Creating a country through currency and stamps: state symbols and nation-building in British-ruled Palestine

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ABSTRACT. Recent studies have examined the use of currency and stamps for nation-building in various contexts, with these artefacts seen as vehicles for indoctrination and gaining legitimacy by ruling elites – as part of ‘banal nationalism’. This article goes further to argue that in moments of geopolitical upheaval, these symbolic artefacts can play a crucial role in shaping the very framework of nationhood. This article focuses on the Middle East during World War I and its aftermath, and on British efforts to shape public opinion through the issuing of Palestine postage stamps and currency (1920–7), which were intended to convey Britain’s commitment to Zionism. Parallels are drawn to the introduction of Arab stamps and flags during the Arab Revolt (1916–18). The benefit to Zionist nation-building and ‘Hebrew Revival’ is discussed, as well as the strikingly different reactions of local constituencies – Arabs and Jews – to the political message of these symbolic objects.

Introduction

Recent studies have examined the use of currency and stamps for nation-building in various contexts, with these artefacts understood as vehicles for indoctrination and gaining legitimacy by ruling elites. Seen as part of ‘banal nationalism’, banknotes, coins, postage stamps and other artefacts reinforce nationalist ideologies through everyday experiences. This article looks at the British use of symbolic artefacts in the Middle East, and specifically in Palestine, during World War I and its aftermath. It argues that during the upheaval caused by the collapse of the Ottoman empire and by British occupation, symbolic objects played a constitutive role in nation-building: they were employed not to shape the ‘content’ of national identity within already existing nation-states, but rather to produce the very framework of nationhood. In the flux of the late 1910s and the early 1920s, when the names, characters and borders of the Middle East’s political units were still taking shape, the introduction and circulation of state symbols proved an efficient way to promote British plans for the region. The Palestine currency – the prime example discussed in this article – was proposed by the high-commis-
sioner-to-be, Herbert Samuel, in 1920, before the official establishment of Palestine as a separate territory. Like the Palestine stamps issued shortly afterwards, and the stamps and flag designed by the British for the Arab Revolt (1916–18), the Palestine currency was thought of primarily as a propagandist instrument, aimed at preparing local and international public opinion to accept the region’s new geopolitical order. The symbolic-political motivation behind the Palestine currency distinguished it from the other colonial currencies in the British empire, which were issued for administrative and monetary reasons. When the currency was finally introduced, in 1927, Arabs and Jews understood it as a political statement to which they responded in strikingly different ways.

Currencies and nation-building: sociological and historical perspectives

The last two decades have seen the emergence of a lively discussion among historians and sociologists on the cultural role and meaning of currencies, and especially on the relation between currencies and collective identities. Michael Billig’s work on ‘banal nationalism’ called attention to the impact of everyday practices and material objects on the reproduction of national identities (Billig 1995). Nationalist discourse is woven into daily experience through the language and symbols that appear in the seemingly unremarkable fabric of everyday life. National currencies are arguably the prime example of banal objects used to reinforce nationhood. In his seminal work on the development of national currencies (or, as they are sometimes known, territorial currencies), Eric Helleiner has shown that these currencies are a relatively recent phenomenon – the product of the rise of nation-states and industrial capitalism (Gilbert and Helleiner 1999; Helleiner 2003). Before the twentieth century, monetary systems in much of the world were far more heterogenic, and foreign currencies circulated freely well beyond their countries of origin. Only in the inter-war period did national currencies prevail and become the norm.

Helleiner suggested several ways in which nation-building and national currencies were interlinked (Helleiner 2003: 100–20). Firstly, the imagery and names of money units were chosen carefully in order to instil national sentiment in the minds of the population. By depicting certain personalities, landmarks or events, the currency played an educational role; it taught the masses the history of the nation and its values, in accordance with the dominant ideology. Secondly, the currencies were important to promote the notion of national sovereignty. National money reflected the independence of the nation-state as a distinct unit in the global world order. The currency was also thought of as a common denominator, or a medium of communication, between different groups within the nation. As an artefact used by people in towns and countryside, and by rich and poor, the currency bracketed regional and class differences within a single imagined nation. Lastly, the currency
reflected the level of popular trust in the nationalist project. Twentieth-century national currencies were predominantly forms of paper money, whose value was fiduciary – that is, dependent on popular trust and acceptance. Trust in the currency upheld trust in the nation-state, and vice versa. Economic prosperity and state legitimacy became interdependent.

Following Helleiner, a number of scholars examined the cultural significance of currencies’ visual aspect. Jacques Hyman, who studied the history of ‘banknote iconography’ in Europe as well as in Japan, has argued that the visual language used on banknotes was indicative of the ‘content’ of collective identities (Hymans 2004 and 2005). Tracing the developments in design of European banknotes throughout the twentieth century, Hymans challenged Helleiner’s emphasis on the ‘educational’ role of banknotes. According to Hymans, the state used banknotes not so much to indoctrinate the population as to gain legitimacy and approval. Changes in ‘banknote iconography’ represented attempts by the state to embrace shifts in popular ideology and values.

