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Colonial Capitalism and Rural Class Formation: An Analysis of the
Processes of Social, Economic and Political Change in Palestine,
1920-1947.

By

Nahla Abdo-Zubi

A Thesis submitted in Conformity with the requirements for the
Degree of Doctor of Philosophy in the University of Toronto.

1989

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SCHOOL OF GRADUATE STUDIES

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FOR THE DEGREE OF DOCTOR OF PHILOSOPHY

OF

Nahla Abdo-Zubi

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Formation: An Analysis of the Processes of
Social, Economic and Political Change in
Palestine, 1920-1947

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Dedication

This work is dedicated to my parents: Asma and Asad; my partner Sami, and my children, Hadaf and Beisan. Three generations of Palestinians who have endured, survived and shall continue to make history.

Abstract

This study provides a conceptual and empirical analysis of the processes of social, economic and political change in rural Palestine during 1920-1947. At the theoretical level it re-evaluates some conceptual frameworks and introduces an alternative paradigm to the Asiatic mode of production proposed by Marx. This analytical research, based on available literature and on empirical data, will contribute to scholarly work on change and development and fill a gap in the current literature on Palestine.

This sociological enquiry re-examines a number of social, economic and political phenomena which characterised Palestine's economy in the first half of the 20th century. It places a special emphasis on the impact of colonial capitalism on rural class formation. The dynamics of pre-capitalist Palestine is examined first, thus preparing the ground for an adequate understanding of the various changes introduced by British and Zionist colonization.

In this study we demonstrate that Palestine's transformation process was mediated by a number of forces, the most important of which were the colonial government, the influx of capital and the influx of European Jewish settlers. These forces are investigated, their relationship with each other identified, and their impact on the Palestinian indigenous population analysed.

The analysis of agrarian social transformation establishes a strong relationship between changes introduced by colonial settler capitalism and changes generated from within pre-capitalist social formations.

Our investigation of some specific phenomena, such as the issue of 'land transfer' and impact of Jewish settlement on the indigenous

population provides a contrary view to most literature on the subject. Finally, by going beyond mere economic considerations, our investigation of a number of issues, i.e., land expropriation, Jewish boycott of indigenous Arab labour..etc., allows us to reveal the complex and historically specific character of the Zionist settler movement.

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The accomplishment of this work has been possible largely due to the moral and intellectual support provided over the years by a number of individuals and institutions.

Most of my Archival data were collected from the Public Record Office in London-England. I would like to thank the Staff at the Public Record Office. I would also like to thank M. Zubi and the Archives director at Beit-Shturman (the Marj) for their assistance.

During my field work in London and Palestine/Israel, I conducted a number of interviews. I would like to thank all the people who shared with me their personal history: Lord Caradon, (London); A. Taha, (Nablus); A. Samara, (Ramallah); A. Dajani, Kh. Dajani and Y. Dajani, all of whom have enriched my knowledge of Palestine's history.

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Introduction

A proper understanding of social formations and economic structures is crucial for analysing and elucidating the processes of transformation in an attempt to identify their salient features and, perhaps, delineate some of the possible course they may eventually take. Of central concern, in this context, is the critical investigation of the social relations of production and the dynamics of class conflicts and their relationship to subsequent political developments.

The purpose of this study is, in very broad terms, to examine a crucial phase in the history of Palestine prior to the establishment of the state of Israel, through a critical reanalysis of the available data and the introduction and incorporation of some hitherto unexplored documents. More specifically, my investigation focuses on Palestine's rural class formation as it evolved between the latter part of the nineteenth century until 1947.

Palestine was under the Ottoman rule until World War One. Like other Third World societies which were directly or indirectly affected by the rise of western imperialism, it had also begun to undergo some major changes in its socio-economic structure. However, the drastic changes in Palestine's socio-economic structure in general and its rural class formation in particular materialized between the 1920s and the late 1940s under British and Zionist colonization of the country. In order to identify these changes and understand their implications on the society's predominantly pre-capitalist economy, a proper conceptual framework is called for.

Chapter One addresses this task by providing a critical examination

of a number of conceptual approaches pertaining to Third World social formations. It also places a special emphasis on the notion of the "Asiatic Mode of Production" which has enjoyed prominence and wide circulation in a variety of Marxist perspectives as a viable framework of analysis (Avineri,1972; Saed, 1981; Gozansky,1986; Saed,1984), as well as on the concept of the "Articulation of Modes of Production" also widely adopted within the African context (Rey, 1982; Wolpe, 1980; Arrighi, 1970; Burawoy,1976). This critical examination of the current literature, it is suggested calls for introducing an alternative framework for conceptualizing the Palestinian experience. The approach we adopt in this study, namely, historical materialism, is not new in the Marxist quarters. It has been convincingly applied in studying certain areas in the Third World, including India, (Bagchi,1982; Chandra,1981; Patnaik,1983) and a range of Middle Eastern economies (Saleh,1979; Barakat,1975; Abdel-Fadil,1988).

This, however, was not the case in studies on Palestinian development, the overwhelming majority of which have been conceived and carried out from an "Orientalist" point of view. A number of critical scholars who have done extensive reviews of the available literature on Palestine have highlighted the need for developing a class perspective as a more appropriate method for analysing Palestine's history (Rodinson,1981; Turner, 1984; Zureik,1981; Asad, 1979). In this context, it is hoped that our study will be a contribution in that direction.

Our claim to originality in this study, however, rests upon the empirical data presented in support of our theoretical propositions. Before we proceed further, a note on the research techniques employed in this study is worth mentioning.

Some Methodological Considerations

Data used in this study have been compiled through a combination of a number of sociological methods. A large part of the data was drawn by historical research of archival material. The following is a list of the major documents consulted:

- 1) British government reports. Three reports were particularly significant here; one, *Palestine: Report on Immigration, Land Settlement and Development*, by John Hope Simpson (Cmd. 3686, 1930); two, *The Royal Commission Report, 1937*; and three, *Report of a Committee on the Economic Conditions of Agriculturists in Palestine and Fiscal Measures of Government Thereto*, by Johnson and Crosbie, 1930. (Hereafter, "Johnson-Crosbie's Report").
- 2) Correspondence between the Administration of Palestine, the Colonial and the Foreign Offices in London.
- 3) Petitions and peasant complaints found particularly in the Foreign Office files.
- 4) Documents on 'land sale' obtained from the archival library at Beit Shturman (Israel).
- 5) Palestinian Archives kept at the Arab Studies Institute in Jerusalem.

Additional historical data, in the form of rare manuscripts, were also obtained from the private libraries of A. Taha (the West Bank) and B. Sabah (Israel).

Non-historical data were also gathered. During my stay in Israel and the West Bank I interviewed a number of people, including, ex-landowners, Lawyers specialized in land cases and elderly Palestinian peasants. The technique of 'family live history' was used with

elderly Palestinians. Also interviewed during my stay in London-England was Lord Caradon, who during the 1930s, occupied the position of a District Commissioner (Palestine: Northern District).

The strength of these data lay, mainly, in the logical validity they provided our study with. These data have helped us to re-evaluate a number of socio-economic and political phenomena and understand them from a different perspective. (See further discussion).

To come to grips with Palestine's pre-capitalist history, Chapter Two examines its socio-economic structure during the late nineteenth century, focusing on the various local (internal) and international (external) forces involved. This Chapter delineates the salient features of the mode of production. Its general theme tends to support some findings of the existing literature. However, the particularities of our analysis are different in that we highlight the transitory character of Palestine's economic structure in late nineteenth century.

In examining the different categories of land tenure systems in Palestine, we consult two rare manuscripts believed to be particularly significant in clarifying the issue of land system in Palestine. The first is the Arabic translation of the Ottoman land laws of 1856-57, published in 1924. The second document is a Judicial treatise on the difference between private individual land and state land in Palestine, written originally in Italian, by a Priest-Advocate in 1936. These manuscripts provide important insights to such issues as state land (or Amiri category) and communal land (Musha'a), which have been traditionally confused with each other and occasionally gave rise

to flawed methodologies and faulty conclusions.

The socio-economic and political changes which originated from within Palestine's late nineteenth century economy, have reached a historic turning point during the 1920s. Chapter Three examines the effects of British colonialism and Zionist settlement in intensifying Palestine's transitional processes. Emphasis here is placed on the role of the colonial state and the Zionist ideology in accelerating the expropriation of indigenous Palestinian land and its peasants thus, stimulating further differentiations within the peasantry.

This chapter provides a contrary view to the literature which has dealt with the question of Zionist appropriation of land in terms of 'land transfer' or 'land sale and purchase' thus, neutralizing the process and stripping it of its violent and essentially confiscatory character. Far from being a conventional exchange or transaction, we argue that the land transfer was in fact a process of expropriation and that this process was carried out through political, legal and other more repressive apparatuses. Drawing partly on the original 'sale documents' and partly on British official correspondence - including police reports- three cases of such 'land transfers' will be analysed and their consequences for the indigenous possessors/owners highlighted. In one case, we shall also record the personal account of Lord Caradon, who in his capacity as District Commissioner in the early 1930s, witnessed some of the events of peasant expulsion. In most cases of 'land transfer', this chapter demonstrates that the mediation of the colonial government, in both its legal and political forms, was essential. Similarly, the government's harsh policies of taxation, imprisonment and collective punishment were instrumental in

effecting the drastic changes in Palestine's rural class structure.

The large-scale land and peasant expropriation, coupled with other social and economic difficulties developing in the process, altered the class composition of rural Palestine. Within the context of Palestine, where questions such as the quality and quantity of land available for cultivators were veiled with political ramifications, the problematic of identifying the rural classes becomes very sensitive. An attempt is made to establish a proper criterion for identifying Palestine's rural classes, particularly within the category known in the Marxist literature as "rural poor" or "rural proletarians" (See Chapter Four). A first hand examination of the controversial land surveys will be provided. It is hoped that this enquiry, which relies on British reports, will enable us to unveil some of the facts concerning the class issue and enhance our understanding of the process of peasant differentiation.

Strong indications of the development of a capitalist economy in agriculture were evident at various levels. Chapter Four focuses on the economic side of the change process and emphasizes the development of the local capitalist market, the role of competition in agriculture and the impact of these emerging forces on the rural economy.

Along with this development, a process of ruination of a large section within rural Palestine was also emerging. The phase of destruction is elucidated by using historical records which pertain to statement made by some fallaheen, as well as information gathered from elderly Palestinians we interviewed. As in earlier chapters, this section underlines the significant role played by the colonial state in facilitating and expanding capitalist development.

Developments at the political/ideological level and their immediate

and eventual ramifications are also analysed here. Of particular importance here is the direct and indirect social and economic impact of the Zionist policy of boycotting indigenous Arab labour. The political/ideological implications of the Zionist policy of the European (Jewish) dominant class is briefly dealt with here and discussed in greater lengths in Chapters Five and Six.

The development of capitalism in Palestine was mediated not only by British colonialism, but by a specific form of settler movement as well. The influx of European Jewish capital and human resources into Palestine had overwhelming impact on the country's transformation processes. As Chapter Five points out, capitalist production which was pre-dominant in almost all forms of agrarian organizations within the European Jewish economy was placing further strains on an already ruined rural economy. Emphasis in this respect is placed on the revolutionary impact of the agricultural production techniques in transforming the rural economy.

A major characteristic feature of capitalist development within the European Jewish economy has been the overwhelming import placed by the dominant Zionist ideology on the political/national implications of Jewish settlement in Palestine. The strategic objective of establishing a Jewish state was translated by the Zionist hegemonic group in Palestine into political actions which, in many instances, overshadowed and superseded all other consideration. This was manifested in the policies that were implemented for appropriating the land and expanding the "Kibbutz"-type settlements. A detailed examination of these policies becomes crucial for clarifying a major feature which characterizes, and, in a sense, differentiates the

Zionist settler movement from other settler movements, as in South Africa and Rhodesia.

With the extensive data initially prepared for Chapter Five we have expected to conclude our study at this point, on the assumption that the major issue, namely, colonial capitalism and rural class formation had been properly addressed. However, a further examination of the data suggested that the treatment of class relations which developed in the process must be attended to more carefully.

Chapter Six is devoted to examining the capital/labour relationship in its complex reality. The data provided in this chapter tend to provide an alternative approach to the "half class" theory advocated by various scholars (Wolpe, 1980; Burawoy, 1976; Zureik, 1979; Carmi and Posenfeld, 1985) who view the proletarian class, mainly, as an economic agent. However, as our empirical evidence shows, the role of this class has assumed an additional dimension as a social and political force capable of taking part in the history of change.

The Palestinian experience of colonial capitalism, reveals a specific set of relationships between the various sources involved in generating capital, i.e., the colonial government, the European Jewish capitalist settlers and, to a lesser extent, the indigenous Palestinians on the one hand, and the two major working classes, indigenous proletarians and European Jewish working class on the other. In variance to the classical Marxist formulation on class formation, our empirical data on such process in the Palestinian context suggest the rise of class structures differentiated and fragmented along ethnic and ideological lines.

Finally, adding the Chapter on labour relations, we hope, would be

of special significance for exploring further one major problematic in this study, namely, the relationship between the economic and political foundations of the Zionist settler movement in Palestine. The intricacies of the Zionist policies expressed in such slogans as "Jewish land" and "Jewish labour" are given special emphasis, particularly, within the context of the institutions of the "Kibbutz" and that of the "Histadrut". In addition to correspondence material and particularly, police reports, testimonies of Palestinian labour unionists will be used to substantiate our arguments.

Colonial Capitalism and Third World Economies:

Some Theoretical Considerations

The task of analysing the social, economic and political structure of Palestine's economy prior to its subjugation to British and Zionist colonialism, is indispensable for the comprehension of the processes of change and development that this economy underwent in the early twentieth century.

The question of whether or not either pre-capitalist economies or colonial economies are capable of generating changes from within has been hotly debated amongst Marxist and non-Marxist scholars alike. At the centre of this debate is the issue of the character and nature of pre-capitalist economies.

Most non-Marxist literature on this issue adheres to the notion that change in late-developing societies is possible only through the intervention of external forces. Support for this argument, however, tends to be drawn from largely subjective factors. One such factor is the notion of 'peasant culture' which is comprised of the attitudes, norms and values of the 'peasants' or 'peoples' of these societies (Bill, 1972; Weber, 1968; Shanin, 1971; Eisenstadt, 1985). It is argued that these normative values, present obstacles to mobility and change within Third World countries.

Within the context of the Middle East, the "Mosaic Model," to use Bryan Turner's words (Turner 1978), was the predominant approach of the Orientalists. The 'Islamic' state, according to the classical orientalist, is composed of a mixture of conflicting groups hierarchically divided on religious, sectarian, ethnic, occupational

and tribal bases. The state or the "Moslem ruler" is necessary in order to achieve harmony and balance amongst these opposite and independent units. In this theory, Islam was presented as a timeless, monolithic and homogeneous culture which provides a perfectly adequate device for syphoning off the internal, factional conflicts of the social structure (Turner,1978:40; Abdel-Fadil,1988).

In this approach, Islam is held responsible for the static aspect of all social formations under the Ottoman rule. Some elements of this approach can be traced back to Marx's concept of the "Asiatic Mode of Production", while others seem to be derived from Weberian analysis. According to Weber (1968), Islamic culture is incompatible with the spirit of capitalism, unlike the "Protestant ethic" which is seen as a significant force in the emergence of Western capitalism. In Economy and Society Weber elaborates on this theme, suggesting that prebendal feudalism of imperial Islam is inherently contemptuous of bourgeois-commercial utilitarianism and considers it as sordid greediness and as the life force specifically hostile to it (Weber, 1968:109).

In Marx and the End of Orientalism (1978) and Capitalism and Class in the Middle East(1984), Bryan Turner provides an extensive critique of the work of the Orientalists, arguing that their "Mosaic Model" provides the theoretical basis for Wittfogel's elaborated notion of Oriental Despotism (Wittfogel, 1959). Other Middle Eastern scholars have dismissed the Orientalist approach as static and ideologically biased (Zureik,1981; Said, 1978).

Said associates the Orientalist view of Islam as a static society with the growth of western imperialism. In Orientalism, he argues that: "Orientalism changed from a scholarly inquiry into exotic language, into a theory of political practice.." for two reasons: one,

the Oriental-European relationship was determined by an unstoppable European expansion in search of markets, resources, and colonies: and two, Orientalism had accomplished its self-metamorphoses from a scholarly discourse to an imperial institution'." (cited in Turner, 1984:160). According to another author, one of the main fallacies of the Orientalist approach to Islamic societies is that it is "historically bankrupt" (Abdel-Fadil,1988:45).

Characterizing Third World pre-capitalist formations in a static and ahistoric manner, however, is not limited to non-Marxist analyses. Most Marxists accept feudalism as a dynamic mode of production capable of generating social change from within; Marxists differ, however, in their characterization of the pre-capitalist structures in Third World formations. To date, most traditional and neo-marxists make use of one of two major frameworks in their discussions of pre-capitalist structures: the "Asiatic Mode of Production," associated with some traditional Marxists (Gozansky,1986; Amer, 1958; Saed, 1978; 1981; Melotti, 1977), and the "Articulation of Modes of Production," invoked by an increasing number of scholars (Rey, 1982; Wolpe,1980; Arrighi,1973; Burawoy,1974;1976). Despite the differences in emphasis which each framework places on the nature and character of pre-capitalist economies, these concepts, as the following analysis demonstrates, differ very little. The basic assumption of both is that pre-capitalist "peasant" economies, are, on the whole, immobile, static and incapable of generating any significant change internally induced.

The controversy surrounding the notions of the AMP and "articulation" -particularly with regard to their historical and

empirical problems and the new empirical data on the socio-economic history of Palestine- suggests that a re-examination of both frameworks is necessary. As with other studies which reject, on historical-empirical grounds, the notion of pre-capitalist or peasant stagnation and stasis (Saleh, 1979; Patnaik, 1983; Chandra, 1981), the empirical evidence collected about Palestine's pre-capitalist economy suggests that the Palestinian peasantry was not passive, that their economy was not stagnant and that internal changes within this economy did occur prior to British colonialism.

The study of Palestine's economy requires an analytical framework capable of capturing the essence of that structure as it developed through time. To pursue this goal, the concepts of the AMP and "articulation" will be critically examined and their contribution to the question of transition will be discussed. Special emphasis will be placed on the character and nature of Third World peasantry as depicted by both concepts. This will then be followed by an attempt to construct an alternative analytical framework, which should be more appropriate to the actual history of Palestine.

The "Asiatic Mode of Production" Approach

Following Marx, various writers adopted the notion of the "Asiatic Mode of Production" as an analytical framework to study changes in Asiatic socio-economic formations. The bulk of these studies have focused on large "peasant societies," primarily Indian (Melotti, 1977) and Egyptian (Saed, 1975; Amer, 1958; Salam, 1985). Most recently, however, the AMP has been invoked in Marxist studies on pre-capitalist Palestine (Saed, 1985; Gozansky, 1986). The concept of "Asiatic Mode of Production" is based on three major characteristics: the

"...absence of private property in land...", the character of the "Asiatic state," and the "self-sufficiency of the village commune." Marx considers the absence of private property in Asiatic societies as the "...real key to the Oriental heaven..." (Marx and Engels, 1972:99). "In the Asiatic form (or at least predominantly so,)" Marx states: "...[T]here is no property, but only individual possession; the community is, properly speaking, the real proprietor—hence property only as communal property in land..." (Marx, in Hobsbawm, (ed.) 1965: 79).

In a special reference to the Ottoman Empire, Marx attributes the absence of private property to religion, stating that: "The Muhammedans..[were] the first to establish the principle of 'no private property in land' throughout the whole of Asia..." (Marx, S.C. (n.d):80). This claim will not be dealt with in this study. The reader, however, is advised to consult Maxime Rodinson's extensive study, Islam and Capitalism, which is based on examining the Koran and the "Hadith" and which concluded that "...far from discouraging economic involvement, Islam provides an explicit legitimation of trade and commerce." "Economic activity, the search for profit, trade, and consequently, production for the market," Rodinson demonstrated, "are looked upon with no less favour by Moslem tradition than by the Koran itself. We even find eulogistic formulations about merchants..." (cited in Turner, 1984:57). Also worth consulting here is Sulaiman Bshir's study which dismissed the notion that Islam was a proponent of communalism, and suggested that the Islamic state itself emerged in the class struggle between the nomads and the mercantile class to secure the interests of the latter (Bshir, 1978).

Related to the question of the absence of private ownership of land is the question of the character of the Asiatic state and the nature of the peasantry or the village commune. The Asiatic state is described as characteristically centralized, despotic and hypertrophied. Marx distinguished between the "Higher Commune," or the state, and the "Lower Commune," by which he referred to the peasantry. The "Higher Commune" was personified by a ruler, such as the Mughal king, in the case of India, or the Sultan, in the case of the Ottoman Empire. The state stands over and above the direct producers. The ruler appears as the sole appropriator of surplus from the direct producers, as he owns and controls all means of production, including land (Marx, 1973).

Before moving to the third basis of the AMP, it is worth mentioning Marx's contention that the Asiatic state is necessarily centralized or despotic. In Pre-Capitalist Economic Formations, Marx ascribes the presence of a despotic and centralized state to geographical and climatic factors, suggesting that the arid lands of Asia could not be brought under cultivation on a large enough scale without artificial irrigation by canals and water-works (Marx in Hobsbawm, (ed.), 1965).

This functional relationship between irrigation and despotism, however, was omitted in another work. In "The British Rule in India" (Marx and Engels, 1972) Marx argues that the development of such a state is imposed from outside for reasons that pertain to the foreigner's need and not to the internal need of the economy. Yet, at different times, Marx relates the despotic character of the Asiatic state to the socio-economic make up of the Asiatic society, namely, to the absence of private property and to the character of the village commune (Chandra, 1981).

The third characteristic of 'Asiatic' societies, according to the AMP model, is the "self-sufficient village/commune". Rights of land ownership in 'Asiatic' societies are vested in the village/commune as a whole. Individual members of the village/commune can hold land only by virtue of their membership in the village/commune. The individual, according to Marx, is not an owner in separation from the community, he is only the possessor of a particular part of it, hereditary or not. What exists is only "communal property" and "private possession." (Marx, 1965: 72,75 in Hobsbawm (ed.))

Marx uses the expression "Lower Commune" to describe the village/commune. These villages, he maintains, are always subjugated to, and live under the direct control of, the state. In fact, in one place Marx refers to these communities as the "...general slavery of the Orient..." (Marx, 1965: 95). Characteristic of these villages is their isolation from each other and from the society as a whole. Each of these villages, according to Marx, is self-sufficient and forms a little world in itself (Marx and Engels, 1972:102).

The AMP model distinguishes between the forms of exploitation in western feudalism and those in 'Asiatic' societies. Unlike feudal relations of exploitation which are class based, relations of exploitation in 'Asiatic' societies are located between the state, described as a class, and the peasantry, which is seen as one homogeneous entity. Rent and taxes, in the "Asiatic mode of production," it is maintained, coincide and are not extracted as two separate forms of surplus. The absence of a feudal class or a class of private land owners makes the state the only appropriator of surplus from the direct agricultural producers. In Capital III, Marx

elaborated on this point further, stating that:

...[I]n Asia...(where the state stands over ..
(the direct producers) as their landlord and
simultaneously as sovereign, then rent and taxes
coincide, or rather there exists no tax which
differs from this form of ground-rent (labour rent
converted into tributary relationship). Sovereignty
here consists in the ownership of land concentrated
on a national scale. (Marx, 1962 (Capital III):771-772)

The overall structure of the "Asiatic mode of production" and the isolated self-sufficient character of its "peasantry" are believed to be the major reasons for the stagnation and immobility of these societies. In this approach, "Asian" societies are described as "without history" prior to colonialism, without social development and incapable of generating any change from within (Marx and Engels, 1972:32-37).

It was against this background characterization of the peasantry as immobile, stagnant and changeless that the need for an external force was seen to be pre-eminent in the production of change within these societies. Capitalism imposed through colonialism is presented as the only force capable of breaking the "isolation," "resistance" and "stagnation" of 'Asiatic' or 'Oriental' peasants.

With the above general characteristics of the AMP model in mind, I would now like to examine how the concept is used in studying the political economy of the Ottoman Empire in general (Saed, 1975; Amer, 1958) and the socio-economic structure of Palestine (Gozansky, 1986 Saed, 1985) in particular.

Palestine: In Light of the AMP

The basic assumption of adherents to the AMP model is the claim that in extreme contradiction to the West, private individual ownership in land was absent in all societies under the Ottoman rule

(Amer,1958; Gozansky,1986). The Ottoman state, it is claimed, was "...the sole owner of land, while peasantry had only the right of usufruct over this land..." (Gozansky, 1986:13).

By virtue of being the sole owner of all land, the state, Tamar Gozansky argues, exercised absolute rights over the production process as well as over the direct producers. In her words, the state had the "...last word over all matters concerning the economic and the political life of the country..." (1986:13-14). As the sole owner of land, the state was also the sole appropriator of surplus from the direct producers (Fallahen) (1) and, as such, it functioned as the only exploiter of the masses of Palestinian peasantry (Gozansky,1986:18).

Local economies under the Ottoman rule are described as "natural" in that they are based on "self-sufficiency." The Fallahen, it is maintained, drew their livelihood by being members of the village/commune. Terms used to describe the actual nature of each village/commune vary from one region to the other. Within the context of Palestine, the term "Musha'a" (i.e., communal mode of land distribution) is used to describe what was believed to be the predominant form of land tenure and of production. This term, as this study will show, was arbitrarily used in almost all of the literature on Palestine, including the "modernization," the "development" and other approaches (Gozansky,1986; Saed,1985; Firestone,1975; Carmel,1975; Ohana, 1981; Kimmerling, 1983).

An elaborate account of the term "Musha'a" and its place in Palestine's agrarian social structure will be dealt with in the next chapter. It is sufficient to mention here that this communal

arrangement, which was mistakenly generalized over all of Palestine's agrarian economy, was held responsible for the static quality of Palestinian history. It is believed (Gozansky,1986;Flapan,1979) that this system put the village/commune interest over that of the individual, thus hindering any attempt at improving agricultural productivity. This system, it is further argued, "...failed to encourage private property and deprived individual peasants from any incentive to improve their productivity..." (Warriner, 1948:1966; Gozansky,1986) (2).

It is argued that throughout the Ottoman rule, Palestinian peasants were stagnant, unable to "...change or improve their forces of production..." (Gozansky,1986:16). A major reason given to explain this stagnation was the so-called "...freedom of the Asiatic peasants." "Unlike peasants in Europe...", Gozansky writes, "...those under the Ottoman rule were dependent, but most importantly free..." (1986:14-15 [emphasis added]). They were dependent on the state because they did not own land; yet, they were "free," unfettered by any bonds, either to the land which, they never owned, nor to the feudal or land lord who never existed separately from the state. "The Fallaheen" she writes, "could always leave their village and move to another one if, for any reason conditions did not suit them" (Gozansky,1986:17). The "freedom of the Palestinian peasant" occupied a central position in Gozansky's approach. In contrasting the Palestinian peasant with the European one she wrote: "Unlike the free peasant in Oriental societies...in Europe, if the peasant escaped, the feudal lord could bring him back by force, punish him and enslave him again." (Gozansky,1986:18)

Within the context of the Asiatic Mode of Production model,

Palestinian history never changed throughout the Ottoman rule; the Ottoman state remained the major or only proprietor of land and, consequently, the only extractor of surplus labour; the direct producers continued to depend on the village/commune for land while at the same time remaining "free" from relations of bondage.

Based on these characterizations of the pre-capitalist history of Palestine, Gozansky, not unexpectedly, concludes that no force could have changed the Palestinian economy unless it was a force imposed from the outside. It was only after the imposition of capitalism through British colonial rule and Zionist settlement, she wrote, that Palestine's "...traditional oriental structure was broken..." (Gozansky,1986:23-24). Only then, 'modern' capitalist forms of land tenure evolved and the seclusion and unity of the Palestinian village was broken (Gozansky,1986:25-26).

The AMP: A Critique

The concept of the Asiatic Mode of Production has long been the subject of heated debate. As early as the 1930's various scholars argued that the whole notion was fallacious and ought to be discarded (Rapp,1987; Mandel,1971; Naqvi,1972). It has been attacked on theoretical and ideological bases as well as on empirical grounds. Other scholars have rejected the concept as ethnocentric and culturally biased (Saleh,1979; Hindess and Hirst,1975), arguing that the "Occidental/Oriental" classification, which is geographically determined, renders the concept theoretically untenable.

There is yet another school of Marxists who have adopted the model only in a very critical manner, rejecting what they see as its static

and ahistorical elements -or as some call it the "dead" aspects of it [Godelier,1978; Saed, 1981; 1978]- while still making use of other components of it in their studies. Two elements of the AMP model in particular, namely, the concept of "despotism" and the "...image of Asia stagnating from millennia..." were dismissed as ideological and non-scientific (Godelier, 1978: 214; Saed,1978: 236). It must be added that these concepts demonstrate the Hegelian elements in Marx's writings. Attention should be called to Hegel's characterization of the "Hindoos" as those who "...have no history, no growth..." etc., (Hegel, 1956: 142, 154, 163) which later was echoed in Marx's statement: "Indian society has no history, at least no known history..." (Marx and Engels,1972).

Most opponents of the AMP reject the notion's lack of empirical validity with regard to two fundamental components: the alleged absence of private ownership of land and the alleged homogeneity of the peasantry (Singh,1985; Patnaik,1983; Barakat,1977; Habib, 1985; Chandra,1981; Saleh,1979). These studies emphasize the presence and exploitative role of independent classes of landowners. Scholars generally agree that Marx's information on Mughal India and the Ottoman state was based on secondary and unreliable sources. On this point, one scholar observed: "Marx and Engels neither studied Asian societies for their own sake- that is, as a specific historical or theoretical project- nor had adequate knowledge regarding them." (Chandra,1981:13)

There is ample evidence to suggest that 'Asiatic' societies were not static. Various studies have demonstrated that there were changes from communal to individual agriculture, as well as growth in the landowning class's claims for separate rents, under both the Ottoman

and the Mughal empires (Saleh, 1979; Barakat, 1977; Habib, 1985; Chandra, 1981). There is, moreover, additional evidence concerning peasant movements in pre-capitalist formations amongst the Indian (Habib, 1985; Chandra, 1981), the Egyptian (Barakat, 1977; Saleh, 1979) and the Syrian peasantry- of which Palestine was a part- (Scholch, 1982; Baer, 1969; Owen, 1981) which further refutes the validity of the AMP model.

Our study will demonstrate that Palestine under Ottoman rule, much like other Third World economies, was not devoid of private ownership of land. Gozansky's assumption that private ownership of land was absent, or, as she sometimes calls it "relatively absent" (1986:22), was not based on empirical data, but rather emerged as a necessary conclusion from the theoretical approach she employs. As will be demonstrated later in the study, the late nineteenth century land tenure system and forms of production in Palestine were a complex phenomenon which cannot be simply dismissed as "state property" (contra. Gozansky, 1986:25-27).

The understanding of the Indian land lord class, the "Zamindari" (Singh, 1985; Habib, 1985; Chandra, 1981), of the Egyptian "Muqata'jis" (Saleh, 1979; Barakat, 1977), of the Syrian "Multazims" (i.e., tax farmers), or of other local rural forms of land ownership (e.g., Mirs of Lebanon and "Heads of Hamulas" in Palestine), must be approached as specific historical examples and must be based on empirical evidence. This study will demonstrate that the Ottoman state was never the strong 'absolutist' state described in the AMP model. In the early nineteenth century, internal and external economic and political pressures were already evident. These forces left their imprint on the

social, economic and political structure of the Ottoman state. Late nineteenth century Palestine increasingly felt the presence of independent landed propertied classes not only from the urban areas, but also from within the rural structure.

Before discussing the issue of land ownership it must be stressed that there is very little, if any, basis to the assertion that "...the Arab Fallah, unlike the feudal peasant, was not attached to the land he held as a member of the commune, and therefore... he could freely leave the land...without a landlord forcing him to go back..." (Saed, 1985;Gozansky,1986:18). This statement is historically inaccurate in so far as the Palestinian case is concerned.

Arab peasants or Fallaheen, not unlike their counterparts in most other Third World societies, were not free. Arab Marxists generally agree that while the East might not have known the "...slave mode of production...", it was not free of slaves and enslavement (al-Attar,1965; Saleh, 1979; Barakat, 1977; Abdel-Fadil,1988).

In the East, slaves were used for various forms of labour, including domestic work, military service and productive labour. In Southern Iraq and some areas of the Maghreb "...slaves were often used in the production process..." (Abdel-Fadil,1988:52). Moreover, peasants in general, whether in the East or in the West, were never economically free. A relationship of economic bondage has always been present in the shape of the rent extracted from them, in kind, in labour, in cash, or in a combination of these.

Moreover, economic bondage in most Third World social formations was also accompanied by social, political and personal bondage to the overlord, whether the latter took the form of the Indian "Zamindar," the Egyptian "Muqata'aji," the Syrian "Multazim" or the Palestinian

"Head of Hamula." The notion that the Palestinian peasant was "free" stems from the authors' misunderstanding of Palestine's pre-capitalist structure and, in particular, from their confusion of the concept of "Musha'a" with the predominant form of land tenure known as "Amiri" which was based on the Hamula/village structure.

Membership in the Hamula/village was not based only on "lineage" or blood relations but also on social, economic and political obligations to the Head of the Hamula, who often was the merchant, usurer and landowner. (3)

The idea that Third World pre-capitalist economies are characteristically distinct from Western European experience and that they are changeless, immovable and awaiting their saviour to come from the outside, however, is not confined to the notion of the AMP. The description of non-feudal, pre-capitalist economies in a basically static and ahistoric manner is also found in most neo-marxist writings, such as the "Dependency" thesis (Frank,1969), the "World System" approach (Wallerstein,1974) and the concept of the "articulation of modes of production." It is to the latter notion and the work of its adherents (Rey,1980;1982; Arrighi,1973; Burawoy,1974: 1976; Wolpe,1980) that the following discussion will turn.

The Articulation of Modes of Production Thesis

The idea that any change in Third World countries is possible only if such a change was imposed from the outside constitutes the departure point for the notion of "articulation." This idea, similar to that of the AMP, is based on the assumption that Third World social formations were characteristically distinct from the feudal

mode of production and, therefore, that their path to transition followed a specific route which requires a different treatment (Rey,1982; Wolpe, 1980).

The notion of "articulation" was developed by Pierre-Philippe Rey (1982) as a conceptual approach to the question of capitalist transition in non-feudal economies. The notion was elaborated on later by Harold Wolpe (1980) who referred to it as the "articulation theory." Articulation is concerned with understanding transition in Third World social formations as expressed through the relationship between capitalism and the non or pre-capitalist form(s) of production. In this notion capitalism and pre-capitalist mode(s) provide the historical point of departure and are logically interrelated. For analytical purposes, however, this chapter will deal with the model at two levels: one, its perception of pre-capitalist formations and, two, its position on capitalist transformation. Both levels will be critically examined.

Articulation and Third World Precapitalist Social Formations

To begin with, the fact that adherents of the articulation of modes of production theory [hereafter called articulationists] consider capitalism as their historical point of departure, is by implication a recognition of one history, (i.e., that of capitalism) and a denial of history prior to capitalism. Nonetheless, an examination of Rey's (1973, translated into English in 1982) and Wolpe's (1980) theoretical contributions in this regard would illuminate the articulationists' position on pre-capitalist formations.

Rey argues that in their Articulation or transition to capitalism, pre-capitalist social formations undergo three consecutive stages. In

the first stage, capitalism interacts with the pre-capitalist economy and establishes the initial link in the sphere of exchange. Here, "...the nexus of peasant production and local artisans is partially replaced by the nexus of farmers and manufactures. But the artisan in the countryside is not destroyed." (Rey,1982:44) Capital here remains at the level of circulation and reinforces the pre-capitalist mode of production, leaving the peasantry unaffected. In the second stage, "...large-scale industrial capital...destroys the artisan class entirely. Its penetration into certain branches of agriculture does away with the need for small peasants." (Rey,1982:44)

The third stage complements the second: here "...capital moves further into agriculture and destroys peasant agriculture by competition." Capitalism in this stage "takes root" -it predominates over the precapitalist mode of production (Rey,1982:45). However, this periodization of the stages of development is applicable, in full, to feudal economies only. In the colonies, Rey argues, the path to capitalism takes a radically different route. In contradistinction to feudalism, non-feudal modes of production, are described as "...fiercely resistant to any capitalist development as they lack the forces of evolution characteristic of the feudal mode of production..." (Rey,1982:49-51). Capitalism in "...other modes of production..." (i.e., other than feudalism), according to Rey, remains in its first stage of development, since as it finds it "...impossible to destroy the closed circle of the farmer and the artisan..." (Rey,1982:49). The only way to 'develop' the 'underdeveloped' economies, it follows, is through the imposition of "external forces" (Rey,1982:49).

Rey's position on this "external" force is ambiguous. In Class Alliances he refers to this force as "extra-economic coercive measures," (e.g., the juridical-political role of the colonial state) (Rey,1982:48). Yet, in an earlier article on transition in the Congo-Brazzaville (1968), reproduced in English (1980), Rey identified the "external" force as a "transitional mode of production," which according to him, was independent from the capitalist mode and different from the pre-capitalist one (Rey,1982:157).

Rey provides very little reasoning as to why non-feudal social formations are perceived as necessarily stagnant and "resistant" to change. Change in non-feudal formations, the model suggests, must come from the outside because in these formations:

Capitalism can never immediately and radically eliminate either the preceding modes of production or, more importantly, the relations of exploitation that characterize these modes of production. On the contrary, it must over an extended period reinforce those relations of exploitation whose development alone assures that capitalism will be able to extract goods or men from these modes of production.." (Rey, 1982:XI)

In Class Alliances, Rey divides pre-capitalist modes of production into two sets: the feudal mode of production and the non-feudal modes of production. The non-feudal modes of production, which include the "Asiatic" mode and "other modes of production", are characterized as "...modes that have not accepted capitalist development without outside intervention, because their own course precludes such an evolution." (Rey,1982:51)

The distinct course of non-feudal modes of production appears to be derived from Rey's basic assumption that the "Asiatic" and "African" or "lineage" modes of production, as he refers to them, lack "...private property in land..." which seen by Rey as the

precondition for capitalist transition (Rey,1982:pp. 49-58).

In another article (1980), Rey, en passant, refers to social formations in Africa as "traditional" and "lineage," stating that "...despite a long history of exchange with capitalism, these social formations remained basically unchanged..." (Rey, 1980:150). He wrote, in order to change these societies:

It was necessary to introduce a rupture so that the capitalist mode of production could develop alongside the lineage mode of production and against it. This rupture turns out to be an independent mode of production which was neither capitalism nor the lineage mode of production; this mode of production remains dominant so long as the conditions of the normal development of capitalism are not fulfilled. (Rey,1980:157)

The "...conditions of the normal development of capitalism..." are not fulfilled in non-feudal, pre-capitalist modes of production, Wolpe elaborates, because of "the restricted mode of production" characteristic of their social formations (Wolpe,1980:34). Thus, he writes, unlike the "expanded mode of production" --which consists of "...relations of production, forces of production and the law of motion..." -- non-feudal, pre-capitalist economies are characterized by a "restricted mode of production" which consists of primitive relations of production, undeveloped means of production and most importantly, lacks the law of motion (Wolpe,1980:34). In "restricted modes of production," the peasantry is described as pockets of "...isolated and individual enterprises..." (Wolpe,1980:36) into which, in order to break their isolation and local seclusion, an outside force must be brought. Wolpe's concept of "restricted mode of production" will be dealt with further in this chapter.

It is true that, unlike the "AMP", the notion of articulation lacks

an adequate description of pre-capitalist formations; nonetheless there is one basic theme which unites both concepts, namely, their equation of late nineteenth pre-capitalism, whether in Africa or in Asia, with "pure," "natural" (Saed,1985; Gozansky,1986), "lineage," "traditional" (Rey,1982;1980) or "purely redistributive" (Wolpe,1980) economies. The concept of a natural economy, normally used to characterize Third World peasant societies, must be differentiated from the notion of a "pure" non-capitalist economy. A "pure" pre-capitalist economy has long ago ceased to exist (Lenin,1960; Saleh,1979; Bagchi, 1982). This economy which denotes a complete bondage between the direct producer and the land, on the one hand, and between him and his overlord on the other, is characterized by the total stagnation of its social and technical forces. Writing on this point, Bagchi observes that after the development of capitalism in Europe, most Third World "pure," "tribal" or "communal" organizations have, in some form or other, already been penetrated by some kind of commodity or money economy (Bagchi,1982:8). Referring to one of the least developed provinces in India, prior to British colonization, Bagchi observes:

The village communities...were not by any means self sufficient. They were involved in various cash transactions in buying salt, handicraft products, etc., from the outside world, and selling their grain and other crops which could be marketed outside the village or group of villages concerned. (Bagchi,1982;11)

Lumping together all African or Asian social formations as "lineage" or "natural" is ahistorical. In fact it is this ahistoric and static approach to pre-capitalist formations which has formed the basis for criticism of the articulationist approach to pre-capitalist

modes of production.

Overgeneralizing peasant passivity and changelessness to all social formations, some authors argue, results in an oversimplification of peasant societies. By lumping together all peasantry, the articulationists, it is maintained, homogenize all peasants and ignore differentiations amongst them (Bagchi,1982; Saleh,1979; Barakat,1977; Foster-Carter,1978; Bradby,1980). Moreover, this overgeneralization masks the historical specificity of each case and consequently fails to understand issues of regional and local variations within the same social formation (Barker,1984; Taiseer,A. and et.al.,1984).

