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SECRET.

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## CABINET 11 (39)

Meeting of the Cabinet to be held at No. 10 Downing Street, S.W.1., on WEDNESDAY, 15th MARCH, 1939, at 11.0 a.m.

### AGENDA.

- 1. FOREIGN AFFAIRS.
- 2. PALESTINE (If required)

  (Reference Cabinet 10 (39) Conclusion 5)
- 3. REGISTRATION OF CLUBS.

(Reference Cabinet 9 (39) Conclusion 8)

Memorandum by the Home Secretary. C.P. 51 (39) - already circulated.

4. CONCLUSIONS OF HOME AFFAIRS COMMITTEE.

6th Conclusions (39) of Committee of Home Affairs - to be circulated.

(a) Civil Defence Bill.

(Reference Cabinet 10 (39) Conclusion 7)

Memorandum by the Lord Privy Seal, covering draft Bill.

H.A. 13 (39) - circulated herewith.

(b) Local Government Amendment (Scotland) Bill.

(Reference Cabinet 9 (39) Conclusion 6)

Memorandum by the Secretary of State for Scotland, covering draft Bill.
H.A. 12 (39) - circulated herewith.

PALESTINE.

The London Conferences.

(Previous Reference: Cabinet 10 (39), Conclusion 5),

FR.14 (39) 5.

Attitude of the Jews.

5. THE SECRETARY OF STATE FOR THE COLONIES said that the substance of the final proposals to be communicated orally to the Arab and Jewish Delegations had been considered by the Palestine Committee. Copies of a revise of these final proposals were handed round at the meeting of the Cabinet.

On the <u>constitutional</u> issue the Jews were fairly satisfied, since our proposals left open the possibility of an independent Palestine State on federal lines. What the Jews hoped for was that they would obtain complete control of immigration into the Jewish areas of the federal State.

The Jews objected strongly, however, to our proposals for the transitional period. In particular they objected to the suggestion that Arabs and Jews should be nominated to the Advisory Councils in the proportion of two to one. The Jews wanted parity with the Arabs, and feared that the two to one proportion would prejudice their position in the independent Palestine State in its final form. It had, of course, been explained to them that while the Executive and Arabs would out-number the Jews on the Advisory Councils, the Arabs would not out-number the Jews together with the British members.

It seemed very likely that the Jews would refuse Executive and to accept nomination to the Advisory Councils, at any rate in the early stages. It might be, however, that after a few months, when the present bitterness had died down, they would be prepared to accept nomination. Generally speaking, the Jewish reception of the constitutional proposals was somewhat mixed.

The Jewish attitude to the <u>immigration</u> proposals was one of bitter opposition. The point to which they took particular exception was, of course, the provision that there should be no continued immigration after a period of five years without the acquiescence of all parties. It was perhaps unnecessary to repeat all the arguments which they used on this point. It would suffice to say that they would probably break on this issue.

The Jews also objected strongly to our proposals in regard to land transfers.

Generally, it seemed that the Jewish representatives as a whole, including such representatives as Lord Reading and Lord Bearsted, would reject the proposals entirely. Dr. Weizmann was in a very bitter mood, thought our proposals a betrayal of the Jews, and said that they would result in worse bloodshed in Palestine than ever before. The responsibility for this, he said, would rest on our shoulders. There was no doubt that our proposals were a bitter disappointment to the Jews as a whole, but it was only fair to point out that if the Jews had devoted some of their energies in the last twenty years to trying to establish good relations with the Arabs, the present position would never have arisen.

Attitude of the Palestinian Arabs.

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The Palestinian Arabs were also likely to reject the Government's proposals. On the constitutional side they appreciated that the Government's proposals would not give them complete power to do what they wished in Palestine. They were also critical of our proposals for the transitional period. They were satisfied with the proportion of Arab to Jewish representatives, but they realised that the British representatives would exercise a preponderating power.

There was a possibility that the Arabs also would Executive and refuse to nominate representatives to the Advisory Councils. If this happened, presumably things would continue much as at present on the constitutional side.

As regards <u>immigration</u>, the Arabs were, of course pleased that they would have the power to veto further immigration after five years, but they thought that the figure of 75,000 immigrants in the next five years was much too big. They were thinking in terms of some 20,000 immigrants in this period.

As regards the <u>land</u> proposals, the Arabs were fairly satisfied.