The Palestine currency discussed in this article belonged to the class of colonial currencies issued by imperial powers in Africa and Asia. As shown by Helleiner (2002), these currencies were significantly different from the currencies of sovereign nation-states. They were not independent currencies with value of their own, but rather tokens of the ruling empire’s currency. For example, British colonial currencies’ value was based on securities kept in the metropolitan in pounds sterling. Helleiner has argued that colonial currencies were introduced primarily for economic reasons: to create monetary unions between colonies and metropolitans, and to reduce transaction fees, thus facilitating trade within the empire. In addition, colonial currencies allowed colonial authorities to gain an important source of revenue through seignorage – the profit derived by the currency issuer through exchange fees and interest on securities. Helleiner has stated that in the British empire, the symbolic dimension played a minor role, if any at all, in the decision to issue colonial currencies. Nevertheless, some colonial officials believed that European-styled currencies could act as a civilising factor, teaching native populations the values of frugality, punctuality and self-discipline. As time passed, growing attention was paid by British officials to the imagery on colonial banknotes as vehicles to express colonial ideology. This point was illustrated effectively in Wambui Mwangi’s study of banknote imagery in British-ruled East Africa between 1921 and the 1960s (Mwangi 2002). The designs of the 1920s East African banknotes designs were aimed at reaffirming and communicating British notions about Africa, rather than seeking legitimacy within the colonised population. The banknotes presented Africa as an empty continent of wide open spaces and wildlife; no native Africans appeared on the notes. These images corresponded to the European imagining of Kenya as an Edenic wild safari, open for European adventurers.

As I shall argue in the following section, the British-Mandate Palestine currency differed from the colonial currencies discussed by Helleiner: the

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symbolic-political dimension was the main reason for its introduction. Exploring the British use of the currency and other state symbols in Palestine and the Middle East sheds new light on the constitutive nation-building role these artefacts can play in moments of geopolitical upheaval.

Herbert Samuel and the Palestine currency

The man behind the establishment of the Palestine pound was Herbert Samuel, a leading British Liberal politician and Palestine’s first British high commissioner (Wasserstein 1992). In 1920, shortly before he took office, Samuel recommended the establishment of a Palestine currency as one of the priorities of British rule.1

From an economic point of view, Palestine was a far from lucrative prize. It was an impoverished, small country with no real natural resources; its population of around 600,000 was recovering from the ravages of World War I. Indeed, in his report on the economic conditions of the country, Samuel concluded that Palestine had ‘under-developed resources […] hardly any manufacturing industries. Communications are bad. There is no harbour […] ownership of land is often uncertain.’2 Therefore, the economic benefits of a new currency were unclear. More importantly, at the time of Samuel’s suggestion, Palestine’s final political status had not yet been concluded in international negotiations, and its borders were not yet agreed. Why, then, was there an urgent need for a special new currency for this territory?

The importance attached by Samuel to the currency issue has been overlooked by most historians of British-ruled Palestine. The two main numismatic studies of the currency do not provide an adequate explanation for its establishment (Berlin 2001; Dabbah 2005). In the most authoritative study of the Palestine currency notes, Raphael Dabbah suggested that seigniorage revenues were the primary motivation for the establishment of the currency (Dabbah 2005: 21–2). Yet as Dabbah himself notes with some puzzlement, the seigniorage consideration was not mentioned even once in the lengthy discussions prior to the actual introduction of the currency in 1927.

Barbara Smith, in her study of British economic policy in 1920s Palestine, observed rightly that the motivation behind the currency was political. In her interpretation, the currency was ‘a pledge of future independence to the population’, implying that the currency was an overture to the Arabs of Palestine (Smith 1993: 27). As I shall argue, the real reason was quite the opposite: the currency was meant to deal a blow to Arab national aspirations, rather than to encourage them. To understand Samuel’s reasoning and motivation, we should first examine the political situation in Palestine and the Middle East following World War I.

Palestine was occupied by British forces in 1917 and 1918 as part of the campaign against the Ottoman empire. Allied plans for the region were outlined in the 1916 Sykes – Picot Agreement, prescribing the dismemberment
of the Ottoman empire and its division into British and French spheres of influence, and an Arab kingdom in the Hijaz. Palestine, or most of it, was designated to be ruled by an undefined international regime (Fromkin 1990).

However, in 1917, Britain shifted its policy towards the territory by embracing the Zionist cause. In November 1917, as British forces were making their way towards Jerusalem, the British government published the Balfour Declaration, which pledged support for the establishment of a National Home for the Jewish people in Palestine, provided that ‘nothing shall be done which may prejudice the civil and religious rights of existing non-Jewish communities in Palestine’. While it was not stated explicitly, the declaration implied that the Jewish National Home would be established under British supervision, thus presenting a case for direct British rule over the Holy Land.

Yet in the subsequent years, it was not entirely clear if and how the Balfour Declaration would be implemented. In the aftermath of World War I, the political future of the Middle East still seemed in flux: borders, states and kingdoms were still being contemplated and negotiated. The British military administration in Jerusalem did not acknowledge the Balfour Declaration until February 1920, and refrained from translating it into actual policies as long as the country’s political status and its borders were not formally concluded. Many of the military administrators were suspicious or even hostile to the idea of the Jewish National Home, and they warned London of the dangers of pursuing this policy (Shepherd 1999; Wasserstein 1992: 38–41).

At the same time, Arab political opposition to Zionism became increasingly vocal in demonstrations held in Jerusalem, Jaffa and other cities. Testifying before an American fact-finding mission dispatched by President Wilson, Arab leaders expressed their rejection of the proposed British Mandate and its terms (Segev 2000). The Arab political elite aligned itself with Arab nationalists in Damascus, where a semi-independent Arab administration was set up by the Emir Faysal, one of the chief commanders of the Arab Revolt. Arab Palestinian nationalists had joined Faysal’s forces in the hope that an Arab national liberation would encompass Palestine. Consequently they started referring to Palestine as ‘Southern Syria’, and a weekly Arab nationalist newspaper was established in Jerusalem with that name. Indeed, a political union between Syria and Palestine was not unthinkable: before the war, Palestine was widely considered to be a part of greater Syria in cultural and economic terms; Palestine’s northern districts were ruled from Damascus. Arab political efforts culminated in the Syrian Congress in Damascus in March 1920, when the Emir Faysal was crowned by Arab delegates as the king of Syria and Palestine (Khalidi 1997).