At this level of analysis, and in so far as pre-capitalist structures are concerned, the notion of articulation provides an extremely inadequate and simplistic account. However, as mentioned earlier, the contribution of the concept of 'articulation' to the question of change and development does not lie at this level, but rather at the level of analysing the process of capitalist transition once capitalism is already in place.

Articulation and Colonial Capitalism

As mentioned earlier, the articulation model's main contribution to the study of change and development lies in its perception of the process of articulation or transition. During colonialism, articulationists argue, a new mode of production referred to as the "transitional mode of production" dominates all other forms of production with which it interacts. This "...new mode of production.." is independent from capitalism and different from any pre-capitalist mode of production. It is a new economic system which combines both

capitalist and pre-capitalist features (Rey,1982:157; Wolpe,1980). However, it is not the simultaneous presence of two or more modes of production, but rather the actual relationship between them, which distinguishes this neo-marxist approach from the accepted Marxist approach to capitalist transition. Capitalism, Marxists agree, is a process of transition which does not emerge at once, nor does it replace the old pre-capitalist systems immediately (Lenin, 1960:232; Saleh, 1979).

What is, however, specific to the notion of articulation is the kind of relationship it attributes to the combination of the two modes of production. It is this relationship of opposition and co-existence, referred to as "destruction/maintenance" (Rey,1982) or "domination-preservation" (Wolpe,1980), which, it will be argued, is what differentiates this neo-marxist approach from the Marxist approach of historical and dialectical materialism. Capitalism, articulationists maintain, "...can never eliminate the preceding modes of production, nor can it change the relations of pre-capitalist exploitation, during an entire period, capitalism must reinforce precapitalist relations of exploitation..." (Rey, 1982:XI).

In Third World countries, the "transitional mode" does not operate as a stage or as a phase in the process of capitalism, but, instead, the tendency is for it to acquire a permanent self-perpetuating character. Under colonialism, Rey maintains, "...capitalism dominates pre-capitalist modes of production..." but fails to "...absolutely penetrate the production of foodstuffs..." (Rey, 1982:52)

Capitalism, in other words, is only partially established in Third World countries. In the articulationist perspective, transition is the "ultimate result" and not just a phase in the process. Throughout the

process of transition, Rey states, the 'proletariat will always be instable, they can always return to the land, the bonds joining city population with its rural origins are never completely broken.' (Rey,1982:52) This statement raises the question of "...when, if at all, does this opposing co-existence come to an end?" (Foster-Carter, 1978; Bradby, 1980) For Rey, pre-capitalist relations of production are not only maintained but are, in fact, reinforced during the process of capitalism.

Acknowledging the vagueness inherent in the concept of "destruction-maintenance," Wolpe (1980) proposes a new way to treat this relationship. For a more adequate "theory of articulation," he argues, 'it is important to distinguish between the restricted mode of production which is concerned only with the possible relations between agents and the means of production within individual, isolated enterprises, and the extended mode of production which through circulation, the state and so forth provides the mechanisms required to change the restricted mode into an expanded one.' (Wolpe,1980:36)

For Wolpe, the concept of a "restricted mode of production" has two simultaneous functions: on the one hand, it is synonymous with the notion of a "pre-capitalist formation," and can therefore be composed of more than one mode or form of production; on the other hand, it maintains the two major features of a mode of production, namely, the forces and relations of production. However, by using the term "restricted mode" Wolpe manages to mellow down the issue of "destruction/maintenance," since the concept "restricted mode" allows for the replacement of the concept of relations of production with terms like "elements" or "agents" of the economy. The result is that,

in the process of transition, some of these "elements," are totally destroyed while others persist (Wolpe,1980:40).

In his "theory of articulation," Wolpe does not address the issue of which elements compose pre-capitalist relations of production, nor does he provide an answer to the same question posed earlier, i.e., whether capitalism can predominate over pre-capitalist relations of production. One thing, though, is clear from Wolpe's "theory of articulation," that is, his rejection of "...the inevitability of capitalism..." Instead, he suggests that pre-capitalist relations may or may not be transformed by capitalism (Wolpe,1980:41).

Empirical studies on socio-economic change in South Africa (Wolpe, 1980; Burawoy,1976) and Rhodesia (Arrighi,1973) provide a more elaborate version of which pre-capitalist "elements" or "agents" capitalism is capable of destroying and which are preserved. All authors concerned here agree that through competition, capitalism in both economies had ruined African independent production and transformed the African natural economy into one dependent on the market.

Most important, however, is that all three authors also agree that the "expropriation of land and peasants" was only partially affected by capitalism (Burawoy,1976; Arrighi, 1973; Wolpe,1980). Articulationists, in general, agree that it is in the interest of capitalism to maintain some aspects of pre-capitalist relations. The partial expropriation of the land, expressed in the creation of the "Reserves" and the creation of a class of wage-labourers which is only partially dependent on the capitalist, is explained in terms of the specific needs of South African and Rhodesian capitalism (Burawoy,1976; Wolpe, 1980; Arrighi,1973). Commenting on this point,

Wolpe states:

The exploitation of migrant labour-power of this kind [i.e., partially expropriated] enables the capitalist sector to secure an increased rate of surplus value. (Wolpe,1980:297)

This explanation is essentially teleological in nature. Pre-capitalist relations, it is suggested, continue to exist and "...are preserved or maintained..." because they are functional to capitalism. Capitalism, these authors agree, needs a source of cheap labour power to be reproduced on an expanded scale (Wolpe,1980; Burawoy, 1974; 1976). Consequently, African migrant labourers, or the class of half-peasant, half-proletariat, must continually be reproduced.

Once more, it must be stressed here that for the articulationists, the process of "destruction/maintenance," is neither specific to one phase of capitalist development, nor is it a transitory process, but rather it accompanies the whole process of capitalist development. This was true for the South African case (Wolpe,1980; Burawoy,1976), the Rhodesian case (Arrighi, 1973) and the Congo experience analysed by Rey (1980).

There is no doubt that some of the conceptual tools provided by the notion of articulation represent an advance over other simplistic notions, for example, the "dependency theory" advocated by Gunder Frank (Frank, 1969). For, unlike the position adopted by the dependency theory, pre-capitalist relations in the framework of articulation, at least at the point of transition, are not perceived as totally unchanging nor are they described as completely dependent upon Metropolitan capital (4). The notion of articulation allows for some room for change --albeit partial and not precise.

More importantly, with regard to colonial settler forms of rule, this framework provides great insights into an area largely ignored or misunderstood by traditional Marxists, namely, the relationship between colonial policies, the ideology of the dominant settler class and the mode of production. The articulation model provides a comprehensive approach, tying together ideology, policy and the colonial state with the predominant mode of production.

In his discussion of the articulation approach Wolpe writes:

[R]acist ideology and policy and the state..not only appear as the means for the reproduction of segregation and racial discrimination generally, but also as what they really are, the means for the reproduction of a particular mode of production. (Wolpe, 1980:293)

Nonetheless, the notion of articulation is subject to various criticisms, some of which are theoretical in nature and some of which have historical empirical implications. The major problem posed by the notion of articulation is its functionalist treatment of the process of capitalism, particularly with regard to the relationship between capitalism and migrant labour. This problem, discussed earlier, pertains to the justification of the persistence of pre-capitalist relations of production simply because they are economically functional to capitalism. This functionalist approach, which basically describes but fails to explain, was in fact admitted and criticised by articulationists themselves (Wolpe,1980; Burawoy,1976).

Burawoy criticised 'Wolpe's functionalist approach for the latter's failure to specify the institution concerned (i.e., state, or industrial capitalism)' (Burawoy,1976:1056). For Burawoy, in other words, the problem was not "functionalism" or the "economic needs" of

capital, per say, but rather the question of which party in particular benefited from this relationship.

Moreover, in his revision of the "theory of articulation," Wolpe suggests:

There is no intention here, and it is certainly not necessary, to suggest that the feudal or other pre-capitalist enterprises persist because they are functional for capital. The persistence must be analysed as the effect of the struggle of agents organized under differentiated relations and forces of production. (Wolpe,1980:40)

However, Wolpe's revision of the theory of articulation was largely contradicted by the empirical data which was published along with his theoretical model. It is one thing to suggest that there is "...nothing necessarily functional about the persistence of pre-capitalist relations..." and quite another to be able to work out a conceptual approach capable of explaining when capitalism might or might not replace pre-capitalist relations of production. Such an approach, it is suggested, is possible through a historically based model which treats the class of migrant labourers as an integral part of an economy in transition--instead of isolating it and treating it as an independent economic force.

In the Development of Capitalism in Russia, Lenin has placed special emphasis on the class of the "allotment-holding-proletariat," which he found to be predominant in the class structure of transitory Russia. Lenin explained the presence of this class by taking into consideration a variety of conditions; these included the varied forms and slow pace through which capitalism penetrates into agriculture, the identification of the groups or class of capitalists in whose interest the economic value of this class lies, and the demonstration

that the living and working conditions of this class were continuously changing along with changes in the wider economy (Lenin,1960:177-8).

Referring to the economic functions of migrant labour, Lenin rejects the idea that this class, in the long run, remains necessary for capitalism. The "big capitalist", according to Lenin, cannot afford to employ the migrant labourer and pay him low wages, since the latter can leave at any time in order to migrate to a higher paying job (Lenin,1960). Elaborating on this point Lenin adds:

As with under developed capitalism anywhere, so here, we see that the worker is particularly oppressed by small capital. The big employer is forced by sheer commercial considerations to abstain from petty oppression, which is of little advantage and is fraught with considerable loss should disputes arise. That is why the big employers, for example... try to keep their workers from leaving at the end of the week, and themselves fix prices according to the demand for labor;... A small employer, on the contrary, sticks at nothing. The farmsteaders and German colonists carefully 'choose' their workers and pay them 15, or 20 per cent more; but the amount of work they squeeze out of them is 50 per cent more. (Lenin, 1960; pp. 245-246)

Moreover, the functionalist logic adopted by this school of neo-marxists calls into question the status of the process of transition and casts serious doubts around the nature of the relationship between the modes of production involved. Of particular importance in this regard is the statement that, "...the mode of operation of capitalist enterprises...[is] conditioned by the process of the formation of the average rate of profit and the effects of this upon the forms of capitalist calculation." (Wolpe,1980:40) This assertion is shared by most articulationists. Thus, Burawoy's criticism of Wolpe's explanation of the process of transition was not directed against the functionalist approach per se; instead, Burawoy suggested that

capitalism not be treated as a general concept, but rather, as a specific interest group (i.e., state, institution or industrial capital) (Burawoy, 1976).

Relations of production, class contradictions and exploitation, I would argue, cannot be adequately explained in terms of "capitalist calculations." The simplistic economism employed here tends to strip the relationship between the two modes of production of its contradictory and antagonistic nature, presenting them in a harmonic co-existence. The articulationist's overemphasis on the commodity exchange between "cheap labour power" and "low wages," and on the appropriation of surplus value (from pre-capitalist forms,) undermines the role of the social relations of production and obscures class contradictions. For one thing, as some authors have observed, what capitalism or imperialism "needs" from the colonies, is not limited to "cheap labour power" (Bradby,1980:112). By reviewing Lenin's and Luxemburg's theories of Imperialism, Bradby concludes that capitalism's "exterior needs" are neither permanent nor fixed, rather they are changeable under different stages of its development (Bradby,1980:113).

The fact that cheap labour power provides capital with higher rates of surplus value (Wolpe, 1980) or super profits (Burawoy, 1976), is not specific to South African or Rhodesian capitalist history. This phenomenon is characteristic of all peasant societies undergoing capitalist transition, particularly in the Third World (Lenin, 1960; Saleh, 1979; Patnaik, 1983; Barakat,1977).

What is objectionable here, however, is the fact that this class of cheap labourers is treated solely as an economic agent and not as a

social and historical force capable of changing its oppressive reality. Despite its rural base, the emerging proletariat has historically been involved in various resistance movements, including class struggles. This was true in the Russian Peasant Revolution of 1905 (Lenin, 1963), as well as, more recently, in South Africa and Palestine, as Chapter Six will demonstrate.

Finally, there is another vital objection to the simplistic economic approach of the articulationists, namely, their failure to take into account factors other than economic forces (e.g., political, strategic and ideological); these overlooked factors can be equally important in the development of capitalism under colonial settler forms of rule.

In specific historical junctures, non-economic forces might play an equally important role in shaping and developing capitalism and, consequently, effect the nature and character of the emerging relations of production. The partial dependence of native African labour power upon South African capitalism cannot be taken for granted. The increasing role of South African union movements and their pressing demands on capital, especially in the mine industry, has triggered some sections within the Afrikaner working class to advocate the total expulsion of native Black workers and their replacement with White workers. This phenomenon acquires considerable significance within the context of capitalist development under Zionist colonial settler rule, where similar practices have characterized capital/labour relations.

The suggestion that political forces had overwhelming effects on the process of change in Palestine warrants further investigation and will be dealt with in more details later in this chapter. Suffice it

to say that the Palestinian experience of change and development demonstrates a more complex phenomenon than can be understood through simple capitalist calculations.

The understanding of class struggle is instrumental to the understanding of Palestine's capitalist history. As Chapter Six will demonstrate, the colonial settler history of capitalist development in Palestine was not only a history of capitalist domination but also a...history of peasant and class resistance. Palestine's colonial history was accompanied by various waves of political movements and resistance from the 1920 widespread demonstrations to the 1936-39 revolution, and including the 1929 peasant revolt and the 1933 "anti-imperialist" revolt.

Capitalist Transformation in Palestine: A Historical Materialist Approach

The roots of the socio-economic changes which took place in Palestine in the first half of the twentieth century lie in the specific social and historical place Palestine occupied under the Ottoman rule. These changes were not the products of so-called external forces, imported or imposed by British colonialism or by the Zionist settler movement, but rather the products of a dialectical process rooted in the past and intensified further by the presence of colonial settlement.

The Ottoman state cannot be characterised as a unified, homogeneous political economy with socio-economic uniformity among the various social formations under its control. Despite its vast territorial expanse, countries under its control retained some specific historical

features which differentiated them from each other. This does not mean that commonalities among these areas did not exist, it only means that in order to appreciate the history of a particular region, that region must be addressed specifically. These specificities play no role in the approaches discussed above.

The Ottoman Empire was not always the centralised despotic state that it has often been described as. Middle Eastern scholars generally agree that the beginning of the decentralization of the Ottoman central authority began as early as the seventeenth century with the introduction of the "Iltizam" system. The "Iltizam", or tax farming system, was introduced by the state as a measure to solidify its central authority. The state, which claimed absolute right over the land, used this vital means of production (i.e., land) as a form of payment for its military and other civil service men. Multazims, or tax farmers, were sole possessors of this land for a specific period of time. However, in the process, this phenomenon developed its own contradictions. Multazims (tax farmers) began to treat their "Mugata'a" (their tract of land) as their own private property and they assumed full rights over its possession, transfer and inheritance. (Barakat, 1977; Barakat, 1985; Saleh, 1979). By the nineteenth century, as one author noted, "...groups of advantaged social status..." which had access to large tracts of land were transformed into "social classes," that is, influential landed propertied classes (Barakat, 1985: 139-140).

The magnitude and effect of this class varied from one region to another. In large peasant societies, such as Egypt and Iraq, it was markedly significant. It has been reported that in Egypt, just prior to the 1952 revolution, about 6 per cent of Egyptian landowners owned

about 64.4 per cent of all agricultural land with less than one per cent of this class owning about one third of all agricultural land. On the other hand, about 75 per cent of the Egyptian Fallaheen (peasants) were propertiless (Barakat,1985: 140). Similarly striking was the distribution of landed property within the Iraqi economic structure, where one per cent of the class of landowners owned over 55 per cent of Iraq's agricultural land, leaving over 80 per cent of the Fallaheen landless (Barakat, 1985:12).

The late nineteenth century economic structure of the Ottoman state in general, and of Palestine in particular, saw the emergence of various processes which developed simultaneously and which affected each other deeply. A proper understanding of the socio-economic changes in the first half of the twentieth century requires a careful examination of its late nineteenth century history.

The phenomenon of private ownership of land in Palestine emerged amidst a variety of changes sweeping the Ottoman Empire. Chapter Two will deal with these changes in greater length. For the time being, however, it is sufficient to mention that at the local or national levels peasant and other uprisings began to manifest themselves in various forms. Among the various movements recorded in this period are the various Druze and other peasant uprisings in Lebanon (Baer,1964), and the strengthening of the economic and political role of local Palestinian chiefs (Heads of Hamulas) after the Egyptian control over parts of Syria. This latter movement which was led by Muhammed Ali in 1840 (Baer,1969). This was accompanied by changes at the international (external) level, such as the Ottoman military involvement in the Crimean wars in the 1860s (Scholch,1982). All these changes placed

tremendous fiscal pressures on the treasury of the Ottoman state. This era, most scholars agree, marked the beginning of the decline and collapse of the Ottoman Empire (Barakat,1985; Owen,1981).

The Ottoman state's failure to generate sufficient surplus revenue to cover its expenses intensified its economic and political vulnerability to Western imperialist interests which, in turn, had already begun to expand towards the Ottoman Empire. At the international level, the Ottoman state dealt with its decline by resorting to both governmental and individual capitalists for financial aid, accumulating substantial indebtedness in the process.

At the local or national level, the state response to these economic and political pressures was manifested in yet further state intervention in the prevailing land tenure system. New legal and political measures, aimed at increasing the extraction of surplus revenue from the direct producers, were implemented. Most notable amongst such measures were the 1856 "Ottoman Land Code" and the 1876 "Ottoman Land Law" which will be analysed in the next chapter. The second half of the nineteenth century marked the beginning of the process of capitalist transformation in various parts of the Empire. This era recalls Marx's discussion of "so-called primitive accumulation" used in understanding the historical genesis of capitalist development in England (Marx, 1977).

In the "So-Called Primitive Accumulation," Marx lays out the various mechanisms involved in this process. He draws attention especially to "...the fraudulent alienation of the state domains, the robbery of the common lands, the usurpation of feudal and clan property, and its transformation into modern private property under circumstances of reckless terrorism." All these, according to Marx,

"...were just so many idyllic methods of primitive accumulation..." (Marx, 1977:685). All these processes, as Chapter Two will demonstrate, were characteristic of late nineteenth century Palestine.

Authors who dismissed the notion that capitalism developed from within Palestine's pre-capitalist structure tended to limit their understanding of late nineteenth century changes to only one factor -- the ownership of land. Gozansky's inconsistent position in this regard is of special importance. On the one hand, she suggests that these changes reinforced pre-capitalist relations of production and enhanced the state's central authority since land was largely concentrated in the hands of the state, rather than privately owned (Gozansky, 1986:21-23). On the other hand, she agrees with various other authors who have suggested that the capital invested in this land was not accumulated internally but came instead from outside the rural area through urban and foreign capitalists (Gozansky, 1986:26; Saed, 1985; Bear, 1976). This over-emphasis on the ownership of land (i.e., whether the land was state land, privately owned by locals, by urbanites or by foreigners) was, in fact, one of the major issues in the Marxist debate which arose during the 1960s in Egypt. During Nasser's nationalization period, one group of Marxists had strongly defended Nasser's land reforms, arguing that the nationalization of land was the basis for socializing the means of production and, consequently, transforming the Egyptian capitalist structure (Saed, 1981; Abdel-Fattah, 1973). This approach, however, was criticized by other Marxists (Saleh, 1979; Barakat, 1977) who argued that changing the form of land tenure alone (from private into state or from foreign into national) would not be sufficient to transform capitalism in rural Egypt.

Capitalism, they argued, was entrenched in all aspects of Egypt's rural structure; it was manifested in the mechanization of agriculture, in production for the market, in wage labour and so on. For a transition to occur all aspects of capitalist production, not just land tenure forms, would have to be altered. This debate carries a special conceptual weight for understanding late nineteenth century changes within the Palestinian socio-economic structure. These changes affected not only the form but also the substance of Palestine's pre-capitalist formation. Palestine's pre-capitalist relations of production in general were undergoing a process of transformation.

Production Relations in Pre-Capitalist Palestine

The Palestinian peasantry was not composed of individual and isolated enterprises, nor were they a homogeneous, undifferentiated entity. The futile exercise of finding one or more titles to describe Palestine's pre-capitalist mode of production can be avoided by an empirical study of what actually was at work there.(5) By the late nineteenth century, Palestine's social and economic structure was already in a state of transition. The economic, political and legal changes which swept the Ottoman Empire in the mid nineteenth century were felt in all five categories of land tenure in Palestine. A full analysis of these categories and the changes they underwent will be dealt with in the next chapter.

Suffice it to mention here that the two most important forms of land tenure, the "Amiri land" (land possessed by the cultivators and formally owned by the state) and the "Mulk land" (land privately owned by individuals), had undergone substantial changes. The social, political and economic differences which characterized the

village/Hamula form of production arrangement in the "Amiri" category were further widened during this period. Peasants within the village/Hamula structure were becoming depeasantized while some heads of Hamulas/villages were accumulating more wealth and land.

The late nineteenth century Ottoman rule marks the beginning of a process known within the Marxist literature as "peasant differentiation" (Lenin,1960; Bagchi,1982; Saleh,1979). Moreover, the significance of the changes which occurred to "Mulk" land, it will be shown, lies not so much in who owned the land, but rather on how and through what means crops were produced.

The production relations which developed, primarily those of share-cropping, were not compatible with pre-capitalist relations of production. Instead, these developments signified a certain degree of rupture from prevailing pre-capitalist relations of production. The literature on Palestine has tended to reject the phenomenon of share-cropping as an indication of a transition to capitalism (Firestone,1975; Brown, 1982; Gozansky,1986). Some authors claimed that share-cropping was "...compatible with pre-capitalist relations of production since the peasants involved were small producers tied to the land and paying rent in kind..." (Gozansky, 1986:16-17). Others saw this phenomenon as an indication of peasant resistance to change and capitalism (Brown, 1982: 90), or, as a cultural or "religious" response by Palestinian peasants to foreign capitalism (Firestone, 1975: 321).

The literature on share-cropping in Palestine, it will be demonstrated, is conceptually and empirically inaccurate. The analysis of the three different forms of share-cropping arrangements in

Palestine will show that share-cropping was compatible with the transitional and capitalist economy and, in all its forms, signified a departure from pre-capitalist relations of production. Peasants in all forms of share-cropping were at least partially displaced from their land; share-cropping in at least one case involved the mechanization of agricultural production and the production for the market; and, finally, the emergence of share-cropping within the village/Hamula structure was a social force causing further peasant differentiation.

Colonialism and Capitalist Accumulation

The process of peasant differentiation in Palestine had reached a historic turning point at the turn of the century as a result of British colonialism and Zionist capitalist development in Palestine. Capitalism developed during British colonialism and Zionist settler rule was not imposed on a barren land or a stagnant history but had to articulate with and further expand the process of primitive accumulation already existing in Palestine. Two forms of accumulation have been articulated: original or "primitive" accumulation, which was generated from within Palestine, and capitalist accumulation, which was largely enhanced by "external" forces. It is in the context of this history of the articulation of two forms of accumulation that a proper understanding of change and transition in Palestine can be attained.

Colonialism: A Speeding Force For Capitalist Development

The imposition of colonial capitalism on Third World countries facilitates, but does not initiate, capitalist development. In the first half of the twentieth century the Palestinian socio-economic

structure was undergoing various processes of change. One such process was the intensification of differentiation amongst the peasantry. This process involved various forces working simultaneously. During the first decade of British rule massive land and peasant expropriation emerged, rendering a large segment of the peasants landless. A full analysis of this process will be provided in Chapter Three.

Peasant differentiation was further enhanced by the introduction of capital and technology to agricultural production (see Chapter Four). The competition which accompanied this process took a special toll on the small scale based agrarian economy. With the further development of capitalism in agricultural production (see Chapter Five), the indebtedness of various sections within the peasantry and the ruination of others was also escalated. The culmination of peasant differentiation (see Chapter Six) was crystalized by the further polarization within the Palestinian peasantry and by the emergence of a strong class of proletarians. Peasant differentiation, however, was not confined to the economic forces involved in the process. Under colonial settler forms of rule, economic changes were themselves facilitated by political, legal, ideological and other mechanisms which in turn require a precise analysis.

Wolpe's thesis that "...the state has been utilized at all times to secure and develop the capitalist mode of production..." and that "...racist ideology and policy and the state [were used as] means for the reproduction of a particular mode of production..." (Wolpe, 1980: 293) will be carefully examined. Similarities between the role of the South African state and the White settlers ideology on the one hand and British colonial rule and the Zionist ideology on the other will be pointed out in various chapters and particularly in Chapters Five

and Six.

However, it is not only the similarities between the Palestinian case and other experiences of capitalism under colonial settler forms of rule which will be emphasized, but the differences as well.

This research will demonstrate that, contrary to the generally accepted assumption that settler colonial forms of rule function solely, or primarily, as economic mechanisms to enhance capitalism, Zionism in Palestine assumed varied roles. Zionist colonialism, some authors argue, is distinguished from the Rhodesian experience in that it attached more importance to political and ideological considerations than to economic considerations or capitalist profits (Ryan, 1974; Bshir, 1978). Comparing Zionism with Apartheid's policies of employment, Sheila Ryan observed: "Zionism is distinguished by its refusal to use "native" labour in Palestine when it was more profitable to employ the Arab, not the immigrant, labourers." The "...reasons for flouting the profit principle in employment," she suggested "...were astute and political..." (Ryan, 1974: 3-4).

The policy of forfeiting short term economic gains for long term political considerations, this study will show was not limited to the Zionist exclusivist slogan of "Jewish Labour," fully discussed in Chapter Six. The policy of "Jewish Land" employed early in the 1920s had far reaching implications on the nature and character of production relations in Palestine (see Chapter Three). It will also be revealed in Chapter five that the basic social and economic premise of the "Kibbutz" form of Jewish settlement was sacrificed for long term considerations of a political and strategic nature.

Taken at face value, these forces appear to be contrary to the

principle of capitalism and its logic of reproduction and expansion. However, when examined within the general context of transition in Palestine, the logic of the process becomes much clearer. The political economy of Zionist colonialism expressed itself through two processes which were often contradictory. The first of these aimed at exploiting Palestinian labour power by preserving its pre-capitalist relations of production, and the second strove for the total ruination of the indigenous Palestinian forms of production relations by expelling the indigenous producers and taking over their land. Nonetheless, the practicality of each process was determined by the objective conditions which characterized the Palestinian socio-economic and political structure, as well as by other subjective factors expressed in the repeated resistance put up by Palestinian peasants and workers to the Zionist and British colonial presence in Palestine.

Footnotes

Chapter I

1) The concept Fallaheen (singl. Fallah) is the Arabic word for peasant. Chapter 111 in this work provides a precise definition of the concept Fallaheen by delineating the various groups, classes and conflicts characteristic of the Palestinian peasants.

2) The tendency to overemphasize the role of the "Musha'a" system, often echoed by Israeli and other Orientalists, Chapter 11 will demonstrate, serves an ideological position on the part of the authors more than it explains an empirical reality. Data provided in Chapter 11 will show that Musha'a was not a form of land tenure nor a form of production. It, rather, was a mechanism of land distribution confined to one region of Palestine only.

3) For more on the emergence and role of the "Heads of Hamulas", see Butrus Abu Manneh, "The Hussaynis: The Rise of a Notable Family in 18th Century Palestine" in *Palestine in the Late Ottoman Period: Political Social and Economic Transformation* (ed.) David Kushner (Yad Izhak Ben-Zvi, Jerusalem: 1986). Also, *my Family, Women and Social Change in the Middle East: The Palestinian Case* (Canadian Scholars Press, Toronto, 1987).

4) For a critique of the Dependency model, see, Jack Wayne and H. Friedmann, "Dependency Theory: A Critique", in *The Canadian Journal of Sociology*, Vol.2, No.4, Fall 1977 (pp.399-417)

5) I agree with other Middle Eastern scholars who argue that 'in order to formulate an adequate theory of social classes one must have

a coherent view of the modes of production which were present in a given social formation'(Turner, 1978:50). However, the task of forming a coherent view of the modes of production applicable to the various social formations and economic structures within the Middle East must not sacrifice Marx's principal approach of Historical and dialectical materialism for static and a-historic concepts. So far, I must add that attempts at constructing the concepts of modes of production within the context of the Middle East, have largely been problematic.

Calls on the part of some serious Middle Eastern scholars to find an alternative approach to both, the pre-dominant Orientalist mode of analysis and the "linear" or "five stages" development approach (Turner,1978; Zureik,1981; al-Naqib, 1985), we maintain, have largely sacrificed historical materialism for concepts that are largely static and a-historic.

Turner's tripartite formula of modes of production which establishes that the Arab World was composed of "pastoral nomadism", "prebendalism" and "feudalism" as three basic distinguishing modes of production forms the corner stone for these calls (Turner, 1978). Adopted by various authors (Zureik,1981; al-Naqib, 1985), this formula, it is maintained, poses more theoretical and historical questions than it tries to solve. On the one hand, this approach which lumps together all Arab societies as "one society" or "one state" ignores regional and local specificities characteristic of different states and different social formations within the 'Arab world'.

Nonetheless, a major problematic posed by this formula is the status it ascribes to concepts like "Pastoralism" and "Prebendalism". One must differentiate between various forms of 'pastoral' life which

existed in various social formations and "pastoralism" as an independent mode of production. Scholars differentiate between "unsettled nomads" surviving primarily through grazing and cattle rearing and are historically found in some parts of the 'Arab World' such as the Arab Peninsula, Mesopotamia and parts of the Sinai Desert and "quasi-nomads" who combined agricultural production with cattle grazing and rearing (Abdel-Fadil, 1988: 59). "Nomadism", one must note must be understood within the wider context of the socio-economic structure it forms a part of and not as a separate mode of production.

Moreover, in both the "pastoral" and the "prebendal" 'modes of production' Turner has substituted production relations, which in Marxism means a class relationship or a relationship based on the ownership of the means of production, with a Weberian concept of class relations based on control over surplus extraction. As a result Turner defined "pastoralism" as a relationship between 'the superordinate class of nomadic Sheiks' and the 'subordinate class of the peasants', while "prebendalism" was identified in terms of the relationship between two superordinate classes, namely, 'prebendal lords and merchants' vis a' vis one subordinate class of 'quasi-slaves' (Turner, 1978:51-53). This definition, we maintain, masks, rather than clarifies, the issues of class contradictions and of production relations.

Finally, a special attention must be drawn to Turner's concept of "Prebendalism. Defined as "a system in which land is allocated to state officials, not as heritable property, but as a right to extract tribute from the peasantry" (Turner, 1978:50), Prebendalism here is mainly dealt with as an expression to changes at the superstructural level. Turner's concept of "Prebendalism" which is similar to Samir

Amin's "Tributary Mode of Production" (Amin,1974) is explained in Chapter two as a political phenomenon known also as Iltizam. Introduced in the 17th century, the Iltizam or (tax-farming) system, it will be shown, was itself a transitory phenomenon and not an independent variable.

CHAPTER II

The Dynamism of Pre-Capitalist Palestine

The major problem found in almost all of the literature on Palestine's economy in its pre-capitalist period, is the absence of a precise description of the components of that economy. Most of the literature refers only in passing to the era prior to British rule. Terms used to describe the peasant economy of that era include "feudalism" (Owen, 1981), "semi-feudal" (Scholch, 1986), "Asiatic" (Saed, 1985; Gozansky, 1986) or "traditional and backward" (Granovsky, 1940; Kimmerling, 1983; Ohana, 1978; 1981). Until recently, the most detailed accounts have come from adherents of the "modernization" approach. (Kimmerling, 1983; Viteles; 1944; Taqqu, 1980; Granovsky, 1940). They maintain that Palestine's economy, prior to the introduction of Jewish capital, was largely traditional and backward. Backwardness, according to these authors, was a structurally built-in feature of Palestine's economy, caused primarily by the way the peasants conducted their productive life, and particularly, they maintain, by the Musha'a system of land tenure.

This literature argues that the Musha'a system was widespread in Palestine. Musha'a is described both as a collective mode of production and as a form of land tenure in which the ownership and the right of land use and distribution are vested in the commune and not the individual. Further, it is maintained that this practice discouraged the peasant from effectively using the land and was considered the greatest obstacle to private ownership of property.

This chapter will argue that, on the contrary, Musha'a was neither a major form of production nor a major form of land tenure but rather,

a marginal form of collective use of land practiced only to supplement the peasants' major source of income, and was limited to a specific area of Palestine. This chapter argues as well, that the popularization of the concept that Musha'a was a widespread phenomenon in Palestine carries more political and ideological weight than historical veracity.

Unlike the term Asiatic Mode of production, described in greater detail in the first chapter, notions like "feudalism" or "semi-feudalism" used by some authors were not the result of any serious study of pre-capitalist Palestine. Authors using these notions were instead focusing on Palestine under colonial capitalism and the changes it underwent as a result. Nonetheless, despite the lack of a precise account on the component of "feudal" Palestine in their approach, authors here provide a significant contribution to the issue of change in Palestine. Change in this approach is not entirely imposed from the outside, rather, there is room for internally generated changes. (Owen,1981; Scholch,1982;1986)

This chapter will demonstrate that Palestine's pre-capitalist economy was not feudal and was by no means Asiatic. Instead, it was composed of a variety of forms of production, the analysis of which will be presented in due course. These forms of production, it will also be shown were quite different from the 'multiple modes of production' suggested by Bryan Turner (1978) and later adopted by Zureik (1981). Palestine, this chapter will show demonstrated a historically specific mode of production composed of various forms.

Moreover, the country's pre-capitalist economy was neither stagnant nor backward. Changes in production relations in pre-capitalist

Palestine were not totally externally imposed, rather, to a large extent these changes were generated internally in the course of the country's pre-modern colonial history. British colonial rule and European Jewish settlers' capital only intensified the process of depeasantization already being undergone by the Palestinian peasants, and caused further polarization among them.

Contrary to the belief, held commonly by Marxists and non-Marxists alike, the Palestinian agrarian structure was not resistant to private ownership of property nor to the development of new forms of production. Changes in forms of agricultural production, stimulated largely by international market demands, were already present in mid 19th century Palestine. This chapter will show that neither the Musha'a nor even the absolute ownership rights which the state claimed over the land, were obstacles to fundamental changes which occurred in production relations in the late 19th century. State and commune control/ownership of land represented but one part of a more complex structure, encompassing various forms of production.

In order to comprehend these changes, an elaborate analysis of Palestine's pre-capitalist form(s) of production will first be presented.

Forms of Land Tenure in Palestine

Throughout the period of Ottoman rule, Palestine was considered to be a part of Greater Syria. Palestine was not an independent economic unity. Instead, it maintained an interdependent social, economic and political relationship with Syria. Notwithstanding this, it is still possible to define its main pre-capitalist socio-economic features. Within this predominantly pre-capitalist agrarian social structure,

Palestine's economy was characterized by five forms or categories of land tenure. These were, in order of importance, Amiri, Mulk, Waqf, Matruka, and Muwat. (1) These categories were officially recognized by the Ottoman state in its 1856 Land Code, which will be discussed later. From this official terminology referring to the forms of land tenure in Palestine, it is clear that Musha'a was not among the recognized forms.

Amiri Land

This was the predominant form of land tenure. Most cultivable land in Palestine was cultivated according to the Amiri form. While titular rights over this land were formally (officially) in the hands of the Ottoman state, usually personified by its ruler, the Sultan, absolute rights of usufruct were traditionally vested in the direct cultivators, the peasants or the Fallaheen. As Warriner observes, cultivators on Amiri land enjoyed almost the same rights as absolute owners did; except for one condition placed on Amiri holders, namely, that land must be continuously used or cultivated, all rights of Mulk owners (vide infra) were also exercised by Amiri holders. This included the right of the peasant or Fallah to pass the land to his/her heirs, exchange it for other land or cattle or transfer it to others (Warriner, 1948:12).

As further discussion of the relations of production which corresponded to this form of land tenure will show, its cultivators were not tied to the state, nor to the Sultan, nor even to his officials who were sent infrequently to collect tithes. All rights over the production process and the redistribution of land were managed by the village itself.

Mulk Land

This term refers to land which was under full private ownership. The term 'Mulk' means absolute ownership. Mulk land in Palestine existed long before the Ottoman Empire occupied the region. Under Moslem rule, the right of absolute ownership of land was granted to all Moslem tribes who "opened up", that is occupied, new land. Rights over this land were dictated by the "Sharia" or Moslem Law. (al-Murr,1924:16)

Under Ottoman rule, this form of land tenure was extended to non-Moslems. Military and other administrative staff within the state were granted land in return for military and/or other services. Land could also be owned by non-Moslem and non-military persons. Land owned by Christian merchants, for example, was referred to as "Khirajia" (that is, outside the Sharia Law). In this case land was fully commoditized, i.e. sold once and for all, for a value known as "Badal el-Mithl" or the land's equivalent value. The right of ownership over this land, known also as the "Raqaba" included the right to selling, exchange, transfer, or use of the land in any form or manner. No conditions of use or non-use were placed on owners of this category (al-Murr,1924:9; Warriner,1966:78). Under Ottoman law, Moslems enjoyed more rights than other religious groups. Moslem Mulk land, known also as "Ushria" could not be transferred to non-Moslems or become "Khirajia", while Khirajia land could be turned into "Ushria" land, that is sold to Moslems (al-Murr,1924:11).

The Waqf

Although most of the literature recognizes one form of "Waqf" only,

namely those lands put under the trusteeship of religious bodies (Warriner, 1966; Firestone, 1975; Zureik, 1979), Waqf land actually was a more complex category. Waqf was present in almost all the countries of the Ottoman Empire. In Egypt, for example, vast areas of land were put under this form of tenure (Barakat, 1975; Saleh, 1979).

Waqf land was not an independent category. Land which was originally Amiri or Mulk could be turned into Waqf, that is, confined to specific individuals or charitable institutions. Thus Waqf emerged as a way to ensure that land ownership could be confined to certain individuals chosen by the original owner. "Mawgufa" land, that is the act of putting it into the Waqf category, represents a political move designed to exclude certain individuals from the right of inheritance (Barakat, 1975). Waqf can also be seen as a mechanism for the legalization of gender discrimination. As one author observed:

It is a customary practice for the rich in our country to exclude their female children or unwanted male ones from inheritance.

(al-Murr, 1924:18)

Moreover, for small land owners, the move to place the land in the Waqf category could also serve as a mechanism to avoid the parcellization of land which would eventually occur due to inheritance.

Most Waqf land in Palestine belonged to a sub-category known as "Waqf Takhsis or Ghair-Sahih". Unlike "Waqf Sahih", where individually held land, originally from the Mulk category was turned into Waqf, Waqf Takhsis or Ghair-Sahih" land originated in the Amiri category. In such cases, land was allocated by the state to charitable or religious institutions, such as Mosques, Churches, Monasteries and the like. While ownership rights over this land were formally retained by the

state, usufruct rights were given to the body responsible for these properties (al-Murr,1924:11).

Under Ottoman rule, all Waqf land was exempted from taxes. Consequently, the state's rights over the Waqf were nominal rather than real. Returns from Waqf land remained in the hands of the Waqf's administrators. Egyptian Pashas who held land under Waqf Sahih (i.e., whose lands were not used for religious purposes) were also exempted from taxes (Barakat, 1975).

Waqf land in Palestine occupied a very small area. Hence, throughout the Ottoman period, this category was not particularly significant (2). The importance of control over this land began to emerge only under the British rule, partly because of the diminishing quantity of land under the control of indigenous Palestinians and partly due to the specific political prestige which became associated with those who controlled Waqf land. Yet the real significance of this category was realized only under Israeli rule, as a result of the state's seizure of all indigenous Palestinian lands including parts of the Waqf, which was considered to be the most sacred (Fourani,1984:22).

Matruka Land

Literally, this term means unclaimed land. Part of it was used by the state for public purposes (i.e., roads, buildings, etc.), yet the most common use of this land was made by the direct cultivators themselves. Usually uncultivated, it was used for grazing, wood gathering, grain storage and as a water source. No individual could claim this land. However, every large village or a group of smaller villages had access to such lands, normally located on the outskirts of the village's cultivated fields (al-Murr,1924:52).

The use of Matruka land was governed by the laws of the commune or village. It is from this form of usage of this particular type of land that the term Musha'a (i.e., common use) developed. Until the introduction of the "1856 Ottoman Land Code", Matruka or Musha'a users were exempted from tax payments (al-Murr, 1924:51).

To claim that most of Palestine's land was Musha'a or Matruka, as most Israeli writers do (Kimmerling, 1983; Flapan, 1979; Baer, 1975), amounts to the same thing as saying that Palestine's land was mostly uncultivated, or for that matter, that Palestine was a social vacuum. Further discussion of the Musha'a will follow later in the chapter.

Muwat Land

This category refers to 'dead' or uncultivable land. The 1858 Land Code defined Muwat land as that which was at least 1.5 miles or 1/2 hour of ordinary walking distance from a residential area (al-Murr, 1924:61). It is not known how much of this 'dead' land was actually under cultivation. In official references, desert is usually placed in this category. (3)

In contrast to Amiri and Mulk forms of land tenure, known to have been in existence throughout the period of Ottoman rule, the Matruka and Muwat categories were introduced during the second half of the 19th century, a time when changes in production relations were beginning to emerge.

The Pre-Capitalist Social Relations of Production

As mentioned earlier, most cultivable land in Palestine was cultivated under two major categories, Amiri and Mulk, with the former predominating. Corresponding to these forms of land tenure, two forms of social relations of production emerged.