The representatives of the Palestinian Arabs recognised that our proposals represented a great advance in recognition of the rights and position of Arabs in Palestine. Further, these proposals removed two fears which had dominated their minds, namely, first, the creation of a Jewish State in Palestine, and, second, that Jewish immigration would continue until the Jews had established a majority in Palestine. Nevertheless, it seemed likely that the Palestinian Arabs, at a Meeting to be held that afternoon, would make a number of critisisms of our proposals, and in the end would probably reject them.

Attitude of Arab States.

If this happened, the attitude of the representatives of the neighbouring Arab States became a matter of great importance. Their own judgment was probably in favour of acceptance of these terms, and they realised that on merits the terms had much to commend them. But they were very loth to come to any sort of

agreement with us unless the Palestinian Arabs would also reach an agreement on the same terms.

Two suggestions had been put to the representatives of the neighbouring Arab States: one was that all the neighbouring Arab States should enter into an agreement with us on the basis of our proposals. It had been represented to them that if they all took this course they would be unlikely to be subjected to criticism by public opinion in their own countries. Further, if they entered into an agreement with us in this matter, the proposals would be far more binding on us than if we were to make a unilateral declaration of policy which was not accepted by any of the parties represented at the Conferences.

The second proposal put to them was that, if they were not prepared to enter into an agreement with regard to these proposals, we would make a unilateral declaration of policy, and they should issue a statement to the effect that while the Palestinian Arabs had not gained all that they had asked for, they had obtained a great deal; and they would therefore appeal to the Palestinian Arabs to stop their campaign of violence. There was a possibility that the second course would be adopted.

Continuing, the Colonial Secretary said that the position would be a good deal clearer in two or three days time. The form of the White Paper which was to be presented to Parliament would depend on the events of these next few days. The White Paper would of course contain a great deal more than the final

proposals which he had circulated to his colleagues. A good deal would be said as to the history of the matter and the arguments in support of our proposals. A draft of the White Paper dealing with these matters had been prepared so far as was possible at this stage.

In the meantime the Government were in a position of some difficulty since our proposals must now be communicated to the Delegates and it was clear that once this was done they would become known to the Press. As soon as this happened there would probably be pressure in Parliament for a statement and it might therefore be necessary for the White Paper to be laid before the discussions with the Arab and Jewish Delegates had been finally concluded. A draft of the White Paper would, of course, be submitted to the Cabinet Committee on Palestine for examination and approval.

The situation in the United States of America was being watched. A telegram had been sent to our Ambassador at Washington the previous night explaining our proposals. This would be followed by a fuller telegram in a few days time.

The Colonial Secretary concluded by saying that he was afraid that the Government would have a difficult time when the proposals became known but he had no doubts as to their being just, fair and right and he was sure that they could be justified to Parliament and to the League of Nations.

THE PRIME MINISTER proposed a modification of the last sentence of paragraph A (1) to read as follows:-

"In such treaty relations with Great Britain as would provide satisfactorily for the commercial and strategic interests of both countries."

This was agreed to.

In reply to the Secretary of State for War, he said that the General Staff wished the strategic reservations to be more precisely stated.

The Prime Minister said that this point would not arise until the stage of drafting a Treaty was reached.

The Cabinet took note of the statement by the Secretary of State for the Colonies and approved the substance of the final proposals to be communicated orally to the Arab and Jewish Delegations subject to the amendment of paragraph A(1) as suggested by the Prime Minister.

(A copy of the final proposals, including the amendment of paragraph A (1) and certain other minor drafting amendments, is attached as an Annex.)

# ANNEX

SECRET

STATEMENT BY THE SECRETARY OF STATE FOR THE COLONIES ON THE SUBSTANCE OF HIS MAJESTY'S GOVERNMENT'S PROPOSALS.

## A. CONSTITUTION.

- (1) His Majesty's Government's ultimate objective is the establishment of an independent Palestine State, possibly of a federal nature, in such treaty relations with Great Britain as would provide satisfactorily for the commercial and strategic interests of both countries. This would involve the termination of the Mandate.
- (2) It is not the objective of His Majesty's
  Government that Palestine should become a Jewish State or an
  Arab State; nor do they regard their pledges to either Jews
  or Arabs as requiring them to promote either of these
  alternatives. It should be a State in which Arabs and Jews
  share in government in such a way as to ensure that the
  essential interests of each are safeguarded.
- (3) The constitution of the independent State would be drafted in due course by a National Assembly of the people of Palestine, either elected or nominated as may be agreed. His Majesty's Government to be represented on the Assembly and to be satisfied as to the provisions of the constitution, and in particular as regards -
  - (a) the security of and access to the Holy Places;
  - (b) the protection of the different communities in Palestine in accordance with the obligations of His Majesty's Government to both Arabs and Jews, and as regards securing the special position in Palestine of the Jewish National Home.