Herbert Samuel’s reconnaissance visit to Palestine in March 1920, three months before his official appointment as high commissioner, was ostensibly intended to survey the country’s economic and financial conditions. But the visit’s real aim was to examine the political situation and the emerging opposition to Britain’s commitment to Zionism. Samuel was not only a
leading British politician and the former home secretary under Asquith (1916); he was also a British Jew and a dedicated Zionist, who had played a key role in preparing the ground for the Balfour Declaration. This, indeed, was the reason he was nominated as high commissioner by Prime Minister Lloyd-George, an enthusiastic supporter of Zionism. Yet in his stay in Jerusalem in March 1920, Samuel was taken aback by the zeal of Arab nationalism: ‘Arab Nationalist and Anti-Zionist feeling is a very real thing’, he wrote to his son. He even considered declining the post when it was offered, as he feared that the appointment of a Jew as high commissioner would provoke great antagonism and jeopardise the Zionist project (Wasserstein 1992: 243).

In a confidential report to the foreign secretary, Earl Curzon, Samuel tried to play down concerns about Arab opposition, but nevertheless admitted the existence of ‘national patriotic sentiment among the small class of politically conscious Arabs’. Samuel was perturbed not so much by Arab protests as by the willingness of British officials to pay attention to them. Challenges to the National Home policy were made not only in the streets of Jaffa and Jerusalem, but also at the British military headquarters in Jerusalem. The officers in Jerusalem, wrote Samuel to London, ‘have regarded rather more seriously than they deserved the anti-Zionist manifestations which had taken place’. They had even gone as far as to recommend recognising Faysal as King of Palestine – or else, they had warned, Palestine could face the immediate prospect of unrest.

Samuel understood well that the inclusion of Palestine in a Syrian Kingdom would spell the end of the Zionist project, and he moved quickly to counter these suggestions. It was possible to overcome Arab opposition, he argued, by communicating a clear message to the local Arab population: it should be explained to them that the future of Palestine was, in his words, a ‘chose jugée’, and continued agitation would be without result (Wasserstein 1992: 241). As implied by the Balfour Declaration, Palestine was to be ruled by the British as a separate polity, designated for Jewish settlement as a Jewish National Home, and nothing the Arabs would do could change this. The likely audience for this message encompassed not only Palestine’s Arab population but also Britain’s international allies and British officers in both Jerusalem and London. All had to be told in no unclear terms that the British plans were irreversible.

Samuel’s proposal for a Palestine currency should be understood against this background, as a medium to express the British political message. Samuel’s own words leave no doubt that the motivation for the currency was political:

In determining the form of the future currency of Palestine, political considerations must be a deciding factor. It is assumed in this memorandum that the settlement of the status of Palestine will constitute it as a country with characteristics of its own, developing on independent lines. A distinct currency is one of the principal marks of a
distinct State. It is necessary, therefore, that Palestine should have a currency of its own.4

Samuel had developed the idea of a Palestine currency prior to his visit, in consultation with the Zionist bank Anglo-Palestine Company and in discussions with James de Rothschild and the economist John Maynard Keynes (Wasserstein 1992).5 Yet his visit to Palestine added a sense of urgency to this plan. His currency memorandum proposed to establish a ‘distinctively Palestinian’ paper currency, backed by either the Egyptian pound or the British sterling. While he did not provide a schedule, it seems that he believed the currency could be issued almost instantly – as indicated by his reference to an ad-hoc currency issued by British forces fighting in the Russian civil war in 1918 as a model for the Palestine currency.

The quicker the existence of Palestine imprinted itself on public imagination, the less chance there was that the National Home policy would be reversed. The issuing of a currency, as a widely circulating symbol of sovereignty, was a relatively easy way to present British plans for Palestine as a fait accompli. It was a perfect medium to convey the message: the notes, which would circulate throughout the entire country, would state in unambiguous manner that Palestine was a separate polity under British rule, divorced from Syria; and Britain’s unshakeable commitment to Zionism would be demonstrated through the appearance of Hebrew as one of the official languages on the notes and coins. Samuel mentioned this explicitly in his memorandum: ‘If the Mandate embodies the principle of the Jewish National Home, the Hebrew names of the coins should have reference to the historical Jewish coinage; other names might perhaps be adopted in Arabic.’ Soon after submitting his memorandum, Samuel wrote to the Zionist leader Chaim Weizmann, asking for suggestions for Hebrew names for the coins as well as emblems to be adopted on the coins and stamps. Prudently, he added that using emblems with a distinctively Jewish political significance, such as the Star of David, would be ‘premature’.6 No similar consultation with representatives of the Arab majority is recorded.

Except for the political imperative, the memorandum gave no other reason to establish the currency. In monetary terms, the benefits of the proposal were doubtful. In the preceding three years, the British military administration had expended considerable effort in stabilising the currency situation in Palestine. The system that the British found in Palestine in 1917 was complicated and chaotic: it consisted of Ottoman and various European gold and silver coins, as well as almost worthless Ottoman paper money; exchange rates fluctuated considerably between towns and even within a province (Rubinshtayn 1997). The British set official exchange rates and introduced the Egyptian pound (in notes and token coins) as a preferred means of payment, overcoming public suspicion towards paper money. The population’s acceptance of the Egyptian pound was a remarkable success, which no doubt contributed to economic recovery. In such circumstances, introducing a new local paper currency could
confuse the population, create mistrust and undermine British achievements. Furthermore, British colonial administrators did not see the benefits of a local currency. Imports, government and army requirements and administrative salaries were all handled in foreign exchange – preferably sterling – as were the exports (Smith 1993: 28). Therefore, it is no surprise that officials in the Palestine Administration were far from enthusiastic about Samuel’s currency plans (Dabbah 2005: 21).