Before proceeding to examine the relations of production within the Amiri category, we must first consider additional facts about the Amiri concept. Almost all literature to date has mistakenly substituted the term "Miri" for Amiri (Warriner, 1948; Zureik, 1979; Abdo-Zubi, 1987). Historical data found in the course of research for this study show that there is an important difference between the two concepts.

In his rarely read, yet legally and conceptually illuminating account of land tenure in Palestine, al-Qanooni observed that the term Miri, found in British documents and widely quoted thereafter, is no more than a distortion in the translation of the Ottoman land laws by British interpreters (4). Miri, he observed, is a descriptive term and not a category. It denotes that land is cultivable or of a good quality (al-Qanooni, 1936:6-9). Thus, all Amiri land can be miri (i.e., cultivable), but not all miri land is of the Amiri category. Mulk and Waqf land, for example, can also be miri or cultivable.

During the period of Ottoman rule, the term miri was found in all "Tabu" or land registration papers as an expression of the productivity of land. However, during the British Mandate, when the Ottoman land laws were translated into English, the letter A was dropped from the word, and miri was treated the same as Amiri. This act, some legal experts on land have observed, resulted in the loss of many tracts of Mulk land which had the description miri in the title papers during both British and Israeli rule (al-Qanooni, 1936). This confusion according to one land specialist has enhanced Israel's claims over land belonging to Palestinian peasants resulting in further land expropriation, both inside Israel and in the Occupied

Territories (5).

Production on Amiri land was organized around the village or the Hamula. The Hamula is defined by Asad as a group of families "whose heads were linked to one another by agnatic ties". (Asad,1976:3) Until the early 20th century, Palestine had about 800 villages. "Typically" it is maintained, "the Hamula and the village would be co-extensive, although some villages consisted of a number of small, distinct nuclear families" (Abdo-Zubi, 1987:6). In some cases a big Hamula occupied more than one village.(6) Within the Hamula, each individual family was assigned a piece of land which it cultivated and over which it assumed full responsibility. At the end of the production process, land dues, usually a tithe, or 1/10 of the gross annual product, were paid to the Head of the Hamula. The Head of the Hamula, customarily the oldest man in the village, was chosen by the villagers. Every family within the village knew the boundaries of its land. Except for the periodical redistribution of land, done at intervals of 3-5 years to take into account demographic changes within each family (i.e. births or deaths), individual families kept the same land for many years (Warriner, 1948).

Production relations under the Amiri form of land tenure must not be confused with the communal or Musha'a system. Many authors, in confusing these two forms, have presented the Hamula as an egalitarian, undifferentiated unit of production and consumption (Ohana,1981; Firestone, 1975; Baer,1966; Flapan,1979). In this literature all Hamula members were seen as equal participants in the production and distribution process. Yet an examination of the structure of the Hamula reveals that neither it nor the Palestinian village in general was ever a self-sufficient unit. The Hamula

structure was always hierarchical in character, and differences among the different members of the Hamula and among Hamulas were always present.

Direct producers within the village/Hamula have always produced more than enough to meet their consumption needs. They produced a surplus in order to pay a variety of taxes, the most important of which was the tithe. Usually payed in kind, the tithe was collected by the Head of the Hamula, who in turn reaped the exchange value of the surplus either directly by selling the produce on the market or indirectly through a merchant or a trader. The actual relationship of dependence which in fact emerged from this form of production, was between the direct producers and the head of the village/Hamula and not, as some have argued, between the direct producers and the state (Gozansky, 1986; Saed, 1985). The relationship between the state and the direct producers was always mediated and never direct.

In a survey published in 1945-6, it was observed that the Ottoman state had little control over the levying of tithes from peasants holding Amiri land. Tithes were collected infrequently by state officials, and through public auction. The inefficiency of this system of tithe collection, according to the survey, resulted in some fallaheen managing to escape paying their dues entirely, while heads of Hamulas often succeeded in contributing only a fraction of the tithe they extracted from the peasants. (7) Thus it has been observed that the "Fai'd" (i.e. the difference between what the head collects from the peasants and what he pays to the state as tithe) had, in many cases, exceeded the amount of the tithe itself (Barakat, 1975:13).

The economic responsibility assumed by the Head of the Hamula

accorded him a special political prestige. In return for the services he rendered to the state, which included tithe collection, redistribution of the land and preparing men for conscription, the Head of the Hamula was often remunerated by the state. He was usually assigned an extra parcel of land as his own property or exempted from paying the tithe on his land. In fact, as the main and often the only appropriator of surplus, the head of the Hamula became the absolute authority in the village. In addition to his official functions, he was also the director of the village's vital internal affairs. He functioned as the legal body of the village, conducting marriages and divorces and settling familial conflicts (8).

The inheritance system functioned as a major factor in maintaining and reproducing the Hamula structure. Although the Sharia or the Moslem Law considered women as legal heirs, the law of tradition or custom (which did not) was overwhelmingly practiced. In big Hamulas endogamous marriage was employed as a mechanism to keep property within the Hamula. With a preference in marriage usually accorded to the cousin on the father's side, the head of the Hamula ensured that land remained under the control of the same family and did not pass to an outsider. In cases where the cousin himself was an owner, endogamous marriage could also ensure the expansion of the Hamula's property (9).

The process of concentration of power in the hands of the oldest male of the Hamula led to the emergence of economic and political differences among Hamula members. The immediate family of the head of the Hamula, and particularly his eldest son, usually received the lion's share, since he was expected to inherit his father's position. This structure left other relatives, including younger sons, in a less

advantaged position. With the expansion of the village, these differences widened, and spread to effect cousins, uncles, second cousins and other remote relatives.

Differences in wealth had always characterized the structure of the Hamula in Palestine. In part, these differences arose from the different specialization in agriculture present in various regions in the country. Some villages, for example, those located in the hills of Nablus, Jerusalem and the Galilee, specialized in the production of oil and its extracts. Other villages, located in the valleys, such as Marj Ibn-Amer (Esdrealon) [hereafter, the Marj] were known for their cereal and vegetable growing. And along the Maritime Plain, most villages were primarily involved in the production of cash crops such as citrus and grapes.

These regional differences undoubtedly undermined the independence of each village/Hamula and fostered a relation of interdependence among them. This relationship also enhanced mobility between the villages. Socially and economically, the Palestinian village was not an isolated entity. In this context, Owen observed that the village communities in Palestine were not "independent communities", but rather an integral part of the economic and political arrangements of the society of which they formed a part (Owen, 1981:41). Moreover, the internal structure of the village/Hamula itself gave rise to differentiation among its family members. The hierarchical structure of the Hamula, which placed the head and his immediate family on top of this structure, was itself a potent force for social and economic differentiation. However, the full extent of this potential came to realization only during British colonization, with massive

expropriation of the land and the proletarianization of the peasantry.

The Musha'a

In addition to village land, villagers traditionally had access to land around the village. This land, identified earlier as Matruka or Musha'a, was not claimed by any individual or family in the Hamula. Instead, it was commonly used by all the village. Matruka or Musha'a land was largely uncultivated. It was used, as in the Mark commune described by Marx, for grazing, grain storage and as a source of water. In other words, this land provided supplementary resources for the villagers.

It is not surprising that all the literature which mistakenly assumes that the Musha'a was a form of land tenure and that it was also widespread (Baer, 1976; Flapan, 1979; Firestone, 1975), finds the system as an excuse to justify its conceptual approach. In almost all of this literature, the Musha'a system of land use is seen as the reason for the backwardness of the Palestinian economy (10), the argument being that it was an obstacle to "modernization", preventing private ownership of land and rendering capitalist development of agriculture impossible (Granovsky, 1940; Kimmerling, 1983; Warriner, 1948). It is argued that the frequent redistribution of the Musha'a land and its parcellization among the villagers' families made it difficult for any large-scale machinery to be employed on this land (because of the small size of each parcel). The Musha'a system, it is also observed, presented a major obstacle to the emergence of private ownership of land since, in order to sell one continuous piece of land, the consent of all the families involved was needed (Warriner, 1966; Brown, S.G :1982).

The argument that Musha'a was widespread is hardly substantiated. High figures quoted for the size of Musha'a - one estimate for example, put the extent of Musha'a at 70 per cent of the total area of Palestine (Baer, 1976:106) - lacked adequate documentation (11). The only source cited, repeatedly used by various writers was information collected by a Mr. and Mrs. Finn who served as British missionaries in the mid 19th century (Ohana,1981; Taqqu,1980). However, since no land survey was ever conducted in Palestine prior to 1929, all estimates provided on the size of Musha'a land could best be considered as mere guess-work. In fact, as the first land survey conducted in Palestine in 1929 showed, most cultivated land was under the Amiri form, with title deeds established on almost every parcel (12). A similar observation was made earlier by one land specialist, who suggested that Musha'a was relatively very small and in terms of its contribution to the fallah's income, secondary to the Amiri or the Mulk (al-Murr,1924:66).

Moreover, the claim that the Musha'a, or for that matter, any form of land tenure presents an obstacle to capitalist development in agriculture is theoretically, and in the case of Palestine, empirically unjustified. Later in this study, it will be argued that every form of land tenure can be subjugated to capitalism once the latter penetrates agriculture.

At the empirical level though, it is known that the Musha'a form of land use was practiced, mainly, in the central district of Palestine, namely in the Marj area. The reasons for the emergence of Musha'a in this particular area, according to some authors, were geo-political. They argue that in order to avoid tribal raids in the hilly lands, peasants residing in those areas moved down to the valley, the Marj,

and adopted a communal system of cultivation whereby they could defend themselves as a community against the raids (Firestone,1975).

Firestone's geographical reasoning was, however, rejected by other writers, who argued that geography alone cannot explain a particular form of production. Instead, it is suggested (Owen, 1981) that one should look at the structure of production in that region in order to find out why it, in particular, developed the Musha'a form. An examination of the structure of production in the Marj suggests that an important reason for the emergence of Musha'a there lay in the mode of cultivation employed in the area. The predominant crop produced in the Marj was cereal. Peasants relying heavily on this type of crop were often in need of places for storage, of water when rain fall was short as well as other supplementary requirements such as grazing land and grain mills. In the absence of private property in this area, it is logical to conclude that the peasants would adopt a collective system whereby all of them could gain access to such facilities. The Musha'a, in other words, can be seen as a supplementary source of income employed by peasants in grain-producing areas.

Nevertheless, despite its presence in this area, Musha'a in the Marj never stood as an obstacle to the regions's development. On the contrary, when objective conditions for the development of capitalism ripened, the Marj was the first, after the Maritime Plain, to develop capitalist forms of production.

To sum up, production relations on Amiri land, including the land use of the Matruka category, were to a large extent organized around the village commune, with the head of the village/Hamula assuming full responsibility over the distribution of land and the collection of

tithes. The claim that the Ottoman state or the Sultan was the absolute owner of this land did not change the fact that the direct agricultural producers had full usufruct rights over this land, including those, as mentioned earlier, of transfer, inheritance and exchange.

Production relations on Mulk and Waqf land were organized differently. On these lands, a system known as "Muhasasa" or share-cropping prevailed. Under this system the Malek or owner provides the land while the villagers provide the labour power, working animals, production tools and sometimes seeds. At the end of the production process, the crop is divided into "Husas" i.e., shares. The more the cultivator contributed to this arrangement, the bigger his "Hussa" or share was. Cultivators who provided seed in addition to their labour power and working animals are reported to have received a larger share than those who did not (Firestone, 1975).

The system of Muhasasa in Palestine was also known as "Mukhamasa", that is, dividing up the crop into five equal shares. In most share-cropping arrangements the land owner would receive $\frac{3}{5}$ ths of the crop while the cultivator got $\frac{2}{5}$ ths. As Firestone observed, in cases where the cultivator provided the seed, his share would be $\frac{3}{5}$ ths while $\frac{2}{5}$ ths went to the land owner. The tithe in this arrangement was paid by the receiver of the larger share (Firestone, 1975). Baer identified another form of share-cropping, "Murabaa'a", in which the landowner provided land, seed, production tools, and animals while the peasant provided his and his family's labour power. Under this system, $\frac{3}{4}$ ths of the crop would be taken by the landlord while the peasant received $\frac{1}{4}$ th only (Baer, 1975). However, the Murabaa' and the "Mutalata" (i.e., dividing the crop into 3 shares with one given to the

cultivator and two shares taken by the land owner) which also emerged during this period, were in fact a product of changing production relations. These arrangements reflected a new economic reality in which the peasants were becoming more and more dispossessed.

The system of Muhasasa or share-cropping which corresponded to the Mulk forms of land tenure began to assume independent characteristics only toward the middle of the 19th century. Prior to this, Mulk land in general was said to exist only to a very small extent in Palestine, and share-cropping was used as a supplementary source of income by small Amiri holders (al-Qanooni, 1936:38).

Socio-Economic Changes in 19th Century Palestine

Already in the early 19th century, differentiation within the Hamula began to emerge on a large scale. These differences were largely stimulated by the socio-economic changes within the Empire which in turn led to the promulgation of new land laws.

Palestine's geographical location in the Middle East has historically accorded to it a central position in international trade. The ports of Jaffa and Acre have always served as central trading points for ships passing through the Mediterranean Sea (Scholch,1982; Kayyali,1970; Amin,1980). Not all products traded were locally produced. In addition to large quantities of cotton produced in Egypt, commodities like silk, sesame, and oranges produced in many parts of Greater Syria including Palestine, were shipped through these ports. However, "external trade", to use Amin's words, was not the only trade movement in Palestine (Amin,1980). By the mid-19th century, agricultural production in Palestine began to respond in large measure to international market demands placed on the economy by the expanding

capitalist centre.

While it is true that throughout this period crops were primarily produced for their use value and the overwhelming majority of cultivators produced for their personal consumption, production for the market was also developing.

Palestinian peasants, it has been observed, were quick to respond to international market demands. The peasant knew how to adjust his production to these demands. In a short span of time, some observed, the same plot of land would experience a radical shift in the type of export crop it produced (Scholch, 1982:14). While natural reasons, such as crop failure or shortage of rain could partially be responsible for this phenomenon, changes in market demands were, in fact, a greater stimulus.

The changing conditions of cotton production in Palestine illuminate this point further. In the wake of the American civil war and Britain's increased demands for cotton, more stimulus was given to the regions of Nablus and Acre for the production of cotton. As Table 1 demonstrates, (see following page) large quantities of cotton were exported from Acre and Haifa in the early 1850s. This was followed by a period marked by a sharp decline from 1854 until 1859. Export of cotton was on the rise again by the early 1860s.

Commenting on the further movement in cotton production and export in the 1860s and 1870s Scholch noted the following:

In 1863 and 1864 cotton regained its position as an important export commodity..However, this boom was short-lived..European demand subsided in the second part of the 1860s, while from 1865 to 1872 one bad harvest followed another in northern Palestine...Only in 1869 was a considerable quantity of cotton exported once again.
(Scholch, 1982: 14)

Table 1: Cotton (in Okes) Exported from Acre and Haifa, 1852-62

Year	Okes
1852	446,545
1853	294,545
1854	37,091
1855	-----
1856	-----
1857	-----
1858	-----
1859	5,237
1860	69,455
1861	58,909
1862	55,273

Source: Scholch "European Penetration and the Economic Development of Palestine, 1856-82" in Owen, (ed), *Studies in the Economic and Social History of Palestine in the Nineteenth and Twentieth centuries* (Oxford: 1982) p. 61

In the early 1870s, cotton exported from Palestine was estimated at 100,000 Okes. However by 1876, the amount of cotton exported dropped to about 32,489 Okes only (Scholch, 1982: pp. 14-15).

The decline in market demand for Palestinian cotton did not leave the land fallow. New demands for sesame, citrus and particularly oranges were also responded to by the Palestinian peasants. Fields previously planted with cotton were turned into sesame fields. In northern Palestine, namely, the Galilee, 12 per cent of all cultivable land was devoted to sesame production. Sesame seed was exported to France for the extraction of oil. (Scholch, 19882:61). The quantities of sesame exported from different regions in Palestine, between the period 1872-1880, are shown in the following table.

Table 11: Sesame Exported from Acre, Haifa and Jaffa by Okes

Year	Acre	Haifa	Jaffa
1872	2,000,000	1,500,000	2,893,449
1873	500,000	500,000	3,000,000
1874	2,000,000	1,000,000	2,000,000
1875	3,000,000	2,000,000	2,800,000
1876	400,000	500,000	2,350,000
1877	300,000	200,000	1,870,000
1880	800,000	1,500,000	1,700,000

Source: Compiled from Tables: 1.3,1.5,1.6 and 1.9 in Scholch, "European Penetration..." in Owen (ed) *Studies in the Economic...* (1981:pp.58-62)

Oranges produced for export were by far the most important Palestinian crop in the late 19th century. A British trade report for the year 1873 estimated that only 1/6th of the crop amounting to 33,000,000 oranges was consumed locally, while the rest was exported to Egypt and Turkey (Owen,1981:pp. 177-178). By then Jaffa, the centre of citrus production, had around 420 orchards. The number of orchards in Jaffa had risen to 500 by the early 1880s, stretching over an area of about 4,000 dunams (a dunam is equivalent to 1/4th of an acre). Citrus plantations continued to expand markedly thereafter, covering an area of about 30,000 dunams by the early 20th century (Owen, 1981:178). The fertility of the Coastal Plain and its early involvement in the production of cash crops drew many new residents, both investors and workers, to the Plain. In the late 19th century over 25 per cent of the total Palestinian population lived in this region (Owen 1981:178). Table 3 below shows the annual income, in four major coastal cities, generated from exported goods, including oranges.

Table 3: The Foreign Trade in Palestine, 1883-1913 (annual averages in thousands of British Pounds)

Year	Jaffa		Haifa/Acre	Gaza
	Exports Oranges	Total	Exports Total	Exports Total
1883-87	----	135	237	---
1888-92	84	277	276	---
1893-97	86	317	108	---
1898-1902	94	274	200	100
1903-1907	127	394	273	107
1908-1912	217	648	220	82
1913	298	745	---	---

Source: Compiled from Owen, *The Middle East in World Economy, 1800-1914* (Methuen, London and New York: 1981), Table 68 p. 265.

While Table 3 provides data on exported oranges for Jaffa only, it was well known that this crop was Haifa's, Acre's and Gaza's major export item during this period.

Western Imperialism Enhances Changes in Palestine

The presence of Western imperialist interests in the Ottoman Empire in general and in Palestine in particular also expressed itself through the various missionaries and consular offices operating there. In the name of religion (namely Christianity and Judaism), Russia, Germany, Britain and France began to advance their colonial interests in Palestine. In 1860, the "Alliance Israélite Universelle" was established, and in 1868, Germany sponsored the Templars who established their first colony in Palestine. In 1898, the "Anglo-Jewish Association" was established and in 1901, the "Hilfsverein der Deutschen Juden" represented German Jewish capitalist interests in Palestine (Gozansky, 1986: 62).

Most of these companies were directly involved in the production

process in Palestine. Through private capital invested by the Bergheims of Germany, for example, the Templars established the settlement of Welhelma near the village of Tira (Scholch,1982). French and British colonial missions were also heavily dependent on private capital, notably, that of Baron de Hirsch who built the first railway in the Ottoman Empire, Moses Montefiori and most significantly Baron de Rothschild (Scholch, 1982; Gozansky, 1986).

The increased involvement of the Ottoman Empire in the world market economy in general and in the money economy in particular must not be attributed to the imposition or penetration of Western capital only. During the 19th century and in particular after the 1850s, the Ottoman Empire was facing widespread peasant rebellions. These included the riots in Palestine, following the withdrawal of the Egyptian army in 1856, the Druze rebellion in Lebanon in the 1860s and the Balkan rebellion in 1875 and 1876. Moreover, during the 1850s the Empire was continuously fighting the Russians, in what was known as the Crimean wars (Baer, 1975; Scholch, 1982).

All these factors mounted pressure on the Empire's treasury. As early as the 1830s, the Ottoman army was absorbing 70 per cent of the Empire's total revenue despite the fact that many troops were unpaid (Owen, 1981:62).

During the first half of the 19th century, the Ottoman state was experiencing a phase of decentralization. Despite the claim of the central power in Istanbul to absolute ownership of all of the land under its rule, various local governments in Greater Syria began to assume independence. In Lebanon for example, the Mirs (heads of big families) assumed full control over large areas of the Mountain

region. A similar movement emerged in Palestine; heads of big Hamulas largely stimulated by the Egyptian invasion of parts of Palestine in the 1840s also began to acquire power and form their own armies to fight the Turkish troops sent to control their areas (Mao'z, 1968).

An additional force for the decentralization of the power of the Ottoman state was the "Iltizam" or tax farm system whereby the state attempted to centralize power in its hands by assigning land to its military and other administrative officials. The state sought to gain more control over the production process throughout the empire while at the same time using land as a form of payment for these officials.

The success of this system and its effects on the peasants varied among the various countries and even among regions of the same country. While, for example, in Egypt the Iltizam was widespread throughout the 19th and the early 20th century (Barakat, 1975; Saleh, 1979), its presence was observed less in Greater Syria and particularly in Palestine.

In Palestine and Lebanon, one historian observed, the Iltizam was not successfully applied because of the serious resistance the Multazims (tax farmers) encountered from the local chiefs or heads of Hamulas (Mao'z, 1968). However, this did not prevent the emergence of this system in at least one region in Palestine, namely the Jerusalem and Nablus hills. In this case, neither the state military nor direct administrators, but rather local heads of Hamulas held the role of Multazims and functioned as the direct tax collectors in villages within their district. The major Hamulas which emerged as powerful landed proprietors during the Iltizam were the Hussaynis and Abdelhadis (Firestone, 1975; Abu-Manneh, 1986).

The significance of the Iltizam was not in its intended role of

centralization of power and wealth. As will be discussed shortly, to isolate this system of prebendalism and treat it as a separate mode of production as Turner (1978) does can be mystifying. In fact, according to various writers, the Ottoman state attempt at using the Iltizam system as a means to solidify its central authority was defeated. Instead of functioning as state mediators generating revenue for the Ottoman Treasury, the Multazims were able to assert their independence from the state and in the process assumed full ownership rights over the land given to them by the state, resulting in its further decentralization (Owen, 1981; Barakat,1975). Commenting on this phenomenon, Barakat observed: 'The Iltizam which emerged as an expression of the weakening of the central power and was offered to a person in lieu of tax collection for a period of one year only, was later given to people for an indefinite period of time. With the further decline in the Ottoman economic and political power, the Iltizam became transferrable, inheritable and saleable. In some cases, Multazims, after paying a certain sum to the Treasury, stopped paying any taxes to the state" (Barakat, 1975: 13-14). The Iltizam, in other words, became a major factor in the decentralization of the Ottoman's state power.

The real meaning of the Iltizam, however, was in the changes in the relations of production it effected. Peasants whose land was put under the control of tax farmers were turned into mere tenants. Under this system, the Multazims extracted onerous taxes from the peasants. In the case of Egypt, for example, the "Barrani", taxes extracted on top of the tithe by the Multazims had in many cases exceeded the tithe dues (Barakat,1975:14). This, it must be added goes against the notion

that in the "Asiatic" societies there is a unity of land rent and taxes.

The Iltizam system in Palestine was mainly concentrated in the Jerusalem and Nablus districts where, as mentioned earlier, the Hussaynis and Abdel-Hadis had control over large areas. However, in the latter part of the 19th century the Iltizam began to assume more importance. By then, many peasants who were sunk in indebtedness were forced to accept a new owner who redeemed their debts, paid their tax arrears and took the burden of fiscal responsibility off their shoulders (Scholch, 1982:23). The reasons for the emergence of Iltizam in the late 19th century will be dealt with later in this chapter. For the time being, consideration must be given to other political and economic changes which gripped the 19th century Ottoman Empire.

The failure of Iltizam to function as a centralizing force for the Ottoman state placed additional pressure on its already crumbling economy. In order to be able to maintain its control over the vast areas under its rule, to prevent further decentralization of its power and also to fight the Crimean wars and other internal upheavals, the Ottoman state began to look for alternative sources of revenue. Thus, a series of legal measures aimed at generating more fiscal profits were adopted.

New measures were introduced in the early 1840s, aiming at increasing revenue from tariffs and other trade duties. Two new forms of taxes were introduced, the Werko, or house and land tax, and Musagqafat, or the tax on roofed buildings. Also increased during this period was the tax imposed on Khirajia land, that is, Mulk land owned by non-Moslems (Owen, 1981: 61).

Since most of the Ottoman treasury was dependent on the surplus

extracted from the peasants cultivating Amiri land, the state decided to introduce legal changes aimed at the extraction of more surplus directly from the peasants. The most important pieces of land legislation introduced here were the "1856 Ottoman Land Code" and the "1876 Land Law". The 1856 Land Code strove to establish a direct relation between the cultivators and the state in an attempt to maximize surplus extraction. As explained earlier in the chapter, Amiri cultivators were dependent on the head of their village or Hamula for their social and legal affairs. It was through this mediating party that the state received a share of the surplus produce. The 1856 law placed full responsibility over production and the right of land possession on the individual cultivator. According to the law, each landholding family had to register all land under its possession and pay a registration fee, known as "Tabu", as proof of title ownership. Tabu fees were to be paid at each and every title transfer transaction (Owen, 1981:21). Tabu fees imposed in cash were extended to all land put under use, including the Matruka land previously exempted from dues.

In a measure to further enhance this law, the state restricted the right of Amiri land holding to peasants who would continuously cultivate the land. One article stipulated that failure to cultivate the land for three consecutive years would deprive the cultivator of the right of possession, and could result in the state's appropriation of the land. Through this, the state hoped to extract more surplus through more intensive use of the Amiri land.

However, the most important aspect of this law was the land individualization it aimed at achieving. Article 8 of the Land Code

stipulated the following:

The whole of a village or of a town cannot be given in its entirety to all of the inhabitants nor to one or two persons chosen from among them. Separate pieces are granted to each inhabitant and a title is given to each showing his right of possession. (Warriner, 1966: pp. 73-74)

With this move, the state hoped to increase its revenue by taxing every piece of land individually, instead of the previously practiced method where one general fee was collected from the whole village or group of villages. While in the long run these legal measures left their imprint on the general socio-economic structure of Palestine and on production relations in particular, their short term aim, i.e., generating cash desperately needed by the Ottoman state, was not realized, leaving the state no alternative but foreign help. In 1851, Sultan Rashid Pasha signed an agreement with a French and a British bank for a state loan of 55 million Francs (Suvla, R.S., 1966: 100). In 1854, soon after the Crimean war, he signed another agreement for a loan of 3,300,000 Turkish Pounds (one Turkish Pound was equivalent to one British Pound). Of this loan, however, only 2,514,913 Turkish Pounds were cashed by the Ottoman state and the rest were deducted as interest on previous loans (interest rates imposed by these banks ranged between 10 and 12 per cent). By 1875, the Ottoman state had amassed a total external debt of nearly 242,000,000 Turkish Pounds. (Suvla, R. S. 1966: 104)

The inability of the Ottoman Empire to repay its debts to the European governments pushed it to deal with private capitalists. In 1855, the Ottoman state agreed to a loan of about 5,500,000 British Pounds from the Rothschilds of London (Suvla, R.S., 1966: 100). Interest accumulated on this loan was estimated at B.P 6,948,612 by

1891. In 1894 another loan agreement between the state and the Rothschilds was struck. Out of a loan of B.P. 9,033,574 contracted in that year, the Turkish government's share was B.P. 8,220,552. The rest was paid in advance as interest (Suvla, R.S., 1966: 103-104).

These burdensome loans, as various historians noted, were not able to save the decaying Empire. In 1876 the Empire almost declared bankruptcy when it stopped its cash payments for these loans (Owen, 1981; Suvla, 1966; Mao'z, 1968). The weakening of the Empire in the late 19th and early 20th century facilitated the increasing encroachment of western imperialism in the region.

Various writers have argued that the effects of the legal changes introduced in the 1850s were minimal. They maintain that, for fear of conscription and high taxes required by the new policy, many cultivators simply ignored the law and continued to cultivate their lands as previously, dealing primarily with the head of the village/Hamula (Warriner, 1966; Scholch, 1982). So far as the legal status of many Amiri holders was concerned, this claim is partially correct. It has been reported that many peasants, in an attempt to avoid paying taxes or exposing their male children by officially registering their land with the state, had instead registered the land in the name of the head of the Hamula or the local tax collector or even used faked names (Owen, 1981; Stein, 1984). However, as will be shown shortly, even those who did register their land and had title deeds proving possession were not saved in the process. What was at stake was not a mere legal change. Policy changes were but a legal cover for a more complex process of socio-economic change which began to grip the Ottoman Empire in the late 19th century.

Socio-Economic Transformation in Palestine

In Palestine, the late 19th century marked the beginning of a process of land concentration and eventual commoditization. Large tracts of cultivable land were seized by the Ottoman state during this period. Some of it was Matruka (or Musha'a) land which the 1858 Land Code considered as a separate category, other was Mulk land, whose owners had failed to acquire new registration papers for their property. In the early 1880s, the major segment of Mulk land which was declared as state property was that owned by the deposed Sultan. However, Amixi land formed the largest portion of land seized by the Ottoman state.

The section within the 1856 Land Code requiring the land proprietor to cultivate it for three consecutive years resulted in the confiscation of large areas, particularly in the Marj plain. This was largely due to the fact that the Law ignored natural factors which are important in agricultural production. For instance, it is common practice in grain cultivation that the land be left fallow for one season to allow the soil to regenerate its fertility, normally after 1 or 2 years (al-Murr, 1924). Moreover, in low-land areas such as the Marj, rain falls are usually unpredictable and crop failures not infrequent. Under these circumstances various tracts of land became vulnerable to state confiscation.

Another method of state land-grabbing was a practice known as Jiftlik, whereby the Sultan could confiscate any tract of cultivable land and turn it into his own private property. In the late 19th century, Jiftlik lands were created in almost all parts of the Empire (Barakat, 1975; Saleh, 1979). In Palestine, Sultan Abdel-Hamid

declared the whole of the Beisan area as Jiftlik, turning the independent Amiri holders into mere tenants (Stein, 1984).

The concentration of land in the hands of the state was the first step toward its privatization. Land acquired by the state was used as a payment for debtors, as an immovable guarantee against loans from banks or individual creditors or leased for long term to potential investors.

Land Privatization

The legal provisions for land sales came in 1876 with the promulgation of the 1876 Land Law. This Law was aimed primarily at granting foreigners the right to own land in the Empire (Scholch, 1982:21). Yet, it has been reported that as early as the 1860s, various tracts of land were auctioned by the state and sold to investors, both European and Arab. One such sale involved the whole of the Marj, which was sold to the Lebanese merchant family, the Sursuks. More on the nature of this particular sale and its eventual sale to a Zionist colonial company will be discussed in the next chapter.

In 1872, the Bergheims from Germany, who were bankers, usurers, and merchants, bought the estate of Abu-Shusha south east of Ramleh in the Coastal Plain. This family, acting on behalf of the Imperial Ottoman Bank and some London banks opened the first real bank in Palestine, in which it is said to have invested 400,000 Turkish Pounds. Of that sum, half was invested in the purchase of the estate (Scholch, 1982:25). In both cases, that is, the Marj and Abu-Shusha, land was not sold for its value but rather for the amount of tax arrears owed by its cultivators. Thus in the case of Abu-Shusha, for example, the price

paid for an estate estimated at 20,000 dunams was 46,000 Tariff Piasters or only about 46 Turkish Pounds (Scholch, 1982:25).

It has also been reported that in 1874 Baron Montefiori, a French creditor to the Ottoman state, announced the sale of 12 plots near the road from Jaffa to Jerusalem with an estimated area of 25,000 dunams (Scholch, 1982:22). In fact, one document shows that Theodor Hertzl, the first leader of the World Zionist Organization proposed to the Ottoman Sultan in the early 1880s the purchase of the whole of Palestine. In return, Hertzl offered to "regulate the whole finances of Turkey" (Mandel, 1976:38).

The family whose land acquisitions were of the greatest importance in this process was the Rothschilds. This family, whose loans to the Ottoman state exceeded all other credit sources, acquired the lion's share in the land sale process. They expanded their land ownership in Palestine throughout the late 19th and early 20th century, with holdings which stretched over the most fertile land in Palestine, namely the Maritime Plain. The Rothschilds established their first 5 agricultural settlements on an estimated area of 25,000 dunams in 1872. By the year 1890, their estate grew to 14 settlements stretching over 107,000 dunams, to 22 settlements occupying about 220,700 dunams in 1900, and 47 settlements occupying an area estimated at 420,600 dunams in 1914. (13)

Despite the absence of legal protection for the peasants cultivating the land offered for sale, very few cases of eviction from the land were reported during Ottoman rule. From the major land sale cases registered in this period, historical records provide proof for only one case; that is, of Abu-Shusha peasants for whom, despite the fact that they possessed legal title deeds, the sale of their land

resulted in its expropriation and their eventual eviction from the village (Scholch, 1982:25).

In most cases, including the Marj sold to the Sursuks and the Maritime Plain lands sold to the Rothschilds, land was sold complete with its inhabitants; and in the case of Beisan, appropriated by the Sultan himself, peasants were kept on the land. The process of land expropriation in this period did not result in a simultaneous expropriation of the peasants. Nonetheless, it did prepare the ground for their eventual expropriation.

It has been suggested that the Ottoman state intentionally avoided the creation of a class of landless peasants in order to prevent further internal unrest. Within the context of Palestine, some authors stress the potential threat that was posed to the Arab national movement by the increasing number of Russian Jewish settlers (Antonius, 1969). Some authors also argue that the peasants resistance to new forms of production which were not compatible with their pre-capitalist forms was another major reason for the absence of proletarianization and the lack of capitalist development in agriculture prior to British rule (Gozansky, 1986; Saed, 1985). In an attempt to prove this point, Gozansky goes to great lengths detailing the different forms of production relations adopted by the Rothschilds in their agricultural enterprise. Her conclusion is that only when share-cropping was adopted were the Rothschilds able to succeed in their enterprise (Gozansky, 1986:45-46).

While expropriation of peasants on a large-scale was not a practice during late Ottoman rule, it was not altogether absent. The sale of Abu-Shusha village, for example, did result in the immediate

expropriation of the 51 peasant families living on and cultivating the land (Scholch, 1982:22).

Commenting on the heavy resistance put up by Abu-Shusha villagers, one author observed:

The hatred of the Germans engendered among the Arabs, which found violent expression ... mainly in the form of attacks on German transport, nearly reached the boiling point again during 1909 crisis. In Wilhelma [built on Abu-Shusha land] direct clashes took place...The uprooting of trees ..and the grazing of cattle in the nearby village of Rantiya ..on cultivated land was accompanied by the explicit threat that the villagers would harrass the Germans until they were forced to leave. The tension reached its height with the armed assault of neighbouring Arabs on the German settlement..A year later the German settler Fritz Unger was murdered..by villagers from Tira. (Carmel,1975:451)

One member of the Bergheim's family, according to the same source was also killed.

The case of Abu-Shusha suggests that the issue of peasant expropriation became more problematic when foreign settlers were involved in agricultural colonization. For example, the Templars who settled the land bought by the Bergheims provided a non-indigenous source of labour power to the new landlords. Yet, this by no means should be taken to imply that in the absence of settlers, indigenous cultivators were saved from expropriation.

The privatization of the Marj and the Maritime Plain, it will be shown, initiated the process which eventually led to the expropriation of the peasants on these lands. The problem of peasant expropriation, must not be treated in isolation from the context of the general socio-economic changes which developed in the late 19th century. The fact that the overwhelming majority of the Palestinian peasants were still tied to the land does not mean that peasants resisted new forms

of production relations. Changes in their objective conditions of production forced many peasants to adapt to new production relations.

The cumulative effects of various legal, political and economic changes in the Empire, including those of the tax farm system, the promulgation of a series of legal changes to the status of land holding/ownership and the increasing presence of money economy were all stimuli to changes in the peasant economy. Many peasants, in the process, began to endure heavy indebtedness in loans and in interest on loans which were levied during this period at rates of 50 to 100 per cent. Consequently, they found it increasingly difficult to maintain and reproduce themselves on their land without further borrowing. The phenomenon of peasant indebtedness was particularly evident in areas put under the tax farming system, such as the Marj (Scholch,1982; Owen,1981).

While it is true that the transfer of the Marj land from the control of the state to that of the Sursuks did not result in the immediate expropriation of the direct producers, it nevertheless, did cause many to leave their land. Change in the Marj, or for that matter, in Beisan, was not only a matter of legal change in titular rights. Thus, in the case of the Marj the new owners, the Sursuks, not only functioned as land owners but also as merchants and money-lenders at the same time. In the absence of supervision over their operations, the Sursuks managed to extract onerous surplus labour from the peasants (Owen, 1981).

Peasants under the tax farming system were heavily taxed. Commenting on this phenomenon, one Israeli historian observed:

The tax farmer would oppress the peasant without fear of punishment or inspection; he squeezed from the Fallah a much higher tax-rate than the fixed tenth, either by arbitrarily rating a higher price for his crops, or when receiving the tithe (ushur) in kind, by forcing the peasant to give him the wheat at a rate lower than the market price. If the peasant refused to yield to these demands, the tax-farmer could employ any of the following means against him. He could deprive a peasant of the necessary quantity of grain required to sow his field for the next year,; or impose on him heavy fines, or even subject him to corporal punishment (Ma'oz, 1968: 160).

Many peasants, in the process, became heavily indebted to the new owners and were eventually forced to flee the land and seek subsistence somewhere else (14). This happened in the Marj, where the heavy taxation imposed on them by the Sursuks led to many abandoning their land and leaving the region. According to Owen, even when the Sursuks brought in other dispossessed peasants, settling them on the land and providing them with cash advances, they were not able to succeed. This effort failed and the new peasants, who were eventually ruined, had also deserted the land (Owen,1981). Resorting to a share-cropping system, Owen observed, was the most profitable choice for the Sursuks. A similar argument regarding the Rothschilds enterprise in the Maritime Plain is provided by Gozansky (Gozansky,1986).

Changes in Pre-Capitalist Relations of Production

Share-cropping, which in the late 19th century became widespread in Palestine, was not, as some authors maintained, incompatible with capitalism (Gozansky, 1986; Saed, 1985). On the contrary, this system provided a strong indication that changes in production relations were developing. Share-cropping, as Marx maintains, is a transitory form of production relation which marks the transformation of pre-capitalism

to the capitalist mode of production (Marx,1978:596)

The fact that both the Rothschilds and the Sursuks operated successful enterprises based on share-cropping was itself an indication that a large number of peasants were becoming less self sufficient and more dependent on other landowners. It in fact meant that the peasants were undergoing a process of de peasantisation. In a share-cropping system, the more production is market oriented and consequently the higher the forces of production employed, the more advanced production relations will be. Speaking of this system as a progressive force toward capitalist change, Marx observes:

Only where and when the other prerequisites of capitalist production are present does usury become one of the means assisting in the establishment of the new mode of production by ruining the feudal lord and small scale producer, on the one hand, and centralizing the conditions of labour into capital, on the other. (Marx, C.III, pp.596-97)

The dynamics of the share-cropping system in the Maritime Plain provides proof of the leading role of this system in the transformation process. Agricultural production in the Maritime Plain depended heavily on machinery and intensive capital investment. Until the late 1880s, grapes were the major crop produced in the Rothschilds' settlements. Up-to-date wineries were established in the settlements of Zikhron Yaa'kov and Rishon Li Zion and high quality wine was exported throughout Europe (Giladi,D.,1975:185). However, as a result of overproduction and the competition posed by French wine, production in Palestine declined, giving place to citrus culture.

The Rothschilds imported various kinds of citrus seeds from Europe, such as grapefruits and mandarins, and improved lemon production. New techniques of packing and shipping were also introduced, resulting in increasing quality of the produce. By 1890, citrus became Palestine's

major single export crop (15).

The development of production forces in these settlements was also reflected in the forms of production relations at work. Most share-croppers working for the Rothschilds received their shares in cash. Money-rent, which according to Marx is the highest form of rent, was the normal practice in these settlements. The more the peasant became involved in the money economy the more his labour power as an exchange value was sold and the less his other means of production (i.e., tools or animals) were necessary for his participation in the production process. By 1890, one author observed, the 400 Arab families who lived and worked in the settlement of Rishon Lezion were totally dependent on wages received from the Rothschilds. In 1911, the same source added, there were about 1,000 Arab workers temporarily employed in the settlement of Petah Tekva (Kimmerling, 1983: 44).

However, when share-cropping attaches itself to the pre-capitalist economy without effecting new changes in agricultural techniques, the system, to use Marx's words, can become a parasite sucking its own blood. In these situations, surplus labour exploited from the peasants is not used productively but rather as usurious capital. Dealing with this issue, Marx observes:

Usury centralizes money wealth where the means of production are dispersed. It does not alter the mode of production, but attaches itself firmly to it like a parasite and makes it wretched. It sucks out its blood, enervates it and compels reproduction to proceed under even more pitiable conditions. Usury has a revolutionary effect in all pre-capitalist modes of production only in so far as it destroys and dissolves those forms of property on whose solid foundation and continual reproduction in the same form the political organization is based (Marx, Capital, III, pp. 596-97).

In the Marj and Beisan areas, share-cropping was less developed

than that in the Maritime Plain. Extensive production of cereals continued to be the major occupation of the peasants throughout the late 19th century and the early 20th century. Rent in kind remained as the major form of surplus extraction. For the Lebanese merchant family, for example, the Marj land was but another form of commercial enterprise. As absentee landlords, the Sursuks were never directly involved in the production process. Through a local manager who oversaw production, they collected their share, usually in crop, at the end of every production process. Despite the fact that they accumulated large sums of capital from the exploitation of the peasants in the Marj, the Sursuks did not reinvest this capital in agriculture.

