

indebted population. Realizing his indispensability to the rural masses, the usurer knew how to exploit the situation and charged whatever rate of interest he wished. Rates of interests on loans taken from merchants throughout the 1920s and 1930s ranged between 20-100 per cent per annum. (49) Referring to interest rates, Simpson observed:

The rate of 30 percent is regarded as quite reasonable, and is indeed exceeded in many cases.. ..It is a usual practice for the money lender or the merchant to make an advance on terms known as 'ashara-hamestah', which means that a sum of P.L. 10 advanced at the time of sowing is repaid by a sum of P.L.15 at the time of harvest. Another arrangement is interest at the rate of 1s. in the pound per month. (50)

Heavy taxation also resulted in indebtedness and impoverishment. Both phenomena were widespread during the British rule. In 1929, for example, the Director of Education noted:

Hardly any Arab village exists which is not in debt. The fallaheen [peasants] are so over-taxed that they find great difficulty in paying the tithe (51)

In one instance, in 1930, in the village of Bir Zeit it was reported that the village as a whole was indebted in the amount of P.L.7,000 or an average of P.L. 39 per family. (52) Moreover, the 1929 "Survey into the Economic Conditions of the Agriculturists" found that the average debt per peasant family amounted to P.L. 27, on which P.L.8 per annum was paid as interest by each family. (53)

The burden of heavy taxation also reached various other sectors of the agricultural population, such as small commodity or capitalist producers. In Palestine the landowner/merchants in the citrus belt as well as some grain merchants were greatly affected by the increased