State symbols as geopolitical tools in world war I

Herbert Samuel was not the first British official in the Middle East to propose the introduction of symbols of sovereignty in order to promote geopolitical ends. His belief in the power of ‘banal’ artefacts to shape public perceptions was in line with British efforts during World War I, as manifested during the Arab Revolt. British involvement in the Revolt included not only the supply of arms and funds, but also the creation of stamps and a flag. It is useful to look at these examples to understand the mind-set of British colonial officials of the time.

Sharif Hussein of Mecca declared his secession from the Ottoman empire in June 1916, with British support and reassurances. Arab forces soon took hold of Mecca and Jeddah, yet news of the revolt was denied or received with scepticism by the international press. Ronald Storrs, oriental secretary at the British Arab Bureau in Cairo at the time, suggested issuing Arab Revolt postage stamps, ‘which would carry the Arab propaganda, self-paying and incontrovertible, to the four corners of the earth’ (Ayalon 1995; Beech 2005; Storrs 1943: 220). Storrs approached the Sharif for designs for the stamps, and received a drawing featuring a mosque overlooking Mecca. But Storrs found it completely unsatisfactory: it was ‘a design purporting to typify Islamic architecture, but to the layman indistinguishable from the Eddystone Lighthouse. I felt that this would never do’. Storrs’ account of what followed reads like a textbook example of orientalism as it was analysed by Edward Said: namely the creation of the modern Orient by its colonisers through the intertwined working of scholarship and political domination (Said 1978). Storrs decided to use his knowledge of Muslim culture in order to design stamps that were truer to Arab tradition:

[Storrs] wandered with [T. E.] Lawrence round the Arab Museum in Cairo collecting suitable motifs in order that the design in wording, spirit and ornament, might be as far as possible representative and reminiscent of a purely Arab source of inspiration. Pictures and views were avoided, for these never formed part of Arab decoration, and are foreign to its art: so also was European lettering.

The stamps, as a propaganda device to serve imperial interests, had to appear purely Arab; while Hussein’s design included European lettering, their presence could detract from the authenticity of the stamps, and therefore had to be omitted. Storrs presumed that British officers could express the
spirit of the Orient better than the Sharif of Mecca. This was T. E. Lawrence’s first involvement with the Revolt, which would make him the legendary ‘Lawrence of Arabia’. The stamps he designed bore the name of Mecca and the Hijaz, yet the ornaments they displayed were drawn from Egyptian contexts: the stamps showed inscriptions and carving from Cairo mosques and other monuments (Ayalon 1995). Sharif Hussein was dismayed to learn of the rejection of his design, but his protests were to no avail and Lawrence’s Hijaz stamps were issued in October 1916. Ironically, one of the objectives of the issuing of the stamps was to convince Muslims throughout the world that the Revolt was meant to promote Arab, not British, control over the holy cities of Mecca and Medina, and that Britain had no intention to rule the Hijaz. Yet the stamps themselves were a manifestation of the very limited nature of Arab independence and sovereignty.

It was not the last time the British intervened to create state symbols for their Sharifian protegée. The second intervention, with more lasting effects, was the creation of the modern Arab flag, with the involvement of Sir Mark Sykes of the Foreign Office, as noted by historian David Fromkin (1990). Sykes was instrumental in shaping British policy in the Middle East during World War I. He is best known for the aforementioned Sykes – Picot Agreement that he concluded with the French government representative François Georges-Picot, carving up the post-war Middle East between the two colonial powers. He was also involved in the negotiations over the Balfour Declaration. While some historians have contested Sykes’s role in designing the Arab flag (Qassimiyya 1970), archival evidence leaves little doubt that Sykes was indeed deeply involved in its design. In February 1917, Sykes wrote to the British high commissioner of Egypt, mentioning the flag as an urgent matter to resolve:

I am strongly of opinion that the Arab Committee in Cairo would be well advised to devise and settle upon some flag or ensign which could be flown whenever the French flag is flown in Areas A and B. […] The flag should suggest an Arab federation and could be called the flag of united Arabs. If no better device suggests I submit the enclosed sketches. The colours are representative of the Arab dynasties, Abbasid black; Omayad white; Alid green; and the Sherif and most of the trucial chiefs have red.7

Areas A and B, to which Skyes was referring, were the designated spheres of French and British influence, respectively, according to the secret Sykes – Picot memorandum. Alongside the flag, Sykes recommended that the Allied invasion force include Arab representatives, men of ‘sufficient capacity to carry weight with the Urban elements of Areas A and B’; to be ‘ostensibly’ elected by the Arab committees in Cairo. Therefore, Sykes’s letter posits the question of the Arab flag within the context of colonial plans for the Middle East. The flag was part of an attempt to portray the Allied invasion as an Arab liberation war. Sykes’s suggestion that the flag would be flown wherever the French flag is flown was not accidental: Arab nationalists had little knowledge at that point of France’s ambition to take over large parts of the region, and would no doubt have reacted with deep suspicion to the sight of
the Tricolore flying over Damascus. The sight of an Arab flag could boost their nationalist enthusiasm and allay their fears.