Instead, one author observed, they used the capital

...in trade and usurious operations, in building and buying urban buildings to rent as shops, warehouses, stores and apartments: it was much less frequently invested in industry, to set up spinning mills and manufactories. Since, during the export and import era, investment as trade served the highest returns. (Smilianskaya, 1966:236)

Thus in the absence of other prerequisite for the development of agriculture in the Marj, the surplus labour extracted from the peasants functioned primarily as usurious money lent back to them at high interest rates. This form of exploitation increased the dependence of the peasants on the landlords.

The prolongation of the life of share-cropping in the Marj can also be attributed to the fact that peasants there could use the system to supplement other income. The losses incurred by peasants who lost their Amiri holdings to the Sursuks, were important but partial. As share-croppers, they could still make use of other means of production

in their possession, such as working animals and tools. They could also gain access to grazing grounds, water sources and mills they might need to support production on whatever piece of land was left in their possession. The fact that the Marj, as explained earlier, was the major area to develop the Musha'a system, increased the chances of the survival of share-cropping production.

Share-cropping in the late 19th century and early 20th century began to find its way to many Amiri holders. Peasants who found themselves indebted were forced to pawn their land or even to transfer their title deeds to the name of the creditor to release themselves from the burden of debt.

On most Amiri land, where production was organized around the village/Hamula, heads of Hamulas were themselves the merchants and the usurers. Hence, peasants who transferred their land to the head of the village/Hamula continued to live on the land and probably to cultivate the same piece of land they earlier owned. However, their presence, rights and their relation to that land acquired a different meaning. They cultivated the land not as free owners but rather on contractual basis agreed upon by the new landowner. Surplus labour generated from the land was divided between them and the new landowner.

Share-cropping, Firestone noted became widespread in the hilly regions of Nablus and Jerusalem in the early 20th century. These areas were for a long time under the control of a small number of Hamulas, the most important of which were the Hussaynis and Abdel-Hadis (Firestone,1975; Abu-Manneh,1986).

The significance of the emergence of the share-cropping system in the village/Hamula organized form of production was not only

manifested in changes in the relations of production. This phenomenon also symbolized the beginning of a wide process of socio-economic differentiation within the village/Hamula. The village land which was once distributed among all the families in the village began to be concentrated in fewer hands. And the village structure which was family oriented began to gradually lose its character, giving birth to a new structure, whose main features were the intensification of relations of exploitation among family members of the same Hamula as well as in the increasing dependence of many families on the head of the Hamula.

In addition to their economic dependence on the landlord, peasants in the share-cropping system were also personally dependent on the landlords. This was particularly evident in villages under the control of the heads of Hamulas. Unlike the Sursuks or the Sultan who were absentee landlords, heads of Hamulas, until at least the early 20th century, resided on the land. The share-cropper, known in the Marxist literature as metayer, became economically, socially and personally dependent on the landowner.

Commenting on this phenomenon, Smilianskaya observed:

There is clear indication that the metayer was personally dependent on the Feudal lord: the former did not have the right to marry without the landlord's permission; upon his marriage the metayer paid a fee., and according to some sources, the metayer could not leave his feudal lord at will, whereas the latter could forcibly transfer a metayer to another estate. (Smilianskaya, 1966: 236)

The contention that share-cropping forms of production are necessarily backward or present obstacles to capitalist development in agriculture is simplistic. The previous discussion shows that this

form of production can be a progressive step, such as on the Maritime Plains, where surplus value extracted from the peasants was re-invested in the production process. It can also be a regressive factor and an obstacle to capitalist changes, such as in the Marj Plain and Beisan.

Yet, even in its most backward manifestation, where it managed to turn free peasants into serfs, such as in lands controlled by heads of Hamulas, share-cropping produced its own contradictions as well. The increasing differentiation and polarization of the Hamula testified to this.

The culmination of the socio-economic changes during the 19th century found their full expression only after British colonization of Palestine in 1920. Until then Palestine's class structure was still largely composed of masses of peasants in the process of being depeasantized and newly formed classes of landowners.

The depeasantization and the beginning of the process of polarization of the peasants, this chapter shows, was rooted in 19th century socio-economic changes. The process began from within the structure of pre-capitalist production and was further enhanced by the western capitalist encroachment into the Ottoman Empire. This process not only led to the emergence of new classes of landlords, such as the western capitalist industrialists represented by the Rothschilds and the Bergheims, and the Absentee landlords like the Sursuks, but also gave rise to fundamental changes in the structure of the Palestinian peasantry. The appreciation of this phenomenon, it must be added was largely possible because of the re-examination of Palestine's pre-capitalist forms of production discussed in this chapter.

As pointed out in this chapter, Palestine in its pre-capitalist

stage was neither "feudal" nor "Asiatic" but rather an economy already undergoing internal and external changes. These changes were occurring simultaneously at the international, national and the local/village level. By analysing the dynamics of pre-capitalist Palestine this chapter demonstrated that Palestine was not an 'Asiatic Arab backward' society as Shlomo Avineri would like us to believe (Avineri,1972) nor were the 'natives of Palestine without genuine culture or nationality of their own' as Ber Borochov claimed (Ber Borochov,1937).

Instead, this chapter has shown that the differentiation within the Hamula which began in the second half of the 19th century has begun to pave the way for its polarization. The heads of Hamulas who in the process began to accumulate land, began to gradually assert themselves as the new class of local landlords. Differences in wealth and socio-political status began to give way to class differentiation within the peasantry. It was these changes -both real and potential- within the socio-economic structure of pre-capitalist Palestine which served as the basis for the destruction of Palestine's rural economy and the transformation of its rural classes under British and Zionist colonialism. This theme will be discussed in the next chapter.

FOOTNOTES

Chapter 11

1- Most information on land tenure systems in Palestine presented in this work depends on a relatively unknown document. *Qawaneen al-aradi zaman al-Uthmaneeen* [The Land Laws Under the Ottomans] written in 1924 by Dueibis al-Murr, is the only original translation in Arabic of the Ottoman land laws. All published and unpublished British and Israeli manuscripts up to date drew their information on the land system in Palestine from the British translation of the Ottoman land laws which appeared in, Frederic M. Goadby and Moses J. Doukhan, *The Land Law of Palestine* (Palestine, 1935). The English translation by Goadby and Doukhan, according to al-Murr has many inaccuracies. We had access to the Arabic translation through the personal library of one land lawyer in the West Bank.

2- In his *difa'a an-l-Judhur* [defence of the roots], Fourani estimates the size of Waqf land at 100,000 dunams. His book provides ample documentation on the Israeli confiscation of Waqf land including those used for Cemeteries and Mosques. Fourani, *Difa'a..* [Defence ...] (Haifa; Israel, 1980).

3- See *Report on Immigration, Land Settlement and Development*, John Hope Simpson, (prepared for His Majesty Government) 1930, p.112. [hereafter, "Simpson's Report"].

4- See, *al Amiri wa-l-Miri fi nizam al-aradi fi-falastin* [The Amiri, Miri and their Meaning in the Land System in Palestine] is a relatively unknown document on land tenure in Palestine. Translated from Italian into Arabic in 1936, this manuscript was written by a lawyer priest, Father Talfakia al-Qanooni. The manuscript contains a detailed account on the concepts Miri and Amiri and the confusion

which surrounded the concepts, particularly, with regard to the British translation of the Ottoman Laws.

5- Nidal Taha, Land expert and lawyer, West Bank. Abdel-Rahman al-Zubi, a Palestinian judge in one of Israel's provincial courts. In several interviews with these and other legal authorities on land, during the month of July, 1985, many documents were presented showing confiscation by the Israeli state of Mulk land which was labelled as Miri in the Tabu papers.

6- For more on production relations within the Palestinian Hamula, see my Family, Women and Social Change in the Middle East: The Palestinian Case (Canadian Scholars Press; Toronto, 1987).

7- Survey of Palestine, 1945-46, Vol.I, p. 246.

8- Family, Women and Social Change in the Middle East..., op.cit., pp.8-13.

9- For more on the role of the Hamulas, see Abu-Manneh, B. "The Hussaynis: The Rise of a Notable Family in the 18th Century Palestine" in Kushner, D. (ed.) Palestine in the Late Ottoman Period: Political Social and Economic Transformation (Yad Izhak Ben-Zvi, Jerusalem, 1986) pp. 97-120

10- Kimmerling provided the following account on the Musha'a:

The Musha'a system damages Arab Agriculture since it necessarily maintains the backwardness: a fallah who knows that the land he is cultivating will, in a year or two, be transferred to someone else, will not bother with land improvement, tree planting,....The Musha'a also sometimes limits the right of the tract's owners to sell or mortgage and thus forces them to continue living with feudalistic and exploitative credit system.

Kimmerling, B. Zionism and Territory: The Socio-Territorial Dimensions

of Zionist Politics (U.of C. Press:1983) pp. 31-32.

11- In one of his manuscripts, Baer puts the size of Musha'a land at 70 per cent of the total size of Palestine's land. See Baer, G. " The Economic and Social Position of the Village Mukhtar", in Ben Dor (ed.) The Palestinians and the Middle East Conflict (Haifa University, 1976). Yet, in his earlier publication, he estimated the Musha'a land by 1923, at 56 per cent only. See Baer, G., Preface to the History of Agrarian Relations in the Middle East (in Hebrew) (Hakibbutz Ha-Meuhad, 1975).

12- "Simpson's Report", 1930, op.cit., p. 21

13- Survey of Palestine, 1945-46, p. 372.

14- The phenomenon of peasants fleeing the land under the crushing weight of tax-farming system was also documented by Lewis. In his "The Frontier of Settlement in Syria..", he observed:

[T]he pressure of the tax collector was..great. Every traveller describes the crushing weight of the tax-farming system. The peasantry were taxed to, and sometimes beyond, the limits. A draught, an attack of pest or disease,...-such calamities turned the scale. A family, a group of families, or a whole village, would abandon its lands and flee to another village (bigger) or city.

Taxation according to Lewis remained heavy and inequitable throughout the 19th century. It was made more burdensome with the emergence of usury in the late 19th century. see Lewis, N. "The Frontier of Settlement in Syria, 1800-1850" in Issawi, Ch. (ed.) The Economic History of the Middle East, 1800-1914 pp. 261-62.

15- It was estimated that between 1862-1885, orange production in the vicinity of Jaffa increased by 5 times. In 1887/88 Palestine exported to England about 110 thousand cases of oranges. In mid 1890s,

production of oranges was put at half a million case and in 1914, an estimated one to one and a half million cases of oranges were exported from Palestine. See Gozansky, *The Development of Capitalism in Palestine* (Haifa: 1986), p. 34

Chapter III

British Colonialism and the Agrarian Economy

The aim of this chapter is to examine the colonial nature of British rule in Palestine, the relationship of this rule to Zionist colonization, and the effects both forces had on the social and economic structure of Palestine. It will demonstrate that these were the major forces in the acceleration of the process of capitalist development in Palestine. More particularly, they created what Marx describes as the historical condition necessary for the emergence of capitalism; the expropriation of land and the expropriation of the peasantry.

This chapter provides an extensive analysis of the phenomenon of land and peasant expropriation. It will be argued that the transfer of land from the indigenous Palestinians to the European Jewish settlers was not a simple and peaceful matter of sale and purchase as most of the current literature suggests but was, rather, a far more complex phenomenon. It will be shown that, in fact, the process of land and peasant expropriation was anything but peaceful, legal or a matter of simple market transaction.

The historical documents show that almost all cases of land transfer were made possible only by the intervention of the colonial state. As these documents demonstrate, political, legal and sheer physical force were at the core of the process of land transfer. Expropriation of land and peasants, it will be demonstrated, was accompanied by other colonial policies which devastated peasant economy and peasant agriculture. Of particular significance in this

regard was taxation. The burden of taxes lay heavily on the Palestinian peasants, the majority of whom were actually or potentially ruined. The peasants were not only required to pay heavy taxes they could never afford, they were also forced to deal with new methods of tax levies introduced by the colonial rule. These methods included imprisonment, collective punishment, confiscation of crops and even land seizure.

The scale and intensity within which these policies were carried out are graphically illustrated, as early as the first decade of British rule, by the emergence of massive impoverishment and widespread indebtedness among the Palestinian direct agricultural producers. Although as the previous chapter showed, the process of peasant indebtedness, impoverishment and partial expropriation had already begun under the Ottoman rule, British colonialism, it will be demonstrated, marked the turning point in the history of socio-economic transformation of Palestine.

The process of land concentration and partial commoditization (i.e., the land sales to the Rothschilds), it was argued in the previous chapter, did not cause a radical change in the forces of production. It did, however, leave its imprint on the existing relations of production. One dimension of this change was the small-scale expropriation of the peasants who had previously lived on the land which was turned into the private property of the Rothschilds. These peasants were partly turned into share-croppers and partly into wage labourers working on the Rothschilds' plantations.

The most important change which took place between the late 19th century and the first two decades of the 20th century was with regard to a large section of the peasantry whose land came under the control

of the big absentee landlords, such as the Sursuk family. In this case, the whole socio-economic status of the direct cultivators was changed.

The presence of new owners/controllers over the land had paved the way for the expropriation and landlessness of the peasants. Forced to carry the brunt of the Ottoman fiscal crisis, the direct producers were increasingly unable to (reproduce) provide for themselves and their families without resorting to the usurers for loans. Furthermore, failure to pay back their loans in cash or in kind placed the direct producers in a yet more difficult situation. It left them no alternative but to mortgage, and inevitably eventually lose, their only means of production, their land (1).

The economic conditions of the Palestinian direct producers worsened further during the war years of 1914-18 due to a number of factors including conscription, cattle confiscation and deforestation (Stein, 1984:9). Nevertheless, the actual transformation process in which mass-scale expropriation took place occurred during British rule and in particular in the first decade, from 1920-30.

British Rule Over Palestine

Immediately after the first world war, Britain affirmed its military rule over Palestine. The division of the former Turkish colonies between France and Britain, the most powerful imperialist countries, was signed in the Anglo-French Declaration of 7 November 1918. In this treaty both governments pledged the "complete and definite emancipation of the peoples so long oppressed by the Turks" and vowed to help the indigenous peoples to establish governments based upon self-determination and independence (Stein, 1984: 35). In

July 1922, the League of Nations provided Britain with a mandate over Palestine, while Syria and Lebanon were placed under France's mandate. However, since Britain's military forces had already been in Palestine since 1918, the League of Nations ruling was, as one author put it, "a formality which gave Britain an international legality over its occupation of Palestine" (Gozansky, 1986:97).

From the outset, Britain created the office of High Commissioner and empowered it with full legislative and administrative powers. The High Commissioner, in turn appointed other British officials as Commissioners of each district. The indigenous population, on the other hand, were totally excluded from forming any part of the administration.

Despite its status as mandated territories, Palestine had many important features in common with ordinary British colonies. Referring to this point, Owen says: "Although nominally only a 'mandated' territory and subject to certain international restrictions preventing the mandator power from establishing any special privileges for itself (for example with regard to trade) it would seem that these were largely disregarded in practice". The British government, Owen continued, "had a typical system of colonial finance with revenues drawn largely from indirect taxes, notably the external tariff, and a very high proportion of government expenditure on security and defence" (Owen, 1982:4).

By assuming exclusive rule over Palestine, the British government had in fact breached the agreement signed with France in 1918. The British mandate over Palestine became sharply different from France's mandate over Syria and Lebanon, where indigenous Syrians

and Lebanese were part of their countries' legal and administrative governments.

However, what was most significant about British mandate over Palestine were the special clauses regarding the 'Jewish national home'. In 1917 a deal between the British and leaders of the Zionist movement, known as the Balfour Declaration, was struck. In this deal Britain committed itself to developing the economic resources of Palestine in such a manner as to provide a basis for the establishment of a Jewish national home (Owen, 1982:5).

The 'Balfour Declaration' was incorporated directly into the Mandate, thus "providing an extra guarantee that they would be adhered to both in London and by the local administration in Jerusalem" (Owen, 1982:4). The mandate in this particular form had important implications for the attitude of the British government in Palestine towards both the indigenous population and the European Jewish settlers. Thus, while it referred to the indigenous rights of the Palestinians as religious and civil rights, the Mandate emphasized the national and political rights of the Jewish people. Furthermore, the Mandate excluded the indigenous people from taking any part in the governing of their country, while at the same time providing the Zionist Organization of Palestine an advisory status by considering it as the authoritative spokesman for the Jewish settler community as a whole (Stein, 1984:39; Owen, 1982:5). Speaking on this point Gozansky wrote that the Mandate was no more than "a pure colonial document", the spirit of which was "one of co-operation between imperialism and Zionism" (Gozansky, 1986:35).

In light of the fact that Palestine had no viable economic resources to offer and that Britain's interest was geo-political and

strategic, the relation of co-operation between the British and the Zionists requires some explanation.

It is logical to ask why the British would want a partner to share a colony with them? This is not the appropriate place to provide a complete answer to this question, however two important views are relevant in this context. Some authors advance the argument that Jewish settlement in Palestine was economically beneficial to the colonial government. This explanation, which is based on consideration of the short term economic gains of Jewish settlement, argues that this settlement would not only be able to pay its own way, but also would attract Jewish investment. Through tariffs, taxes, land purchases and other measures it could also directly contribute to the colonial revenue (Gozansky, 1986:Owen, 1981: Stein, 1984).

The other view point, while accepting the short term explanation, adds another factor with long term implications. In this view, authors stress the fact that the 'Jewish national home' was no more than a political euphemism for a Jewish state. According to this view the Zionist-imperialist co-operation had far more reaching strategic and political implications. Referring to the Zionist role expected by the British colonial government Stein writes:

The establishment of a Jewish national home was part of the context within which his Majesty's Government (HMG) was attempting to protect its strategic interests in the Middle East. Maintaining its presence in Egypt, assuring access to the Suez Canal and the East, preventing French ambitions in Lebanon and Syria from drifting south, and creating a land bridge from the Mediterranean Sea to the oil fields of Iraq all entered HMG's calculus. (Stein, 1984:7)

The creation of a European Jewish state in the midst of the pre-

dominantly Arab Middle East, authors argue, legitimized and enhanced the Zionist role and provided the imperialist forces with a reliable ally in the region (Gozansky,1986; Said, 1978; Chomsky,1984).

Nevertheless, what is of particular concern for the discussion of the expropriation of the Palestinian direct producers is the new reality created as a result of the Zionist and colonial presence.

Primitive Accumulation and the Expropriation of the Direct Producers

In his "The So-Called Primitive Accumulation" Marx provides a classic model for the expropriation of the cultivators from their land (Marx, 1978:667-670). In this model, Marx emphasizes two major issues. On the one hand he argues that the expropriation of the direct producers from their land provides the historical prerequisite for the development of capitalism. "What the capitalist system demanded", Marx says, "was, on the one hand, a degraded and almost servile condition of the mass of the people, the transformation of them into mercenaries, and of their means of labour into capital." (Marx, 1978:674).

In this context, Marx also outlines the extra-economic means used in pushing direct producers off the land. Marx particularly stresses the importance of the following phenomena: the sale of land at "nominal" or "ridiculous" prices or even its relinquishment for no compensation; the consequent massive expulsion of the "hereditary sub-tenants" and the consolidation of their holdings into one unit; the transformation of government laws into "the instrument of the theft of people's land"; and "the ruin of former dwelling-houses, barns, stables.." (Marx, 1978: 675-78). Marx asserts that this process is characterized by the use of force and violence against the

expropriated people. The role of force and extra-legal mechanisms in expropriating the peasants is now also acknowledged by most Marxist writers (Luxemburg, 1951; Bradby, 1980).

The process of the expropriation of the Palestinian direct producers offers striking similarities with the classic Marxist model particularly regarding the second point advanced by Marx, i.e., the use of force and other non economic mechanisms. However, with regard to the first point, i.e., the expropriation process as a turning point in the transformation of one economic structure to another, the Palestinian case differs.

Between 1920 and 1947, 1,700,000 dunams or about 26 per cent of the total cultivable land was expropriated from the indigenous direct producers. (2) Of this, 60 per cent or one million dunams were expropriated between 1920 and 1930. (3) This process resulted in the ousting of tens of thousands of Palestinian direct producers.

Examining the question of Palestinian land transfer to the Jewish settlers within the context of expropriation is quite new to the current literature on Palestine. To date, most literature on Palestine continues to present the phenomenon of land transfer as a pure economic or market phenomenon of sale and purchase.

Nowhere in the literature are the questions raised or answered as to why and how land changed hands in the first place. Most writers so far maintain that the "high" price paid by the Zionist land purchasing companies to the previous owners was the primary reason behind the "sale" (Zureik, 1979; Stein, 1984; Ohana, 1981; Kimmerling, 1983). None of the writers have explained the reasons for the alleged inflated land prices. This factor is crucial to the understanding of

the process of land expropriation. Although all the literature alludes to the same example, the sale of the land previously owned by the Sursuks, no evidence has ever been provided to demonstrate why it was more beneficial for the owners to sell the land than to utilize it themselves for capitalistic purposes. Most importantly, though, is the fact that underlying all these explanations is the assumption that the transfer was a peaceful process.

In the following, three cases of land 'transfer' will be discussed, The Marj land, referred to as the "Sursuk's sale", Zeita village and the village of Wadi al-Hawareth.

Case One: The Sursuk's Transfer of the Marj:

One of the major sources of land appropriated by the Zionist colonial companies was the so-called Sursuk Sales. The Sursuks were said to own a large area in Palestine estimated at about 500,000d. Part of this land was in the plain of the Esdrealon or the Marj and the other part in the Huleh plain. What is of particular concern here is the land estimated at 240,000d. in the Marj plain.

The whole area of the Marj was estimated at 400,000d. of which 372,000d. were cultivable. (4) In the early 1920s, most of this land, estimated at 240,000d. and comprising over 20 villages were transferred to certain Zionist colonial companies.

The 'transfer' of this land resulted in the expropriation of thousands of peasant families, who for generations had worked this land as their only source of living.

To comprehend the case of the Marj transfer, the question as to why this land was chosen as the first colonial enterprise will be dealt with first.

Views on the importance of the Marj to the Zionist colonial project

vary sharply. One view held during the 1920s by various Zionist and British officials suggests that the Marj was an empty wilderness full of swamps. In early 1920, Herbert Samuel, Palestine's first High Commissioner, had the following to report to the British administration:

The whole aspect of the valley has been changed. The wooden huts of the villages, gradually giving place to the re-roofed cottages, are dotted along the slopes; the plantations of rapidly growing eucalyptus trees already begin to give new character to the landscape; in the spring the fields of vegetables or of cereals cover many miles of the lands, and what five years ago was little better than a wilderness is being transformed before our eyes into a smiling countryside. (5)

Samuel's description of the Marj was reiterated by various writers. Recent authors who adhered to the same point of view have qualified their argument about the emptiness of the inland plain, the Marj, by claiming that "Unsettled Beduin tribes", throughout the Ottoman period raided and attacked the settled peasants and drove them out of the Marj. Speaking on this issue, A. Cohen writes:

During this period...[the Ottoman period] gravest danger to the villages came from the Beduins. When local rule was weak, strong Beduin tribes raided peasant settlements, looted their crops and animals, killed their men and destroyed their property...The Beduins, practically dominated the country.. Insecurity of life and of property made settled living in the villages and plains difficult, and often impossible". (Cohen, 1965: pp 4-5)

Similar arguments are also made by other authors (Migdal, 1980; Ohana, 1981). Arguments presented so far, at the least, can be described as baseless contentions produced to justify European Jewish settlement.

A largely ignored description of the Marj provides contrary

evidence. In his visit to Palestine in the early 1920s, Dr. Strahorn, from the "American Geographical Reviews" observed:

Up to within recent years the land was cultivated from the Arab villages, located round the rim of the Plain. Cereals together with minor garden areas around the villages constituted the Arab cropping system. In very recent years considerable areas of land have passed under the control of Jewish colonies and villages: gardens and orchards are now dotting the former expanse of grain-fields. (6)

This description suggests that the Marj was populated and cultivated and that the produce had changed largely due to economic development. The Director of the survey, Simpson, who surveyed the area in 1930 shared Dr. Strahon's opinion. In his Report on Immigration, Land Settlement and Development, John Hope Simpson observed:

It is a mistake to assume that the vale of Esdrealon was a wilderness before the arrival of the Jewish settlers and that it is now a paradise. A very large amount of money has been spent by the various Jewish agencies, and great improvements have been made.There can be little doubt in time, the application of capital, science, and labour will result in general success. It is, however, unjust to the poverty-stricken fellah who has been removed from these lands that the suggestion should continually be made that he was a useless cumberer of the ground and produced nothing from it. It should be quite obvious that this is not the fact.

"In ancient times", Simpson continued, "Esdrealon was the granary, and by the Arabs is still regarded as the most fertile tract of Palestine." (7)

Yet the most striking evidence on the fertility and productivity of the Marj can be discerned through the examination of the "sale contracts" themselves. Throughout the "sale documents", reference is made to the productivity of the Marj which produced different crops

including vegetables, fig trees, olive trees and some citrus. Thus, in a letter by Dr. Rupin, the head of the colonization branch of the Zionist Organization and the head of the Palestine Land Development Company (L.D.C) it is written:

Such purchases are scarce and very valuable. It is impossible to find similar purchases at any time... The purchases in Emek Yisrael [The Marj], are very dear to us. They give us, in one stroke, [bivat Ahat] a large unit of more than 100,000d. with the possibility of developing a large settlement in this fertile and important valley.(8)

In another letter to Julius Simon, the head of the Zionist Organization, the main branch in London, Dr. Rupin said:

There [in the Marj] we have the opportunity to buy one of the most productive and best situated complex in Palestine.. (9)

Natural sources of water in the Marj were plentiful. The Marj had two major natural wells; Ein Jaloud and Rihanieh in addition to other small wells. In one village alone, that is, Nuris , there were 7 grain mills which served Nuris and the surrounding villages and large grazing areas which stretched around the Marj.

The interest in the land purchase, as the documents show was primarily economic. It was aimed at putting together the land stretching over 20 villages into one large unit to be owned and worked solely by Jewish settlers. On this matter, Dr. Rupin observed:

For our colonization we cannot buy smaller unlinked pieces of land from the Fallaheen..We have to buy large linked pieces of land from the big land owners." (10)

In another letter by Hankin, the Palestinian Jewish merchant and the major investor in the L.D.C., the intention to turn the Marj into a big capitalist investment was made clear. In this letter it was said that when all the Marj villages are bought, the land will be converted

into one continuous estate and technology and capital will be successfully applied. (11)

Finally, it must be added that in no place throughout the "sale documents" was there any reference to the national question or to the necessity to provide land to Jewish immigrants. The manner in which the sale contracts were conducted, was purely market oriented.

Nonetheless, this economic factor by no means implies that the sellers were to profit from the sale transaction. To the contrary, as the following evidence will show, neither the price paid in the Marj transfer was high nor was it the determining factor in the transaction.

Information from the initial sale contract which covered an area of about 7,356d. and included 11 villages does not strongly support this claim about the profitability of the sale.(12) The price paid for this area was estimated at 286,500 Egyptian pounds (or P.L.286,500). The acreage price per one dunam of land accordingly was about P.L.3. To date, no evidence has been provided as to the actual value of the land, however some strong indications regarding its approximate worth are available.

For example, in his reference to production in the Marj, Owen observed that in the late 19th and early 20th centuries the land was considered as a highly profitable enterprise, generating "great rewards" to the Sursuks (Owen,1981:175). Moreover, the documents of sale, in more than one place, emphasize the fact that prices paid by the purchasers were "either basically not higher than the prices paid for this land before the War". -The price offered before the war was estimated at 3 1/2 Egyptian pounds-, or that the price paid for

the transfer was in fact "low" and "reasonable". (13)

Yet, the price offered in the sale contracts was not for land only. For the price offered, "all the buildings, mills, trees, forests, the two water sources..and the diggings" were supposed to be included in the transfer. (14)

The "Land development Company" in fact paid for the land without first having it surveyed. Their own survey conducted after the sale, however, showed that more land was obtained than was actually paid for. Thus, in one case only, the village of Maa'lul (in the Marj deal), the size of the land entered in the sale document was registered at 17,813d. After the land was surveyed its actual size was estimated at 19,500d. (15)

It is important to note here that the sale documents includes contradictory information. The direct correspondance between the purchasers (the L.D.C) and the sellers (the Sursuks) refer to 71,356d. as the actual size of land to be purchased. However, correspondance between the Zionists themselves, that is between the Zionist Organization, Palestine branch and the Zionist Organization, London main branch, reference is usually made to 100,000d. which the L.D.C believed it will obtain after the transfer.(16)

The discussion so far reveals that the so-called "high" price paid for the Marj land was, to say the least, not the sole reason for the sale. If this was not the main reason then what could it have been? In the following, it will be shown, that a larger political force, namely, British colonial policies were involved in this case. These policies which included both legal and violent means were the determining force in the process of land transfer. In 1856 when the Ottoman Land Ordinance was introduced, it included specific clauses

which prohibited the eviction of the cultivators from the land. The terms of land sale by the Ottoman government stipulated that the cultivators living on the land be kept on it after the sale. Therefore, except for the case of the land sold to the Rothschilds', land transfer under the Ottoman rule did not immediately result in the expropriation of the direct cultivators. (17) It must be noted here that this law had also restricted the new landowners as well. Thus, for example in the case of the Sursuks, despite the fact that the total size of land under their control was large, this land continued to be divided into many smaller pieces stretching over many villages. In order for the Sursuks to turn their property into one continuous unit and use it for capitalistic purposes, the landowner-merchant family would have to expropriate the cultivators and turn them into wage labour, a transformation which would have been unlawful and politically dangerous. The Sursuks resorted instead to increased tithes and over-taxation of the cultivators (Owen,1981:286; Baer,1982). According to Owen,the Sursuks "attempted to exploit in the triple role of landowners, money-lenders and tax farmers and were soon making many thousands of pounds a year...By 1890 the rewards from the Marj were great." (Owen,1981: 175)

The legal immunity provided by the Ottoman Land Law to the direct producers was abolished with the British colonial rule. In 1920, the British introduced the Land Transfer Ordinance which in turn legalized land transfers and made expropriation a norm rather than the exception. Legalizing expropriation, nevertheless, did not work to the advantage of the Sursuks

The signing of the "Balfour Declaration" in 1917 and its

implications in terms of providing Jewish settlers with priority over land settlement and development, forced the Sursuks to think seriously about their property in Palestine. The Sursuks were doubtful whether under British rule over Palestine they would be able to keep their property. Their fears were in fact realized in 1920 when France and Britain separated Lebanon from Palestine. The 1920 "Land Transfer Ordinance" prohibited land transfer by and to non-Palestinian nationals. (18)

Finally, for the Sursuks, who in 1918 were informed by the military Government that their claims for property in the Huleh were cancelled and that the British would not recognize the contract they signed with the Ottomans (the concession comprised of about 191,000d.), found themselves basically facing two alternatives. They either had to sell their remaining property, that is the land in the Marj, and make some money, or simply forget about their property in Palestine altogether. (19)

The state's involvement in the Marj case was also evident by the following facts. The sale contract was written and concluded between 1918-1920. During that period, British military rule prohibited all forms of land transactions, since they were in a chaotic situation in terms of land registration books, most of which, according to them, were lost during the war (Stein, 1984:23).

Consequently, and from a strictly legal point of view, one would have expected that the civil administration in 1920 would have cancelled the deal. Moreover, the 1920 "Land Transfer Ordinance" which prohibited non-Palestinian nationals from transferring land would have been again from a legal point of view, another obstacle. But the deal was not cancelled.

On the contrary, as a result of pressure partly from the big landlords (the sellers) but mainly from the Zionist Organization (both, the main head office in London and the local branch in Palestine), the deal was put in effect in 1921. In this year the government amended the 1920 "Land Transfer Ordinance", deleting from it all restrictions on land transfer and recognizing the Zionist land registry books as the authoritative accounts over all land affairs (Stein, 1984: 32).

The legalization of the transfer of land in the Marj in fact meant the expulsion of thousands of families living on and from the land. The most striking feature in the transfer deal refers to the clause on how the land must be transferred. According to this "all property must be transferred free of cultivators...or any claims to settlement, renters or Waqf". (20) This pre-condition, as the following discussion shows, was met by blood and force.

The Marj Cultivators.

Most literature which refers to the case of land transfer in the Marj is often based on two wrong assumptions; the first claims that all the Marj land was privately owned by one big land-lord family and the cultivators were only tenants without property status; and the other says that since the one of the conditions of the sale contracts was the transfer only of unoccupied land, cultivators must have already been expelled by the previous landowners.

Yet, evidence refutes both claims. Firstly, until the late 1880s when the Sursuks were given control over the land as tax collectors, the form of landed property in the Marj was considered as Amiri. The status of the new owners, the Sursuks, under the then prevailing forms

of production was no more than titular owners, just as the Ottoman Sultan was the titular owner of all of the Ottoman soil. Marx refers to a parallel case concerning the Highland Celts in which land ownership was in name only "Just the same as the Queen was the titular owner of the national soil" (Marx,1978:681). In fact, the actual owners of the land were the cultivators who for many years inherited and cultivated this land. Cultivation in the Marj was organized around the village. In addition to the village land, peasants from the surrounding villages commonly used and owned the mills, the wells and the grazing land. Even from the legal point of view, it must be stressed here that the law which governed the act of sale was not the natural or the customary law under which cultivation took place, but rather a capitalist law known to, and accepted by, the colonial power only.

Moreover, in various villages in the Marj, similar property rights held by the Sursuks were also held by other peasants. In one instance, for example, it was mentioned that "at least 10,000d. belong to the peasants". (21)

In addition, the Sursuks owned only a share of the mills while the rest were commonly owned by the villagers. In fact they had no rights over the grazing land since under the Ottoman Land Code grazing land was considered common land hence, exempted from taxes. Even the British colonial state recognized peasants' property rights in the villages of Nuris and Maa'lul when, in 1923, it ruled that at least 7000d. be left to the villagers there. (22)

The claim that in accordance with the initial contract the land was eventually transferred without cultivators is baseless. The fact

is that in almost all cases of "land transfer" or sale, all cultivators were still on the land at the time of the transfer. Thus, in a memorandum by the High Commissioner to Chuckburg, a Colonial Officer, it was said that in the case of four villages only, tenants were evicted before the sale. In most cases, the High Commissioner stressed, the tenants were still on the land at the time of the sale. (23) This fact was also recognized by some Zionist land dealers involved in land purchases. In one instance, Bentwish, a Zionist official and land broker, made reference to three villages where all the inhabitants were on the land during the time of the transfer.

In reference to the tenants of Gingar, Tel-al-Fir and Jaloud who are living on the land at the time of purchase, the Company [i.e., L.D.C.] agrees to keep them on a perpetual lease of 100.d. per family, such areas to be assigned together on one side. The yearly rent will be 6% of the cost price paid by the Company....Should at any time of the tenant, become undesirable or for any other reason the Company desires to evict them it cannot do so without the written consent of the Governor of the District. (24)

The Palestinian direct producers suffered severe consequences as a result of the transfer of the Marj land. In the early 1920s, over 1,746 families or about 8,730 people were expropriated. (25) This number however, did not include the Beduins, who through the winter months lived in the hilly land and were accustomed to going down to the Marj after harvest to pasture their flocks. With the expropriation of the land both peasants and beduins were also expropriated. (26)

Official British government figures on the expropriated peasants from the Marj put the number lower. The Northern District Commissioner estimated the number of "farmers who lost their land as a result of the transfer of the Marj to the Zionist Organization, at 1,270 families". (27) Yet these figures according to the Director of Survey

were far from representing the actual number of all those who were affected by the transfer transaction. Since, according to him, these figures "included only the farmers who did present their claims to the government when the survey was made". And those who did claim, according to the District Commissioner, "...by no means included all those who had interests in land... The census figures are usually taken as being 20% below the truth, owing to the objections to a census which was connected with military service". (28)

On the whereabouts of the people who were expropriated the following was reported:

A large number emigrated to America....others are employed at the time being as stone cutters and lime burners in connection with the construction of new buildings but ...they have no other occupation to which they turn when these are completed...others are scattered all over...They cannot live there because nothing was left to live on. (29)

The eviction of the cultivators from the Marj lands was by no means peaceful. At least in two incidents, British police reports confirmed the shooting and killing of Arabs resisting eviction. (30)

Case Two: Fraud and the Village of Zeita

The process of land appropriation in Palestine was characterized by the use of illegal means such as blatant fraud and, more importantly, violence. Writing on this issue, Stein said:

Some of the means used by the Zionists in appropriating the land were bribing local government officials, local Arabs, consuls, consular agents, and by registering land in fictitious names (Stein,1984:32).

The case of land appropriation in the village of Zeita provides an insight into some of the means used in the expropriation of the

peasants.

Zeita covered an area of about 5,358d. and was inhabited by about 906 peasants. In 1923 Rutman, a Jewish capitalist, filed a claim to the Land Court of Nablus, the district in which Zeita belonged, saying that all Zeita land was his property. His claim was refused on the basis that his papers were false and did not match the real size or description of the village. (31) Two years later, in 1925 the land was surveyed by one Samsonoff, a licensed surveyor and another claim was prepared by Rutman. However, in order to avoid the Nablus Court, the new map produced claimed that Zeita belonged to Khadera settlement which was in Haifa district. When the case was presented to Haifa Land Court headed then by a Judge Strumza, the judge accepted Rutman's claim and a court order evicting the 906 villagers was issued. For five years, until 1930 the cultivators refused to leave the land saying that they had all the necessary documents to prove that the land was theirs. The insistent fight of the peasants against Rutman's claim forced the High Commissioner Chancellor to investigate the case.

When the case was investigated in 1930, the "Committee of Investigation" found that the real owners were the peasants themselves and that Rutman's papers which included a map for the land and an estimate of the area were all fake. What is more important is that Judge Strumza himself was found to be the main figure responsible for faking the papers, accepting a bribe by Rutman and lying to the court, which he headed. By an order from Lord Passfield, Judge Strumza was stripped of his position. In the process of faking the evidence, it should be added, three major collaborators were involved: a Zionist merchant, Rutman, an Arab land dealer, Samara, and the head of the

land court.(32)

Despite the repeated pleas by the H.C. Chancellior between 1930 and 1931 urging the Government "to do all they can to assist those villagers, who have lost their land owing to a bare face fraud" (33) nothing was done for the cultivators. In 1933 the land was expropriated and joined to the Khadera settlement and the peasants were expelled by force.

Case Three: Wadi al-Hawareth

The most striking example of the use of force in the expropriation of the agricultural producers was at the Wadi al-Hawareth village. This village had an area of about 30,000d. and a population of about 200 families or 1,382 peasants.

In 1923 two Jewish capitalists associated with the Zionist Organization and closely linked to the Jewish National Fund, advanced a claim to the land of Wadi al-Hawareth in the land court in Haifa, a court which was headed by the same Judge, Strumza. Consequently, the court ordered that the claimants proceed to settle the land and that the peasants be evicted. In 1925 the first part of the eviction took place. The forceful appropriation of the land was described as follows:

A group of Zionist settlers accompanied by police troops raided the village, forced about half of the peasants out of the village, destroyed their tents and stole their personal belongings. (34)

During the takeover, one Police report said:

Attacks were made upon the Police by groups of womenfolk armed with sticks and stones, who resented, in particular, the removal, by the agents of the Jewish National Fund [J.N.F], of the.. tents and personal belongings found on the land...The women.....were throwing themselves in front of the

tractors to prevent the Zionists from ploughing the land.

In this incident one old man was reported killed and others injured. (35)

After this incident about half of the peasants were forced out of the village and the other half managed to resist and stay on the land for five more years. From 1925-30 attempts were made by the government to convince the J.N.F. to lease the land to the peasants with the condition that the lessors, after a certain period of time, become the rightful owners of the land. The Jewish National Fund refused.

The J.N.F.'s refusal prompted the High Commissioner, Chancellor, to ask Lord Passfield to issue an order of expulsion to the settlers. Thus, in a letter to Lord Passfield, the High commissioner wrote:

Directors of J.N.F. have been asked to agree to lease land to Government but it is unlikely that they will consent except on conditions which government would be unable to fulfill. After very careful consideration I am satisfied that in the event of it being impossible to arrange voluntary lease expropriation lease will be necessary. I ask you for enactment immediately of ad hoc legislation empowering me to expropriate lease of this land for a period of five years on payment of fair compensation. (36)

During consultation with the government the J.N.F. sent agents to try to strike a separate deal with the peasants. On this, one report said:

The Jews are leaving no stone unturned to entice the Arabs of Wadi al-Hawareth to accept their offer. Hankin offered to these Arabs a tract of land in the village of Jeida, Nazareth sub-district. He then offered them a tract of land in Transjordan, which the Arabs completely refused. In order to allure them, he then offered to lease to them a tract of 5,000d. at a very low rent and also to lend them P.L. 2,000 for a period of three years without any interest if only they would affix their signature or seals on the contract of lease.

The Arabs, however, have refused all these deceptive offers. (37)

For six years after their eviction in 1925, the 130 families were forced to live in very bad conditions. Quoting one Sheikh in Wadi al-Hawareth, an editorial in one newspaper said:

Since they have been afflicted by the eviction of their lands, eleven children had died and many others contracted dysentery and other diseases.(38)

An eye witness to the bloody eviction of the cultivators was Lord Caradon, who in 1930 was appointed as an Assistant Director to the Northern District. According to him "...Of all the incidents in Palestine, the Wadi al-Hawareth one, when I think of it, reminds me of the injustice made to the Arabs when they were forced out of their land". "I still remember", Lord Caradon added, "how women were lying down on the threshing floor trying to prevent the settlers from cultivating their lands and how they were violently pulled up by the police and thrown out of the land." (39)

The case of Wadi al-Hawareth dragged in the courts until 1943 when finally a court order of eviction to all the remaining peasants was issued.

