

3. TAXATION, DEBT, AND LAND TENURE

This chapter examines the intertwined relationships of the taxation policy of the government, peasants' debt, and changes in land tenure. I outline the evolution of the tax system during the Mandate and contrast it with the Ottoman system quantitatively and qualitatively. The impact of tax policies on the peasantry is examined. Then I examine the growth and magnitude of debt of the peasantry, and investigate the factors contributing to it. Finally, I examine the changes in land tenure deriving from government policy, European settler acquisition of land, and concentration of holdings within the Arab rural areas. What this examination found was that the real tax burden and debt of the Arab peasants increased during the Mandate. These increases were major contributing factors to the changes in land tenure, including the process of dispossession.

3.1 Taxation

The government of Palestine had a conservative fiscal policy aiming at a balanced budget; expenditure allocations were always decided upon after the determination of revenues.¹ Moreover, revenues were expected to be generated locally without help from the British treasury.

¹M. F. Abcarius, "The Fiscal System," in Himadeh, 511.