For Palestine, the principal event of the year 1922 has been the approval by the Council of the League of Nations on July 24th, 1922, of the British Mandate for the administration of the territory. The promulgation, however, of the Mandate, as well as of the French Mandate for the neighbouring territory of Syria, was conditional on certain agreements being reached between the Governments of France and Italy relating to Italian interests in Syria.

His Majesty the King in Council enacted, on August 10th, 1922, the Palestine Order in Council, which defined the powers of the High Commissioner, prescribed the formation of an Executive Council and of a Legislative Council, and regulated the constitution and powers of the Palestine Judiciary, with special provisions for religious and for tribal Courts. The constitution and method of election of the Legislative Council were further defined in the Palestine Legislative Council Election Order, which was enacted at the same time. Both were promulgated in Palestine on the 1st of September, 1922. The formal Commission of His Majesty, appointing as High Commissioner and Commander in Chief for Palestine the Right Honourable Sir Herbert Samuel, G.B.E., who had been acting in that capacity since July 1st, 1920, was issued on August 14th. The oaths of office were administered at Jerusalem on September 11th by the Chief Justice. In July, 1922, His Majesty's Government published a White Paper* (Cmd. 1700) which embodied a statement of its policy in relation to Palestine. The statement, while reiterating the purpose of His Majesty's Government enunciated in the Balfour
Declaration relating to the establishment in Palestine of a Jewish National Home, defined that purpose and the manner of its execution in terms which left no doubt of the determination of His Majesty's Government to preserve the rights and interests of the non-Jewish population.

Following a memorandum presented by His Majesty's Government in September to the League of Nations, a resolution was passed by the Council of the League to exclude Transjordan from the Articles of the Mandate which concern the Holy Places and the measures to be taken in concert with the Jewish Agency for the establishment of a Jewish National Home.

The Order in Council also contains a provision that it shall not apply to the Transjordan territory.

There was much political discussion in Palestine during the year, but on constitutional lines, and no disturbances of the peace occurred. The revenue of the year 1921-22 amounted to £E.2,312,243, and the expenditure to £E.1,881,108. The surplus of revenue over expenditure was thus £E.431,135; against it will, however, be chargeable any liability of Palestine to pay such annuity to the Ottoman Pre-war Public Debt as may be imposed under the Treaty of Peace with Turkey, when finally ratified.

The general economic depression has not had an appreciably adverse effect upon the trade of Palestine. Imports as well as exports, in the aggregate, increased in quantity, so that although values have greatly fallen, the figures of exports and imports remained approximately at the level of the previous year. In internal commerce, there has been continuous expansion. Twenty new companies were incorporated with a total capital of £E.525,000, and more than 60 partnerships were formed. There have been no bankruptcies or compulsory windings-up of companies. Industrial activity has been manifest mainly in the building trade in the principal towns; several new suburbs were completed or are in course of construction. To this activity is due the absence of any considerable unemployment.

It is gratifying to record a measure also of agricultural recovery. The area of cultivation has increased, and particularly the area of rotation and feeding crops and of vegetables and fruit trees; cereal cultivation in recent
years has been little remunerative. The tobacco-growing industry is making rapid strides, fostered by favourable taxation, by purchase of the local leaf by local manufacturers, and by effective checks on smuggling. The orange season in the beginning of the year, following improved methods of irrigation, was unusually profitable.

The afforestation programme of the Government is being furthered by the keen interest and active co-operation of the people themselves, to which a general celebration of "Arbor Day," a festival of tree-planting by schoolchildren, bears testimony.

On the railways, many improvements have been introduced in rolling-stock, in traffic control, in the timing of trains and in technical efficiency. There was, nevertheless, a marked decline in revenue to be attributed partly to the competition of motor transport. Measures are being taken to deal with the situation so created.

An Arbitral Tribunal, appointed by the British and French Governments, has fixed the sum payable by the Palestine Government for the purchase of the Jaffa-Jerusalem Railway at £E.565,000, of which a proportion is recoverable from other sources.