The Marj, Zeita and Wadi al-Hawareth were not isolated cases. They represented a general pattern of conduct used by, and on behalf of, the Zionist Organization of Palestine throughout the colonial period. However, unlike what some authors believe, the capitalist settler class or its representatives were not the main determining force in changing the socio-economic lives of the Palestinians. Indeed, their role was conditioned by legal and other forms of immunity provided by the colonial state. It was the colonial state which played the most decisive role in preparing the ground for the development of

capitalism in general and the expropriation of the cultivators in particular. Of particular importance here is taxation which took a tremendous toll on the direct producers.

Taxing the Rural Population:

Within the Marxist literature, the role of taxation in expropriating the direct producers and preparing the grounds for capitalist development is widely emphasized (Marx,1978; Luxemburg,1951; Bradby,1980).

As with other formal colonies, Palestine was expected to pay its own way financially as well as to support the cost of the local garrison. The budget of the civil administration was totally based on the revenue collected from the local population. Moreover, over half of the administration's expenditures, Stein writes, "continuously went toward supporting the gendarmerie and strengthening Britain's strategic presence in Palestine" (Stein, 1984:31).

These revenues came primarily from direct and indirect taxation. Between 1920-33 direct and indirect taxes accounted for more than 50 per cent of the government's revenue. While 15 per cent came from the tithes only, 35 per cent came from custom duty on imported articles for consumption (Gozansky, 1986:94). The burden of indirect taxation fell mainly on the shoulders of the direct producers, since items like sugar, salt, matches and tobacco, which they consumed were heavily taxed. (40) Yet, it was the direct taxation, its magnitude and the means of collection which was of utmost significance in terms of its toll on the rural inhabitants.

In 1920 the government in Palestine adopted all Ottoman laws concerning taxation. The three major forms of taxes levied under the Ottomans, tithes, werko and animal tax continued to be levied from the

rural population until 1927.(41)

Animal tax continued to be levied mainly in kind. The rate per each head differed according to the kind of animal. Goats and sheep however were most heavily taxed; 48 mils per head for goats and sheep. (42) The Werko, or "Land and House Property Tax" introduced by the Ottoman government in the early 1890s continued to be levied by the British on all immovable property at the same assessment as before.

Up until 1927, the main changes introduced were to the tithe, which throughout the Ottoman period was levied primarily in kind. The British, with an eye to developing a money and capitalist economy, pressured the peasants to pay tithes in cash. The other change was that the tithe or Ushur (in Arabic Ushur meant 1/10) was not levied at 10 per cent but rather at 12 1/2 percent of the annual gross income. Although the Ottoman government levied the tithe at 12 1/2 per cent, in fact the extra 2 1/2 per cent was deposited in the "Ottoman Agricultural Bank" as a credit source for the peasants (Owen,1981:280). In 1920, the British closed the "Ottoman Agricultural Bank" on the pretext that 'no financial statements were found after the War' (Stein, 1984:11).

In 1927, when the revenue from taxes appeared to be insufficient to cover the colonial administration and other expenditures, a move was made to change both the magnitude and the means of tithe collection.

The tithe in the old form was abolished and instead, the "Commutation of Tithe Ordinance" was put into effect throughout Palestine by 1928. This Ordinance, put the commuted tithe for all villages and tribes at a fixed aggregate amount paid annually. The

assessment of the payment was based on the average amount of tithe which had been paid by the village during the four years immediately preceding the application of the Ordinance. (43)

Unlike the previous tithe which was levied from owners and possessors (i.e., in the two categories of Mulk and Amiri), the Commuted tithe was imposed on "all reputed owners, meaning all persons who receive benefits from the land whether it is his land or not". (44) In other words, all agricultural direct producers, owners, tenants or even rentiers were required to pay the new tithe.

The commuted tithe represented a real and drastic change from the previous tithe. The older tithe was levied on the threshing floor and varied directly with the size of the harvest. The new tithe, however, was imposed as a fixed sum which was calculated prior to the realization of the crop. It would not, therefore, take into account such natural factors as low rain or locusts which might cause disastrously reduced yields. (45)

More importantly, the aggregate sum fixed in the commuted tithe was based on average prices calculated according to market prices during the years 1924-27. This meant that any decline in market prices after 1927 would necessarily be ignored. The decline in market prices of almost all agricultural products between the period of the price redemption (1924-27) and 1929-30 was markedly sharp. For example, the average price of wheat during the redemption period (1924-27) was 11.5 mils per kilo: barley, 7.7 mils: sesame, 24.8 mils: dura, 7.5 mils and for olive oil, 54.6 mils per kilo respectively. While the 1930 prices for the same items were: 5.8 : 2.7 : 16.1: 3.1 and 30.3 mils per kilo respectively. The average fall in prices in these 5 items was as follows: 44% for wheat: 59% for barley: 35% for

sesame: 64% for dura and 49% for olive oil. (46)

The commuted tithe fell very heavily on the shoulders of the direct producers. Although formally, the new tithe was said to represent only 10 per cent of the gross annual product, in reality, as one Commissioner of Land said, it, "...represented more than 35% of the net produce". According to the same source, the commuted tithe, "...was unduly high tax for a farmer to pay". (47) The figure quoted by the Commissioner of Land, one should add, applies only when production was in full swing and if the direct producer could realize the exchange value of his produce. This however, was far from representing the reality for many producers. In more than one case it was reported that the commuted tithe imposed was double the value of the actual produce. Thus, in reference to one farmer from Jenin one newspaper stated:

After he planted a piece of land with broad beans and spent a considerable sum of money on the same.. the result was that the yield brought him P.L. 15 only while Government taxed him to the amount of P.L. 40 for this particular piece of land.

In another case from Jenin, the same newspaper reported:

One land owner who usually leased a garden for P.L. 20 per annum was informed by the government that he would have to pay P.L. 42 as taxes for this particular garden. (48)

The excessiveness of the commuted tithe combined with other taxes had drastic consequences for the rural population. One such consequence was the further pushing of an already indebted mass of agricultural producers into the clutches of the usurers. In the absence of any other official source of credit for the indigenous agricultural producer, the usurer became the only refuge for the

indebted population. Realizing his indispensability to the rural masses, the usurer knew how to exploit the situation and charged whatever rate of interest he wished. Rates of interests on loans taken from merchants throughout the 1920s and 1930s ranged between 20-100 per cent per annum. (49) Referring to interest rates, Simpson observed:

The rate of 30 percent is regarded as quite reasonable, and is indeed exceeded in many cases.. ..It is a usual practice for the money lender or the merchant to make an advance on terms known as 'ashara-hamestash', which means that a sum of P.L. 10 advanced at the time of sowing is repaid by a sum of P.L.15 at the time of harvest. Another arrangement is interest at the rate of 1s. in the pound per month. (50)

Heavy taxation also resulted in indebtedness and impoverishment. Both phenomena were widespread during the British rule. In 1929, for example, the Director of Education noted:

Hardly any Arab village exists which is not in debt. The fallaheen [peasants] are so over-taxed that they find great difficulty in paying the tithe (51)

In one instance, in 1930, in the village of Bir Zeit it was reported that the village as a whole was indebted in the amount of P.L.7,000 or an average of P.L. 39 per family. (52) Moreover, the 1929 "Survey into the Economic Conditions of the Agriculturists" found that the average debt per peasant family amounted to P.L. 27, on which P.L.8 per annum was paid as interest by each family. (53)

The burden of heavy taxation also reached various other sectors of the agricultural population, such as small commodity or capitalist producers. In Palestine the landowner/merchants in the citrus belt as well as some grain merchants were greatly affected by the increased

tax load. In a communique sent in 1930 by the government of Syria, the following was reported about the conditions of merchants in Jaffa:

The people of Jaffa alone have lost P.L. 300,000 in the orange industry and 100,000 in cereal. Poverty and misery in Palestine is more intense than in Syria and Lebanon.. The Banks are so strict that they force the merchants to declare bankruptcy..In spite of the fact that the value of the immovable property of the debtors is twice the value of their debts, yet the Banks do not trust the debtors and are afraid of losing their credits.
(54)

The only governmental source of credit available to the rural population was Barclays Bank. However, since loans could be issued only if security on back payments, such as the presence of immovable property, was available, the Bank was useless to the majority of the rural population. Both the merchants and the peasants themselves were well aware of the government's failure to provide them with a source of credit. In one instance they state: "In the circumstances the Government shows no concern whether debtors are ruined or not..". (55)

For the majority of small-scale producers, such as those in the grain and olive production, taxation ultimately led to their ruin through the loss of their only means of subsistence. The following is an account of how a peasant might lose his land:

Wherever you go in Palestine, the Fallah tells you: I sell my land and property because the Government compels me to pay taxes and tithes at a time when I do not possess the necessary means of subsistence for my self and my family. In the circumstance I am forced to appeal to a rich person for a loan which I undertake to refund together with an interest of 50 percent after a month or two. When payment falls due, I find that I am still penniless and eventually compelled to renew the bill, double the amount and refund it after a month or two. And so I keep renewing the bill and doubling the debt until after a year or two the loan, I took from that rich man, amounts to ten times more, i.e., if I take a loan of P.L. 10, two years later, the debt will amount to P.L.100, which forcibly leads me to sell

my land in order to refund my debt of which I took only a meager sum.

In conclusion the peasant added:

I firmly believe that if the tithes for this year would not be abolished, many a fallah would die out of starvation. If Government however would not relieve the peasants this year, there will be no cultivators next year to cultivate the land. (56)

Methods of Tax Collection

The heavy consequences of taxation for the rural population were not confined to the effects of the increased tithe in its commuted form. In addition, new methods of tax collection were also introduced by the colonial state.

Until the late 1920s tithe collection was usually carried out by the Head of the village or the Head of the Hamula. This method, which involved a mediator, was deemed inefficient by the colonial government which was in need for revenues. To increase its income from taxation the government replaced the mediator with a more reliable officer. In 1930 the government appointed officials partly from within the village, referred to as Mukhtars, and partly from outside, for tax collection. The number of Mukhtars appointed greatly exceeded the number of villages. For an approximate number of 550 villages throughout Palestine, in 1932, the number of appointed Mukhtars was estimated at 1344, distributed as follows: 337 in the district of Jerusalem: 369 in the Southern District and 638 in the Northern District. (57) The large number of Mukhtars appointed to the Northern District was needed to control the densely populated land in the Marj and Beisan in which the peasants refused to pay taxes.(58) It must be added that this colonial device plays a significant role in dividing the colonized people. This, has been dealt with elsewhere. (59)

The Mukhtars were remunerated with a commission of 2-5 percent of the taxes collected. So far as the actual collection went, the Mukhtar was sent to the village, accompanied with a British supervisor, usually a police officer, empowered to seize the crop in cases of default.

A report by the "Rural Taxation Machinery Committee" described the act of collecting commuted tithe as follows:

The Mukhtar goes to the village..accompanied with a seizure officer and a police..The Mukhtar calls on the defaulter to pay the amount due. If payment is not made, the seizure officer seizes the movable property of the defaulter..If the amount due is not paid within 2-3 days, the articles will be sold by public auction. If no articles movable are there..seizures will be laid on immovable property.
(60)

In order to be able to collect taxes from a heavily indebted population, and in order for the new methods of tax collection to work, force and violence became the only viable approach. Some of the means used in collecting taxes were:

One: Imprisonment

Imprisonment as a form of forcing the agricultural producers to pay taxes was a frequent occurrence during British rule. In one case the following was reported: "..Tulkarem District Officer had summoned three peasants of the 'Tayeh' family and sentenced each of them to 10 days imprisonment.." (61)

In 1929 and for a period of two months only, Simpson estimated the warrants and imprisonments obtained from the Supreme court at 2,677 warrants issued for debt and 599 persons imprisoned. On the same, Simpson wrote:

A report on this point was received from the Director of agriculture in respect of the Haifa district for the past year (1929). From this it

appears that in the Magistrates Court of Haifa alone and for the sub-District of Haifa, with a population estimated at 67,800, there were heard 8,701 proceedings for debt, issued 4,872 orders for execution and filed 2,756 applications for imprisonment for debt. (62)

Two: Collective Punishment

Collective punishment, which meant punishing the whole village if one villager defaulted was also widespread. In a Petition from the "First Arab Rural Congress" to the District Commissioner, the following was reported about the case of the Zeeb village:

On the morning of the 23d of May, 1930, a detachment of British troops raided this village, entered houses, disturbed the people and beat many of the inhabitants which resulted in the wounding of three villagers. These measures were taken, we were told, in execution of an order issued by the assistant District Commissioner, Northern District, under the Collective Punishment Ordinance, although execution should have been made through the proper established Execution Officer. (63)

Three: Seizure of Crops

The phenomenon referred to as 'attaching crops to taxes' was prevalent throughout rural Palestine during this period. This entailed assigning a police man to guard a cultivator's crops in order to prevent him from selling his produce until his taxes or debts were paid. To add insult to injury, the cultivator was also required to pay and feed the policeman while the latter was on duty. (64)

The seriousness of the phenomenon of "crop attachment" made the District Officer of Jaffa in 1930 file the following explanation:

The information given... at Lydda, that sometimes a man's whole crop is attached for taxes is correct. The further statement, however, that he is prevented from selling a part of it in order to redeem the rest needs qualification.. The crop of the villager is the only thing that a revenue officer can find if he wants to attach for taxes. This crop can be got hold of only before

threshing.....

The only way to do this is to place a guard during the time that threshing is going on. This guard fully gives the impression that no crop may be disposed of before the tax is paid. He is, of course, kept at the expense of the defaulters, and his wages are an additional burden. Rather than pay these wages the defaulters often incur debt in order to pay off the tax and get rid of the guard. The impression therefore remains that attachment could not be removed until the whole tax is paid. In fact the villager finds a great deal of difficulty in threshing, and then selling just a part of his crop while attachment is going on at his expense. To deal with a small crop in bits is not easy, nor is the disposal of it in small quantities easy. It means a special journey to town, where he may have to spend a day or two before he can sell and get his money...in many cases, the only way out of it has been to incur debt... (65)

The policy of "crop attachment" was even deemed exorbitant by some British officials themselves. Responding to this policy, the District Officer of Jaffa stated the following:

I feel it is my duty to mention a frank opinion in regard to the collection of taxes in the villages.. I believe that at least 50% of the rural population, on account of their very small incomes, which do not exceed P.L.30 per annum per family of six persons, ought to be relieved from all taxation. To such persons the price of crops is immaterial, as they have practically nothing surplus to sell..The villagers, have in these cases paid, by allowing themselves to suffer privations or by incurring debt..I am...thoroughly convinced that if these villagers were to refuse payment and say 'we are sorry, but we would pay if we only could' we should find ourselves totally unable to collect the taxes by legal methods. This is a point which deserves the serious consideration of Government..I submit therefore that it is essential that a minimum be exempt from taxes with as little delay as possible. The amount which these villagers pay is not great, but in proportion to their income it is excessive. (66)

As a result of the policies of "attachment" and "seizure" many orders of seizure were imposed and the crops of many cultivators

were confiscated. Thus, in 1932, 2,800 notices of seizures were imposed in the Northern District: 336 notices in the Southern District and 4,288 notices in the Jerusalem District. (67)

Seizures and confiscation were not confined to crops or to movable property only. In more than one case, land, which was the only means of survival for the cultivators, was in danger as well. Land seized from its cultivators was usually auctioned by the government and sold to the highest bidder. As a result, much of the auctioned land passed into the hands of the European Jewish investors or organizations. The tract of land in the Olive Mountain in Jerusalem on which the Hebrew University was established and the Baqa'a land in Jerusalem district, sold to the Shell Company, were both obtained in this type of transaction. (68)

In another case, that of Ceasaria village, " [due to tax default.. the state forced the land owner to auction his land. The land was consequently bought by the Jewish National Fund, [J.N.F]". Again: "In one case a judgement was delivered in 1938 against an Arab of Gaza in favour of another Arab in the sum of P.L. 150. In 1941, upon application to the Execution Officer, an area of 624 dunams belonging to the judgement debtor was put to auction in satisfaction of this debt. The land was bought at this auction by the J.N.F. for P.L. 2,900 (69).

Excessive taxation continued to be imposed on the rural population throughout the 1930s and 1940s, despite the fact that commuted tithe was replaced in 1935 with a new form of taxation, the "Rural Property Tax". The new tax did not differ significantly from its predecessor. It continued to be based on assessments made during the period of

1924-7, as well as being levied by force. (70) The only change of note involved the form of the tax. The "Rural Property Tax" was introduced as a more efficient mechanism for coping with the increasingly capitalistic nature of the Palestinian economy.

Large-scale expropriation accompanied with excessive taxation carried out particularly in the 1920s had severe social and economic consequences on the Palestinian direct producers. Between 1929 and 1931 several official commissions of enquiry concluded, unanimously, that the Palestinian peasants (fallaheen) were heavily indebted and impoverished. Of particular significance was the finding which confirmed that landlessness among the peasants was a direct consequence of Jewish settlement. Before examining some of the data of these enquiries, it is important to look at the circumstances which prompted the government to conduct massive research in this period.

In 1929 a general peasant uprising took place. In this uprising the peasants demanded that the government put an end to Jewish immigration, stop land transfer, and change its taxation policy. The "violent disturbances" as one official report referred to the uprising, forced the government to look into the demands of the indigenous population. (71)

In an attempt to review its taxation policies, the government appointed a committee of enquiry to examine the "economic conditions of the agriculturists and fiscal measures of government in relation thereto". The report of this committee, known as the Johnson-Crosbie report, suggested that the "agriculturists" were heavily indebted and poor, and that many of them had even lost their land. The report recommended that the government change its 1920 "Land Transfer

Ordinance" and provide protection for the indigenous cultivators. (72) Consequently, both the High Commissioner, Chancelor, and the Principal Secretary of State for Colonial Office, Lord Passfield, began to work on new legislation, the "Protection of Cultivators Ordinance". In the meantime, however, both the Palestine office (the Jewish Agency) and the London main branch of the Zionist Organization viewed the government act unfavourably and claimed that such a procedure negated the spirit of the government committment to the establishment of the Jewish National Home. (73)

In 1930, the Colonial Office in London delegated a team of experts to Palestine to conduct the first survey ever. The report of the survey, known as Simpson's report, confirmed previous findings by Johnson-Crosbie and added that Palestinian peasant landlessness was primarily caused by Zionist settlement. Simpson's report received harsh criticism from the Zionist Organization who deemed it totally unacceptable. In the same year, i.e., 1930, two additional investigatory committees were sent to Palestine; one, the "Shaw Report", to report on the "Palestine disturbances of August 1929", and the other, "French's Report" on "peasants' landlessness". The findings of these two reports strongly confirmed the earlier studies, yet the pressure placed on the British government by the Zionist Organization made the former unwilling to enact any fundamental policy changes.

Lewis French who was appointed as the Director of Development in 1930, reported that "Jewish settlement in Palestine has produced a class of displaced Arab cultivators", and recommended that a law be enacted to restrict land transfer to Jewish settlers.

In a response to French's report the "administrative Committee of

the Jewish Agency for Palestine" submitted the following:

The restrictive measures which constitute the main substance of Mr. French's report are objectionable in themselves, and also inconsistent with the assurances given by the Prime Minister that there shall be "as little interference as possible with the transfer of land". These assurances have been wholly ignored by Mr. French, with whose recommendations they are plainly incompatible.

The Administrative Committee therefore declares that the French Reports cannot be accepted as a basis of land policy in Palestine or of negotiations between the Mandatory Power and the Jewish agency concerning land development.

The Jewish Agency is prepared to co-operate with his Majesty's Government in working out a comprehensive scheme of development for Palestine based on the principles of the Mandate, for the purpose of facilitating Jewish immigration and colonization and the establishment of the Jewish National Home and of promoting the general welfare of all the inhabitants of the country. (74)

The Zionist influence on the British government proved to be effective. No major changes in land policy were able to survive. The draft on land legislation prepared by the High Commissioner was never completed. In June 1930, it was reported that:

Representations were received from Zionist sympathisers in this country in favour of the postponement of the projected land legislation until the general policy of the government had been announced, and Sir J. Chancellor was instructed, much against his will, to shelve the Ordinance. He referred to the Permanent Mandate Commission (cmd 3582) and urged that the Arabs would regard postponement of the land legislation as a breach of faith. (75)

Although the various reports were unable to effect new policies, in themselves they were very valuable. The reports provided vital information on the social and economic conditions of the Palestinian rural population. Of particular significance to the discussion here are the data on the indebtedness and impoverishment of the majority of the

rural population.

Rural Palestine: Socio-Economic Changes

A drastic deterioration in the social and economic conditions of the Palestinian peasants was evident as early as 1929. One such change was increasing pressure on the agricultural land. This phenomenon was largely caused by the colonial taxation and land expropriation policies but demographic changes within the rural population also contributed to it. The relatively high birth rates characteristic of the Palestinian population combined with the absence of conscription during British rule placed additional constraints on the agricultural land. In the process, inheritance resulted in land parcellization and the shrinking of the size of land owned by individual peasants. (76)

Yet, the most important phenomenon which occurred in late 1920s and early 1930s was what some British officials referred to as "epidemic indebtedness" and widespread poverty among the rural population. The severity of this phenomenon attracted the attention of various officials including the "Agricultural Expert" of the Jewish Agency. To demonstrate this, three tables will be provided: the first, by Dr. Wilkansky, an "Agricultural Expert" from the Jewish Agency; the second by the Director of Survey, J.H.Simpson and the third will be compiled from three sources of information.

In his "The Fallah's (peasant) Farm", Dr. Wilkansky provided a detailed description of the income and expenditures of what he referred to as "an ordinary fallah". The following table summarizes his data:

Table One: Dr. Wilkansky's Estimate

Expenditures And Income Of An Ordinary Fallah (Area 80-100 d.).
 Number of Souls 6-9):

1) Expenses of production.....P.L.	
a) Food for 2 oxen, 2 kantars sesame cake or beans....	7.00
Seeds.....	6.50
Communal charges.....	1.60
Various repairs, etc.,.....	0.30
b) Taxes, (tithe and land tax).....	4.50
Total Expenses on Production	19.90
c) Household Expenditure:	
4 kantars of wheat at P.L. 4	16.00
3 kantars dura at P.L. 2.50	7.50
600 litres milk at P.L. 1.5	9.00
400 eggs	2.00
Olive Oil, 7 jars	5.00
Clothing	4.00
Vegetables, rice, lamp oil, sugar, etc.,	6.00
Total Expenditure on Agriculture	49.50
Total expenditures.....	69.40

2-Income:

30d. wheat at 50 kg.	20.00
10d. barley at 60	6.00
10d. kirsanneh	6.00
39d. dura	3.00
800 litres milk	12.00
1,000 eggs	5.00
Outside labour	12.00
Total Income	70.50

Source: "The Fallah's Farm" by Dr. Wilkansky, in J.H.Simpson, Report on Immigration, Land Settlement and Development 1930, (appendix 18, p.177), Cmd. 3686.

According to Dr. Wilkansky's findings, the net income of an "ordinary peasant (fallah)" family of six to nine souls with a holding of 80-100d. is P.L. 1.10 (total income, 2, minus total expenditures, 1,). This meager net income is expected to cover expenses on luxury items such as meat for the whole year. Yet, it will be argued that Wilkansky has in fact over-estimated the actual income of the average peasant family for the following reasons.

From the information given in this table (expenditures ,1,), it appears that the "fallah" for Dr. Wilkansky refers to the peasant owner only. The absence of rent from the list of expenditures means that tenants or rentiers who paid rent were not considered as "ordinary peasants". Also excluded from the category, "ordinary fallah" is the peasant who paid interest on a debt or loan. Finally, while this table makes a claim for income from milk, it ignores expenditures for feeding the cow(s). From this table nevertheless, one thing is clear; the Palestinian peasant is financially very poorly off.

Table Two: Revised Calculations Showing Return to the Owner Cultivator and to the Tenant based on average Market Prices July, 1930.

Gross Income From Selling Agricultural Produce

Produce	P.L
Wheat	11.564
Barley	1.752
Qatani	1.387
Dura	2.064
Sesame	1.304
Other	0.540
Total income from cultivation	18.611 (or an exact figure, 18.600)
Fruit trees	15.00
Stock, Dairy- Produce, Poultry	7.00
Grand Total from agriculture	40.600
Expenditures:	
Cost of Production	22.000
Taxes	6.800
Rent	8.200
Total Expenditure	37.000

Source: "Simpson's Report", 1930, op.cit., appendix 15, p. 175.

A comparison between the "average peasant" presented earlier (Table one) and the peasant in Table Two suggests that the concept of the "typical" peasant differs greatly from one researcher to another. Despite his meager income, the peasant examined by Dr. Wilkansky (Table one) appears more affluent than the peasant discussed by Simpson. According to Simpson's calculation, (Table Two) the net income of a peasant with a holding of 100d. is P.L.3.60. However, it must be

stressed here that this income is expected to meet not only the "luxury" items, referred to in table 1, but also all of the household expenditures which are not discussed in this table.

The following table (see next page) provides a general picture on the state of indebtedness for a large number of the rural population. The table is based on the "Enquiry into the Economic Conditions of the Agriculturists.." conducted by Johnson-Crosbie in 1929. The "Enquiry" covered 104 villages with a population of 23,573 people, or about one third of the total rural population. Figures in this table represent data from three sources of information: returns by the villagers; Johnson-Crosbie's " Enquiry.." and Simpson's calculations.

Table Three: Income and Expenditures for 23,573 Peasants

Income	Village Source (P.L.)	Johnson-Crosbie (P.L.)	Simpson (P.L.)
1: Cultivation			
a) Field Crop	301,999	483,600	306,043
b) Fruit Trees:			
Olive	107,846	-----	-----
Other	112,066	-----	-----
Total b:	219,912	219,912	219,912
Total Income from Cultivation	521,911	703,512	525,955
2- Other Income			
a) Stock,Dairy Produce,			
Poultry, etc.,	-----	95,720	-----
Other Village Sources	-----	14,112	-----
b) Transport and Outside work	-----	99,326	-----
Total 2.	22,970	209,158	168,461
Total From all Sources of Income	544,881	912,670	694,416
3-Expenditures: P.L.			
Production	205,000		
Taxes	82,000		
Rent	63,000		
Interest	169,000		
Maintenance of the family	550,000		
Total Expenditure	1069,000		

Source: Calculated from J.H.Simpson,Report on Immigration, Land Settlement and Development, 1930, pp.67-68; appendix 13 p. 173),Cmd.3686.

The difference between the figures provided by Johnson-Crosbie

regarding both the gross income (total 1) and expenditure on production (total 3) and the returns provided by the villagers is largely due to differences in market prices. The Commission of Enquiry used redemption prices for the years 1924 and 1927, while the villagers calculated their expenses and income according to 1929 market prices. It must be remembered here that Johnson-Crosbie's "Enquiry.." was conducted for purposes of tax assessment. Simpson, on the other hand, readjusted the figures provided by Johnson-Crosbie according to market prices of 1930.

According to Table Three, the net income of 23,573 "agriculturist" families is in deficit by all standards: The net income provided by the villagers (total income [1+2] minus total expenditures [3]) is in deficit to the amount of P.L.524.119; P.L. 157,000 according to Johnson-Crosbie and P.L.374,584 according to Simpson's estimate.

Moreover, the average net income per family, (arrived at by dividing grand net income by the number of families surveyed) is in deficit to the amount of P.L.22.23 according to the villagers' estimate; P.L.6.66 according to Johnson-Crosbie's; and P.L.15.89 according to Simpson's estimate. In other words, the net income per family, by all accounts, was much less than the expenditures the family incurred on its farm.

Data on income and expenditures presented so far suggests strongly that the Palestinian direct producers during this period were extremely poor, generating a meager income which was largely insufficient for their and their family's survival.

While indebtedness was in large part due to expropriation and taxation, the accumulation of indebtedness also caused more expropriation. Indebtedness continued to be characteristic of rural

Palestine throughout the 1930s and 1940s. An enquiry conducted in 1940 into 88 villages, embracing 4,385 male adults, and representing 19 percent of all adults in the villages concerned, showed that all 4,385 male adults were indebted to one source or another. All these persons together took out 6,629 loans. The loans were divided as follows: 4,385 or 66 percent of the loans taken from 'co-operative societies' at an official rate of interest of 9 per cent per annum: 839 loans taken from banks and private sources at a rate of interest between 9-12 per cent per annum; 1,234 loans taken from usurious sources at rates of interest of 40,50,60 and even 100 per cent per annum and 171 loans were taken against security of mortgages on land at widely varying rates of interest ranging between 8 per cent and 100 per cent per annum.

The enquiry further revealed that 2,141 adults or 48.8 per cent of all surveyed had concentrated all their borrowings in their local credit societies; 2,244 adults or 51.2 per cent of the cases surveyed, had a total income of P.L.466,799 per annum, or an average of P.L.208 per person. These adults were indebted to a total of P.L.248,780, or an average of P.L. 111 per person.

The enquiry provided detailed information with regards to the sources of loans for the 2,244 adults. According to it, loans taken out by these adults from banks, co-operative societies and private persons (rate of interest of 9-12 per cent), totalled P.L. 127.840 or an average of P.L. 57 per person: 'unsecured loans at burdensome rates of interest' amounted to P.L.102,593, or an average of P.L. 46 per person: and loans on mortgages amounted to P.L. 18,337, or an average of P.L.8 per person. (77)

Moreover, pressure placed on the land as a result of indebtedness, land dimunition and the shrinking of the size of cultivable land had pushed land prices further up and increased rent on land. In one instance it was reported that some peasants had to pay 50 per cent of the produce as rent to the landlord. The most common rent paid during this period was recorded at 30 per cent of the produce with the tenant paying the tithe, or 40 per cent and the landlord paying the tithe.

(78) Yet, of particular significance in this period was the emergence of money rents as an increasingly favoured arrangement between the tenant and the landlord. Money rents, varying between 50 mils to 250 mils per dunam were commonly used. (79)

Dimunition of land, higher rents and higher land prices had also led to competition on land. Competition, in turn, escalated still further the value of land. Thus in one case where land was described as "... owned, but not yet settled, by Jews, of which Arab tenants in an adjoining village rent 5,600d", the following was reported:

Up to the year 1926-27, the cultivators paid 20 percent of the produce in kind. Since then, the lease has been put up to public auction and in 1927-8 produced P.L. 260, in 1928-9, P.L. 400 and in 1929-30 P.L. 525. (80)

The rise in rent, which in this case amounted to over 100 per cent, meant that, while the class of landowners could continually expand their capital, the cultivators were sunk further and further into indebtedness.

Extensive data has been provided in this chapter in order to remove any doubt about the real nature of so-called "land transfer" in Palestine.

The cases of the Marj, Zeita and Wadi al-Hawareth, among others, demonstrate that legalistic, political and blatantly illegal forces

played a much greater role in these transactions than did pure economic motivation. They also show that when land was transferred the peasants were often removed by force. Even more importantly, these cases are indicative of a wider and more comprehensive process of change, the dynamics of which affected the majority of the peasants.

The process of land and peasant expropriation, it was shown, was not limited to individual villages. This process, enhanced by the British taxation system, affected the whole socio-economic structure of the peasant economy. While expropriation created more poverty, taxation served as a mechanism for further expropriation. The ultimate result of this process, it was shown, was poverty, indebtedness and destitution.

The detailed analysis of the issue of peasant and land expropriation provided in this chapter was necessary for illuminating two focal points. On the one hand, it has been shown that the role of the colonial state in the process of land transfer from the indigenous Palestinians to the European (Jewish) settlers cannot be ignored or understated. Legal and political mechanisms used in the process, it has been shown, were crucial to the 'transfer of land' and to the expropriation of land and peasants. Moreover, this chapter has demonstrated that the colonial state did not operate alone in Palestine. Zionism, vaguely defined at this stage of the study as the ideology of the European Jewish bourgeois class, has played an equally important role in the process of expropriation.

Colonialism in its Zionist form, this chapter showed was not solely based on the economic exploitation of the indigenous Palestinians. Data gathered on land 'transfer' here provide that the Zionist

formal attempts at linking the 'need' to appropriate indigenous land with the motive of economic gains (e.g., the case of the Marj) were the exception and not the rule. The Zionist formal justification attached to the European Jewish settlement in Palestine was overwhelmingly political or ideological in nature. In fact, as further analysis will show, Zionist colonialism strove at emptying the land from its indigenous inhabitants and replacing them with European Jewish settlers. While the next chapters will elaborate more on the nature of Zionist colonialism, it is sufficient to stress here that Palestine's path to socio-economic development under British and Zionist rule was anything but a simple 'economic developmental model'.

Footnotes

Chapter III

- 1- In 1930, an estimate put the number of mortgaged farms at 1354, covering an area of 190,125 dunams. This land was mortgaged for P.L. 512,000. See, "Confidential Memorandum by the Solicitor General", in CO 733/185/2, 1930.
- 2- Survey of Palestine, 1945-46, Vol.1, p.247.
- 3- "Simpson's Report", in op. cit, p.16
- 4- Ibid., p.16
- 5- Ibid., p.16
- 6- Ibid., p. 17
- 7- Ibid., p.17
- 8- "Tiodot Mi-Yemei Rashit Ha- Hityashvout ba-Emek" [Documents from the early days of Settlement in the Marj], S/50, file no. 3722, pp. 5-6 Beit Shturman, collected in July, 1985.
- 9- Ibid., document no. 14 /2. (translated from German).
- 10- Ibid., document no. 4/2 (translated from German).
- 11- "Tiodot...." in opcit., S/50, file no. 3722 , p. 6.
- 12- The villages included in the "sale document" were: Um-Qubai; Sammouneh; Sufsaifa; Gingar; Rub'a al-Nasra; Maa'lul; Nuris; Ein Jaloud; Tel el-Fir; Rihanieh and the unsettled case of Tal el-Adas.
- 13- A letter from Dr. Rupin to Julius Simon, c/o Zionist Organization, March, 28, 1921, in "Tiodot...", op.cit., document no.14.
- 14- "Tiodot...", op.cit., file no. 2723, p.5.
- 15- Ibid., 8 /(1-80).
- 16- A letter from Dr. Rupin.. op.cit., document no. 14
- 17- See earlier discussion, Chapter two, p. 15.
- 18- "Simpson's Report", op.cit., p. 42.

19- The Huleh concession was offered to the Sursuks, by the Ottoman Governmen, in lieu of tax arrears they were expected to collect from the peasants in the Huleh. Until 1918, the Sursuks were considered the legal owners of this plain. They have paid all their tax arrears to the Ottomans.

In 1918, when the British military took rule over Palestine, the Sursuks were informed that they could not keep this property. The pretext provided by the Government was that it could not confirm the Sursuks's legal rights over the land. The concession of the Huleh plain, it should be mentioned, was given to one Zionist capitalist in 1921. For more on the Huleh concession, see a "letter by H. Luke, Chief Secretary to the Secretary of States for the Colonies", in C.O 733/203/11, file no. 87144.

20- "A letter from Dr. Rupin to Julius Simon", dated, 21/7/1921, in "Tiodot...", op.cit.

21- "Tiodot....", op.cit., file no. 2723, document 8/5

22- See, CO 733/185/12, file no. 700/30.

23- Ibid.,

24- "A letter from Bentwish to Julius Simon", 21/7/1921, "Tiodot...", op.cit.,

25- A "Report by Mr. Farah, the General Secretary of Arab Workers Association, to the Shaw Commission", in CO 733/177/4 , file no. 8744.

26- Ibid.,

27- "Simpson's Report", op.cit., p.51

28- Ibid.,

29- See " A Report by Mr. Farah..", op.cit.,

30- One report said: "On 19/20 August due to dispute over the ownership of a certain piece of land, a quarrel ensued between Arabs of Jeida, (Northern District) and employers of "Meshek" a Jewish company, who proceeded to plough the land at night despite a police order of the previous afternoon to desist pending reference to the District Officer, and as a result one of the Arabs was shot dead..", in "Periodical Appreciations Summary", 13/35 24, August, 1935 FO 371/1857/ C.I.D. . See also, FO 371/18957 E 1311.

31- See CO 733/139/10, file no. 77156/30. See also Confidential Enclosure to Despatch C.F/166, in CO 733/204/6.

32- In one court paper, entitled "Judgement In Case No. 92/30" the following was said about the faked documents: "...the plan alleged to have been produced in the case opposed is tampered with and the words 'Zeita of Tulkarem' have been rubbed out and 'Khor al Wasa Khudeira' printed above it." CO 733/ 204/ 6, "Enclosure to Despatch C.F/ 166/ confidential. See also CO 733/139/10 , file no. 77156/30.

33- A letter by the High Commissioner Chancellor to Lord Passfield, Principal Secretary of State for the Colonies, dated 17/ 12/ 1931 in CO 733/200/ , file no.80747.

34- al-Jamia'a al-Arabia, 17, Dec. 1931, in CO 733/200/3

35- Ibid.,

36- See, a letter by the High Commissioner, Chancellor to the Principal Secretary of States for the Colonies, dated, 10/3/1931, in CO 733/189/10.

37- "al-Jamia' al-Arabia", 17, Dec. 1931, in CO 733/200/3

38- In 1931 when the remaining peasants went back to the land they found no shelter, no personal belonging and nothing to live from. All their attempts at cultivating the land or grazing it were obstructed

by the settlers. See, CO 733/190/7, File no. 81544.

39- A personal interview with Lord Caradon, June, 20, 1985, London - England.

40- M.F. Abcarius estimated the revenue from indirect taxation during the fiscal year, 1933-34 at P.L. 2,257,317 or 59.1 per cent of total receipts for that year; P.L. 3,076,085 or 58.1 per cent of the total in 1934-35; P.L. 3,248,473 or 57.9 per cent of the total in 1935-36; P.L. 2,452,498 or 54.6 per cent of the total in 1936-37 and P.L. 2,451,140 or 51.7 per cent of the total receipts for the fiscal year of 1937-38. see M.F. Abcarius, "The Fiscal System" in Himadeh, S. The Economic Organization of Palestine (ed.) (Beirut, 1937) p. 515.

41- The Werko, as the Commissioner of Land put it, was "an arbitrary tax based on obsolete assessment made in 1880". See, Survey of Palestine, 1945-46, Vol. I, Chapt. IIIIV, p. 247.

42- "Simpson's Report", p. 71

43- Survey of Palestine, 1945-46, Vol. I, Chapter, IIIIV, p. 247.

44- Ibid., p. 246.

45- See, CO 733/185/2, Despatch no. 311, Ref. no. 6404/129.

46- Extracted from "Simpson's Report", appendix 14, p. 174 .

47- "Memorandum by the Commissioner of Land", April, 1930 in CO 733/185/2, Despatch no. 311, Ref. no. 6464/29,

48- "al-Yarmouk", Oct. 18, 1930 in CO 733/192, File No. 72362.

49- Survey of Palestine, 1945-46, p. 267.

50- "Simpson's Report", p. 68

51- Ibid., p. 68

52- Ibid.

53- Ibid.

- 54- An official communique issued by the Government of Syria, in CO 733/192, File no. 72362 (p.36).
- 55- Ibid.,
- 56- "Falastin", 24, August, 1930, in CO 733/192, File no. 77304.
- 57- Computed from Report of the Rural Taxation Machinery Committee, dated, 23/2/1934, in CO 733/267/1.
- 58- For more on the "Beisan Agreement" see "Simpson's Report", pp. 58-60. See also K. Stein, The Land Question of Palestine (London, 1934) pp. 59-64.
- 59- On the divisive role of the British in appointing villagers to collect taxes from other villagers, see (Nakhleh, 1979; Abdo-Zubi, 1987).
- 60- "Report of the Rural Taxation Machinery..", op.cit.
- 61- "Falastin", 24/8/1930, in CO 733/192, File no. 77304.
- 62- "Simpson's Report, p. 71
- 63- A Petition from the First Arab Rural Congress, held at al-Makr, Acre sub-district, to the Secretary of State for the Colonies, in FO 371/20028, File, no. 72275. E. 67735.
- 64- A letter from Secretary Ormsby Gore to Under Secretary of State for Colonial Affairs, dated, 21, Oct. 1936., in FO 371/70028, File no. 72275 E. 67735.
- 65- "Simpson's Report", p. 71
- 66- Ibid., p. 72
- 67- Calculated from the "Rural Taxation Machinery Committee", 23/2/1934, in CO 733/267/1.
- 68- The Royal Commission Report of 1936, p. 351.
- 69- Survey of Palestine, 1945-46, Vol. 1, p. 246.
- 70- "Rural Taxation Machinery Committee", in CO 733/207/1.

71- For more on the 1929 Peasant revolt, see my "Colonialism and National Liberation Movements: An analysis of the Palestinian struggle between 1920-47", presented at the Learned Society, Guelph, Canada, June 1984.

72- See Report of a Committee on the Economic Conditions of Agriculture in Palestine, [Johnson-Crosbie Report]. July 1930.

73- A confidential letter by the "Administrative Committee of the Jewish Agency for Palestine", London, August, 1932 in CO 733/223/3.

74- Ibid.,

75- CO 733/217/4 E 9749/ May 1932.