Sykes attached four sketches of possible designs to the aforementioned letter. One of them, consisting of three horizontal strips and a red triangle, gained the approval of Sharif Hussein, and so the flag of the Arab national movement was born. It was first flown in Mecca on the first anniversary of the revolt in June 1917 (Qassimiyya 1970). The flag fulfilled Sykes’s expectations: even before Faysal’s arrival in Damascus in September 1918, Arab flags were flying all across Syria and Lebanon, and were received enthusiastically as symbols of liberation (Gelvin 1998: 244–5). However, two years later, when France became the Mandatory power in Syria and Lebanon, French forces removed Faysal from power, banned the Arab flag and ended the experiment of the Arab Syrian Kingdom. The flag was then adopted by the national Arab Palestinian movement, and is still used today as the Palestinian flag. A slightly modified version of the same flag, adorned with a crown, serves as the Jordanian flag to this day.

In his autobiographical account of the Arab Revolt, Seven Pillars of Wisdom, T. E. Lawrence – the man who began his career designing the Arab Revolt stamps and ended as ‘Lawrence of Arabia’, the kingmaker of the modern Middle East – wrote candidly about the short-lived Arab independent rule of Damascus (1918–20): ‘Our aim was a façade rather than a fitted building’ (Lawrence 1926: 673). That is, Emir Faysal’s administration of Syria was meant primarily as a propaganda show, to herald the anticipated arrival of Arab self-rule. It is no surprise that a great deal of attention was devoted by British officials to ‘façades’; that is, to symbols such as stamps and flags behind which, at this point, there was not much in real social, political or diplomatic terms. In their use of the stamps and the flag, the British displayed an acute awareness of the power of symbols to shape popular perceptions and to fuel national sentiment, and hence to shape the political reality. Moreover, these symbols showed British willingness to adopt the language of nationalism that emerged as the prevailing geopolitical discourse during World War I. The language of imperial interests and exploits had to be discarded and disguised, while new claims had to be made in the name of future national emancipation and self-determination for the peoples of the Ottoman empire. By skilfully harnessing this new language in their favour, while emptying it of real content, the British succeeded in portraying a colonial exercise in divide-and-conquer as a war of liberation.

Palestine by any other name

Let us now return to Palestine of the summer of 1920. It soon emerged that Samuel’s plans for an ad-hoc introduction of a currency were unrealistic. The currency could not be issued until Britain was officially granted the Mandate over the territory by the League of Nations; this approval was achieved only
in 1922. Nevertheless, as he came to office in June 1920, Samuel was determined to find the means to communicate the irreversibility of British rule over Palestine and its commitment to the Jewish National Home. Like Ronald Storrs before, he seized on postage stamps to carry the message. The military administration had issued provisional stamps in Arabic and English, marked with the name of the Egyptian Expeditionary Force (E.E.F.). In July 1920, Samuel ordered a reprint of these provisional stamps on the grounds that Hebrew, one of the three official languages, was missing. The existing stamps were to be printed over with the name of the territory in English, Arabic and Hebrew (Persoff 1973: 18).

But what was the name of the territory? The answer was far from obvious. Samuel believed that there was no controversy over the English (Palestine) and the Arabic (Filastin). But the Hebrew term, he wrote later to the Foreign Office, proved ‘a point of great delicacy’. The Hebrew translation of Samuel’s first proclamation used the term Erets Yisrael (Land of Israel), the most common Hebrew name for the land since the first century. But Samuel feared that such an unambiguous term could have severe repercussions. In the few months since his first visit to Palestine, local opposition to Zionism had taken a violent form. The Muslim Nabi-Musa pilgrimage of April 1920 turned to anti-Jewish riots in Jerusalem, and Samuel was concerned that a controversial choice of a Hebrew name could lead to more violence. However, the urgency of issuing the stamps seemed so great to Samuel that he decided not to take the time to consult on this matter with his superiors in Britain, or with the local population. Rather, he devised an ad-hoc compromise. In a handwritten note he instructed the postmaster general to use the Hebrew transliteration Palestina followed by the acronyms of the Hebrew letters ‘Aleph Yod’ for Erets Yisrael (Persoff 1973: 15; Storrs 1943: 383–4). As Sahar Huneidi has shown, British Foreign Office officials were taken by surprise by Samuel’s decision, although they authorised it in retrospect (Huneidi 2001: 122). Palestina (E.Y.) became Palestine’s official Hebrew name, and it consequently appeared on all official documents and notices.

Palestina was not Samuel’s invention: it was a phonetic transliteration of the German and Russian term for Palestine, which had gained currency in Hebrew writing in central and eastern Europe since the late nineteenth century. But it did not carry the emotional and religious resonance of Erets Yisrael. The term Palestina (E.Y.) was therefore resented by Zionists, who saw the hybrid term as a game of ‘hide and seek’ (Frumkin 1954: 237–8).

Similarly, Arab nationalists were not deluded: Erets Yisrael, even in acronyms, was a dangerous validation of Zionist claims and intentions. Jamal al-Husayni, secretary of the Palestinian Arab Action Committee, petitioned to the high court against the use of the Hebrew term on stamps. He argued that Arabs were being forced to use ‘a document in which their country is described as the Land of Israel’. Husayni demanded that the acronyms be deleted, or that Arabs may be allowed to add their own acronyms – S.J., for Suriya al-Janubiyya (Southern Syria) in conjunction with the name Filastin to
express their wishes to become part of a unified Syria. The court did not attempt to investigate the legitimacy of the Hebrew term, and instead conducted an inquiry into the legal powers of the postmaster general. The case was dismissed (Persoff 1973: 15).9

The fact that the official name of Palestine was decided in such a rushed manner, to enable the issue of the stamps, demonstrates that the significance of these symbolic artefacts far exceeded their postage function. Rather, they played an active role in the battle over local and international public opinion, facilitating the creation of Palestine as a modern polity and consolidating the perception of its existence.