The Post Office dealt with an increased amount of business of all kinds. Many additional postal and telegraphic facilities have been provided, and the telephone service shows a steady expansion.

The very large increase in motor traffic testifies to the improvement of road communications which has been effected and which continued during 1922.

There was a welcome increase in the number of tourists who visited Palestine during the year; it is estimated that the average of pre-war years was doubled. The Tourist Agencies have re-established themselves, and local societies have been organized to encourage the movement of tourists to Palestine and to advertise the country's attractions. Special passport and quarantine conveniences are arranged for tourists.

In 1922, 8,128 immigrants entered the country. Of these 7,844 were Jews, of whom the great majority were from the countries of Eastern Europe. There was some movement of
emigration amounting to 2,939, of whom 1,418 were immigrants who found it impossible, for various reasons, to settle permanently in Palestine.

A census was taken in the month of October. It showed a total population of 757,182, of whom 78 per cent. were Moslems, 11 per cent. Jews and 9.6 per cent. Christians. This was probably the first census ever taken in Palestine on a scientific basis.

During the year, the organization of the Palestine Gendarmerie forces was completed, the British section of the Gendarmerie having a strength of 762, and the Native Section of the Gendarmerie, a mixed force of Arabs, Jews, Druzes, and Circassians, a strength of 467 of all ranks. The presence of these forces has resulted in a greater measure of public security, for which credit is due in part also to the Civil Police, in whose organization a considerable improvement was effected. Four bands of highwaymen which infested parts of Palestine have one by one been suppressed and all their leaders imprisoned.

The programme for the opening of new elementary schools was further realized. Seventy-five of these schools were opened in the year; 265 in all have now been established since the British Occupation.

The activities of the Public Health Department against malaria, in which it is assisted by American units whose services are rendered gratuitously, are beginning to yield substantial benefits; in the towns particularly malaria has largely decreased. The lessened incidence of the disease among British Troops, from 6.9 per cent. in 1920 to 0.9 per cent. in 1922, illustrates this. The birth-rate is steadily advancing. Except for an outbreak of bubonic plague at Jaffa in the summer, the country was free from serious epidemics.

The Religious Courts of the various communities have begun to exercise the enlarged jurisdiction which was conferred upon them by the Palestine Order in Council. An important change in the Judiciary is marked by the severance of the administration of the Courts from the Department of the Attorney-General; it is now vested in the Chief Justice.

I.--FINANCE.
The following is a summary of the annual revenue and expenditure from July 1st, 1920 (the date of the formation of the Civil Government), to March 31st, 1922:

<table>
<thead>
<tr>
<th>Description</th>
<th>£E.</th>
<th>£E.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue to March 31st, 1921</td>
<td>1,108,528</td>
<td>3,420,771</td>
</tr>
<tr>
<td>Revenue to 1921-22</td>
<td>2,312,243</td>
<td></td>
</tr>
<tr>
<td>Expenditure to March 31st, 1921</td>
<td>1,881,108</td>
<td></td>
</tr>
<tr>
<td>Expenditure to 1921-22</td>
<td></td>
<td>3,109,205</td>
</tr>
<tr>
<td>Excess of assets over liabilities</td>
<td>1,228,097</td>
<td>3,420,771</td>
</tr>
</tbody>
</table>

Excess of assets over liabilities (surplus balance at March 31st, 1922)

XVI.--CENSUS.

A Proclamation of 1st September, 1922, provided the authority for the taking of a census, and by an Order of the same date a Superintendent of Census was appointed. Enumerators and Revising Officers were recruited from the Administrative and Departmental staffs of districts. The taking of the census, the first of its kind in Palestine, met with the general co-operation of the population, with the exception of the Beduin of the Southern District, who have a traditional objection to being numbered. Their numbers were estimated by reference to tithes payments.

The census results were:

- Moslems: 590,890
- Jews: 83,794
- Christians: 73,024
- Druzes: 7,028
- Samaritans: 163
- Bahais: 265
- Metawallis: 156
- Hindoos: 1,454
- Sikhs: 408

Total: 757,182

A detailed report on the census will be published.