76- Schedule showing the Birth, Death, and Infantile Mortality Ratios per 1,000 of the sub-divisions of the population for period 1923 to 1929 inclusive

-----		Moslems	Jews	Christians
1923	Births	51.02	36.60	35.68
	Deaths	29.26	14.63	15.78
	Infant Mort.	199.30	125.76	134.80
1924	Births	55.5	38.3	40.4
	Deaths	29.9	12.6	16.8
	Infant Mort.	199.0	105.7	151.9
1925	Births	54.7	33.2	37.2
	Deaths	31.2	15.1	18.8
	Infant Mort.	200.5	131.3	162.4
1926	Births	60.2	36.0	40.0
	Deaths	28.6	12.1	17.9
	Infant Mort.	172.5	108.1	158.0
1927	Births	56.1	35.1	38.9
	Deaths	33.0	13.4	20.1
	Infant Mort.	216.7	115.3	187.2

1928	Births	60.9	35.4	40.4
	Deaths	35.1	12.1	18.9
	Infant Mort.	203.5	95.8	157.9
1929	Births	57.74	34.06	37.84
	Deaths	31.67	11.79	17.93
	Infant Mort.	204.91	89.78	155.79

Source: "Simpson's Report", Appendix 5. p. 161.

Over a period of two decades, the Arab Palestinian population has doubled: from 660,541 in 1922 to 1,196,824. See, Shlomit Carmi and Henry Rosenfeld "The Origins of the Process of Proletarianization and Urbanization of Arab Peasants in Palestine", in Ernest Krausz (ed.) *Studies of Israeli Society*, Vol. 1 (Transaction Book, New Brunswick, 1980).p. 184

77- Survey of Palestine, 1945-46, Chapt. 1X, p. 367.

This Enquiry was conducted by Mr. Harry Viteles from the Jewish Agency. Mr. Viteles, the General Manager of the Jewish Central Bank of Credit Institutions has conducted this enquiry to "demonstrate" a change in the culture and mentality of the Palestinian peasants. In 1930, the same Viteles had the following to say about the Palestinian's mode of thinking:

The great aptitude of the Jewish mind for economic organization, backed by a democratically moulded racial spirit and organized financial support, naturally and without political intent threatens the agricultural existance of this section of a great race whose social tradition are an obstruction on the road to economic independence which credit societies offer.." (the emphasis is original). See *Blue Books/ Palestine* (London:Kings & Sons,1933,)

p. 64).

78- "Simpson's Report", p. 69

79- Ibid., p. 70.

80- Ibid., p. 70.

Chapter IV

Rural Class Formation in Palestine

The effects of British colonial policies on the indigenous Palestinian peasants, or fallaheen, had far reaching implications. The expropriation of a considerable number of fallaheen and the imposition of the new British taxation policies placed additional economic pressures on the already suffering fallaheen. These policies, however, did not only affect the economic status of the peasants. More importantly, as the following chapter will show, British colonialism had altered the whole class composition of the indigenous Palestinian rural society.

The fallaheen, under colonialism, became differentiated not only in terms of economic status but also on the basis of their membership in a separate social class. A classical Marxist approach to the phenomenon of class differentiation will help explain the general tendency which emerged, however the identification of the specific mechanisms at work in Palestine requires a more detailed treatment. While contradictions in rural Palestine did develop between the emerging classes of the landless proletariat and the indigenous landlords, the main conflict, as this chapter will demonstrate, lay somewhere else.

During the British period, land expropriated from the fallaheen was not accumulated by or concentrated in the hands of the class of indigenous landlords. Rather, it was transferred to a foreign body. The ownership and use of this land became the inalienable property of the European Jewish settler classes. The main contradictions which

normally arise as a result of land expropriation were, as a result of European Jewish settlement, diverted from within the rural economic structure. Instead, they emerged between the indigenous Palestinian proletariat and the foreign class or agencies of of landowners.

Moreover, under the pressure of the economic development of agriculture, and the policies of the Zionist authorities, the growth of the existing and potential indigenous rural bourgeoisie was severely checked. Market competition brought in by the development of certain large-scale industries whose commodities were already being produced on a small-scale within the rural economy forced large sections of this rural industry out of business.

Furthermore, the national exclusivist ideology practiced by the Zionist authorities in Palestine had also left its imprint on the class structure of the Palestinians. Of particular significance in this context was the Zionist boycott of indigenous products, which will be discussed later in this chapter with particular reference to sesame and wheat.

The economic, political and ideological forces involved in the process which suppressed the indigenous rural bourgeois class simultaneously gave birth to a dominant European Jewish bourgeois class. By dictating the direction and route of the economic development, the colonial and Zionist forces managed to divert the focus of class contradictions from within the indigenous rural economy into outside that economy.

Classes in Rural Palestine

The intensification of the economic differentiation within the Palestinian peasantry, partly due to the expropriation of land and

peasants and partly due to British taxation policies, had speeded up the process of class differentiation within the peasantry. In the early 1930s, Palestine's rural formation was characterised by three major classes.

1- The Big Absentee Landlords:

Until the early 20th century, this class was composed mainly of the big absentee landlords such as the Sursuk family, discussed earlier. By selling their land to (Jewish) colonial companies, this group, which had previously formed the greatest economic power in the region, virtually disappeared from the class map of rural Palestine. The disappearance of this class has reinforced the class of indigenous Palestinian landlords who were the heads of big Hamulas.

The Heads of Hamulas were partly absentee and partly residents of the villages. As rural residents the landlords maintained a direct relation with the peasants. As absentee landlords, they conducted their business through a family member, sent to the village to collect rent and oversee production. Although the size of this class and the extent of their property is not known, an unofficial estimate put their number at 30 families and their ownership at about 250,000 donums. Each family, according to this estimate, owned about 40-50 thousand donums. (1) This class can be classified as Palestine's rural bourgeoisie. Yet, under colonial and Zionist pressure, this class too had undergone fundamental changes. While some of the families sold their land and left the country (Stein, 1984:226-235) those who remained were largely stripped of their power.

2- The Capitalists or Industrial Agriculturists:

This class which emerged in the late 19th century, and consolidated its power during British colonialism, is the class of capitalist or industrial agriculturists. It began with the Rothschild's enterprises in the late 19th century and was further expanded to include more capitalists, mainly from among the European Jewish settlers.

3-The Fallaheen (snpl. Fallah)

Most of the literature on Arab peasantry in general, and on the Palestinian fallah in particular, the term "fallah" has been used in the most abstract and general sense (Owen,1982; Baer,1980; Heller, 1980). For most authors, "fallah" refers to any person so long as he or she has some direct relation to agriculture. This has the effect of lumping together many distinct categories of agricultural producers. These include; wage labourers, in particular ploughmen (Harratheen); owners of land, including those who employ wage labourers on their land; and share-croppers, whether they possess land of their own or not (Saed, 1985; Stein, 1984; Baer, 1980).

In the absence of a comprehensive class analysis of rural Palestine, the definition of the term fallah becomes more complicated. An understanding of the full implications of the term necessitates a discussion of (i) who is the fallah ? and (ii) what constitutes a fallah's farm?

Based on the unity of capital and labour, peasant production is characterised by its incomplete relation to the market (Mann, 1982:14). Although the peasant is required to produce surplus in exchange for tithes, rent or taxes (Wolf,1966:4), his production remains largely that of use value for his and his family's personal

consumption.

Within the context of middle Eastern peasantry 'fallaheen' however, the work of some Egyptian social scientists is of particular interest (Saleh,1979; Barakat, 1977). Similar to Lenin's approach in the Development of Capitalism in Russia, Saleh and Barakat differentiate the fallaheen in terms of the following categories:

Firstly, the fallah's production is characterized by its small-scale nature and by the use of primitive means of production. Secondly, the fallah cultivates his land predominantly with his own and his family's labour. Neither capital nor wage labour are, in principle, involved. Finally, the fallah's farm is characterised by its relatively small size. Keeping in mind the presence of the first and second conditions, the fallah's lot is considered as the minimum land size sufficient for the reproduction of the fallah and his family. Within the Egyptian context, the fallah's lot is officially standardised at 5 faddans (or 5 acres) (Saleh,1979: pp. 58-60; Barakat,1975:285).

It is not coincidental that the Palestine government, unlike other governments (i.e., Egypt, Syria ,Lebanon, etc.) was never able to come up with one official standard for a fallah farm. The absence of such a measure, it will be argued was not due to inefficiency on the part of the British legal or administrative systems but, rather, because of the political and ideological implications which such information involves.

What Constituted a Palestinian Fallah Farm ?

No literature, to date, has arrived at a satisfactory figure for the total agricultural land in 19th century Palestine. Figures

presented by authors in this respect vary widely. Depending on the source of information on which the data are based, figures on the total cultivable land of Palestine have ranged between 6,544,000d. and 12,233,000d. (Himadeh, 1937; Gozansky, 1986; Saed, 1985; Grannot, 1937) The contradiction here is partly due to the lack of original data but is mostly because of the fact that the issue of Palestine's cultivable area during British colonialism was, and still is, a highly controversial issue. Because of the significance of this issue, both in terms of its role in determining the status of the fallaheen as well as its relevance to foreign settlement, special attention must be paid to this question.

The size of a fallah farm will be examined on two levels: One is the size of the actual average holding of the fallah during this period, and second, in accordance with the definition of the fallah adopted earlier, the size it should theoretically have been.

Agricultural experts from the Zionist Organization of Palestine have put the average size of "an ordinary fallah" at 90 dunams. (2) The 1930 "Enquiry into the Economic Conditions of the Agriculturists" estimated the average size of a fallah farm at 100 dunams. Yet, after the publication of the report of the Survey of Palestine in 1930 new evidence was presented suggesting that the actual average of a fallah farm was about 74 dunams. (3)

The presence of more than one opinion regarding the size of the fallah's farm is the result of the wider controversy which surrounded the total size of agricultural land during that period.

The Controversy Surrounding the Size of Agricultural Land

It is generally accepted that the total land of Palestine is approximately 10,000 s.q miles or about 25,000,000 metric dunams. The

Statistical Abstract of Palestine published in 1929 by the Keren Hayesoud (Palestine Foundation fund) estimated the area at 10,170 s.g miles or about 26,340,000 metric dunams. It is not so much the total area of Palestine's land which has been the issue of controversy but rather the cultivable or agricultural part of it. In 1930, two estimates of the agricultural land were provided. The first was the estimate of the "Commissioner of Land" and the second was the estimate of the "Director of Survey".

The Estimate of the Commissioner of Land:

The Commissioner of Land who was appointed by the Palestine Government, and who worked closely with the Jewish Agency's Department of Agriculture and Settlement, estimated the cultivable land at 12,233,000m.d and the rest he found to be uncultivable. The "Commissioner of Land" divided the land as follows:

Table One

Plain of Beersheba sub-district.....	1,641,000d.
The five principle Plains.....	5,216,000d.
The Hill country.....	5,376,000d.
Total.....	12,233,000d.

Source: "Simpson's Report", 1930, p. 22.

The Estimate of the Director of Survey

The Director of Survey, commissioned by Lord Passfield, the Principal Secretary of States for the Colonies, conducted an independent survey and gave an estimate of 8,044,000 d. as the total cultivable land available in Palestine. The rest or 18,114,000d. were

deemed uncultivable. The land was divided as follows:

Table Two

<u>Type of Country</u>	<u>Cultivable</u> (Dunams)	<u>Uncultivable</u> (Dunams)
Inhabited Hills.....	2,450,000	3,674,000
Hill wilderness.....	— — — —	2,738,000
The five Plains:		
a:The Maritime Plain.....	2,663,000	555,000
b:The acre Plain.....	379,000	171,000
c:The Plain of Esdrealon.....	372,000	28,000
d:The Huleh Plain.....	126,000	65,000
e:The Plain of Jordan.....	554,000	511,000
	4,094,000	1,330,000
Total cultivable in the Plains and Hills.....	6,544,000	
Beersheba area.....	1,500,000	1,700,000
Southern Desert.....		8,672,000
Grand Total	8,044,000	18,114,000

Source: "Simpson's Report" , 1930, p. 22.

The difference between the estimate of the Commissioner of Land (Table 1) and that of the Director of Survey (Table 2) is about 4,189,000d. This difference is largely due to different estimates of the hill and the plain areas. The Beersheba cultivable land, in both estimates, is more or less the same. For a small country like Palestine such a difference cannot be ignored. This raises the question of which of the two estimates is more reliable? To answer this, an examination of both estimates is in order. This examination

will focus on the techniques of data collection used by both sources. It will also look at the criticism which has been launched against each party.

The major criticism of the data collection techniques used by the Commissioner of Land is that the report was published prior to any land survey in Palestine. According to one critic, the data provided by the Commissioner of Land was no more than guesswork based on information provided as early as 1921 by Zionist and British sources in Palestine. This view is further supported by other writers who argue that the Commissioner of Land's information was obtained from Zionist land purchasing companies in the Department of Agriculture and Settlement of the Zionist Organization of Palestine (later the Jewish Agency) (Himadeh, 1937:44).

The strongest criticism of the Commissioner of Land's estimate has in fact come from the Director of Survey who observed that almost the same estimate had previously been quoted by Dr. Rupin, the Head of the Colonization Department of the Zionist Organization. The latter's information in turn, has been based on data provided in 1921 by Lord Stanhope in the latter's speech in the House of Commons. (.

However, despite its unscientific nature, the Commissioner's estimate continued to be used by both Zionist and British officials. Writing on this, Simpson says:

It is unfortunate that these figures have been widely quoted and frequently accepted as accurate. They are in fact far from accurate, as there were no statistics available at that time for which anything in the nature of an exact estimate could have been quoted. (5)

Moreover, the Commissioner of Land was also criticised in terms of the conceptual framework he employed, especially with regard to his

definition of the concept "cultivable land". Cultivable land was defined as "land which can be brought under cultivation by the application of wage labour and financial resources of the average individual Palestinian cultivator". (6) In other words, the measure employed was not based on the fallah, who in principle had no capital and could not employ wage labour on the land, but rather on a land owner who could bring in capital and use wage labour. The "guesswork" of the Commissioner of Land was, therefore, not based on what actually prevailed, but rather, was calculated on the basis of the potential settler who would immigrate as a labourer or as a capitalist.

The first survey of Palestine directed by the Director of Survey, John Hope Simpson, based its data on both aerial and field research. The area surveyed covered over 75% of the total land of Palestine, excluding Beersheba. In various cases detailed surveys of individual villages, such as that of Bir-Zeit were also provided.

Notwithstanding this, the Director of Survey has been criticised by the Jewish Agency which claims that the aerial survey tends to underestimate the size of agricultural land. However, the reality is that what in fact angered the Jewish Agency was not the inaccuracy of this particular information but rather the whole of the report which was published after three months of survey.

In a confidential letter by the Director of Survey, Simpson, to the Colonial Officer Chuckburg, the Jewish Agency, it was reported, has rejected all the findings of the Director of Survey. Simpson was accused of being hostile to the Zionist presence in Palestine, his conclusions were deemed unjust and he was labeled as biased and anti-Zionist. (7)

For the Jewish Agency to admit to the accuracy of Simpson's data would have been equal to political suicide. The implications this official report would have on British policy-making in Palestine would undoubtedly hamper Jewish plans to acquire more land and to establish the "Jewish National Home". This reality has not escaped Simpson who in a response to the Jewish Agency's accusations wrote the following to the Colonial Office: "...No policy short of giving the Zionists a free hand in Palestine would be satisfactory..". (8)

The availability of agricultural land has, in fact, been the backbone of the colonial settler policies. The number of settlers which the colonial government could admit to Palestine was basically dependent on the availability of cultivable land. On this Stein writes:

The J.A. and its affiliated land purchasing and land-settlement organizations were aware of the scarcity of unoccupied and unworked land still available for Jewish settlement. Yet to admit to the accuracy or semi-accuracy of Hope Simpson's estimate would have politically endangered the entire Zionist enterprise. The Jewish agency knew that, despite the lack of available land, they could continue Jewish settlementThe fact remained that Hope-Simpson with all his guess work came very close to the actual amount of cultivable land in Palestine. (Stein,1985:107)

Finally, and despite the application of capital and labour with the influx of Jewish settlers, six years later, in 1936, the Royal Commission in Palestine reported that the total cultivable land, excluding the Beersheba area was 6,850,000d.(9) A minimal difference from the estimate of 6,544,000d. provided by the Director of Survey in 1930.

Based on the size of cultivable land provided by the Director of Survey (6,544,000d.), the average size of a fallah farm, calculated by

dividing the total cultivable land in the possession of the fallaheen by the total number of the fallaheen living on the land, is 64.9d.

(10) It is this result which both Zionist politicians and British officials refused to accept, especially since experts within the Jewish Agency had already admitted that the minimum necessary for the survival of a fallah family is not less than "160 dunam per family in the good soil suitable for dairy farming, [and] 320 dunams in less productive soil of the cereal growing districts".(11)

The figures reached from the calculations of the Director of Survey are based on the assumption that all available cultivable land was distributed among all fallaheen. However, the reality is that not all the fallaheen were in possession of land, nor did all of them derive their income from agriculture only. A growing section of totally landless fallaheen had, in fact, already emerged.

In order to comprehend the significance of the size of land holdings, it must be examined in the light of the class structure of the fallaheen themselves.

Differentiation within the Fallaheen:

The fallaheen are divided into three major groups :

1- Fallaheen Mullak (or peasant owners):

This group refers to a segment of the fallaheen who own their land and cultivate it with their own and their families' labour power. In rare cases, outside labour might be involved. This group, otherwise known in the literature as the small bourgeoisie or the middle peasant (Lenin, 1977:176), was characterised by its unstable economic status. In rural Palestine this class was in the minority as further discussion will reveal.

2- Fallaheen Shibh- Muu'dameen

This is the class of semi-proletariat, semi-peasant to which Lenin refers as the allotment-holding wage workers (Lenin,1977:177). As a part of the rural proletariat the fallah here possessed a parcel of land (rented or owned) insufficient for his and his family's maintenance. As a result he was forced to sell his labour power to supplement his income. Among the Palestinian rural population this class was quite significant.

Within the Palestinian context the following groups were part of this class: The possessors of means of production other than land i.e., cattle, such as the case of the 130 fallah families of Wadi al-Hawareth who, when their land was expropriated, were left with 2000 heads of cattle without grazing land.(12) Also among this group were the share-croppers -who might or might not own means of production (land, tools, working animals)- who entered into a monthly or yearly contract with a big landlord. This group was quite widespread in the hilly areas of Tulkarem and Jenin (Firestone, 1975).

3- Fallaheen Muu'dameen:

These were the landless proletariat who continued to live in the villages but without land of their own (neither owned nor rented). These included the permanent agricultural wage labourers who lived in the village and sold their labour power to the capitalist land owner, such as the 6,500 agricultural wage labourers who had worked in the Rothschild's plantations. (13) This category also included the daily or seasonal agricultural wage workers. -The term Harrath, or ploughman, which is very often used in the Palestinian literature refers to this group- (Stein,1984:68; Gozansky,1986:202).

The Shibh-Muu'dameen and the Muu'dameen, together with a section of the fallaheen Mullak constitute what Marxists term, the rural proletariat. This rural proletariat often engaged themselves in work other than agricultural labour. Marxists have placed a particular emphasis on this phenomenon because of its significance to both the urban and rural bourgeoisie. Thus, while Lenin stresses the economic benefits the rural bourgeoisie draws from employing the proletariat peasant, Wolpe emphasizes the advantages gained by the capitalist industrialist from this semi proletariat class (Lenin,1977:178; Wolpe, 1980:296-98).

Researchers interested in examining the question of class differentiation among the fallaheen can hardly depend on any of the official censuses of rural areas, since all surveys during this period were made with one aim in mind, to perfect the British taxation system (Stein, 1984; Gozansky, 1986). The only report which allows for the creation of a meaningful class analysis is that of Johnson-Crosbie, mentioned earlier in the chapter. For, unlike other reports, this one related the question of land holding to the general question of sources of income and survival.

The 1930 "Enquiry into the Economic Conditions of the Agriculturists", conducted by Johnson and Crosbie is quite comprehensive. It covers 104 villages or about one quarter of the total villages in Palestine with an area of about 1,177,000d. and includes 23,573 families or one third of the total fallaheen families. The findings of the Enquiry strongly suggest that all estimates of land size provided then, including its own (at 100d.) were too small for any fallah family to survive on without outside wage employment.

(14)

Table Three**Sources of Income for 23,573 Fallah Families:**

	No. of families	%
1- Families live entirely from cultivation/total population	5,477	23.2
a) Those who hold over 240d.	3,873	16.4
b) Those who hold from 120-240d.	1,604	6.8
2-Farmers live partly from cultivation and partly from hired labour	11,156	47.4
a) Those who hold 120-240d.	1,657	7.1
b) Holders of less than 120d.	8,396	35.6
c) Those who own trees only	1,103	4.4
3- Agricultural wage labourers	6,940	29.4
Total Families	23,573	100.0

Source: Johnson-Crosbie, Enquiry into the Economic Conditions of the Agriculturists, 1930, p.21

The most obvious point in this table is that not a single fallah with less than 120d. was able to survive from his land without supplementing his income from outside labour. Moreover, among the 3,261 families who hold between 120-240 d. (categories 1.b and 2.a), 1,657 families or over 50 per cent were forced to supplement their living by hiring themselves out. Only 5,477 families or 23.2 per cent of the total population surveyed were found to be living entirely from their holdings. 76.8 per cent of the total surveyed population, which amounted to 18,096 families (categories 2 and 3) either possessed land less than what was sufficient for their survival, and thus needed to hire themselves outside their farms, or were without land at all (categories 2.c and 3).

The fact that all censuses on agriculture were conducted with one aim in mind, i.e., to perfect government taxation policies poses

serious limitations to a class analysis of rural Palestine, a close examination of Johnson-Crosbie's enquiry (Table 3) reveals some basic rural class characteristics. Thus, category 2 in this table resembles the previously defined class of Fallaheen Shibh Muu'dameer. This class covers 47.4 per cent of the total population surveyed, or 11,156 families. The fallah in this group possesses a parcel of land too small to enable him to survive without resorting to wage employment. This class includes 1,103 families (category 2.c), who possess some means of production other than land.

The second largest group in this table was the Fallaheen Muu'dameen. This class comprises 29.4 percent of the total population surveyed, 6,940 families. These were the landless peasants whose survival totally depended on selling their labour power.

Of particular interest here is the group which consisted of 23.2 per cent of the total population surveyed, or about 5,477 families. The variable nature of this "middle class" or fallaheen Mullak is well demonstrated in the table.

To lump all sections of this category together is a mistake. An explanation as to why one group in this class, namely the 1,657 families who hold 120-240d. each (category 2.a), found it impossible to survive without selling their labour power, while the other 1,604 families (category 1.b) holding the same size of area were able to manage without wage labour is necessary. Neither in this table, nor anywhere else in the Enquiry, was information provided with regard to this phenomenon. This raises the questions of how much of this land was being cultivated and of what was being produced on the land which was under cultivation.

It is common knowledge that the production of cereal dominated most

of the land and involved most of the peasants during this period (Ameri, 1977:35). What needs to be known however, is the extent and proportion of intensive farming (vegetables, fruits, etc.,) which the fallaheen in the more prosperous category, had been involved in.

It is probable that the 1,604 fallaheen families with 120-240d. who were able to support themselves totally from their farms were also involved in capital intensive cultivation. A similar argument can be made regarding the 3,873 families (category 1.a), who held over 240d. each. In this case too, the producers, one might argue, were, in addition to cereal cultivation, engaged in intensive cultivation as well.

Data presented above clearly demonstrate the large-scale peasant differentiation already underway by the 1930s. Further differentiation and class polarization will be addressed in the following analysis.

Capitalist Agriculture and Further Class Polarization:

This analysis of the class structure within rural Palestine has concentrated on the extra-economic forces and their role in the differentiation of the fallaheen. The expropriation of a considerable part of the rural population from their land has mainly been viewed in terms of the political and judicial forces operating during the period. While the colonial state appeared to be the major role player, the Zionist Organization or its affiliates assumed an important role as well.

In the following discussion, it will be argued that direct economic pressure brought on largely by the European Jewish developing economy greatly affected the indigenous rural economy. The major force which will be discussed here is market competition and its role in forcing

small rural industries out of business.

Together with this market force, the following analysis will also demonstrate the role national or racial exclusivist policies practiced by the Zionist authorities had on the indigenous economy.

Economic Competition

The ruin of a large section of the fallaheen, their indebtedness and their expropriation, was largely enhanced by the development of capitalism in agriculture. By 1930 capitalism had begun to expand throughout the agrarian economy. This process created competition by allowing the production of commodities already being produced by the local rural economy.

Marxists recognize the grave consequences competition brings to the direct producers (Luxemburg,1951; Lenin,1977; Arrighi,1973). This competition, it is maintained, was characteristic of the development of agricultural capitalism in colonized Palestine. This form of competition will be discussed in two cases, the olive oil and the citrus industries.

The Olive Oil Industry

The olive oil industry had traditionally been Palestine's most important agricultural undertaking. The processing of olive oil and the production of soap were characteristically village phenomena. Olive production was the specialty of the hill districts of the Galilee and Nablus areas. Primitive oil presses made of wood and operated by a pair of animals existed in every olive producing village. Until 1920, the number of oil presses was estimated at 477, of which 30 were said to be more sophisticated, operating in the

cities of Haifa and Acre (Himadeh, 1937: 236).

Soap was largely manufactured at home. In addition, soap was also manufactured on a larger scale by the small soap workshops, estimated at 42 and located mainly in the Nablus area (Ameri,1974:102; Himadeh,1937:236). Not all that was produced was locally consumed. The surplus produce from both olive oil and soap was sold in the markets. The exchange value obtained was usually used to supplement the fallah's income. Exchange in the market, in the case of home produced soap was either directly made by the fallah himself, or indirectly, through the Head of the hamula or the merchant.(15)

Until 1914, the annual production of olive oil was estimated at 7,000 tons. Over 50 per cent of this produce was sold to local and neighbouring markets (Himadeh,1937:266). In 1913, the annual production of Nablusi soap was estimated at 500-1000 tons, that from Haifa at 300 tons and the annual soap production from Jaffa was put at 200-300 tons (Ameri,1974: 103). The annual value of exported olive oil soap until 1913 was, on the other hand, estimated at P.L. 200,000 (Himadeh,1937: 216, 266).

By the turn of the century, the agricultural oil industry had begun to undergo fundamental changes. During the first world war, Eastern Oil Industries, Ltd., a company registered in London, established a branch in Palestine. In the second half of the 1920s, Palestine Oil Industry, "Shemen Works", Ltd. (Shemen is the Hebrew word for oil) was founded in Haifa by two European (Jewish) capitalists. It bought Eastern Oil Industries' branch and combined it with its works. The founding capital of "Shemen" Company was estimated at P.L.140,000.(16)

"Shemen Works" produced all related oil products such as, refined olive oil, oils other than olive, toilet and washing soap, cattle

cake, fuel oils, oil paints, perfumes, sweets such as Halva.. etc.,.In the second half of the 1920s the Company began to expand remarkably. The following table demonstrates this expansion:

Table 4

Year	Output In Tons	Sales In Tons	Value In P.L.	No.Of Workers
1927	2,742	2,308	96,700	122
1928	3,959	3,298	130,700	228
1929	7,706	6,462	168,700	258

Source: J. H. Simpson, Report on Immigration, Land Settlement and Development, 1930 Cmd. 3686. p. 110.

This table shows that during a period of three years, "Shemen Works" expanded its output from 2,742 to 7,706 tons or by over 280 per cent; its sales grew up by the same percent; the value of its products rose by about 150 per cent and its wage workers increased by over 200 per cent. The expansion of the oil industry on large-scale capitalist lines as will be demonstrated shortly, had remarkable consequences for the rural or indigenous oil economy.

One determining factor in the expansion of "Shemen Works" was, in fact, the importation of cheap raw materials such as decorticated groundnuts, sunflower seeds and copra (from which coconut oil was extracted). These imported articles were cheap because they entered the country duty free. In 1925 and "with an eye to encourage Palestine's developing industries", the Palestine Government introduced the "Tax Exemption Ordinance", which exempted imported raw material from taxes. (17)

The advantages provided by the "Tax Exemption Ordinance" allowed the company to import large quantities of seeds. In 1929, "Shemen Works" imported 3,467 tons of sesame, worth P.L.80,695. (18) In 1937:

15,783 tons of groundnuts, valued at P.L. 220,382; 9,770 tons of sunflower seeds, valued at P.L. 78,840 and 2,180 tons of copra worth P.L. 44,872 were imported by this Company. (19)

In addition to the importation of seeds, "Shemen" imported unedible or unrefined olive oil from Syria for manufacturing purposes. Trade between Syria and Palestine was also duty free in accordance with the "Palestine-Syria Trade Agreement" of 1923, which was amended in 1929 in the "Palestine -Syria Custom Agreement". This agreement stipulated that "goods which are the produce of Palestine and Syria may enter into either country, without payment of custom duties." (Brown, 1937: 130) This allowed the company to import thousands of tons of unrefined olive oil from Syria. (20)

Non- edible olive oil imported from Syria was refined and re-exported back to Syria. (21) In 1930, the value of edible olive oil exported to Syria amounted to P.L.19,394, P.L. 19,639 in 1932, P.L.20,786 in 1933, P.L. 32,787 in 1935 and P.L. 91,068 in 1937. (Brown:1937: 259)

Moreover, the legal situation which enabled the oil industry to import cheap raw material had also contributed to the expansion of edible oil export. Edible oil other than olive (i.e., extracted from sesame seeds, sunflower seeds..etc.,) was also exported in large amounts by this Company. In 1930, the value of exported oil, other than olive, amounted to P.L. 1,549. The value of exportation rose to P.L. 29,826 in 1932; P.L.35, 978 in 1934; P.L. 51,129 in 1936 and in 1937 the value of exported oil other than olive amounted to P.L.112,400. (22) The production and export of various kinds of soap (toilet and other perfumaries) by the company had also expanded during the 1930s.

One consequence of the expansion of the olive oil industry was the depreciation in the value of locally produced olive oil and soap which seriously reduced the income of many fallaheen depending on this branch of agriculture. The fall in prices of both items is demonstrated in the following table.

Table 5 *

Decline in Prices of Laundry Soap and Olive Oil Between 1920-35

Year	Laundry Soap (P.L. per 100 kgs.)	Olive Oil (P.L. per 100 kgs.)
1920	12.690	15.800
1925	5.560	6.410
1926	5.510	6.840
1927	5.260	6.910
1928	5.350	8.010
1929	4.910	7.800
1930	3.570	4.080
1931	3.180	3.850
1932	3.240	4.500
1934	3.470	-----
1935	3.410	-----

Source: Figures for 1920-26 are based on calculations from Statistical Abstract of Palestine, 1935-7, Table 76, p. 59 : Figures for 1927-35 are based on Statistical Abstract of Palestine, 1937-38, Table

(*) Figures presented here do not take into account inflation rates.

Had the latter been included income generated from oil products would have sharply been less.

The sharp decline in the prices of both laundry soap and olive oil, between 1920-30, estimated at about 400 percent (Table five) meant that the olive cultivator had to accept any price given to him if he wished to compete and sell his products. The inability to compete also caused a portion of the oil and soap producers to be pushed out of the market altogether. In 1927, olive oil soap exported from rural

Palestine was estimated at 4,577 tons, valued at P.L.200,430. In 1937 the amount of soap exported dropped to 792 tons, valued at P.L.34, 983 only (Brown,1937:266). The following table shows the decline in the value of exported soap between 1929-37.

Table 6

Value in P.L. of Soap Exported Between 1929-37

Year	Soap Exported (in P.L.)
1929	214,135
1930	204,876
1931	117,393
1932	104,830
1933	57,531
1934	69,368
1935	77,897
1936	52,091
1937	74,259

Source: Economic Organization of Palestine, Himadeh (ed.), 1937, Table XVII p. 267.

It should be noted that not all soap shown in Table 6 is made of olive oil. By 1930, laundry soap made of other than olive oil had also begun to emerge and replace olive oil laundry soap. Olive oil laundry soap exported in 1937, as mentioned earlier, was estimated at 792 tons, and valued P.L. 34,983 only.

In addition to the gradual, though intensive, effects of the capitalist oil industry on the rural oil economy, some direct and immediately destructive results also ensued. These effects were unevenly distributed among the various classes within the rural areas.

For the rural bourgeoisie, competition meant a drop in profit and general loss of income. This was evident from the case of A. Nabulsi, the major soap manufacturer of Nablus. (23) However, the fact that the class represented by A.Nabulsi was not by nature antagonistic

to the general interests of the colonial state, meant that the British were quick to respond to their complaints. In 1923, the government appointed A. Nabulsi as the head of the "Palestine Commercial Delegation" to Egypt and offered him means to improve his competitive status. (24)

The situation, however, was quite different for the poorer classes within the fallaheen who manufactured soap at home and needed to exchange their surplus oil to supplement their meager living. The loss for these fallaheen meant virtually total ruin and, ultimately, proletarianization.

A case in point are the fallaheen in the village of Rameh in the Galilee area. Hundreds of fallaheen were forced to quit oil production and look for employment outside their village. The irony in this case was the way the state handled their complaints. After a long protest by the fallaheen, a petition was sent to the government demanding that it listen to their grievances. The petition read as follows:

Shemen is importing duty free seeds..It mixes these seeds with olive oil and sells the produce for very cheap prices...Shemen is making it impossible for us to sell our 'pure' oil..

In response, the government agreed to a meeting between the village representatives and government officials. However, when the villagers' representatives arrived at the meeting they found, to their surprise, that the chairman at the discussion table was himself the head of the "Shemen" Company. The village representatives left the room without uttering a word. (25)

The Citrus Industry

The contradictory character of the process of capitalist development of agriculture, that is, the development and expansion of

the capitalist economy on the one hand and the decline and ruin of the rural industry on the other, can also be demonstrated in the citrus industry. The difference between this and the olive oil industry is in terms of the scale of competition and the extent of its effect on the direct producers.

The competitors in the oil industry, it has been shown, were the European Jewish industrialist class and a largely non-capitalist sector within the rural population. In the case of the citrus industry, the competitors were two sets of capitalists; a larger and more powerful settler class, aided by the colonial state, and a smaller sector within the indigenous rural bourgeoisie.

Citrus, mainly orange, production was developed as a commodity in the second half of the 19th century. The profitability of this produce attracted the capital investment of various merchants both foreign and indigenous. The Maritime plain, particularly Jaffa, produced and exported a large amount of oranges during this period. In 1873, Jaffa had over 420 orange groves, yielding 33 million oranges annually. One sixth of this produce was consumed locally and the rest exported to Egypt and Asia minor (Schulch, 1982:17). In 1887-88, Palestine exported to England 110 thousand cases of oranges. In mid 1890, production of oranges was estimated at 500,000 cases and in 1914 at 1,500,000 cases (Gozansky, 1986:34).

Cheap labour power exploited in citrus groves came largely from the fallaheen in the surrounding villages, for whom wage labour was a necessary supplement to their meager agricultural income.

During British colonialism and particularly in the second half of the 1920s, the citrus industry expanded on a very large scale. Most,

but not all, of this expansion was brought about by European (Jewish) settler and non-settler capitalists. Consequently, the area under citrus cultivation rapidly increased during this period. The following table demonstrates the increase in the citrus area for selected years between 1922 to 1937.

Table 7

Expansion of Area Under Citrus Plantation for Selected Years

Year	Area In Dunams
1913	30,000
1922	32,000
1926	42,000
1930	110,000
1932	150,000
1933	200,000
1934	250,000
1935	278,000
1936	299,500
1937	299,500

Source: Figures for 1913-30 are based on *International Labour Review*, 1934, No. 6, Vol.XXX, p.808.; Figures for 1933-1937 are based on *Statistical Abstract of Palestine, 1937-38*, p 379.

Table (7) shows that during the first decade of British rule, i.e., from 1922 to 1930, land under citrus cultivation more than tripled, and in a period of 4 years only, from 1926 to 1930 it expanded by over 200 percent. The figure for 1937 (299,500) represented the highest for citrus land throughout the British period. An approximate figure of 300,000d. was provided by the Director of Survey as the maximum amount of land suitable for citrus cultivation. (26) In other words, all land suitable for citrus cultivation was already exhausted by 1936.

Moreover, citrus production and exports also expanded. The following two tables, show the amount and value of citrus export

during the 1920 and the 1930s. (27)

Table 8: Citrus Export In Cases For Selected Years.

Year	Cases
1921-22	1,234,251
1924-25	2,146,457
1926-27	2,668,291
1929-30	2,610,205
1932-33	4,490,409
1934-35	7,334,343
1936-37	10,795,894
1938-39	15,264,776

Source: *tatawwur al-zira'a wa- al-sina'a fi-falastin* [The Development of Agriculture and Industry in Palestine], 1900-1970, Ameri, 1977 p. 54

Table 9 : Value Of Citrus Exported From 1927-37 in P.L.

Year	Citrus Export
1927	817,000
1928	652,000
1929	557,000
1930	918,000
1931	946,000
1932	1,796,000
1933	2,088,000
1934	2,668,000
1935	3,546,000
1936	2,849,000
1937	4,324,000

Source: *Statistical Abstract of Palestine, 1937-38*, pp. 72-73.

Except for the period 1926-29, as demonstrated above (Tables 8 and 9) citrus export expressed both in terms of quantity and value grew dramatically throughout. During the three year period, 1932-35, citrus export increased by over 160 per cent. From 1932 to 1938-39 citrus export rose by over 300 per cent.

The point which needs to be explained in tables 8 and 9, however, is the relative decline, or state of non-growth in citrus export during 1926-29. One explanation is that the phenomenon indicated a general decline in citrus exports due to international competition. This view

is based on the fact that London, which was Palestine's largest international market for citrus, had found better deals. Cheaper and good quality oranges, from Spain, flooded the London market during this period. Exports to London did indeed decline during this period: from 94 per cent of the total citrus exported from Palestine in 1926-27, London imported 86.7 per cent in 1927-28; 79.9 per cent in 1928-29 and only 69.3 per cent in 1929-39. (28)

This view, it must be noted, is only partially correct. The data for 1926-29 (Tables 8 and 9) can also be explained by the fact that citrus needs a maturation period of at least 5 years. For example, figures for 1924-26, (Tables 8 and 9) compared to those for the same period in table 7, seem quite contradictory. Compared to the decline in this period of citrus export (Table 8), land under citrus (Table 7) plantation expanded. Citrus trees which were planted in 1926 did not start to bear fruit before 1931, and those planted in 1927 did not start to bear fruit until 1932,..etc., (Himadeh, 1937:234).

The years 1926-29 taken by the Director of survey as a basis for his explanation do not indicate this tendency. The Jewish capitalist sector of this industry had just started to develop.

Moreover, the partial closing of the London market in the face of Palestine's citrus export is only correct as long as the capitalist sectors of the economy remain dependent on this one market. As will be shown shortly, the expansion, in particular, of the Jewish capitalist citrus industry has opened up other markets besides that of London.

Data used so far show the vast expansion in the citrus branch of agricultural capitalism for the whole of Palestine. The only breakdown by "sectors" provided by official statistics is with regard

to the development of ownership of land under this crop.

Table 10 shows the development of citrus plantation and the share of each "sector" in this development.

Table 10

Area Under Citrus Plantation, Divided Between Arabs and Jews

Year	Total Area (Dunams)	Arab Share (Dunams) *	%	Jewish Share (Dunams)	%
1922	32,000	22,000	68.0	10,000	31.0
1926	42,000	25,000	59.5	17,000	40.4
1930	110,000	50,000	45.5	60,000	54.5
1932	150,000	50,000	33.3	100,000	66.7
1934	250,000	105,000	42.0	145,000	58.0
1939	299,500	144,500	48.2	155,000	51.8

Sources: International Labour Review, 1930, Vol. XXX, No.6 p. 808;
Survey of Palestine, 1945-46, Chapt. IX, p. 379.

* (Figures on Arab ownership are not available. Figures in this Table are reached by deducting Jewish ownership from the total amount of land. Moreover, this table excludes a small group of plantation owners who were neither Jewish nor Arabs).

This Table shows that Jewish ownership of land under citrus rose rapidly during the first two decades of British rule. During the first 10 years, from 1922-32, citrus plantation under European Jewish ownership mushroomed both relatively and in absolute terms. From 10,000d. of citrus plantations in 1922, European Jewish ownership rose to 155,000d or by over 15 times in 1932. And from 31 per cent of the total plantations in 1922, their ownership rose to 66.7 per cent in 1932. In contrast, however, Arab ownership, while showing absolute increase in the size of area had declined from 68 per cent of the total plantation in 1922 to only 33.3 per cent in 1932.

Nonetheless, data on the advantages of the European Jewish citrus

industry over that of the indigenous Arab can be provided. One such source suggests that in 1936-37, out of a total of 11,408,964 cases of oranges exported from the country, 6,863,00 cases or 60.2 per cent were exported from Jewish groves and 4,244,000, or 37.2 per cent only were exported from Arab groves. The remainder was exported by other groups (Brown,1937:142).

Moreover, the European Jewish citrus industry did not confine itself to oranges only. With the application of capital and technology and the legal support provided through the "Tax Exemption Ordinance", citrus, other than oranges also developed. By 1929 grapefruit and lemon were produced in large quantities. Thus, in 1929, grapefruit in the value of the P.L. 32,000 was produced. It rose in 1930 to P.L.50,000 ; P.L.92,000 in 1932 and P.L.108,000 in 1937 respectively. Moreover, progress was also remarkable as regards Lemon cultivation. Thus, from a value of P.L.4,000 worth of lemon produced in 1929 production rose to; P.L.10,000 in 1930; P.L. 40,000 in 1931; P.L. 129,000 in 1933; P.L. 220,000 in 1934 and P.L. 534,000 in 1937.(29)

Further, capital and technology employed by the Jewish capitalists, by far outweighed that used by indigenous Arab capitalists. Experimental stations were established in various settlements, demonstration plots exempted from taxes and supported by the government were erected and seeds and chemical fertilizers were also developed. All this had undoubtedly contributed to the quality and quantity of their product.

