

development of other agricultural societies, which is by now well established in the economic development literature. Second, and related to the first implication, is that those developments in the Palestinian economy “preceded” Jewish European settlement, a fact that undermines the argument that growth and change were made possible only as a result of that settlement.

In the Mandate period, we start to witness major quantitative and qualitative differences in taxation, debt, and land tenure. In taxation, the Mandate government pursued contradictory policies. It reduced the tithe rate and abolished tax farming, and, on the other hand, it issued the Commutation of the Tithe Ordinance and required the tithe to be paid in cash; the effect of the latter two measures more than offsetting the benefits of the first two.

The imposition of cash taxes in addition to years of bad harvests and falling prices drove the peasants to increased borrowing from and dependence on moneylenders. Cash taxes meant that peasants were now more intensively integrated into market relations. Falling prices meant an increase in the surplus appropriated from peasants, as they had to now give up a greater portion of their output to pay taxes and debt. The burden of all agricultural taxes increased as compared to the pre-Mandate period. The increase in debt ultimately led to many peasants losing their land or parts thereof.

The replacement of the tithe and *werko* by the Rural Property Tax in 1935 helped to alleviate the tax burden, but it was too late for peasants who already lost part or all of their land before then, as pressure mounted on them with the