

process in Palestine. Through private capital invested by the Bergheims of Germany, for example, the Templars established the settlement of Welhelma near the village of Tira (Scholch, 1982). French and British colonial missions were also heavily dependent on private capital, notably, that of Baron de Hirsch who built the first railway in the Ottoman Empire, Moses Montefiori and most significantly Baron de Rothschild (Scholch, 1982; Gozansky, 1986).

The increased involvement of the Ottoman Empire in the world market economy in general and in the money economy in particular must not be attributed to the imposition or penetration of Western capital only. During the 19th century and in particular after the 1850s, the Ottoman Empire was facing widespread peasant rebellions. These included the riots in Palestine, following the withdrawal of the Egyptian army in 1856, the Druze rebellion in Lebanon in the 1860s and the Balkan rebellion in 1875 and 1876. Moreover, during the 1850s the Empire was continuously fighting the Russians, in what was known as the Crimean wars (Baer, 1975; Scholch, 1982).

All these factors mounted pressure on the Empire's treasury. As early as the 1830s, the Ottoman army was absorbing 70 per cent of the Empire's total revenue despite the fact that many troops were unpaid (Owen, 1981:62).

During the first half of the 19th century, the Ottoman state was experiencing a phase of decentralization. Despite the claim of the central power in Istanbul to absolute ownership of all of the land under its rule, various local governments in Greater Syria began to assume independence. In Lebanon for example, the Mirs (heads of big families) assumed full control over large areas of the Mountain