

(430,000 of a total 757,182) were peasants and the large majority of land-owners were feudal lords.

Prior to World War I, 250 feudal landlords owned 4,143,000 donams (1 donam = 1,000 square meters), which equalled all peasant-owned land. 29 percent of Palestinian peasants were landless. The development of a monetary economy and commodity production allowed for further concentration of property, mainly land. Consequently, the latifundia structure was formed. This, in turn, reinforced the imposition of higher taxation on the small peasant and, in effect, forced the peasant to "free" himself from property relations, resulting in greater concentration of property and in class polarization: land-holders, on the one hand, and the bulk of peasants becoming seasonal sharecroppers or tenants, on the other. It is worth stressing here that concentration of land in the context of private property took place upon the disintegration of the original communal ownership of land, which used to be held collectively in "Masha'a" tenure.

The disintegration of the Masha'a communal land tenure system in order to provide for more effective taxation was one of the objects of the Ottoman Land Code of 1858. Under the yoke of immense rural indebtedness, the individual cultivators were, in effect, forced to sell their small holdings to wealthy merchants and become share-tenants. This is how the land-holding class emerged from merchant capital, and how the existing subsistence economy was caught in a process of disintegration as a result of the gradual absorption of the Turkish Empire into the capitalist orbit.¹³

Industrial production remained retarded. It was only in the 1890s that the first industrial projects were established in the country; a silk manufacturing plant and a raisins-and-spices processing factory in Tantara, fol-