may be willing to remain in the employment of the Commission. The Advance. Party of the Secretariat of the Commission is engaged in further negotiations on the continuation in service of the employees of the Palestine Administration,

e) Postal Administration

- by the Government of the United Kinglow as a contracting party at the International Postal Union, the Mandatory Power had to notify the Union of its inability to assume responsibility for the maintenance of postal services in Palestine after the termination of the Mandate. The Mandatory Power notified the Commission that it could not undertake responsibility for mail reaching Palestine after the following dates: parcel mail, after 15 March; letter mail sent by surface route, after 15 April; and for parcel mail sent to Palestine in transit to countries beyond, after 15 April. Money order service with Palestine would be discontinued after 29 February.
- Union on the extrangements to be made for the continuation of the postal services after 15 May and addressed a letter to the International Eureau of the Universal Postal Union asking its advice as to the form and the conditions under which the Commission should enter into relations in the intermediate period in which the Commission would be responsible for the administration of Falestine.

 The Commission moted that it would have to enter into the necessary errangements with the shipping lines as soon as a reply to the letter had been received. As for the internal distribution of mail, that would be the Commission's own task.

The Fostal Union has advised the Commission that the Commission itself would have to assume the burden of responsibility with regard to continuity in postal services in Falestine.

f) Medical Services

1) The Commission has taken several positive steps toward the maintenance of medical services in Palestine after the termination of the Mandate. The Mandatory Power had pointed out to the Commission that the Jews had their own medical organization in Palestine and, generally speaking, the needs of the Arabs were cared for by means of

Government hospitals. For political reasons, and as a result of a number of unfortunate incidents, the Jewish staff in the Government hospitals were no longer prepared to look after the Arch patients who were casualties in recent outrages in Palestine. Consequently, the Palestine Government had found it necessary to close down a number of outlying hospitals in Arab ereas and to transfer the Arab staff to hospitals in towns and cities to look after the Arch cashalties. The resources of the Covernment Medical Department, according to the Mandatory Power, were fully ofwained and were likely to become more so as casualties increased. Arrangements had therefore been made for the International Red Cross to efford such assistance as was possible. the International Red Cross had no fands at its disposal for this purpose, the Government of Palestine, with the approval of the United Kingdom Government, proposed to make available to the International Red Cross a contribution from Falestine Government funds. As the money thus made available might not be sufficient to cover the expenditure which might have to be insured after the date of the termination of the Mandate, the Mandatory Power felt that the Commission should be appraised of the position, and it presented that the Consission would agree to continue to make available after the date of the terminetion of the Mandate such some of money as might be required by the International Red Cross.

- 11) The Commission approved the suggestion that LP 30,000 should be made available from Palestine funds to the International Red Cross Committee to cover six months expenditure from 1 April 1948.
- 111) The Commission also agreed in principle, at the suggestion of the Secretariat Advance Party, that the hospital in Jarusales and the mental hospitals in Jaffa be transferred to the International Red Cross and the rest to the respective manicipalities.
- 1v) The Commission has informed the Secretariat Advance Party in Palestine that it would agree that an amount of the World Health Organization be sent to Palestine to undertake a general inspection of

V) The Commission has also agreed with the proposal of the Mandatory Power concerning the transfer of hospitals to the manicipalities provided, however, that the necessary sem of LP 8,000 monthly, should be thereof against the samples of the Palestinian Treasury and given top priority in this respect.

g) Public Information Services

- 1) The Commission attaches great importance to the continuation of the public information services in Palestine for the effective functioning of the administration and the fulfilment of the Commission's task. Consequently, it has entered into detailed negotiations with the Mandatory Power concerning the emount and nature of the existing facilities of the public information services, the personnel employed, and the plans of the Administration for ensuring the continuation of the machinery of such services.
- 11) The Commission has, also considered it necessary to enter into negotiations with the United States authorities for the purchase of radio equipment.
- 111) The Mendatory Power, the Commission has learned, will leave behind the radio transmitters at Romala, but the wireless equipment at Beit Jala is being removed because, according to the Mandatory Power, it is the property of the Wer Department of the United Kingdom Government.
- iv) Concerning the protection of telephone and telegraph lines, the Mandatory Power has taken no epecial steps other than the general security arrangements.
- The Cable and Wireless Limited, with a capacity of 150,000 words per diem, will continue to function on a commercial basis after the termination of the Mandate, so far as conditions permit, according to advices from the Mandatory Power.
- vi) The printing plant of the Government of Palestine will continue to exist; the Mandatory Power is not sure, however, that it will be able to function properly if the employees do not accept service under the Commission.
- vii) The teletype circuits, operated by the Public Information Office between Jerusalem and Tel Aviv and Jerusalem and Heifa, vill be handed over to the Commission on the termination of the Mandate

