

power to establish customs duties and trade agreements as it sees fit.

In an effort to ease the severe conditions the Arab peasants faced, especially in the late 1920s and early 1930s, the government tried to stabilize the prices of wheat and flour by restricting imports through a licensing system, and by imposing, in 1932, fixed customs duties, the rate of which was higher during harvest time (June to December) and lower the rest of the year.<sup>126</sup> In 1933, a sliding scale of duties was established that was inversely related to the fluctuations in the prices of imported wheat and flour with the aim of maintaining wheat prices at £P 9 per ton and wheat flour at £P 12.5 per ton.<sup>127</sup>

However, these efforts were mostly undermined by the free trade agreements the government had already signed with Syria in 1921 and renewed in 1929, and with Trans-Jordan in 1928.<sup>128</sup> These agreements permitted the importation of large amounts of wheat from Trans-Jordan and Syria, where natural conditions were more favorable for the cultivation of wheat and where the costs of production and costs of living were lower than those in Palestine. This helped depress the prices of wheat in Palestine throughout the 1930s (see Table 3.4). It has been estimated that the Arab peasant was forced to sell, on average, about a

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<sup>126</sup>*Survey I*, 450. Accordingly, the duty for wheat was £P 5 per ton from June to December and £P 2 per ton from January to May, while the corresponding duty for wheat flour and rye were £P 8 and £P 5.

<sup>127</sup>*Survey I*, 451; Brown, "Agriculture," 129-30; Sawwaf, "Trade," 434.

<sup>128</sup>*Survey I*, 441-3; Brown, "Agriculture," 209-10.