Hebrew as state language

The British Mandate over Palestine received an international seal of approval in 1922. The terms of the League of Nations Mandate endorsed the creation of a Jewish National Home in Palestine, requiring Great Britain to facilitate Jewish immigration and Zionist land acquisition, and to coordinate its policies with a Jewish Agency representing the interests of the Jewish community. The Mandate also stipulated that English, Arabic and Hebrew shall be the official languages of Palestine, and that these had to appear on stamps and money: ‘Any statement or inscription in Arabic on stamps or money in Palestine shall be repeated in Hebrew, and any statement or inscription in Hebrew shall be repeated in Arabic.’10

The trilingual format became the standard not only for coins and stamps, but also for Mandatory official stationery, signs, ordinances, public notices and more. Hebrew was officially required only in districts where Jewish inhabitants constituted at least a fifth of the population (Suleiman 2004: 145). As late as December 1946, after substantial Jewish immigration, only six out of Palestine’s sixteen districts fulfilled this demographic criterion (McCarthy 1990). However, stamps and money circulated throughout the entire country, bringing Hebrew to areas where hardly any Jews lived. Britain’s commitment to Zionism was made visible in everyday experiences, in every payment made for household needs and on each letter received or sent.

Questions of language are always central to the project of nation-building (Anderson 1991), and this was especially true to Zionism. The official recognition of Hebrew was not only an acknowledgement of Jewish national aspirations; it was also a crucial contribution to ‘Hebrew Revival’, transforming Hebrew from a holy writ into a spoken national language. Hebrew was a natural choice for a Jewish national language: it was a written language shared by Jews across the diaspora; a language of prayer, used increasingly in the nineteenth century for secular writing such as newspapers, literature and education. Yet in 1920, few Jews in Palestine or elsewhere could actually speak it.
The ‘revival’ of Hebrew was a formidable challenge, and undoubtedly one of Zionism’s biggest achievements. Popular histories highlighted the role of visionaries such as Eliezer Ben-Yehuda, the compiler of the first modern Hebrew dictionary, who was the first to raise his children in Hebrew. More critical studies have questioned Ben-Yehuda’s impact, and focused on other grassroots cultural and educational developments. Benjamin Harshav (1993) argued that the success of the revival was due to the establishment of a Hebrew educational framework between 1906 and 1913 in Jaffa, Jerusalem and Zionist colonies, creating a social base for the spoken language – the first generation of native speakers. However, Hebrew’s official endorsement by the British Mandate is largely neglected in the popular and scholarly accounts. It should be remembered that the social base of the spoken language, as defined by Harshav, constituted a small minority among Palestine’s Jews in 1920. Many orthodox Jews opposed the sacrilegious use of Hebrew for mundane purposes. Even the Zionist Commission, which arrived in Palestine in 1918 to pursue the fulfilment of the Balfour Declaration, held its discussions in English, German and Yiddish (Segev 2000: 99).

As a state language, Hebrew letters were displayed visibly on every official building and street corner in Jerusalem. On money and stamps, the language was to gain unprecedented currency. It is doubtful if the transformation of a holy writ into a language of everyday life could have been as successful had it not been awarded government recognition as a national language.

### The Palestine pound

Herbert Samuel continued to promote the Palestine currency throughout his office as high commissioner, from 1920 to 1925. The process was much slower than he originally envisaged, and included a lengthy consultation with banks and businessmen in Palestine and with the British Treasury. Officials in London continued to doubt the benefit of the currency, yet Samuel succeeded in winning approval for the Currency Act, which he modelled after the Kenya legislation (Dabbah 2005).

The political consideration most probably remained central to his efforts. True, the existence of Palestine as a separate territorial unit was no longer seriously opposed after the approval of the Mandate in 1922. Arab hopes for unity within a Greater Syria faded rapidly as the divide between French-ruled Syria and Lebanon and British-ruled Palestine and Transjordan became an undisputable fact. Yet British commitment to the Zionist project remained as contentious as it had been in 1920, and was questioned repeatedly in London. In 1923, when a new government came to power, the Palestine policy came under review. Samuel once again played an important role in defending the Jewish National Home, and his intervention is credited for the fact that the policy was left intact (Wasserstein 1992). It seems probable that Samuel
believed that the currency was a means to bolster the Zionist project in the face of these challenges.

The currency was finally issued in 1927, two years after Samuel’s departure. As part of the ‘Sterling Bloc’, the value of the Palestine pound was tied to the pound sterling and backed by sterling securities, and was managed by a currency board in London. The currency bore trilingual lettering as well as symbols and images that were chosen to represent Palestine. The coins featured an olive branch; the notes presented ancient and revered monuments, carefully chosen to appeal to all faiths. No images of people appeared on the notes.