His Majesty's Government would also require to be satisfied that the interests of certain foreign countries in Palestine, for the preservation of which His Majesty's Government are at present responsible, were adequately safeguarded.

- (4) The establishment of the independent State to be preceded by a transitional period throughout which His Majesty's Government, as the Mandatory Power, would retain responsibility for the government of the country.
- (5) As soon as peace and order are sufficiently restored, first steps to be taken towards giving the people of Palestine, during the transitional period, an increasing part in the government of the country.

The first stage of this process would be as follows—
In the <u>legislative</u> sphere - The addition of a certain number of Palestinians, by nomination, to the Advisory Council; the numbers of Arab and Jewish representatives being fixed approximately in proportion to their respective populations, and so as to give a majority of Palestinian members.

In the <u>executive</u> sphere - The selection of Palestinian members of the Advisory Council to sit on the Executive Council; the numbers of Arab and Jewish representatives being fixed approximately in proportion to their respective populations, and so that half the members of the Council would be Palestinians.

The next stage would be -

In the <u>legislative</u> sphere - The conversion of the Advisory Council into a Legislative Council with an elected Palestinian element. Certain powers would be reserved to the High Commissioner.

In the <u>executive</u> sphere - Certain Departments would be placed in charge of Palestinian members of the Executive Council.

After these second stages, further advances towards self-government in the transitional period might be in the direction of increasing the powers of the Legislative Council and also of placing more Departments under the charge of Palestinian members of the Executive Council.

(6) His Majesty's Government would be prepared. if conditions in Palestine permit, to hold elections for a Legislative Council (the composition and powers of which would be a matter for consultation between the different parties) within two years. Beyond this no time limit can be fixed now for the advance from stage to stage of constitutional development in the transitional period; nor can a date be fixed for the end of the transitional period and the establishment of the independent State. His Majesty's Government would hope that the whole process could be completed in ten years, but this must depend upon the situation in Palestine and upon the success of the various constitutional changes during the transitional period, and the likelihood of effective co-operation in government by the people of Palestine. They could not contemplate relinquishing all responsibility for the government of Palestine unless they were assured that the measure of agreement between the communities in Palestine was such as to make good government possible.

#### B. IMMIGRATION.

(1) Immigration during the next five years would be at a rate which, if economic absorptive capacity permits, would bring the Jewish population up to approximately one-third of

of the population. Taking into account the expected natural increase of the Arab and Jewish populations, and the number of illegal Jewish immigrants (estimated at 40,000) now in the country, this would entail the admission of some 75,000 immigrants over the next five years, who would be admitted as follows -

First, 10,000 per year; then, in addition, 25,000 Jewish refugees, (special consideration being given to refugee children and dependants). The refugees would be admitted as soon as the High Commissioner is satisfied that adequate provision is secured for them.

- (2) The existing machinery for ascertaining economic absorptive capacity would be retained, and the High Commissioner would have the ultimate responsibility for deciding what the economic capacity allowed. Before a decision was reached, appropriate Jewish and Arab representatives would be consulted.
- (3) After the period of five years Jewish immigration would only be permitted subject to the acquiescence of the Arabs as well as of the Jews and the British authorities. This question to be discussed and settled through the medium of the appropriate constitutional organs functioning during the transitional period, or by means of consultation between His Majesty's Government and representatives of the Arabs and the Jews.
- (4) His Majesty's Government are determined to check illegal immigration, and further preventive measures are being adopted and will be strictly enforced. The numbers of any Jewish illegal immigrants who, despite these measures, succeed in coming into the country and cannot be deported would be deducted from the yearly quotas.

# C. LAND.

The High Commissioner would be given general powers to prohibit and regulate transfers of land. The High Commissioner would be instructed to fix areas in which transfer was to be permitted freely, regulated or prohibited, in the light of the findings of the Peel and Woodhead Reports. He would retain this power throughout the transitional period.

St. James's Palace,
S.W.1.