

imports were consumed by foreigners and the local “upper class.”⁸³ From 1882 onwards, the rapid increase in imports reflected the growing number of Jewish settlers,⁸⁴ the increasing wealth of the local “upper class,” especially those involved in the export trade, but also included “middle-class” urban dwellers and villagers to the extent of benefits accruing to some from auxiliary activities associated with the export trade and the general economic expansion.

As Scholch has shown, exports exceeded imports for the period 1856-1882, and thus alleviated the trade deficit of Greater Syria.⁸⁵ Palestine’s trade surplus continued to the turn of the century, after which imports exceeded exports.⁸⁶ This trade deficit was offset by migrant remittances, pilgrims’ spending, and transfers to the Jewish and other religious communities.⁸⁷

Besides the growth in trade, another noticeable change in this sector, albeit relatively small, was the establishment of banks and the building of railroads, both of which reflected the penetration of European capital into Palestine. Foreign investment in Palestine was part of the general flow of European investment in the Ottoman Empire that, in turn, was part of the intensified European export of capital in the last quarter of the nineteenth century.

⁸³Scholch, 108.

⁸⁴Owen, *Middle East*, 265.

⁸⁵Scholch, 106.

⁸⁶Owen, *Middle East*, 265, Table 68; and Issawi, “Trade of Jaffa,” 50-1, Table 2.

⁸⁷Owen, *Middle East*, 248, 265-6.