Faced with the new currency, local constituencies in Palestine interpreted it as a political statement, very much as Herbert Samuel had intended. Both Arabs and Jews saw the currency as part of British policies to implement the Jewish National Home.11 Jewish and Arab newspapers alike pointed out that the currency was introduced one day before the tenth anniversary of the Balfour Declaration.12 While the Palestine Currency Board officially claimed that ‘the currency was well received by all sections of the community’, in reality the reception of the currency was sharply divided along national lines (Dabbah 2005).13

All Zionist newspapers, from the right-wing Do’ar Ha-yom to Labour’s Davar expressed utmost jubilation and pronounced the issue of the currency a historical turning point. Most Jewish commentators focused exclusively on the symbolic implications of this development for the Zionist movement. The currency was seen as reaffirming Jewish hopes for self-determination in Palestine, and a precursor for a Jewish nation-state. One example of the outburst of pathos can be found in Davar, ‘the newspaper of the workers of Erets Yisrael’. One columnist wrote:

I am not very fond of money, perhaps because I don’t have any. I don’t have any money, perhaps because I am not very fond of it. I would give my last penny to see the evil money depart from this world. But today, more than any other day, I want money. I want to stand in the queue to exchange Egyptian money with Erets Yisrael money. To feel through a coin of my own, the tremor that passes through me, from head to toe, with the first touch of a coin with square letters, Hebrew letters […]

And I hear the petty-accounting: the Hebrew is at the bottom, at the top, and so on and so forth, but all these would not overshadow my joy and would not belittle this fact: internationally recognised legal tender was established in Erets Yisrael, and Hebrew letters are inscribed on it! . . . Today, we have climbed one step on the ladder, and who can tell where its top will reach.14

A more sober commentator in Ha’aretz admitted that the Palestine pound was a mere ‘shadow of a currency’, as its value was reliant completely on the British pound; he lamented the absence of a Palestinian central bank. Indeed, in Zionist economic circles the currency arrangements were deemed far from satisfactory (Smith 1993). Yet monetary and economic considerations were virtually forgotten in the nationalist jubilation.

1 The authors 2010. Journal compilation © ASEN/Blackwell Publishing Ltd 2010
In contrast, the Arab press reacted with suspicion and hostility, because of Arab objections to the British Mandate and its support of Zionism. Most vehement was the Jerusalem-based Al-Jami‘a al-‘Arabiyya, the organ of the Supreme Muslim Council, the mainstream Palestinian political faction. The newspaper suggested that the new currency was a conspiracy to destitute Arab Palestinians, in order to pave the ground for the government to achieve its political plans. The newspaper highlighted the complaints of Jaffa merchants regarding losses caused by the transition to the new currency. Al-Jami‘a al-‘Arabiyya also criticised the poor Arabic lettering on the coins and banknotes, which they claimed indicated a lack of respect for the Arab population and its language. The prominent place of Hebrew, on the other hand, proved that the new currency was part and parcel of the Jewish National Home policies.

Coins are national symbols, wrote the Transjordanian newspaper Al-‘Urdun: ‘How could the Arabs be expected to put in their pockets the symbols of their enemies, who were trying to drive the [Arabs] out of their own country?’ Questioning the considerations behind the introduction of the currency, the influential Jaffa-based Filastin commented: ‘None of us understands who established it, to whose favour, who will issue it, what guarantees it, and where is the gold to be kept against the paper notes that will pass through our hands?’ Interestingly, the Hebrew press never raised any doubts about the financial securities guaranteeing the currency. As paper money, the new currency depended on public trust, but unlike Zionist Jews, Arab Palestinians had little faith in the intentions of the British government. The Arab adoption of the currency was out of need, not out of persuasion: ‘[The government] makes for us whatever clothes it likes, and we have to wear them, whether it suits us or not’, Filastin concluded bitterly. British policy in Palestine was a diktat that the Arabs had to accept. It seems that Filastin understood perfectly well Samuel’s original message: British plans in Palestine were a chose jugée, and nothing the Arabs could do or say would change that.

The only Arab newspaper to report favourably on the introduction of the currency was Miraat al-Sharq, whose publisher had links with Zionist intelligence and was perceived as a collaborator in the eyes of the Palestinian mainstream (Cohen 2008: 117).

A report on the popular reception of the new currency, sent to the Palestine Currency Board in London shortly after the introduction of the Palestine pound, reveals that the concerns voiced by the Arab press were widespread among the Arab public. In virtually all of the Arab urban centres, from Acre to Gaza, people expressed mistrust in the new currency regime and its guarantees: they questioned whether the new currency would maintain its value and its parity with British sterling. At the same time, the currency officer reported ‘keen reaction’ to the currency among the Jewish population.

Theoretically, the currency could have been read differently: it could have been seen as a symbol of a future independent country of Arabs and Jews. The
banknotes could have been presented as a common denominator between different groups, bridging differences within one vision, accommodating both Arab and Zionist aspirations. Yet almost no commentator saw it in this way, and this is hardly surprising. Quite simply, it was impossible to reconcile the contradictory aspirations of the two sides. While the Zionists looked forward to a Jewish nation-state in Palestine, Arabs believed that Palestine, a country with an overwhelming Arab majority at that point, should become an Arab nation-state and that Zionist immigration and land purchases should be stopped.

Indeed, it was never the intention of Herbert Samuel or other British officials to create a Palestinian national identity that could appeal to both Arabs and Jews. The most they hoped for was to strike a balance between their commitments to Zionism and to upholding the rights of the local Arab population, in what was known as the ‘dual obligation’ (Smith 1993). The balance between different constituencies was reflected in the banknotes’ iconography, which displayed carefully chosen ancient monuments that could appeal to different religious groups. The vignettes on the banknotes featured the Muslim holy site of the Dome of the Rock; Rachel’s Tomb in Bethlehem, revered by Jews; a medieval tower in Ramallah; and the Citadel in Jerusalem’s Old City. This choice highlighted the sacred past of the country as its defining feature: the past, it seems, was Palestine’s only future. Yet this sacred past was viewed in strikingly different ways by Arabs and Jews. It could not serve as a common heritage, but rather as the source of a bitter dispute. Furthermore, the notes presented Palestine as a land empty of people: empty of its Arab majority; empty of its growing Jewish minority. Thus they encouraged the tendency of both sides to ignore the presence of the other while pursuing their exclusivist nation-building projects, Zionist and Arab, leading to the inevitable clash between the two.