In addition, marketing facilities used by the Jewish capitalists were highly advanced. Packing, shipping and marketing were handled by two very large companies "Tnuva" and "Hamashbir" which packed, shipped and marketed about 70 percent of all produce. (30) Moreover,

although Britain throughout the 1930s was still considered the major importer of citrus, absorbing 68 per cent of all Palestine's citrus exports, other European markets were also explored. Between 1932-38 citrus from Jewish groves was also exported to other European markets such as Germany, Holland, France, Romania, Poland, and Sweden (Brown,1937:141).

The conditions in the Arab groves were quite different. The forces involved in the production process in an ordinary Arab grove included the land owner, the contractor (Mutaa'hid) who hired the workers, another intermediary referred to as (Mutadammin) who shipped and marketed the produce, the pickers, packers and one or two carpenters who made boxes or cases. (31)

The contention that the Palestinian growers were in a slightly better position than Jewish farmers, since cheap labour was more available to them, is only partly true. The fact which must be borne in mind here is that the fallaheen were forced to lower their standard of living and sell their labour at a low cost in order to survive at all.

The gap created between the Jewish and the Arab branches of the citrus industry, resulted in a situation whereby the less developed capitalist branch began gradually to go out of business.

During the late 1920s and early 1930s, competition on the local or national market was not the only force the Arab citrus growers had to deal with. International competition which occurred in foreign markets and particularly in London also took its toll on the Arab growers.

The flooding of the Spanish citrus into the major traditional market for Palestine's citrus closed the main source of export to the

Palestinian merchants. As one Arab citrus grower and merchant put it:

**When London markets are open we export
and make profit, when they are closed
we are badly hit.**

The "opening" and "closing" of the London market to Palestinian citrus exporters presents a strong indication of the dependence of the Palestinian citrus industry on Britain's market. In another instance this same grower recollected that in the early 1930s Arab growers had to hire pickers to pick the oranges and bury them in the soil because England did not buy their oranges. (32) In one year only, 1929, Jaffa growers alone lost P.L.300,000 in citrus. (33)

Finally, the indigenous Arab orange economy received a further blow in 1930 when the government decided to build a new harbour in Haifa, to replace the age old Jaffa harbour. Whether simply for strategic or for both strategic and economic reasons, the decision to erect this new harbour had the same effect. From 1930, Palestine's shipping activities had to shift from Jaffa to Haifa. As a result, Jewish growers who were mainly located in the Maritime plain found an easier and cheaper means of transportation. While Arab growers, particularly from Jaffa, had to incur more expenses and consequently more losses.

The above discussion of the ways in which capitalist production penetrates the agrarian economy demonstrates the contradictory nature of capitalism in agriculture. On the one hand it shows the expansionist nature of capitalism once it crosses the threshold of the rural economy, and on the other, evidences the destruction and ruin of the less advanced rural bourgeois economy.

Zionist Capitalism Boycotts Indigenous Arab Products

There is nothing unique about the cases of the oil and citrus industries presented above. Both examples clearly resemble the general

pattern of competition characteristic of all capitalist developing economies. What is specific to capitalism mediated by the colonial and Zionist policies was the phenomenon of boycotting the indigenous products.

The boycott of indigenous products by colonial settler movements was not unique to Palestine. This phenomenon has received the attention of various scholars working within the Rhodesian and South African context (Arrighi, 1973; Burawoy, 1976). What was different, though, in the case of Palestine was the goals sought by the Zionist colonial movement.

Zionism, as this and the following chapters will prove, was a nationally exclusivist ideology. The Zionist movement in Palestine sought to replace the whole of the Palestinian national economy by a foreign European Jewish economy. The means used in this process included the exclusion of the indigenous Palestinian labour power from the Jewish economy, the boycott of indigenous products, and the denial to indigenous cultivators of any form of access to, or use of their expropriated land.

As pointed out in the first chapter, a proper understanding of the nature of Zionist colonialism requires the delineation of the antagonistic relationship between the economic (i.e., capitalist or profit making) and the political (nation or state building) orientations of this movement. Boycotting indigenous Palestinian products as the following discussion shows is a clear example to the real tension and in fact contradictions embedded in the colonial drive of the Zionist movement. It demonstrates a visible case whereby short term economic gains (from buying local products) were forfeited for

long-term political goals the Zionist movement aimed at accomplishing in Palestine.

The Zionist policy of boycotting indigenous Palestinian products has been investigated by various authors (Zureik, 1979; Gozansky, 1986; Saed, 1985). However, what this literature fails to explain is the means through which this boycott was achieved and the immediate implications of this policy on the indigenous cultivators involved in these sectors. The following examples of sesame and wheat production provide valuable insights to this phenomenon.

Sesame seed was produced as a commercial crop and used in the manufacturing of vegetable oil. This crop was considered as the principal summer crop for the fallaheen and played an important role in the rotation system. Because of the great deal of careful weeding and cultivation sesame required, it left the land in very good condition for the succeeding winter crop of wheat or barley. (34)

Throughout the 1920s and 1930s, sesame was almost exclusively produced by the Arab fallaheen. Because of the extensive labour force the crop required and the long production time it needed, sesame did not attract the Jewish capitalist farmers. Moreover, machinery and capital which were available to the Jewish capitalist class were incapable of replacing the characteristically agrarian nature of this produce.

Sesame is a crop that demands much labour both for preparation of the soil, and when picked at harvest. It is not possible to wait until all the sesame crop ripens, because, the pods, when they ripen, split, and the seeds fall out onto the ground; and as the crop does not ripen all at the same time, the harvester goes into the field daily and pulls, by hand, each stalk whose pods are ripe. It is a crop demanding the labour both of women and children at harvest time, and is therefore little grown by the Jewish farmers.. (Brown, 1937: 133).

For climatic reasons (dependence on rain fall), sesame was almost entirely produced in the northern district of Palestine. Sesame production, not unlike other commodity production, fluctuated according to market demands. In 1913, for example, when Eastern Oil Industries, Ltd. needed the seed, sesame cultivation was encouraged. In that year 142,000 dunams were put under this crop and 5,902 tons of sesame were produced (Abu-Rjeyli, 1970:72).

During the first World War, sesame production, like other crops, underwent a sharp decline, but it went up again during the 1920s. For a period of ten years, from 1921-31, an annual average of 3,000 tons of sesame were produced. (35)

However, in the late 1920s conditions were altered for the sesame producers. Expansion in the Jewish oil industry raised demands for the use of sesame seeds in the manufacturing of vegetable oils. To avoid using locally produced sesame, "Shemen Works" began to import sesame seeds from China. Considerable amounts were imported by this company. Between 1928-1930 an annual average of 3,200 tons of sesame seeds were imported. (36) In 1935, the net imports of sesame amounted to P.L. 20,589; P.L. 20,715 in 1936 and P.L. 24,407 in 1937. (37)

Of particular significance in these imports is the fact that the foreign seed was not cheaper than the locally produced one. In spite of the presence of legal measures which exempted the imported crop from duties, the locally produced crop was both less expensive and of better quality than its imported counterpart. Thus, for example, in 1929, the price of one ton of imported sesame seeds amounted to P.L. 23,278 mils, while the price of local seeds was 20,436 mils. Moreover, the locally produced crop was said to be of a higher quality than the

imported seed of China. (38)

It is quite logical to ask why a capitalist would import an expensive commodity when he could use a locally produced cheaper one? The answer to this question, as will become clear in later chapters, lies within the context of the overall history of Zionist settlement in Palestine. This history, it will further be shown, was based not only on colonial capitalist drives or immediate economic gains from Palestine as a destined colony but more importantly on establishing what the Zionist movement in Palestine saw as bases for a new political reality, namely, the future "Jewish state".

It suffices, at this point to note that neither the goals of Jewish settlement in general, nor this phenomenon - 'Jewish boycott of indigenous Arab products' - in particular, was clearly understood by official administrators during the colonial period. The Director of Survey, Simpson, declared the case of boycotting locally produced sesame to be "curious" and "beyond comprehension" (39) and, in a letter addressed to the Principal Secretary of State for Colonial affairs, the High Commissioner, Chancellor, announced: "We are still in ignorance as to why the Industry [Shemen] does not, as one might expect, use the local produce...". (40) Ironically though, the letter was written as a direct response to the problems which were raised by the Jewish boycott of Arab products.

The boycott of Arab or locally produced sesame meant the closure of the only market for sesame producers. On this the High Commissioner noted the following:

Sesame seed which is produced locally..is an important local product...and it is essential that a market should be found in order that fallaheen may be able to obtain cash.

The High Commissioner went further to strongly suggest that the government do something about this problem and recommended that it re-impose duty on imported seeds. Later in the same letter, however, the High Commissioner admitted that such a measure would not be sufficient to control the problem.(41)

The immediate consequences of the importation of sesame were felt at different levels. At the level of production, locally produced crops declined. From an annual average of 3,200 tons produced between 1928-30, sesame produce fell to 894 tons in 1932 and to only 292 tons in 1933. At the level of cultivation, the area under this crop also shrank: From an area of 196,116 d. in 1931; to 108,284d. in 1932; 102,262d. in 1932; 102,262 d. in 1933 and 98,683 d. in 1936 respectively. (42) Finally, although theoretically the fallah who produced sesame seeds would not have been expected to compete with the imported commodity since his prices were lower, in reality, he was forced to dispose of his products and accept any price in return. The sharp decline in the prices of local sesame are shown in Table 10.

Table 10 *

Decline in Prices of Local Sesame (in P.L. per ton, Between 1920-34)

Year	Price per 100 Kgs. (in P.L.)
1920	5.510
1925	3.160
1926	3.130
1927	2.790
1928	2.550
1929	2.450
1930	1.690
1931	1.620
1932	2.170
1933	1.920
1934	1.580

Source: Statistical Abstract of Palestine, 1927-34, Table 76, p. 59; Statistical Abstract of Palestine, 1937-38, Table 108.

(*) Data presented here do not include rate of inflation. Had the latter been included prices would have been lower.

The conditions created for the fallaheen as a result of the development of capitalism in its settler colonial form is further exemplified by the case of wheat production.

The Fallaheen and Wheat Production

The following case history of wheat production in Palestine during the settlement period sums up the main arguments in this chapter. It links the destitution, ruination and eventual proletarianization of the fallaheen with the development of agricultural capitalism. It also exemplifies different mechanisms used by a particular form of colonialism, that is the Zionist settler movement, in reproducing and expanding the new mode of production. These different mechanisms, it will be shown, are the combination of economic competition and political practices of boycott. The process undergone by Palestinian wheat producers was double-edged. Colonial records and other official correspondence acknowledged the presence of a problem referred to as the "dumping of foreign wheat". They attempted to justify this "dumping" by claiming that there was a preference for foreign white over native black wheat. Yet serious concern about the consequences of this "dumping" was also expressed by colonial administrators.

What is at issue here is the import of large quantities of wheat to a country in which wheat was the major agricultural crop. The "dumping" of foreign wheat was viewed by both British officials and later by some writers, as a market phenomenon, a simple economic problem. Surplus wheat production in Europe and some of the European colonies were blamed for the dumping (Stein, 1984:143). So far as the

economic basis of this view is concerned the argument is not baseless. Cheap wheat and flour were indeed imported from France and the British newly-created colony of Transjordan. The importers were mainly Jewish capitalists.

Table 11

Wheat and Flour Imported During 1929-37, in Tons

Year	Wheat	Flour
1929	17,731	-----
1930	2,207	-----
1931	13,650	-----
1932	27,114	20,058
1933	59,951	26,919
1934	45,318	24,611
1935	17,759	33,185
1936	21,536	30,630
1937	36,016	27,242

Source: Figures for 1929-1931 on wheat are calculated from Stein, *The Land Question in Palestine, 1917-1939*, 1984, p.144 ; those for 1932-37 (wheat and flour) are calculated from Himadeh, *The Economic Organization of Palestine, 1937*, Table VI, p. 128.

From 1929-37, an annual average of 20,000 tons of wheat were imported to Palestine (Table 11). The importation of flour which began in the early 1930s amounted to an average of 27,000 tons per year. The sharp rise in the imports of wheat in 1932,33 and 34 is partially explained by the influx of Jewish settlers to the urban centres. (43)

From the economic standpoint, imported wheat was more profitable than the locally produced crop. The price of imported wheat was estimated at 50 percent or less than the price of wheat produced by the local fallaheen. (44) The difference in prices was partly due to international competition in wheat. Yet, more importantly, the difference was largely due to the colonial policy of exempting all

unmanufactured imports from duties. The imported flour (Table 11) entered Palestine duty free, from Syria, France's colony, in accordance with the "Palestine-Syria Custom Agreement" of 1929 (Brown,1937:130). The wheat which came partly from TransJordan and partly from Europe was also exempted in accordance with the "Tax Exemption Ordinance" of 1929 (Brown,1937: pp.129-30).

In fact, the role of the colonial state in facilitating the importation of duty free wheat and other commodities was more important than any other factor. This reality did not escape British administrators at the time. In a memorandum to the Executive Council of Palestine (the Zionist official body recognized by the administration), the High Commissioner, blamed the administration's "protective tariffs" for the dumping of foreign wheat. (45)

Notwithstanding, the economic advantages were not the sole, or even the decisive factor for the Jewish capitalist class' decision to import wheat and flour. The Zionist policy of boycotting indigenous Palestinian products was simply also extended to this crop.

Wheat production in Palestine, which occupied 40 per cent of all land under cereal cultivation and 30 per cent of the total area of Palestine's land devoted to all forms of cultivation and plantations, was able to support the urban population (Stein,1984:143; Brown,1937: 128). In 1921, 72,885 tons of wheat were produced; 86,457 tons in 1923; 92,190 tons in 1924; 101,079 tons in 1925 respectively. (45) Wheat production in 1930 was estimated at 115,000 tons.(47) Two thirds of this produce was used by the fallaheen and one third was sold to the local urban markets.

Flooding the urban markets with imported wheat while locally

produced wheat was available in large amounts was viewed by both Jewish capitalists and British officials as a response to the needs of the European Jewish settlers. European Jewish settlers, it was noted "prefer White to the native Black wheat". (48) The "native black" wheat was made of 100 percent wheat, while to produce white wheat, a mixture of wheat, corn or other cereal was needed. Cereals required for the production of white wheat were available at quite low prices for the urban mills. However, it was this very issue which the Jewish capitalist class tried to avoid.

The boycott of Palestinian indigenous products, although economically profitable in the case of wheat, was also a political decision. This decision 'puzzled' even the High Commissioner as he doubted whether removing protective tariffs would put an end to importation.(49)

The decision to flood Palestine's markets with foreign wheat and boycott the indigenous fallaheen, the overwhelming majority of whom were involved in wheat cultivation, had grave consequences for the rural population. The following description of the conditions of the fallaheen as a result of capitalist competition and boycott is particularly relevant to the understanding of the role of capitalist agriculture in the formation of rural classes.

Competition, to start with, depreciated the prices of locally produced wheat. The drop in the price of wheat was particularly sharp during the 1920s. In 1925 the price of one ton of wheat was estimated at P.L. 18,000. Four years later, in 1929 the price of one ton of wheat fell by about 22 per cent, to P.L. 16,000 per ton, and in 1930, by about 300 per cent, down to P.L. 6-7 per ton only. (50) Further decline in the price of wheat continued throughout the 1930s. In 1932,

the price of one ton of wheat was P.L.11,300; P.L. 10,500 in 1933; P.L. 9,600 in 1934 ; P.L. 8,900 in 1935 and P.L. 9,440 in 1936 respectively. (51)

For the indigenous wheat producers it was not just a matter of lowering their prices and trying to compete in the market. The fallaheen were unable to dispose of their wheat for any price. By 1930, the problem of wheat "dumping" was the straw which broke the camel's back. Many fallaheen had already mortgaged part or all of their wheat produce to money lenders who were also wheat merchants. Closing the market to locally produced wheat meant the merchant himself could not dispose of the crops. In 1930 it was observed that wheat crops had been lying on the ground since 1928. In a communique issued by the government of Syria it was reported that "..the people of Jaffa alone lost P.L. 100,000 in cereal only". The communique which was cited earlier in the chapter also made reference to the "bankruptcy and ruination " of the wheat merchants. (52)

For the already indebted and bankrupt fallaheen, however, the consequences were more severe. The High Commissioner, Chancellor, describes their economic plight in 1930:

Although the local prices of wheat have fallen continuously from P.L. 16 per ton in 1929 to P.L. 6-7 today, in consequence of the dumping of foreign wheat and flour at lower prices than are obtainable for the local crop, a large part of last year's wheat crop held by grain merchants is unsaleable and this is preventing agriculturists from disposing of this year's wheat crop ...The Bulk of the crop is already mortgaged to money lenders, most of whom are also grain merchants, for past loans. Since wheat is the most easily marketable commodity and the common local medium of exchange or barter in rural areas, these loans are usually expressed in terms of kilos of wheat with a proviso for the proportionate increase in the quantity to

be repaid by the fallah should prices fall below a certain figure. (53)

The fallaheen who were desperate to dispose of their wheat at any price were left with two options both of which amounted to ruination. Firstly, the fallah could consume more wheat which he and his family badly needed, but this would be disasterous for him since he would have less wheat to exchange for money to meet his payments which were due before next harvest. And secondly, he could retain his wheat to meet such of his payments as were due in wheat, rather than cash, and would find that, since wheat had no market at all, the creditors refused to accept payment in this form. (54)

Competition and the exclusion of indigenous Palestinian products from the developing Jewish market had great effects on the class structure of rural Palestine. The real effect of the development of citrus and oil industries on capitalist lines was not so much in widening the contradictions within Palestine's rural classes. Although, as pointed out in this chapter, some Palestinian landowners-merchants have benefited in the process, the majority of the fallaheen have not. As a result of this development, the gap between the different strata within the rural poor, defined as Fallaheen Muu'dameen, Fallaheen Shibh Muu'dameen and Fallaheen Mullak (middle peasants) was in fact narrowed. By pushing out of business small rural industries, competition drove an increasing section of the class of Shibh Muu'dameen and Fallaheen Mullak down to the ranks of landless proletariat.

Moreover, with the elimination of the class of big absentee landlords-mainly after the appropriation of their land by various Zionist bodies- the indigenous Palestinian class structure became

largely composed of two main forces: masses of peasants actually and potentially proletarianized; and the class of local and absentee Palestinian landlords.

Nevertheless, the class of indigenous rural bourgeoisie, the Heads of Hamulas, had also undergone significant changes. The social and political power this class had previously enjoyed was severely curtailed during British colonialism.

The leadership status this class traditionally held was not only due to its economic power, i.e., its ownership of the village land. The whole structure of Palestine's pre-capitalist economy in late 19th and early 20th century was in fact built around the village/Hamula economy.

With the development of a market economy and the expropriation and proletarianization of the fallaheen, the land and the village cultivators were no longer within the sphere of control and influence of this class. The peasants who were forced out of their land, and consequently out of their village, became the subjects of new economic forces and gradually distanced themselves from the dominant role of the traditional leadership enjoyed by the Heads of Hamulas.

Finally, while the stunting effects of colonial capitalism on the development of the rural Palestinian economy have begun to reshape the latter's classes, a new structural reality has emerged simultaneously. A strong European (Jewish) capitalist economy with some peculiar characteristics, next chapter will show, began to gradually but intensively predominate over Palestine's rural traditional economy. However, the mechanisms used in reproducing the capitalist predominant mode of production, as this chapter has in part

shown, were economic -market competition in this chapter- as well as political -boycott of indigenous Palestinian products-. More on the relationship between the two characteristic features of the Zionist colonial movement in Palestine will be dealt with in the next chapters.

Footnotes

Chapter IV

1- Data here were provided by Ya'akov Etinger, the Head of the Agricultural and Settlement Department of the Zionist Organization in 1919, (i.e., 10 years prior to the first land survey in Palestine). See *hitpathut ha-kapitalism bi-falastina* [The development of capitalism in Palestine], (Gozansky, 1986) p. 27.

2- "The Fallah's Farm" by Dr. Wilkansky, in "Simpson's Report", 1930, p. 61

3- "Simpson's Report", 1930, p. 62

4- "Simpson's Report" . p. 21

5- Ibid.,

6- Ibid.,

7- in CO 733/204/4 , 1931

8- Ibid.,

9- See, despatch by the High Commissioner, Wauchope, to J.H. Thomas, Principal Secretary of States for Colonial Affairs, in CO 733/290/17, 1936.

10- This figure is arrived at by dividing the total cultivable land by the total fallah population. The total cultivable land of concern here is not the grand total of 8,044,000d. which included the Beersheba area, but rather the 6,544,000d. on the hilly land and the five plains only. The reason for excluding Beersheba is because of the low productivity of this semi-desert land which did not attract Jewish settlers at the time. However, to account for the fact that by 1930, 900,000d.-1,000,000d were already appropriated by the Jewish settlers, the size of land used as basis was in fact 5,644,000d. rather than

6,544,000d.

11- "Simpson's Report", 1930, p. 22

12- CO 733/200, File No. 80474.

13- "Simpson's Report", 1930, p. 55

14- [Johnson-Crosbie Report], 1930, p. 21

15- In various cases, the Head of the Hamula assumed the role of a merchant, usurer and land owner. See my Family, Women and Social Change in the Middle East: the Palestinian Case (Canadian Scholars Press, 1987).

16- "Jewish Colonization in Palestine", International Labour Review, 1934, No.6, Vol. XXX p. 812.

17- Ibid.,

18- Despatch No.572, Ref. No. 6464, File No. 81559, p. 16 in CO 733/189/9.

19- Calculated from Economic Organization of Palestine, Himadeh (ed.), 1937, p.255

20- in CO 733/189/9, Despatch No. 572, Ref. 6464/29, File.81559, p.16.

21- Calculated from, Himadeh,Economic Organization .. op.cit., p.253

22- Extracted from Ibid., p. 259.

23- A. Nabulsi was the biggest soap manufacturers in Palestine. For more on his claims to the government, see enclosure 1V, No. 1118, 1933, in CO 733/249/9

24- Ibid.,

25- See "Testimony of the Archbichop Hajjar", in "The Royal Commission Report,1936", pp. 64-65. Similar information was also gathered in an interview with an elder Palestinian peasant who took part in that meeting, (Rameh, August, 20, 1985).

- 26- "Simpson's Report", appendix 20, p. 180.
- 27- The lack of adequate data on the selected years requires the presentation of the two separate tables.
- 28- The rapid increase in grapefruit production between 1929-37 was as follows: P.L. 4,000 in 1929; P.L.10,000 in 1930; P.L.40,000 in 1931; P.L. 80,000 in 1932; P.L. 129,000 in 1933; P.L. 220,000 in 1934; P.L. 356,000 in 1935 and P.L. 534,000 in 1935. See M.Brown, "Agriculture", in Himadeh, Economic Organization.. op.cit, p. 236.
- 29- Simpson's Report appendix 20, p. 180
- 30- International Labour Review , 1934, No. 6, Vo. XXX, p. 806.
- 31- Information collected through an interview with a number of elder peasants who were ex-land owners and citrus merchants, (Ramallah, August, 1985).
- 32- Ibid.,
- 33-"al Yarmouk", 18 /10/1930 in CO 733/192 File No. 72362, p. 36
- 34- "Simpson's Report", p. 103
- 35- Calculated from Himadeh (ed), Economic Organization of Palestine, op.cit Table 111, p. 125
- 36- in CO 733/189/9, Despatch No. 572, Ref. 6464, File, 81559, p. 16
- 37- Economic Organization of Palestine, in op.cit., Table XLI ,p.200
- 38- See CO 733/189/9 op.cit.,p.16
- 39- "Simpson's Report", p. 173.
- 40- CO 733/189/9 in op. cit.,
- 41- Ibid.,
- 42- Calculated from Economic Organization of Palestine, op.cit., Table IV, p. 125.
- 43- For more on the influx of Jewish settlers to the urban centres, see tatawwor al-zira'a al-ra'asmaliyah fi-falastin al-muhtallah

(capitalist agriculture in occupied Palestine), Abu-Rjeyli, (Palestine Research Centre; Beirut: 1974).

44- CO 733/189/9 in op. cit.,

45- See a memorandum by the High Commissioner to the Executive Council of Palestine", dated, 22,5,1930 in CO 733/189/9 [hereafter, a Memorandum].

46- Calculated from Himadeh (ed), Economic Organization of Palestine, op.cit., Table III, p. 125.

47- A "Memorandum.." op.cit.,

48- CO 733/189/9 in op. cit.,

49- A "Memorandum" in op. cit.,

50- Ibid.,

51- Statistical Abstract of Palestine , 1937-38, Table 108.

In 1930, the government attempted to stabilize the prices of wheat at P.L.9 per ton by imposing custom duties on a sliding scale and limiting the imports of wheat and flour to those with licenses only. But this move was nullified by the earlier "Palestine-Syria Custom Agreement" which was not affected by the 1930 changes. Flour and particularly the French kind imported through Syria, duty free continued to flood the Palestinian market and depreciate further the prices of locally produced wheat. See Himadeh (ed) The Economic Organization, in op.cit, p. 129.

52- See an "Official Communique", issued by the Government of Syria, in CO 733/192, File No. 72362, p. 36.

53- Despatch No. 572, ref. 6464/29, in CO 733/189/9, File No. 81559, dated 21, June 1930.

54- Ibid.,

Chapter V

Capitalist Agriculture and Zionist Colonization

While Marxists generally agree that in order for capitalism to predominate agriculture both the forces and relations of production must change and acquire capitalistic features, they differ in terms of the emphasis they place on the components of the capitalist mode of production. One approach, found particularly within the discipline of economics, places a special emphasis on the level of development attained by the forces of production (Bagchi, 1982; Szentes, 1976). Political economists on the other hand, insist that the capitalist mode of production is composed of a totality of relations and forces of production. In this view, attention is drawn to the importance of production relations in indicating the character of the mode of production (Lenin, 1960; Murray and Post, 1983; Patnaik, 1983).

Both camps agree that certain changes must occur in order for capitalism to predominate in agricultural production. These are: 1) Capital investment in agriculture; 2) The mechanization of agricultural production; 3) The development of intensive agriculture; 4) The production of commercial and industrial crops; 5) The consequent replacement of small-scale agricultural production with large-scale industrial production; And finally, that hired or wage labour must be the main source of surplus value in capitalist agriculture. (Lenin, 1960; 1979; Kautsky, 1976; Patnaik, 1983; Saleh, 1979)

Changes within Palestine's agricultural economy strongly suggest that capitalism was rapidly replacing pre-capitalist forms of agricultural production. This tendency, it will be shown, was prevalent

in varying degrees in all forms of agricultural production. Within the European Jewish economy capitalism was not only characteristic of the private settlements but was also a significant force within the economy of the agricultural co-operatives. In fact, the Kibbutz, as will be shown in this chapter was itself an integral part of the capitalist mode of production.

The literature which presents the Kibbutz as a "socialist" or "communist" form of production, it will be demonstrated, is the result of an ideological stand on the part of its authors rather than any objective scientific approach. The Kibbutz, this chapter will show, was a much more complex phenomenon. Similar to the Histadrut-to be discussed in the next chapter-the Kibbutz symbolized the core of contradictions and antagonisms embedded in the Zionist colonial movement. The dilemma which will be addressed in this regard concerns the important political question (why the Kibbutz) and the economic antithetic of this question, i.e., the economic inefficiency of this form of labour organization.

Here again, it will be emphasized that the government role in advancing capitalist production was crucial. This role which took the form of economic, political and legal assistance to the developing European Jewish capitalist economy hastened the contradictions between the indigenous rural economy and the Zionist one. In the process, the European Jewish economy was developing and expanding while the indigenous Palestinian economy was being destroyed. The social and economic burden which fell on the indigenous Palestinian producers as a result of capitalist development of agriculture will also be stressed in this chapter.

Capitalist Investment in Agriculture

One of the main characteristics of European Jewish agriculture during the British period was the investment of capital. The influx of capital from actual settlers, intended settlers (some of whom never settled in Palestine) and other sources was tremendous during this period. Between 1919-1937 about 90-95 million Palestinian Lira (i.e., equivalent to 90-95 million English pounds) generated in Europe were invested in Palestine's Jewish economy. Of this amount, P.L.10-12 million were used for public purposes by institutions and individuals and P.L.80-85 million were invested by private corporations in private enterprises (Himadeh,1937:228). About half of this capital estimated at P.L.44 million was brought during 1919-1933, while the other half was brought in a period of just four years, between 1933-1937 (Himadeh,1937:229).

Furthermore, an enquiry by the Jewish Agency revealed that between 1926 and 1932, 553 Jewish families who immigrated to Palestine brought with them over P.L.2,000,000, an average of P.L. 3,763 per family. Of these families: 346 had about 841 thousand, an average of one to seven thousand Liras per family; 130 with a total of 59 thousand, an average of one thousand per family; and 59 families with a total of P.L. 180,000, or an average of more than seven thousand Liras per family.

This capital was invested as follows: 42 per cent in citrus cultivation; 21.1 per cent in citrus and other economic branches; 17.7 per-cent in building and 5.7 per-cent in commerce. (1)

The investment of large sums of capital in agriculture was particularly evident during the 1930s. For example, between 1932-35, about twenty nine thousand Liras were spent on agricultural

production. Of this 21 per cent was invested in citrus. (2) Over 53 per cent of this capital was brought by 15,410 settlers, each of whom brought more than one thousand Liras with him. (3)

Between 1933-38, 20,681 Jewish immigrants brought with them a total of P.L. 21,441,000. Less than 5 per cent of these settlers had between P.L. 250-500 each while the rest had over one thousand Liras each.(4)

The largest single investor throughout this period was the Rothschild family which invested more than P.L.15 million in agriculture as well as an estimated 30 million in industrial and other enterprises.

The importation of capital during the 1930s was a political priority for the Zionist authorities in Palestine. Investments from all sources were encouraged during this period, even if such a source was politically, morally and ideologically in enmity with certain (socialist) Jewish ideals. A case in point commonly quoted by critical writers relates to the agreement struck in 1933 between the Zionist authorities in Palestine and the Nazi government of Germany which resulted in the transfer of millions of pounds to Palestine.

According to the deal the German authorities agreed to the transfer of capital in the form of cash, German technology and other merchandise to "transfer companies" established in Palestine for this purpose (Gozansky,1986:106; Saed,1985:115).

In one year only, 1933, about 106 million German Marks (equivalent to 5.5 million Palestinian Lira) in cash and merchandise were transferred from Germany to Palestine (Gozansky,1986:106). In addition, between 1934 and 1937 machinery and merchandise worth over 77 million German Marks were also brought to Palestine from Germany

(Sa'ed,1985:115).

This deal made one Jewish writer comment:

The "Transfer Agreement" which was struck between the Zionist Organization and the Nazi government under Hitler was the gravest national treason committed by the Zionist movement...In this deal the Zionist leaders proved that they prefer colonialism over all other moral considerations. (Gozansky, 1986:106).

Without referring to this particular incident, one Lebanese Marxist observed the following:

The Zionist movement is nothing but the exploitation, for the profit of Jewish capitalists linked to the aims of imperialism in the Arab East, of the feelings of a people that has gone through a great deal... the Zionists have traded the unhappiness of their people for a commercial undertaking and a colonialist platform. (5)

Yet, as further discussion will show, the exploitative aspect of Zionist colonialism was not founded on economic basis only. Harsher forms of exploitation expressed in the displacement and uprooting of the indigenous population were also sought. For the time being, it is the significance of the influx of European (Jewish) capital on the Palestinian rural economy which will be dealt with.

The large sums of money brought to Palestine had great significance for the Palestinian economy, both relatively speaking as well as in absolute terms. One must be reminded here that these large sums of money were brought to a peasant economy which by the early 1930s was found to be severely impoverished and largely destroyed. In earlier chapters it was shown that the average monthly net income of an ordinary fallah barely exceeded 2-3 Palestinian Liras. In contrast however, individual settlers brought with them over one thousand Palestinian Lira each.

The gap between the wealth of the settlers and that of the ordinary indigenous fallaheen was even greater in the mid 1930s. Village reports during this period indicate that many villages were almost totally bankrupt, to cite one example, that of the village of Dhahiria. In 1934, as a measurment to enforce taxes on this village, the government imposed a collective punishment and ordered the village to pay an amount of three thousand Liras.

Responding to the government order one villager was quoted saying:

Even if government decides to sell the village complete with all its 1,000 families it will not be able to squeeze three thousand Liras from us... (6)

Moreover, in absolute terms these sums of money meant a great deal for the development of the Jewish economy. Most of the money was concentrated in developing a relatively small area of land. According to the 1945-46 Survey of Palestine, out of a total agricultural area of 1,731,000d. under Jewish ownership in 1944, only 716,750d. or 41 per cent of the land was actually settled. The remaining 1,014,550d. or 59 per cent was put on reserve for future settlement.(7)

In addition, the purchasing power and the productive manner in which this capital was used greatly strengthened the development of Jewish agricultural settlements.

Beside the investment in specific commercial products, such as citrus, grapes and other vegetables and fruits, large sums of money were also used in advancing agriculture on scientific and technological bases.

Science and Technology in Agriculture

Scientific research centres, experimental stations, demonstration plots and agricultural schools were but one aspect of the capitalist

investment in agriculture. One major achievement in this respect was the establishment of a grand experimental station in Tel-Aviv in 1922. Other extension stations were also founded in various settlements.

Built with an estimated 85 thousand Palestinian Lira, the Tel-Aviv station became the centre of agricultural instruction for all Jewish settlements. In 1930, the station was staffed by 40 scientists, had 3 laboratories, seven field divisions and devised 9 district instructors to cover all settlements. (8)

Agricultural schools and research centres were also established in various Jewish settlements. Besides the well known Mikveh-Yisrael (an agriculture school and research centre) which by 1929 was catering to over 160 students, the Jewish Agency with the support of the government established five additional agricultural schools. (9)

In contrast, by the early 1930s, the Palestinian rural population which formed over 90 per cent of the total had access to only one agricultural school providing space for less than 40 students per year. (10)

Research centres and scientific expertise including chemists and analysts were also provided by the Hebrew University and the Technion, now Israel's largest technical institute. (11)

The application of technology and science, it must be added, was not solely the fruit of Jewish capital and human resources. A great deal of assistance was in fact provided by the British colonial government.

Government Role in Advancing Agriculture

The role played by government in advancing agriculture was evident at virtually all levels. At the legal level, with an eye to

encouraging commercial production, the government advanced laws which exempted all demonstration plots (whether erected on Jewish land or on so-called state land) from taxes.(12)

Of particular significance in this context was the role the Department of Agriculture assumed in promoting capitalist agriculture. Established in 1929 and directed by a Jewish agricultural expert, the Department was almost exclusively put under the services of Jewish settlements. Government investment in the Department in a two year period of 1929 and 1930 amounted to P.L. 153,767. (13)

The Department of Agriculture was not an independent body. In fact, as one British analyst noticed, the Department was a mere extension of some Jewish scientific centres and mainly the Hebrew University.(14)

While there is no evidence to show that the Department made any significant contribution, financial or otherwise to the indigenous population, there is ample evidence to demonstrate its contribution to the Jewish agricultural settlements. Worth noting here is the assistance provided by the Department to the Tel-Aviv experimental station.

In a secret dispatch by the British Secretary of State for the Colonies to the High Commissioner of Palestine in 1933, it was revealed that the Department planned to spend P.L.3,000 a year for a period of five years "to the Jewish Agency's experimental station and the establishment of a government citrus demonstration grove". The same dispatch also stated that "the Director of Agriculture suggested that the Jewish Agency contribute P.L.49,000 and government spend P.L.70,000 to be completed within 5 years for agricultural

development." (15)

It is interesting to note that neither the Government itself, represented by the High Commissioner, nor Israeli official authors saw government as biased or one sided in its agrarian policy. To the contrary, Israeli writers widely believed that if government were not neutral, it was in favour of indigenous Palestinian agriculturists. (16)

In fact, as the following two examples show high government officials firmly believed that their position was even handed. and that what in government view was good for promoting modern (capitalist) agriculture was also good for all the economy.

In 1928 for example, after an investigation into the economic conditions of the fallaheen in the Northern District, Harding, the District Director suggested that government advance a loan of P.L.50,000 as relief to the fallaheen. However, one year later, in 1929, it was reported that the government agreed to a loan of just P.L.20,000 and that the loan be divided among both Jewish and indigenous Palestinian agriculturists.

As a result the loan was divided as follows: P.L.15,000 paid to the fallaheen in kind -Wheat and barley were bought by government and distributed to the fallaheen- and P.L.5,000 paid in cash to the Jewish agriculturists. (17)

In 1930, after the publication of various reports which demanded that the government do something to help the dispossessed fallaheen, the High Commissioner of Palestine arranged a meeting with representatives of Jewish and Arab agriculturists to lecture them on what was called "the Government role in advancing agriculture in Palestine". In this meeting the High Commissioner provided an empirical example of how the government intended to allocate a grant

to "all Palestinian agriculturists".

Of the grant, estimated at 20 thousand Palestinian Lira, ten thousand in cash were handed to "Jewish representatives" as follows: P.L. 4,500 to Mikve Yisrael; P.L.2,000 to trade schools in Jerusalem; P.L.1,500 to schools for handicraft in Jerusalem; P.L.1,250 to the agricultural school in Ben Shemen settlement and P.L.750 to the professional school of the Jewish Federation of Labour.

The "Arab representatives", who did not receive a penny, were told that the government would provide villages with barley and wheat.

In both cases, imported North African wheat and barley were purchased. Wheat was bought for 15,500 mils per ton while barley was bought for 10,000 mils per ton. During the same period, however, local wheat and barely were disposed of at an average of 6,000 mils per ton for wheat and 3,000 mils per ton for barley. In other words, had the fallaheen been given the money in cash, they could have obtained more than double the amount of wheat and more than three times the amount of barley offered by the government. (18)

As a measure to further subsidize and expand Jewish agriculture, the government extended its exemption laws to include the imports of all machinery free of duty. Capital and the colonial state worked together in developing Jewish settlements and revolutionizing their forces of production.

An impressive achievement of the alliance of capital and legal facilities was demonstrated in the rapid development of mechanization. For example, in 1922 all Jewish settlements combined had only 33 tractors and no combines. Yet, by the end of the 1920s, all cereal production which characterized the co-operatives was dependent upon

tractors and combines. In 1939, a Jewish Agency survey showed that there were over 237 tractors and 80 combines in use in the settlements (Gozansky,1986:146).

Equally impressive was the introduction of irrigation schemes during this period. In 1922 an estimated 2,867 dunams were under irrigation, but by 1930 this land expanded to 21,348 dunams, an increase of more than 1,000 per cent, 58,162d. in 1941 and reaching 79,850d. by 1944. (19)

Capital and technological change in agriculture caused a dramatic change in the nature of production. Specialization and large-scale production based on intensive methods were at the core of this development.

Agricultural Specialization

Specialization in agriculture, which means producing commodities for exchange value, is considered by Marxists as a significant step in transforming agriculture into industry. The concept of agricultural industry must be differentiated from industrial production proper. This difference was described by Lenin as follows:

From the very nature of agriculture its conversion into commodity production occurs in a particular manner, unlike the corresponding process in industry. Manufacturing industry splits into separate, completely independent branches, each devoted exclusively to the manufacture of one product or part of a product. Agriculture on the other hand does not split into completely separate branches, but merely specializes in producing, in one instance, one market product, in another, another market product, the other agricultural aspects being adapted to this principal (i.e., market) product. (Lenin, 1977: 267)

Industry in this sense can be attributed to all Jewish settlements, both the private and the co-operatives. While the private settlements were predominantly specialized in producing citrus and grapes, the co-

operative farms were quickly becoming industrialized as well. Vegetables, fruits, and dairy products were increasingly the predominant agricultural products in these settlements.

Dairy and poultry production in the co-operatives was particularly significant. From 1922-1936 the number of cows raised annually rose from 750 to 8,040. In 1944 and due to improved fodder and the introduction of new breeding techniques, the number of cows reached 16,040. An equally impressive growth was also recorded with regard to poultry; from 6,800 heads of poultry in 1922 to 175,500 in 1936 and to 302,400 in 1944. (20)

Large-Scale Production and Intensive Agriculture

The application of capital and machinery in agriculture speeded up the process of industrialized agriculture resulting in a gradual but sweeping takeover of extensive small-scale production by production on large-scale.(21)

What characterises large-scale production is not the size of the land put under a certain crop, but, rather the form of use of that particular crop.

One must differentiate here between large-scale production and specialized agriculture. For, although in both cases crops are produced for the market, the two phenomena are not the same. Agricultural specialization, for example can be found in pre-capitalist forms of production. In contrast, large-scale production is specific to the capitalist mode of production.

In small-scale production, usually characteristic of peasant economies, crops are produced primarily as use-values to be consumed by the direct producers. Within the Palestinian context for example,

most cultivable land until the 1930s was under cereal production. Although this does not imply that other commercial crops were absent, it nevertheless indicates that small-scale pre-capitalist forms of production were characteristic of the fallah economy.

The emergence and development of large-scale production, namely vegetables and fruits during the 1930s and 1940s, began to gradually take the place of cereal production. One indication of this process is shown in terms of the decline in the size of land under cereal and the growth of that under commercial crops (Table 1).

