

He concludes that there was a “net transfer of resources from the high-income Jewish community to the low-income Arab community.”⁹¹ Metzer adds that there was a “Jewish advantage in the per-capita utilization of government in the form of more public services and aid.” This discussion about the benefits that government policies may have had on the two communities has been accurately characterized as a “sterile debate” deriving from the adoption of the two separate economies’ assumption rather than a single larger Palestinian economy.⁹² What was more important was a differential impact those policies had, including taxation, between and within the two communities.

For example, Metzer’s first period of 1921-1933, when direct taxes were relatively high and were primarily levied, as Metzer points out, “on land, livestock, and gross agricultural output,” was a time when taxes represented a major burden on peasants (the majority of the Arab population) and were one of the major factors contributing to increased debt and in many cases loss of land. This was at a time before the introduction of comparable urban taxes, something that was recommended in 1930 but not implemented until 1941, and as Metzer acknowledges, because of pressures and objection of the organized Jewish community,⁹³ which mostly resided in urban areas.

⁹¹Ibid., 187.

⁹²Owen, “Introduction,” 6.

⁹³Metzer, *Divided Economy*, 181.