December 6, 1945

CHAPTER 1

SUMMARY OF CONCLUSIONS: PROBLEMS AND ECONOMIC POTENTIALITIES

CHARITY OR ECONOMY?

The revival of Palestine during the past quarter century is commonly regarded, in Western countries, as a charitable enterprise sustained primarily by the contributions of Jews living outside Palestine. This view is erroneous. The established population of Palestine is fully self-sustaining.

In the late 1930's, the Jewish sector of Palestine had some excess of consumption over income, indicating the eating-up of capital brought in from abroad. However, this excess of consumption could reasonably be attributed to the transitional needs of immigrants not yet fully adapted to Palestine.

During the six war years, the inflow of immigrants diminished and economic activity expanded. Palestine consequently had a sufficient margin over her own minimum needs to lend more than £P 110 millions* ($440 million) to Great Britain. This lending amounts to about $250 for every man, woman, and child in Palestine. For a population as large as that of the United States, this rate of lending would come to $35 billion. A country in a position to extend credit on this scale can hardly be regarded as an eleemosynary institution.

It is not difficult to understand why the Zionist reconstruction of Palestine has come to be thought of, in Western countries, primarily as a charitable enterprise. In the past 25 years, the various world Jewish institutions connected with Palestine have spent about £P 40 million. Only about £P 15 million of this went into investment assets.

Many immigrants have reached Palestine entirely without possessions; they have had to be assisted until they could stand on

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*The £P (pound Palestinian) is exchangeable one for one with the £ (pound sterling). During wartime its official exchange value was just under $4.03. In dealing with round totals, we shall use the value of $4.00.