

the countryside was undergoing by blurring the ongoing process of differentiation.

If what was meant by socioeconomic change was the predominance of capitalist production relations in the rural areas as Carmi and Rosenfeld seem to say, there is no doubt that this was not the case. However, what definitely evolved was socioeconomic differentiation but only with limited capitalist development.

Thus, to answer the question I started with as to where the wage labor came from, it was from the peasantry whose land was expropriated whether completely or to an extent that substantially reduced their ability to secure a livelihood from it. However, what evolved in the rural areas were the beginnings of capitalist relations though still not predominant. This leads to the question of why the process of differentiation was not complete in the sense of leading to the complete separation of peasants from their means of production and the predominance of capitalist production relations in the rural areas.

I already alluded to the observable fact that differentiation may take different forms and be a slow process. There are many counteracting factors that may account for the slow pace or retardation of the process of differentiation in the sense of the development of agrarian capitalism. I will discuss, in brief, the main intertwined factors that operated in Palestine.

First, there were the colonial government's policies, especially its trade and fiscal policies. The "open-door" trade approach proved disastrous. The allowing of duty-free agricultural imports even when prices were collapsing was ruinous for the small peasants, and at the same time provided disincentives for the surplus