

RESTRICTED

18 February 1948

## UNITED NATIONS PALESTINE COUNCIL

Communication Received from Mr. Fletcher-Cooke of the United Kingdom Delegation enclosing, for the information of the Commission, Text of an Announcement to be made in Jerusalem on Wednesday, 18 February 1948

The following communication, enclosing the text of an announcement relating to the payment of £P300,000 to the Supreme Moslem Council, has been received from Mr. Fletcher-Cooke of the United Kingdom Delegation

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UNITED KINGDOM DELEGATION TO THE UNITED NATIONS  
Empire State Building  
New York 1, N.Y.

17th February, 1948.

Dear Bunche,

I have been asked to bring to the notice of the Commission the text of an announcement which will be released in Jerusalem at 3.0 p.m. (Palestine time) on Wednesday, 18th February. As you will see, it relates to a payment of £300,000 to the Supreme Moslem Council.

Yours sincerely,

J. Fletcher-Cooke (signed)

Dr. Ralph J. Bunche,  
Principal Secretary to the United Nations  
Commission on Palestine,  
United Nations,  
Lake Success.

COPY OF PRESS RELEASE -- TO BE USED  
IN JERUSALEM AT 3.0 p.m. ON WEDNESDAY, 18th FEBRUARY

(Not to be published before 9.0 a.m. New York  
Time on Wednesday, 18th February)

The Government of Palestine announces that negotiations with the Supreme Moslem Council in connection with their claim for the revision, with effect from 1942, of the agreement governing annual payments in lieu of tithes have recently been brought to a conclusion and authority has been given for the payment of the arrears due.

2. It will be recalled that among the steps taken to replace tithes by a more modern system of taxation (including the enactment of a Rural Property Tax Ordinance in 1935) was an agreement between the Government of Palestine and the Supreme Moslem Council whereby the latter received an annual payment of £P30,000 in lieu of those tithes which were assigned to ANQAF under the administration of the Council.

3. In 1934, a second agreement was concluded under which it was mutually agreed that the annual rate of payment should be reconsidered if the average annual value of the produce of those lands on which assigned tithes had been payable should increase or decrease. The relevant clause in the agreement provided that revision should be considered first in respect of the period commencing on the 1st January, 1942, and thereafter every seven years.

4. The Supreme Moslem Council raised this matter with the Government of Palestine in 1942 but agreed not to press its claim for an upward revision of the annual payment at a time when the war effort required the undivided attention of all sections of the community. As a result of this, negotiations were not opened until 1945.

5. The Government of Palestine was prepared to admit that a substantial upward revision of this annual payment was justified in view of the considerable increases in agricultural prices and production which had taken place between 1934 and 1942, but lengthy discussions were necessary before agreement could

be reached as to the method by which the value of these increases could be estimated and its exact monetary value determined. As a result of these discussions, an agreement between the Supreme Moslem Council and the Government of Palestine was signed on 10th January, 1948, under which it was agreed that the annual payment for the seven financial years 1942/43 to 1947/48 should be increased to £P80,000, and the necessary financial provision has now been approved.

6. Steps are being taken to discharge the Government of Palestine's contractual obligations in this matter and to pay to the Supreme Moslem Council arrears of £P300,000 due in respect of the six financial years 1942/43 to 1946/47. The Government of Palestine has agreed to pay these arrears in one instalment in view of the delay which has already occurred and having regard to the pressing need for expenditure in connection with the maintenance of various institutions and for other religious purposes to which the funds at the disposal of the Council are dedicated. In particular, the sum now to be paid will assist the Council to face the very considerable expenditure required for the maintenance of religious buildings, which is an aftermath of the shortage of funds, labour, and building materials during the war years. Among the projects which the Council now has in hand are extensive repairs to the Dome of the Rock and other religious buildings, in accordance with recommendations contained in reports which have been prepared by experts. The money will also be spent on the conversion of certain buildings in Jaffa (the property of the Supreme Moslem Council) so as to enable them to earn revenue for current needs, and also on the provision of a new Moslem orphanage more suitable than the existing one in the Old City.

J. Fletcher-Cooke (signed)

17th February, 1948.