h) Immigration

- the matter of Jewish immigration in paragraph I,A,2 of the Plan which required the Mandatory Rower to use its best endeavors to evacuate by 1 February 1948 a semport and hinterland in the Jewish State adequate for a substantial immigration, and in paragraph I,B,5 which gave anthority over matters of immigration during the transitional period to the Provisional Council of Government acting under the Commission. Owing to the crucial nature of the question of Jewish immigration, and since the date of 1 February 1948 was the first significant date in the implementation of the Plan of Partition, the Commission consulted with the Mandatory Power on this matter.
- 11) On 21 January 1958 the representative of the Mendatory
 Power stated the position of his Covernment in reply to four
 questions on immigration which had been asked by the Commission, as
 follows:
 - 2) Question: What are the plans of the Mandatory
 Power regarding immigration prior to the termination of the
 Mandate and particularly with respect to the present quota
 of 1,500 Jewish immigrants per month?

Answer: "...It is my Government's intention to maintain its present policy in regard to Jewish immigration into Palestine, under which 1,500 Jews are admitted monthly, until the termination of the Mandatory Administration."

b) Question: What are the plans of the Mandatory
Power with regard to the recommendation in peragraph 2,
section A of Part I of the Assembly's resolution which reads
as follows: 'The Mandatory Power shall use its best endeavors
to ensure that an area situated in the territory of the Jewish
State including a seaport and hinterland adequate to provide

facilities for a substantial immigration, shall be evacuated at the earliest possible date and in any event not later than 1 February 1948'?"

Answer: "Ris Majesty's Government have repeatedly made it clear that, so long as a Mandatory Regime is maintained, they must retain undivided control over the whole of Palestine. For this reason, it is not possible for my Government to comply with their recommendation concerning the evacuation of a Jewish seaport and hinterland so long as the Mandatory continues."

c) Question: "Would ships corrying unsutherized Jevise immigrants be pevented from going to Tel-Aviv and Janding there in the period between 1 February 1948 and the termination of the Mandate!"

Answer: "...Yos, in accordance with my Government's position that the existing immigration policy is to be maintained until the termination of the Mandate."

d) Question: "Does the Mandatory Power intend to transfer all Jewish immigrants presently detained in Cyprus to Palestine? If so, under what conditions" (Within the existing quota or otherwise? If within the quota, in what proportions?)"

Answer: "His Majesty's Government have already announced that they cannot permit Jewish illegal immigrants to remain on British territory after the withdrawal of their forces from Falestine. The arrangement for the removal of the illegal immigrants held in Cyprus are smong the responsibilities which have hitherto fallen on the Government of Palestine and form one of the subjects on which my delegation

is instructed to negotiate with the Commission. My Government will be willing to release from detention the ships PAR YORK, and PAR CRESCENT for the purpose of their removal, concerning which the Commission may wish to negotiate with the Jewish Agency; that is to say, in regard to the use of the ships".

111) In a subsequent communication to the Commission, the Mandatory Rower elaborated on the reasons why it could not fulfil the Assembly's recommendation with respect to the date of 1 February 1948 and pointed out the effect on the security situation of the opening of a Jewish seaport.

i) Prisoners and Detainees

- Mandatory Power with respect to the future of prisoners and detainess confined in Palestine and in Kenya. The Mandatory Power has informed the Commission that it is engaged in redistributing the prison population of Palestine in such a way that at the date of termination of the Mandate, Arab and Jewish prisoners yould be confined in prisons situated in the area of the proposed Arab and Jewish States, respectively. Moreover, the Mandatory Power intends to reduce the number of convicted prisoners to about 1,200, releasing prisoners who have served half of their sentences.
- 11) With respect to the Arab prisoners, who number 1,063, the Mandatory Power intends to approach the Arab Higher Committee in order to make arrangements for the custody of Arab criminals. The Commission has taken the position that it could not associate itself with the action of the Mandatory Power, but that the latter could take such action as it considered advisable.

