

ratification of peace between Great Britain and Turkey. It was further stipulated that nothing should prevent a fresh agreement being concluded with a view to regulating the subsequent relations between the high contracting parties, and that negotiations for that object should be entered into between them before the expiration of the above period.

The present position is that the elections for the Constituent Assembly in Iraq, whose approval is necessary before the treaty and protocol are ratified, commenced on the 12th July. The electoral procedure is a cumbrous one, with an elaborate machinery of primary and secondary elections based upon the Turkish system. It is not expected that the Assembly will be in session much before the end of the year. It is hoped that before its first meeting the various subsidiary agreements now under negotiation with the Iraq Government will have been provisionally concluded.

Future of Mosul Vilayet.

There is one important point with regard to which the future of Iraq is still unsettled. You may remember that, during the first Lausanne Conference, an acute controversy arose over the future of the Mosul Vilayet. The Vilayet has been administered as part of Iraq since the end of the war. On economic and racial grounds the case for its inclusion in the Iraq State is exceedingly strong. Nevertheless, the Turks, though their arguments were entirely refuted by Lord Curzon, held tenaciously to their claim that the Vilayet should be restored to Turkey. It was finally agreed that a decision on the boundary question should be held over for the moment; that a period of nine months should be fixed (as from the date of the ratification of the Treaty of Peace with Turkey) during which the frontier between Turkey and Iraq was to be laid down by "friendly arrangement" between the British and Turkish Governments; and that, failing such agreement within the period specified, the matter should be referred to the Council of the League of Nations. This arrangement was embodied in Article 3 of the treaty as eventually signed at Lausanne on the 24th July last. We hope to start negotiations with the Turks at a very early date.

General Situation.

Although this question is still outstanding, it may, I think, be claimed that the policy initiated by the late Government, and adopted, with the modifications explained above, by the present Government, has, on the whole, succeeded beyond expectation. Relations between the British representative at Baghdad and the Arab Government are good. Our hope is that, within the maximum period of four years, we shall have discharged in full our obligations to the Iraq State. We also hope that we shall have established such strong ties of friendship with the Government and people of the country that they will be glad to make fresh arrangements with us, at the termination of the mandatory period, in which our special position, as the Power mainly instrumental in achieving Arab liberation, will be freely recognized. That is our confident hope. If it is realized, Iraq may yet constitute a stable factor in the East. I do not wish, however, to take too sanguine a view of the present situation. There are many difficulties still before us. The Iraq Constituent Assembly has still to be elected. It is impossible to predict with any certainty what will be its general attitude and complexion. Its first task will be to ratify the treaty concluded by King Feisal, and the subsidiary agreements which I have already mentioned: also to enact the organic law which the Mandatory is required under the terms of the draft mandate to frame for submission to the Council of the League of Nations. Until these stages have passed it is difficult to speak with full confidence.

Tribute to Sir Percy Cox.

I should not like to close this part of my statement without paying a tribute to Sir Percy Cox, who recently retired from the High-Commissionership for Iraq. He possessed a knowledge and experience of Middle Eastern affairs that can only be described as unique. They were built up on a quarter of a century's arduous and successful work in the Persian Gulf region, where he acquired an influence that can never have been surpassed. We have been very fortunate in having been able to count on the assistance of this distinguished public servant in dealing with our Middle Eastern difficulties. He was succeeded last month by Sir Henry Dobbs, an Indian Civil servant with a distinguished record, who had served previously in Iraq.

Palestine.

With regard to Palestine, there is one direction in which the situation has greatly improved since Mr. Churchill spoke in June, 1921. The garrison has been largely reduced and the cost correspondingly diminished. The actual charge to the British Exchequer in respect of Palestine was £2,024,000 in 1922-23. The estimate for 1923-24 is £1,500,000, while we have undertaken to reduce the figure to £1,000,000 in 1924-25. The figure of £1,500,000 is, of course, included in the amount which I mentioned above as the total estimated expenditure in Iraq and Palestine for this year. Beyond 1924-25 we have not given any explicit undertaking, but we hope that the progressive reduction of expenditure will go steadily on until the figure has been reduced to very small dimensions indeed. But our success in this direction must depend on the economic development of the country, which in its turn depends upon political stability. I wish I could report to you that there has been a substantial improvement in the local political situation during the last two years. In one sense it would be true. Since the Jaffa outbreak in the early part of 1921, which Mr. Churchill mentioned in his speech, there has been no serious disturbance of the public peace. We have now got a very efficient gendarmerie in Palestine which could be trusted to deal promptly with any emergency that might arise. But political unrest is by no means a thing of the past. A solution of the Jew-Arab controversy has still to be found. Perhaps I may be allowed very briefly to sketch the events of the last two years.