

Although it was true that the Jewish community paid more in indirect taxes as Metzger says because of its “higher propensity to import” and higher income, the burden of that part of indirect taxes that includes import duties and excises on necessities was much greater on the Arab peasantry and urban poor. One example of the latter was the imposition of protective duties on flour and salt and lower ones on wheat, the latter “introduced for the benefit of mechanized milling.”⁹⁴ In the case of salt, being a necessity but also used in traditional leather processing, a Jewish European company, the Palestine Salt Company, was given a concession by the government as a public utility company and protected by high import duties. This meant that “the company was supplying salt to the public at between £P 7-7.5 a ton, whereas salt of a superior quality could be imported from Egypt at £P 1.5 per ton.”⁹⁵ Thus, there was an important connection between some indirect taxes and the commercial policies of the government.

Metzger’s discussion of the government’s commercial policies is most peculiar. He acknowledges that the government was

motivated by “infant industry” arguments, and yielding to specific pressures for protection and support, the government ultimately exempted most raw materials and inputs used in material production from import duties, and imposed varying protective tariffs on almost all domestically manufactured goods [primarily affecting Jewish European industry] (and on quite a few farm products as well), [primarily Arab].⁹⁶

⁹⁴Smith, 170.

⁹⁵Ibid.

⁹⁶Metzger, *Divided Economy*, 183.