- 657, of which 425 are terrorist detainees, the Mandatory Power has advised the Commission that these would be confined at Athlit on the date of the termination of the Mandate. The Mandatory Power has stated that the release of the terrorist detainees before 31 July 1948, would prove emberrassing to the General Officer Commanding, and perhaps to the Commission, as they were unlikely to accept the Partition Flam.
- the subject of considerable discussion by the Commission, which has received a number of communications and appeals for the immediate repatriation of the detainees to Palestine. The Mandatory Power has advised the Commission that the Kenya detainees would be returned to Palestine some time after the termination of the Mandate, but in any case not later than the middle of July. For reasons of security, the Mandatory Power is not willing to release the detainees at an earlier date. The Commission has informed the detainees and other interested parties of the decision of the Mandatory Power.

j) Municipalities and Local Councils

- 1) During the last few months, the Central Government in Palestine has been decentralizing services and devolving greater responsibility on local authorities, in order that these services may be continued after the termination of the Mandate.
- ii) With this and in view, the Mandatory Fower has initiated legislation which would have two effects: firstly, as a permanent measure, it would relax generally much of the Central Government's control over the activities of local authorities; and, secondly, as a temporary measure and until the Commission decided otherwise, it would suspend the obligation of the local authorities to defer to the Central Government certain matters which would normally require such reference except as regards the borrowing powers of local authorities and their powers to make by-laws. It was further proposed that, with effect from 1 April 1948, the collection and dispursement of the Urban Property Tax should be handed over the local authorities. The proceeds of this tax, which at present is collected centrally, emounted to some 700,000 pounds per year and would thus be available to the local authorities as additional funds to enable them to carry out their increased responsibilities. The Mandatory Power has further informed the Commission that the Central Government made grants to local authorities for various purposes which emounted to some 400,000 pounds per year, and it would be for the Commission to decide, in view of the increased responsibilities entrusted to local authorities, whether they proposed to continue to make this money available to local authorities in addition to the 700,000 pounds referred to above.
- 111) On 1 March 1948, the Commission agreed in principle to the introduction of the "Urban Property Tax (temporary provisions) Bill" suggested by the Mandatory Power and of the proposal of the "Municipal Corporations (emendment) Bill".

k) Requisitioned Property

the Mandatory Power has stated that during the past few years the Government of Palestine had found it necessary to requisition a considerable excent of property and, in a large number of cases, had also rented property under lease. The Government of Palestine had certain liabilities as regards the depreciation of this property, and although no firm estimate of the amount involved was at present known, a figure of between a quarter and a half a million pounds had been mentioned. It was the intention of the Government of Palestine to try to obtain an agreed list of depreciation with the landlards before the termination of the Mandate, but even if this object were achieved, the Commission would be faced with the problem of paying appropriate compensation. It was pointed out that with the exception of the residence of the High Commissioner, the Government of Palestine had no property of its own either for offices or for housing accommodations.

1) Encay Property in Palestine

1) The United Kingdom Government considers itself responsible, under the provisions of Article 6 of Part I of the Final Act of the Paris Conference on Reparations, for the administration of certain German external assets in Palestine. The final sum likely to be accountable for reperations in respect of German casesy assets in Palestine was about 4 million pounds, a large smount of this being fixed assets. The German communal bodies had large areas of land with very substantial buildings on them. The assumt of easily realizable affects in the form of securities, et cetera, was a comparatively small proportion. The Custodian of Enemy Property in Falestine administered the German estates and accounted for them. The ultimate contention was that had there been no change in the political situation in Falestine, he would have lightleted the properties and resitted the san to the account of the United Kingdom Coverement who were responsible for it is suspend of reperations.

- 11) The Commission considers it important to go further into the matter before accepting the claims of the Mandatory Power on the enemy property in Palestine.
- m) Palestine Museum in Jerusalem
- Government of Palestine has been in consultation with the President of the Rockefeller Foundation as to the future of the Palestine Museum and that it was prepared to introduce legislation providing for a Board of Trustees to administer the Museum and the Fund. The legislation proposed might include provisions for an interim Executive Committee to assume general responsibility since time might not permit of the establishment of a full board of trustees before the termination of the Mandate.
- abort-term and long-term proposals of the Government of Palestine for the future of the Palestine Museum, and has understood that a Board of Trustees would be set up, and that no financial responsibility on the part of the Commission would be involved.