Conclusion

In his work on the sociology of money, Geoffrey Ingham argued that the production of money is fundamentally a process of social conflict (Ingham 2004). Following Weber, Simmel and Keynes, Ingham interprets money as a claim or a social obligation; the value of money is maintained by hegemonic power – that is, by the state. Money, Ingham emphasises, is never a neutral instrument. Rather, its very creation, circulation and function all rely on the political order and on the struggle for power between different social elements. Within this struggle, money should be understood as a stake or as a weapon used to uphold power and inequality.

Ingham’s formulation of money as a weapon refers primarily to the economic struggle between different classes. Yet this formulation is equally pertinent and insightful for understanding the diverse roles money can play in the process of nation-building, which inherently involves conflict. In the
specific case of the British-Mandate Palestine currency, money was one of the weapons employed in the battle over public opinion and the political future of Palestine. As I have argued, the Palestine pound was proposed in 1920 by the first high commissioner to discourage Arab demands for national self-determination as part of a Greater Syria ruled by the Emir Faysal. Instead, the currency promoted the vision of Palestine as a separate territory, ruled by the British, and designated as the site for a Jewish national home. These claims were to be made through the display of the name of the country in English, Arabic and, most importantly, Hebrew. The transformation of the Jewish sacred writ into one of Palestine’s official languages acknowledged Zionist national aspirations, and gave invaluable support to the revival of Hebrew as a modern spoken language. From a written language used by a small minority, Hebrew became a visible feature of everyday life, appearing in every transaction made throughout the country. When the currency was finally introduced in 1927, it was rightly interpreted by Arabs and Jews as a statement of British commitment to the Balfour Declaration.

The history of the Palestine currency differs in a number of ways from modern currencies in other contexts. Unlike other colonial currencies, which were introduced primarily for economic and administrative reasons, for the Palestine currency the symbolic dimension was paramount. The main motivation for the issue of the currency was its political effect as symbol of state sovereignty. Furthermore, in Japan, Europe and other contexts, currency designers sought to shape the ‘content’ of national identity in a given political framework, within existing nation-states or colonial territories. In Palestine, in contrast, the currency preceded the formal establishment of the polity, and was conceived as an instrument to facilitate its very creation. Circulating symbolic artefacts were designed to present the British vision for Palestine as a deep-rooted reality, as illustrated by Herbert Samuel’s rush to issue stamps before the name of the territory was formally decided. Similar methods had been employed by the British during the Arab Revolt, when Arab stamps and a flag were introduced to present a British-sponsored uprising as a genuine Arab war for liberation. British policy-makers believed in the power of banal state symbols to give shape to the geopolitical reality: not only to legitimise an already-existing regime, but also to create favourable conditions for the establishment of such a regime. As popular symbols sank into popular consciousness, they prepared the population to accept – enthusiastically or reluctantly – a state of affairs that was still in the making. In their use of stamps, currencies and flags, the British revealed an acute understanding of the power of symbols to shape popular perceptions, and thus to create realities. To borrow the terms of T. E. Lawrence, symbolic façades had the power to determine the future shape of geopolitical building.

These examples reveal the importance of state symbols for the process of nation-building through their hold on public imagination. However, the critical role described here would seem possible only in moments of great geopolitical flux. Such was the case in the Middle East in World War I and its
aftermath, with the collapse of the centuries-old Ottoman empire and the emergence of a novel political order amid a fierce political struggle between imperial powers and local movements.

Notes
1 Public Record Office, Kew (PRO). F152/1 6/620-30/10/24121/Finance/2451(F.I), Herbert Samuel, currency memorandum (2 April 1920).
4 Herbert Samuel, currency memorandum.
5 The Anglo-Palestine Company was the first to suggest a Palestine currency. In February 1918, shortly after the occupation of the country, the bank approached the military administration proposing to issue banknotes in sterling values, with lettering in English, Arabic and Hebrew. British military authorities rejected the idea on monetary grounds, and also because they believed the currency would be interpreted as a political statement (Dabbah 2005: 58–61).
7 PRO FO 882/16 SP/17/5, Mark Sykes to Sir Reginald Wingate, 22 February 1917.
10 Mandate for Palestine, Article 22 (Berlin 2001).
11 Ha’aretz, ‘al ha-Perek’, 1 November 1927.
12 Al-Jami’ah al-Arabiyyah, 20 October 1927; Davar, 1 November 1927.
15 Al-Jami’a al-Arabiyya, 18 November 1927.
16 Al-Jami’a al-Arabiyya, 24 November 1927.
17 Al-Jami’a al-Arabiyya, 24 November 1927.
18 Al-Urdun, quoted in Ha-Arets, 25 October 1927.
19 ‘Intidab Aw Isti’mar?’, Filastin, 18 October 1927 (author’s translation). See also Al-Jami’a al-Arabiyya, 18 November 1927.
20 ‘Intidab Aw Isti’mar?’, Filastin, 18 October 1927.
21 Mirat al-Sharq, 17 and 24 November 1927.
22 PRO File F.152/2 Currency Officer Davis to Palestine Currency Board, 23 December 1927 (no. 87).

References


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