

manufacturers' demand and substantially reducing the price paid for tobacco leaves. Thus, by 1939, the area cultivated with tobacco declined to a little over 15,000 *dunums* that yielded 523 tons.¹⁰¹

The export of tobacco was always insignificant, whereas the increase in imports in absolute terms and relative to local output is most noticeable during the WWII period,¹⁰² probably because of the presence of the allied troops in the country.

During the Mandate, not only was the cultivation of tobacco highly regulated as in the Ottoman period, but it was also highly taxed, making it an important source of government revenue.

In 1921, the Palestine government imposed a cultivation tax on cultivation of £P 4 or £P 2 per *dunum*, the higher rate for high quality tobacco. In 1925, a Tobacco Ordinance was promulgated that regulated and supervised the cultivation and manufacture of tobacco. It also decreed an excise duty that replaced the per *dunum* cultivation tax. The rate of excise tax was 300 mils per kilo increasing to 400 mils per kilo by 1939.¹⁰³ Between 1933-1934 and 1944-1945, the share of the excise tax on tobacco in the total government revenue varied between almost 3.5 percent and 7.5 percent, a phenomenal contribution by one crop.¹⁰⁴

¹⁰¹*Abstract 1944/45*, 227.

¹⁰²*Ibid.*, 67-8.

¹⁰³*Survey I*, 457; Abcarius, "Fiscal System," 535.

¹⁰⁴Abcarius, "Fiscal System," 530; *Abstract 1944/45*, 79-80.