Table 1: Area Under Cereal, Vegetables and Fruits (other than citrus) for the Period 1935-44, (in Dunams).

Year	Cereal	Vegetables	Fruits
1935	6,535,031	118,542	879,813
1936	6,365,636	145,871	1,046,111
1937	6,300,310	151,520	1,062,753
1938	5,766,009	133,333	1,059,003
1939	5,366,900	138,621	1,071,992
1940	5,736,932	206,266	-----
1943	4,568,294	257,871	1,095,766
1944	4,235,053	294,496	1,094,820

Source: Statistical Abstract of Palestine, 1935-1944; 1945 in Ameri, tatarwor al-zira'a wa-alsina'a fi-falastin [The development of agriculture and industry in Palestine, 1900-1970] (Beirut, 1974: 34)

While the area under cereal cultivation was constantly in decline (Table 1); from 6,535,031d. in 1935 to 4,235,053 in 1944, that is, a decline of about 35 percent, both areas under vegetable and fruit cultivation were simultaneously expanding. Between 1935 and 1944 the area under vegetable cultivation increased by 175,954.d., or about 148 percent, and that under fruits increased by 215,005d. or 124 per cent.

Yet, the most significant feature in the process of transforming small-scale agriculture into large-scale production is in the amount

of exchange value acquired from each product.

In 1941-42 for example, a survey of 8,793 Jewish private farms showed that despite the fact that they occupied a relatively very small area, the overwhelming majority of these farms employed intensive techniques and produced commercial crops. Table 2 demonstrates how small farms can be utilized for large-scale production.

Table 2

Type of Farm	No. of Farms	Average Size per Farm (in dunam)
1. Plantations	3,857	20
2. Intensive Monocultural Farming	636	5-10
3. Intensive Mixed farming	3,277	15-20
4. Extensive Farming	1,277	150
Total	8,793	20

Source: Statistical Handbook, 1947, p. 145 in Gozansky, T. Hitpathut hakapitalism bi-falastina op.cit, p. 146.

Except for category 4, "Extensive Farming" (Table 2) where crops like wheat and barley were produced largely for the farmers' own consumption, all other farms surveyed here, estimated at 7,770 farms or 86 per cent of all farms, were highly industrialized, hiring family and outside labour and producing commercial crops for the market (Gozansky, 1986:145).

Under large-scale commercial production, the productivity of the land is measured by the value of produce per unit (abu-Rjeyli, 1970;

Kautsky 1976; Lenin, 1977)

The general trend in Palestinian agriculture since the mid 1930s was of a constant and intensive decline in pre-capitalist forms of agricultural production which were being replaced by capitalist forms of production. As the following table shows cereal production was gradually but intensively undergoing a process of decline in terms of tonnage and value, while the production and value of cash crops was rising.

Table, 3: Production in Tons and Value in P.L. For Cereal, Vegetables and Fruits.

Year	Cereal		Vegetables		Fruits	
	Product (Tons)	Value (P.L.)	Product (Tons)	Value (P.L.)	Product (Tons)	Value (P.L.)
1935	248,408	1,597,100	67,847	365,735	162,984	1,021,244
1936	181,700	1,173,526	70,321	400,384	186,498	1,063,192
1937	298,200	2,225,875	120,395	480,733	230,034	1,197,369
1938	202,973	1,284,481	109,088	575,048	248,573	1,213,020
1939	241,642	1,520,316	129,373	669,037	183,006	1,205,171
1940	337,411	2,800,047	198,273	1,244,477	204,183	1,711,988
1943	185,910	4,859,527	244,446	7,158,747	280,068	4,698,479
1944	162,690	4,373,451	271,329	7,525,897	201,560	6,144,571

Source: Statistical Abstract of Palestine, 1935-1944 and 1945 in Ameri, tatarwor.....Palestine, 1900-1970, (Beirut, 1974, p.34)

In 1935, out of a total area of 7,533,386d. under all crops (Table 3) cereal cultivation occupied 6,535,031d. or 87 per cent of the area but produced a value of P.L.1,597,100 or 53 percent of the total value produced by the three crops. On the other hand, both vegetables and fruits which occupied just 998,355d. or 13 per cent of the total land yielded produce in the value of P.L.1,386,979 making 47 per cent of the total value. The trend continued throughout the 1930s and 1940s: Cereal cultivation occupying vast areas, yet producing much less

income than the smaller areas under commercial crops.

The only exception in this table are 1943 and 1944 where a rise in prices of all three products occurred. This phenomenon was largely due to the second world war and the general rise in consumer prices at the international level. Nevertheless, this rise too favoured the more commercial crops such as fruits and vegetables.

The process of the displacement of small-scale by large-scale production is considered by Marxists as the fundamental and principal trend of capitalism (Saleh, 1979; Barakat, 1978; Bagchi, 1982; Patnaik, 1983). The consequence of this is not necessarily the immediate expropriation of the peasants, but it nevertheless causes "the ruin of the small farm and a worsening conditions on their farms". This process as Lenin observes "may go on for years and decades" (Lenin, 1977:70).

The mechanization of agriculture was not confined to the private settlements, known otherwise as the Moshava (plur. Moshavot). In fact, these modern methods of agricultural production were characteristic of all Jewish settlements including the co-operatives known as the Moshav and the Kibbutz.

Alongside the development of the forces of production, the social relations of production in agriculture also changed.

Wage Labour in Agriculture

The quantity of hired labour exploited in reproducing the European Jewish capitalist economy was phenomenal in all private and some co-operative settlements. In a 1938 survey, for example, it was revealed that five settlements employed 13,200 wage labourers. Hired labourers were drawn from both the indigenous Palestinian population

as well as the Jewish settlers; 7,700 or 58.3 per cent of the labourers were Jewish and 5,500 or 41.7 were Arabs (Gozansky,1986:146).

The large dependence on wage labour was partly related to the fact that many private settlers used land and agriculture simply as a way of making profits.

The phenomenon of absentee landlordism within the Jewish economy was widespread. In a 1938 survey, for example, it was reported that 34 plantation settlements were owned by 1,515 farmers who lived on the land and 1,113 absentee owners. In these farms an estimated 10,000 wage labourers were employed, that is, 4 wage labourers for each farmer. In this case as well both indigenous Palestinians and Jewish workers were hired: 6,500 Jewish labourers and 3,500 Palestinian labourers (Gozansky,1986:146).

Wage labour was also used in some co-operative settlements, particularly the Moshav. A 1941-42 survey conducted by the Jewish Agency revealed that out of a total Jewish agricultural population of 134,276, 63,454 or 47.3 per cent were wage earners involved in various occupations. Of these, 27,114 persons or 42.7 per cent were agricultural wage labourers and the rest worked for industry, construction and other fields. (22)

The exploitation of labour power in general, and within agriculture in particular, has received very little attention by most Israeli official writers. In fact by over-emphasizing co-operative labour arrangements, authors have totally ignored the exploitative nature of production relations within the European Jewish economy.

Not only relations of production within the Moshav and Kibbutz were misrepresented, production relations within the private settlements,

the Moshava, were also masked.

Various authors argue that the Zionist control of Palestine nationalized or even socialized all relations of production. This claim is not only made with regard to the co-operative forms, but also refers to the private settlements of the Rothschilds. It is argued that with the development of the Zionist movement, the conflict between the capitalists and the Zionist socialists was resolved with the triumph of "socialist Zionism" over capitalism. As a good will gesture on the part of Rothschild, it is maintained, his property was totally transferred to the Palestine Jewish Colonization Association (P.I.C.A) and consequently fell under the control of the Jewish Agency.

A closer examination of this "transfer", however, reveals a different situation. Data suggest that control over the Rothschild's settlements passed only temporarily to P.I.C.A. This was during the four year period of 1920-24, after which the Baron returned to Palestine and assumed full control over his property.

More importantly, the conflict between the Rothschilds and representatives from the the Jewish Agency was not one between the adherents of capitalism and the adherents of socialism. It was not between capitalists and anti-capitalists, as some authors suggest (Kimmerling,1983; Ohana,1981; Eisenstadt,1985). On the contrary, it was between two sections within the Jewish bourgeoisie; on the one hand the Jewish Agency represented by big investors like Etinger, Goldberg and Usishkin who themselves occupied high political posts within the Agency, (23) and on the other, the Baron who owned most of the Moshavot.

The conflict in fact had little to do with the private or capitalist nature of these settlements, as both conflicting sides were capitalists. The nature of the conflict was political instead. It was around control over the source of hired labour. The essence of the conflict basically revolved around the question of which labourers should be hired in these settlements: indigenous Palestinian or European Jewish workers.

Officially the conflict was resolved in 1924 by expelling 6,500 Arab workers and replacing them with Jewish workers. Yet, tensions between private farmers employing Arab labourers and the Zionist authority remained largely unsettled. In the next chapter on labour, it will be shown that private farmers continued to employ Arab wage workers and the Zionist authorities continued to harrass both farmers and employees.

This case highlights the basic conflict within the Zionist colonial movement. The Jewish Agency which in this instance resorted to force in kicking out indigenous hired labourers from the Rothschild's plantations had in fact submerged the economic interests not only of the Rothschilds but also of its own members in favour of gaining long term political hegemony in Palestine.

Throughout British rule, the Moshavot continued to be the most important economic enterprises. In 1944, and despite their small number -estimated at 44 out of a total of 258 settlements- the Moshavot were economically the most advanced type of agricultural settlements.

The Moshavot occupied an area of about 582,300d. or 34 per cent of all Jewish land under settlement, including the most fertile land in Palestine. Most of the Moshavot were concentrated in the plains,

particularly the Maritime Plain.

In 1944, the Moshavot owned 90 per cent of the total land under Jewish citrus plantations. They occupied 21,800d or 50 per cent of all Jewish land under fruits other than citrus and 297,500d. or over 40 per cent of the total Jewish land under irrigated fodder, vegetables..etc., leaving most of the land under less commercial and more extensive methods of cereal cultivation to other settlements.(24)

Agricultural production was highly specialized in the Moshavot. In 1939 a survey of 34 Moshavot revealed that out of a total area of 208,000d. occupied by these settlements, 46,000 dunams or 22.1 per cent was under citrus production; 26,000 dunams or 12.5 per cent under grape and 19,000 dunams only or 9.1 per cent was under extensive cereal cultivation (cited in Gozansky, 1986:173).

The private nature of these settlements and the economic prosperity they provided to their owners attracted many settlers. Whether wage labourers or capitalist farmers, the population of these settlements witnessed a sharp increase during the British rule as the following table illustrates:

Table 4: Number and Percentage of Moshavot Population vis Total Jewish Rural Population.

Year	Total Jewish Rural Population	Private Settlements Rural Population	% Of Total Rural Population
1922	14,140	11,540	82
1927	27,500	20,220	74
1931	37,240	27,740	75
1936	87,110	59,530	68
1941	111,250	63,240	57
1944	139,000	76,000	56

Source: Survey of Palestine, 1945-46, Chapter VII, p. 372.

In absolute terms, the number of people in these settlements

increased greatly over this span of time: From 11,540 people to 37,250 or by over 240 per cent between 1922 and 1931. One decade later, i.e., from 1931 to 1941, the population of the Moshavot increased by about 280 per cent.

Their relative population, however, declined. This is largely attributable to the development of Moshav and Kibbutz forms of settlements.

Zionism and "Workers' Co-operatives"

The extensive body of literature on the co-operatives is largely inaccurate and deficient. By lumping together all forms of co-operative settlements, the literature fails to account for the fundamental difference between the Kibbutz and the Moshav as well as the differences within the Moshavs themselves. Authors have also ignored the actual and potential social contradictions inherent in these forms of production.

Virtually all uncritical writers present these co-operatives as "socialists" or "primitive communist" communities or even, in one case, as the "ideal society for the fulfillment of human dream". (Tabenkin, 1985; Bettelheim, 1971; Rinehart, 1971; Eisenstadt, 1985; Spiro, 1972) Yet, as various authors have correctly noticed, the co-operatives have always been integral parts of the capitalist mode of production (Rayman, 1981; abu-Rjeyli, 1970). To this analysis we will now turn.

A common set of assumptions shared by most Israeli and other romanticizers of these forms of labour organizations involves the two fundamental components of these settlements, landed property and wage labour.

Authors argue that land in the co-operatives was not privately owned, thus concluding that land was collectively or communally owned. Moreover, they claim that wage labour was in principle forbidden in the co-operatives, hence strengthening further their contention that the co-operatives were socialist or even communist.

Landed Property and the Mode of Production

Instead of finding out who actually owned and controlled the land and how land was distributed to members of the co-operatives, most authors assumed that private property within the Zionist settlements was absent and consequently concluded that the means of production in these settlements were socialized. As a result, in the vast majority of the literature the Kibbutz is described as an example of "workers control and ownership of the means of production" (25) or as an egalitarian society of "total equality among its members" (Spencer, 1981:171). The term "communistic society" is often used (Viteles, 1944; Spiro, 1973; Bettelheim, 1971).

This literature suffers from a major theoretical flaw. It fails to show why the form of landed property necessarily indicates a specific mode of production.

In fact there is no necessary correspondence between the form of landed property and the mode of production. Capitalism can be introduced through non-capitalist forms of land-holding, as a consequence which may or may not have been intended. Whether landed property was private, individual, state owned or communally possessed, it must be stressed, capitalism at all stages of its development is capable of penetrating the agrarian economy.

All forms of property, Saleh maintains, are capable of providing

fertile soil for capitalist development."There is no contradiction," he argues, "between state property and agricultural capitalism" (Saleh,1979:29) Thus what is important here is not the form of land holding but rather the mode in which land is exploited and the purpose for which crops are produced.

Production in the Moshavs and the Kibbutzim was not organized on the principle of self sufficiency of their members. Members did not produce use value but rather commodities, the exchange value of which was realized by the members only after it circulated in the market.

At the empirical level however, one must also consider the question of who owns and/or controls the means of production in these settlements. Land in the co-operatives it should be stressed, was to a large extent owned privately by the Jewish Agency or its settlements, institutions. What was absent was not private ownership but rather individual ownership by members of the co-operatives.

Moreover, the means of production, that is other than land, in these settlements were not as most authors believe, owned and controlled by their members. In fact the Keren Kayemet,(Jewish National Fund), an arm of the Jewish Agency was the sole owner of land capital and technology in the co-operatives. The Keren Kayemet advanced capital in the form of land and other means of production and expected payments in return. Recipients of capital advancements made by the Keren Kayemet particularly within the Kibbutzim had to meet certain economic and, even more importantly, political requirements.

The Keren Kayemet was by no means a public or socialist body at odds with private property. The Keren Kayemet was partly funded by

private companies, such as the Jewish Colonial Trust and the Anglo-Palestine Company which were established at the turn of the century. In addition it was involved in a prolonged international campaign for collecting money from various Jewish individuals and organizations.

Similar to other international companies operating in Palestine, the Keren Kayemet was heavily involved in colonial activities. These included buying and selling land, tree planting and settlement preparation. What distinguished the Keren Kayemet from other companies, however, was the fact that, while colonialism for the other companies was primarily for economic gain, for the Keren Kayemet the goal of colonialism was above all political in nature (Doukhan-Landau, 1980: 200; Gozansky, 1986: 57).

There is a partial truth in the claim that land under the control of the Jewish Agency or any of its arms was withdrawn from the market (Kimmerling, 1983: 34). But it is also true that this withdrawal was one sided. The land which under the policy of the Keren Kayemet became the inalienable property of the Jewish people was in fact alienated from the indigenous owners/possessors. Indigenous Palestinians were excluded from claiming back, buying or even working on this land.

The withdrawal of the land from the market, in fact, did not affect the fact that land under the control of the Jewish Agency continued to be dealt with as a commodity and a means to promote capitalism. This was established by Dr. Rupin, the Head of the Jewish Agency who in his report on the Land Development Company stated:

With regard to the important question of attracting capital to the "land of Israel" I submit the following: During the first five years of our work it became clear that in order to attract big capitalists to invest in land, we had to be able to convince them that their capital would have a reasonable return. We, for that matter, were able

to do so, since we showed all those who invested in industry how smooth it is to do so when they buy land from us....During the past 5 years, around one million Francs were invested in our company .The Land Development Company sold to individual investors, land of the value of one and a half million Francs and the Urban Branch of our company has sold land of the value of one million Francs. (cited in Gozansky,1986:58)

In other words, the owner/controller of the land within the co-operatives, while not the individual member, was nonetheless a political agency whose aims were not entirely antagonistic to private ownership and capitalist principles. This agency was an integral part of the larger European Jewish economy in Palestine.

Wage Labour and the Co-operatives

The second dubious assumption made by many previous analyses of the kibbutz movement concerns the supposed absence of hired labour in the co-operatives. They argue that the ideals of "Jewish Labour" and "Jewish Land" were the guarantors for the socialization of labour and the absence of relations of exploitation (Eisenstadt,1974; Tabenkin,1985).

However, as with the claims for the absence of private land ownership, a closer look at the evidence fails to support this position. The principles of "Kibbush ha-Adama", (occupation of land) and "Kibbush ha-Avoda" (occupation of labour), or what was otherwise known as "Adamah Ivrit" (Jewish land) and "Avodah Ivrit" (Jewish labour) were, indeed, advanced by the Zionist leadership to promote the co-operative forms of agricultural colonization. Yet, the materialization of these principles did not result in socialism. On the contrary, these policies were aimed primarily at creating a nationalistic exclusivist economy for the Jewish community in

Palestine.

The hiring of labour power was never at odds with the principles or policies of the Jewish Agency or any of its affiliates. The aim of these policies was to exclude the indigenous Palestinian workers from employment in the co-operatives. This was expressed at almost every opportunity by Zionist organizations. In the International Zionist Annual Conference on the 14th of August, 1929 in Zurich, the following was resolved:

Land is to be acquired as Jewish property and subject to the provisions of Article 10 of this agreement, the title to the lands acquired is to be taken in the name of the Jewish National Fund, (Keren Kayemet), to the end that the same shall be held as the inalienable property of the Jewish People.

Furthermore:

The Agency shall promote agricultural colonization based on Jewish labour, and in all works or undertakings carried out or furthered by the Agency, it shall be deemed to be a matter of principle in that Jewish labour shall be employed.
(26)

Boycotting Arab labourers was written as a condition to land leased by the Keren Kayemet.

In a reference to the Maritime Plain co-operatives the following was stated:

The settler hereby undertakes that he will during the continuance of any of the said advances, reside upon the said agricultural holding and do all his farm work by himself or with the aid of his family, and that, if and whenever he may be obliged to hire help, he will hire Jewish workmen only.

Similar terms of lease were adopted with regard to co-operatives established in the Marj Plain:

The settler undertakes to work the said holding personally, or with the aid of his family, and not to hire any outside labour except Jewish labourers. (27)

The Keren Kayemet, in fact, went so far as to impose a penalty on any Jewish owner attempting to employ an Arab worker. Article 23 of the lease stipulates:

The lessee undertakes to execute all works connected with the cultivation of the holding only with Jewish labour. Failure to comply with this duty by the employment of non-Jewish labour shall render the lessee liable to the payment of a compensation of ten Palestinian pounds for each default.....Where the lessee has contravened the provisions of this Article three times, the Fund may apply the right of restitution of the holding, without paying any compensation whatever. (28)

It is important to point out here that the Zionist exclusivist policies were formally supported by the British government. The debate which ensued in the House of Lords around these policies resolved the following:

The acquirement of large tracts of land in Palestine on inalienable trusts by Jewish bodies should be allowed; and 2) conditions should be allowed to be inserted in leases or tenancy agreements from such bodies preventing any but Jewish labour on lands comprised in such leases or tenancy agreements. (29)

Data above suggest that, neither the Moshavs or the Kibbutzim were prohibited, in principle, from exploiting hired labour. What they were forbidden to do is hire non-Jewish or Arab labour.

The dispelling of these two major misconceptions is fundamental for understanding the true nature of these settlements. There were inherent contradictions within the structure of the Jewish co-operatives. While these contradictions surfaced early on in the case of the Moshav, for reasons to be discussed later, they took longer to emerge within the Kibbutz enterprise.

The Moshav:

The literature on the co-operatives, as pointed out earlier, lumps together the Moshav with the Kibbutz by highlighting the latter only. This is despite the fact that the Moshav at least until the early 1940s, proved to be economically and demographically more successful than the Kibbutz.

Land in the Moshav, like that in the Kibbutz, was owned and controlled by the Keren Kayemet which in turn advanced all means of production to Moshav members. Members of the Moshav usually came from the better off sections of the working class or from the middle class families. Work on the family farm was mainly done by family labour. At the end of the production process, the Moshavs Councils marketed the produce and paid each family according to its produce. From the cash obtained, each family was expected to cover its consumer needs and pay its share of rent fees and other dues to the land owner.

After a certain period of residency if families found themselves capable of buying the land without depending on the Keren Kayemet they could do so. In the process, families with better financial resources than others were able to own their own property while at the same time live in the Moshav. This was the case in the Moshav Shittofi (literally, collective settlements), referred to in the literature as 'the middle class' Moshav. In the Moshav Shittofi settlers privately owned the land and exploited outside wage labour (Saed, 1985:120).

The Moshavs, both economically and demographically were more popular than the Kibbutzim. During British colonialism, the agricultural population of the Moshavs grew rapidly. From a total of 400 people or just less than 3 per cent of the total Jewish agricultural population living in the Moshavs prior to 1920, the relative population of the

Moshav grew to 10 per cent in 1922; 17 per cent in 1927; 18 per cent in 1936 and to 22 per cent in 1941. In 1944, 29,500 people or 21 per cent of the Jewish agricultural population were living in 99 Moshavs. (30)

In addition, until 1936 the Moshavs were the second largest form of enterprise- after the Moshava- and as the following table shows, more populated than the Kibbutz.

Table 4

Year	Settlements		Agricultural - Population			
	No.	Area (Dunams)	Total	Kibbutz (%)	Moshav (%)	Moshava (%)
1882	5	25,000	500	--	--	100
1890	14	107,100	2,770	--	--	100
1900	22	220,700	4,950	--	--	100
1914	47	420,600	11,580	2	3	95
1922	71	594,000	14,140	8	10	82
1927	96	903,000	27,500	9	17	74
1931	110	1,058,500	37,240	10	15	75
1936	172	1,392,600	87,110	14	18	68
1939	--	1,533,400	--	--	--	--
1941	231	1,604,800	111,250	21	22	57
1944	259	+1,731,300	139,000	24	21	56
1946	274	+1,807,300	160,000	--	--	--

Source: N. Weinstock, *Le Sionisme Contre Israel*, cited in abu-Rjeyli, *al-zira'a al-yahoudieh fi-falastin -l- muhtalla* [Jewish agriculture in occupied Palestine], 1970, p. 31.

{+ Figures include 175,000 d. given by the government as long term lease to the settlers}.

However, with the tremendous emphasis placed by the Zionist movement on the Kibbutzim in the late 1930s the place of the Moshav in the co-operative system began to decline.

Some authors maintain that the unpopularity of the Moshav was the result of economic factors. They claim that the development of private ownership and the hiring of labour defeated the whole thrust of co-operation and collectivity (Spiro, 1972:5). However, one can point out

here that the use of hired labour was also a part of the structure of the Kibbutz, yet its popularity was never harmed. The real reasons behind the popularity of the Kibbutz, it will be demonstrated, was not its socialist traits, nor the lack of exploitation. It was the geographical and military services which the Kibbutz and not the Moshav was able to provide to the Zionist colonial project which in fact accounted for its importance.

To begin with, two widely held misconceptions about the Kibbutz experience must be discussed. The first is the claim that this experience was uniquely Jewish or Zionist and the second is the belief that its success was due to the strong belief in socialism brought by the Zionist settlers.

1) The "Uniqueness" of the Kibbutz

Most authors see the Kibbutz as a unique Zionist or Jewish phenomenon. In "Organizational Behaviour and Community Development" William Foot White writes:

The Kibbutz is a unique experience which provides democratic governance and egalitarian management".
(preface in Rosen, et. al., 1983)

Tabenkin who was considered 'one of the founding fathers of modern Israel and among the pillars of socialist Zionism' described the Kibbutz as "the apex of human experience, the only commune in the world which has not been founded by the social democracies nor by Bolshevism." (Tabenkin, 1985: 44)

There is some truth in maintaining that the Kibbutz was different from the collective experience in the Soviet economy. Since, at least in theory, the Soviet economy was socialist while the European Jewish one was pre-dominantly capitalist.

However, historically, the presence of a co-operative or a collective society in the midst of a capitalist system is not unique to the European Jewish settler's experience. Historical parallels to the Kibbutz were known in mid 19th century Britain when Owen's "communistic societies" were formed.

Commenting on this phenomenon, Engels highlighted two functions he believed were crucial in the establishment of these communal societies. On the one hand, he pointed out that this arrangement was economically rewarding for both the members and the owner himself. "Owen's communism", Engels states:

[Was based upon this purely business foundation, the outcome, so to say, of commercial calculations. Thus, in 1873, Owen proposed the relief of the distress in Ireland by communist colonies, and drew up complete estimates of costs of founding them, yearly expenditure, and probable revenues.. (Engels, 1977:123)

While for the workers this arrangement secures employment and living conditions, for the owner it can also be rewarding. In light of the fact that all decisions concerning production, the realization of surplus value, supervision, management..etc., are left to the members, this organization can serve as a means for the conservation of human and capital resources. It saves the owner the costs of managing, supervising and controlling production and reproduction in his enterprise.

Described by Engels as utopian socialism, Owen's enterprises had another dimension. These societies functioned as a response to the "crying social abuses..and the loosening of all traditional moral bonds..." created by capitalism. "Owen", Engels writes, "wanted to place the people in conditions worthy of human beings, and especially

by carefully bringing up the rising generation" (Engels, 1977:124).

The experience of Segera, the first Kibbutz, which was built in 1908 on the land of the Arab village carrying the same name provides striking parallels to Owen's experience.

In 1908 a group of Jewish workers contracted the work in Segera for a period of one year and established the first Kibbutz. This group was collectively responsible for redistributing the work among all its members. No hired labour was employed. All decisions concerning production, marketing, organization and so on were carried out collectively by the group. This experience, proved to be economically successful. At the end of the contract the group was able to pay back all its dues and also make profits for itself (cited in Kayyali, 1966:24-25).

Although the group did not renew its contract and the Segera experience was short lived, it, nonetheless, left its imprint on the Zionist leadership and was considered an example to follow.

In the late 19th century the Kibbutz concept was also enhanced by the fact that many Jewish settlers during the time had fled economic difficulties and socio-cultural persecution practiced against them in Eastern Europe and Czarist Russia.

However, since on motivation alone, no socio-economic structure can be established, the dreams of the early settlers never materialized. Partly due to the fact that Jewish colonial companies at the time were not interested in this form of enterprise and partly due to lack of funds and political commitment on the part of the Keren Kayemet, the Kibbutz concept did not initially flourish.

As a matter of fact, it has been reported that the first attempt at establishing a Kibbutz which involved the Keren Kayemet in 1913 was

a marked failure. In this case, a Kvatza (group) of five rented a piece of land from the Keren Kayemet and received some capital advancement but, because of the excessive payments which the Kvatza was required to return to the Keren Kayemet, the plan was halted. Both the Kvatza and other potential settlers interested in such an enterprise were further discouraged (Gozansky, 1986:73).

The idea of the Kibbutz was revitalized only after British colonialism, largely due to the increasing economic and political power of the Zionist movement in Palestine.

2)The Kibbutz: "The Fulfillment of the Ideals"

As alluded to earlier, literature has presented the Kibbutz as "the fulfillment of the Jewish dream" or "the materialization of the Zionist ideals" (Tabenkin, 1985; Orchan,1977; Rosen et. al., 1983; Eisenstadt,1974).

It is assumed that the Kibbutz is the product of an "idea", a "dream" or a set of ideals put forward by the Zionist movement in Palestine. The Kibbutz in other words is perceived as a package of ready made concepts produced in Europe and imported to Palestine by the Zionist authorities.

This body of literature does not provide an objective scientific approach to the Kibbutz. Instead, it romanticizes the Kibbutz and discuss it as a separate and independent social phenomenon.

Extensive material has been published on the socialization of children in the Kibbutz. In *Children of the Kibbutz*, Spiro depicts the Kibbutz' children or what he calls "the generation of the desert" as the "cultural heroes" of the Jewish people (Spiro,1972). They are described as the "torch-bearers and liberators of the Jewish people"

(Tabenkin, 1985). In fact, some writers go as far as to portray the Kibbutz as a "civilizing mission against the barbarians" (Orchan, 1977:30).

The Kibbutz is seen as the haven for gender equality, the only society which is capable of replacing patriarchal family life with egalitarian group life (Orchan, 1977; Rayman, 1981; Spencer, 1981). In the *Children of the Dream*, Bettelheim goes into length detailing what she sees as the strong emotional ties within the Kibbutz families. The whole Kibbutz in Bettelheim's view was turned into one big family (Bettelheim, 1971).

Nowhere in this literature has there been any attempt to locate the Kibbutzim within the social and economic structure within which they were founded. Kibbutzim did not emerge fully formed from a set of ideals nor were they operating in a social vacuum. In fact, at every stage of their development the Kibbutzim were faced with both internal structural as well as external forces. These forces have largely influenced their structure and development.

The Kibbutz was - and still is - composed of a small community ranging between 30 to 300 people per Kibbutz and the size of its land between 2,000d. to 20,000d. (Kayyali, 1966:30-31). During British rule, the Kibbutz population grew from 3,000 people in 1931 to 33,360 in 1944. Yet the ratio of the Kibbutz population to that of the Jewish population in general remained very minimal. In 1931 the Kibbutz population represented only 2 per cent of the total Jewish population and 4 per cent in 1944. (31)

Unlike the experience of the Segera and contrary to the impression given by the literature, the Kibbutzim throughout the 1920s and the

1930s were never able to stand on their own without heavy dependence on external sources for funding.

As was mentioned earlier, most fertile land appropriated by European Jewish settlers was already occupied by the private settlements leaving only less fertile land for later settlement. Low fertility within the Kibbutzim, as further discussion reveals, was also enhanced by the fact that most Kibbutzim were established for other than socio-economic reasons.

In addition, the capital needed for irrigation, mechanization and other equipment was not always available. Kibbutzim during the 1920s were reportedly underequipped and serious complaints and dissatisfaction was widespread among their members.

Even earlier Kibbutzim which were erected on Palestine's most fertile land, the Marj, were suffering from serious problems. Commenting on this situation one Jewish agricultural expert said:

No expenditures for planting new colonies should be made unless the development of existing colonies has been completed, or the money for their full development has been provided. The amount required for this will absorb the probable normal income of the Colonization Department for several years to come. Delay in providing settlers with needed equipment and improvements is now causing losses and disappointments. It is lowering the efficiency of the settlers, it is the cause of large deficits.
(32)

In the late 1920s and early 1930s the whole Kibbutz movement appeared to be in danger of collapsing. For a period of three years, 1929- 1931, only three Kibbutzim were established. (33) Economic difficulties were not the sole, or even the most important, factor in the slow growth of the Kibbutzim. Internal political factors were equally crucial.

The Palestinian peasant uprising of 1929 and the consequent

pressure on the government to restrict immigration and land transfer to the European Jewish community had a great impact on the settler movement. The uprising gave a strong message not only to the Zionist authorities in Palestine but also to potential investors. Jewish capitalists, as a result, preferred to privately and directly invest their money rather than putting it in an unpredictable 'public' enterprise. This is illustrated by the failure of the urgent appeal for funding made by the Keren Kayemet to the World Zionist Organization in its 16th Zionist Congress. (34)

The situation after the second half of the 1930s was radically different. Partly due to the influx of capital and settlers prompted by the Nazi atrocities, and partly due to the strengthening of the political position of the Zionist movement world-wide, the Kibbutz movement experienced a real upsurge. Between 1932 and 1936, 18 Kibbutzim were established, i.e., an average of 3.6 Kibbutz per year. An even sharper rise occurred between 1937 and 1939, when 28 Kibbutzim were established, raising the average to 9.3 Kibbutz per year. (35)

The sharp rise between 1937 and 1939 was in fact a direct reaction to the serious threat posed by the Palestinian revolution of 1936-39. The pressure placed on the government, by the revolution, forced it to issue a "White Paper", changing its immigration and land transfer policies. (36)

For the Zionist authorities, the change in the government policy together with the rebellion which was in its second year meant that they were under tremendous pressure. What was at stake was not only the preservation of the existing settlements but the realization of their dreams for a Jewish state. This meant that they had to create

as many settlements as possible irrespective of the government policy or the indigenous resistance. This resulted in the settlement movement referred to as the "Tower and Stockade" (Rosen, et., al, 1983:1). Irrespective of their size, the fertility of the land or who might inhabit them, Kibbutzim during this period were stockpiled. It was reported that some Kibbutzim were erected in a matter of single days. The only consideration in this movement was to make sure that Kibbutzim would serve as observation sites and border security for the future Jewish state.

There are various interpretations as to why the government allowed this movement to precede. Some authors suggest that during this period, the Zionist movement has begun to establish itself as a potent independent political and military power (Rayman, 1981:38). Yet, others maintain that the Zionist lobby in London has always been successful in defeating all government decisions including all "White Papers" introduced during the British rule (Stein, 1984:135).

While there is some truth in their claims, authors here provide a simplistic answer to a much more complex situation. A partial explanation of the Zionist expansionist policies can be found in the fact that while the government did not approve of their policy, it felt that it could not afford to open another battle front with them. Moreover, in 1937 the government was pre-occupied with crushing the Palestinian revolution which had gained control over a wide area in central and northern Palestine. (37) They were able to take advantage of the growing military power of the Zionists in order to help quell this revolution. Jewish settlers, as the Secretary of States for the Colonies wrote to the High Commissioner in 1937, "were reliable in the police and armed forces". (38)

The Kibbutz; A Social Utopia

Unlike the Marxist principles of scientific socialism, the Kibbutz's socialism was, similar to that of Owen's experience, utopian in nature. But, contrary to Owen's experience, Kibbutzim were not created as anti-capitalist or non-exploitative societies. Nor were they created as safe or peaceful refuge for victims of wars and other forms of repression. On the contrary, the Kibbutz mission as perceived by its main "Zionist-socialist" pillars was mainly to build a generation of "fighters" (Ben Gurion, 1971; Tabenkin, 1983).

Socialism in the Marxist sense which is expressed in terms of socializing the means of production and creating a classless society was of very little importance for "Zionist-socialist" leaders. Classes and wage labour were always viewed as necessary for the development of the Kibbutz. In a speech addressed at the anniversary of one Kibbutz, Ben Gurion was quoted as saying:

The value of Kibbutz is in its collectivism rather than its struggle to achieve equality...equality is against human nature; men are not equal and therefore they have no equal rights. (cited in Tabenkin, 1985: 51)

Class inequality was bound to develop further with the industrialization of the Kibbutz which began as early as 1930s. The phenomenon of hiring outside labour in the Kibbutz or members hiring themselves out was present during the British rule (Golomb, 1974:181-195). Writing on this, Criden and Glebb said:

In the 1930s the rejection of hired labour was severely threatened... the industrialization of the kibbutz has resulted in a shortage of Kibbutz labour. .. (Criden and Glebb, 1974: 13)

With the further development of the Kibbutzim, and especially

after the creation of the state of Israel, industrialization and the hiring of wage labourers both from within and from outside the Kibbutz became indispensable to the existence of all Kibbutzim. Rosenfeld observed that "class..differentiation in the Kibbutz occurred as early as 1951" (in Rayman,1981:83). By 1959, it was reported that 20 per cent of the total income of all Kibbutzim was drawn from industrial enterprises, which employed both Arab and Jewish labourers. In the same year the Kibbutz industrial wage labourers made up 7 per cent of the total industrial labour force in Israel. (39)

Gender inequality in the Kibbutz, as various writers admit, was always a serious problem without a solution. Women continued to be relegated to household related functions, such as kitchen -dining room work, baby houses, children houses, etc., while men worked in factories, agriculture, Kibbutz administration and the army (Rayman, 1981:203).

Also, racial exploitation was a structural feature of the Kibbutz. The exclusivist policy of selecting the Kibbutz members did not only affect the indigenous Palestinians. Racism was also practiced against the "Sephradic" Jews (Jews who immigrated from Arab countries). Kibbutz members, Spiro pointed out, despised Arab Jews and often referred to them as "Shechorim", i.e., blacks (Spiro,1972: 109).

The Kibbutz: A Settler Colonial Society

The Kibbutz was established not as a means to transform an existing social order but rather as a means to create a new political order. The Kibbutz served as the embodiment of the Zionist ideology of conquering land and labour. Cooperation and socialism, in the Zionist lexicon were synonymous with the colonization of land, labour and the market in Palestine. (40)

The importance of the Kibbutz as a colonial venture outstripped all economic and social considerations. Tabenkin summed up this point plainly when he stated:

Our minds and thoughts are constantly devoted to the need for security..It was not chance which dictated the location of our settlements at the expense of economic viability, we chose those sites with mostly their security in mind (Tabenkin, 1985:54)

The creation of Kibbutzim, regardless of whether or not they were properly equipped or populated, was phenomenal during the Thirties.

The underequipping of the existing Kibbutzim did not deter the World Zionist Organization and its Palestinian branch from adopting the following resolution:

The most important task of the Jewish National Fund [Keren Kayemet] in the immediate future is the creation of land reserves in all parts of the country: in particular the Congress is of opinion that it is necessary to create as soon as possible a land reserve of irrigable lands in accordance with a definite plan for colonization policy.... The colonization of Palestine is to be the basic policy of the Jewish Agency for all time to do everything to assure development and extension of Jewish agriculture colonization...in accordance with the principles laid down by the Congress for cooperation with the Jewish Agency on as large a scale as possible. (41)

The colonial settler nature of the Kibbutz was expressed in terms of its geo-political and strategic role as well as in terms of its military functions. Most Kibbutzim, especially after the 1930s were built on hills and on the borders of Palestine. Both Chaim Weismann and Ben Gurion who represented the Jewish Agency, recommended the "stocking" of Kibbutzim on the borders of Palestine.

According to Ben Gurion:

..If there are between four to five Jewish settlements on the frontier this will reinforce our

rights on the upper Galilee. (in Rayman, 1981:33)

The fact that the European Jewish settlement in general and the Kibbutz in particular was a colonizing and imperialist movement was not disputed by Zionist leaders. Writing on the Kibbutz as a colonizing movement, Tabenkin said:

We were the pioneers to work on the sea. None of our members were born sailors or fishermen. Yet the very fact that we were a colonizing movement, made us realize that Jews do not require only the land but the sea as well. We have to conquer the sea with our fishing boats and our merchant ships. Only thus can the country be protected from the sea.

Moreover, under the title "Our Imperialism", Tabenkin wrote:

...How does the Kibbutz.. "Imperialism" manifest itself? It is through our striving to always be the first to tackle any hard or dangerous job. The Kibbutz.. never neglects any pioneering prospects. This is why our Kibbutzim were the first to settle by the sea, start the fishing industry, join the [British] police force, work in the stone quarries or in Sdom (the lowest spot on earth), where the temperature is unbelievably high, and where salt and other minerals... We were imperialists in that ours was the initiative to organize illegal immigration and to do everything in order to enhance the prosperity of the country and of our collectives at the same time.. The power of our Kibbutzim is not measured by their numbers but in their places on the map...(Tabenkin, 1985: 61-62)

The Kibbutzim played a major role in furnishing political leadership and military bases for the Jewish state. By carefully selecting their members, the Kibbutzim accorded special priorities to the Jewish intelligensia from the "Achkenazi" (European) origin, who were considered as the true representatives of "Zionist Socialism".

The Kibbutzim were rapidly turned into bases from which most Zionist leadership was drawn. This trend became more obvious after the establishment of the state of Israel. Members of Kibbutzim, as Rosen

maintained:

Have often held leadership positions in Israeli parties and have represented them in the government, the Keneset and in Histadrut institutions (Rosen, et al, 1983:7).

Finally, the Kibbutzim functioned as military bases for the settler community. The militarization of the Kibbutz was as old as the Kibbutz itself. Together with the Kibbutz, the phenomenon of "Hashomer Ha-Tzair" (The young Guards) emerged.

The emergence of this phenomenon in the form of bands of armed settlers was justified as a need to "protect" the settlements from their "hostile" or "barbaric" surroundings.

Yet, documents show that the Palestinian peasants were the ones who needed protection from the armed settlers placed on their expropriated lands. Reports on attacks made by armed settlers who were sent to "protect" land, the ownership on which was often unsettled, were very frequent during British colonialism.(42)

By late 1930s, "Ha-Hashomer" movement which was entrenched throughout Palestine was transformed into the official militant force of the Zionist movement, giving rise to the two underground semi-secret militant organizations, the "Haganah" and the "Palmach", while the Kibbutzim served as "bases and reserves" for their operations (Rosen et. al, 1983:1)

In the late 1930s and early 1940s, the "Haganah" as Rayman stated, began to see itself as the military basis of "the state on the way". (Rayman, 1981:38) It was involved in attacks not only against the indigenous population but extended its aggression also against the British government which had encouraged its rise in the first place.(43)

To sum up, European Jewish co-operatives including the Kibbutzim were not unique or separate forms of production. The land occupied by the Keren Kayemet was not withdrawn from the market in the economic sense. Expropriated from its previous cultivators, this land was transferred to an exclusive Jewish market where it could still be used as a source of profit. What had been withdrawn or, more properly, excluded from this market, instead, were the indigenous Palestinians themselves.

Production on these co-operatives, it has been shown, did not differ from that on the private settlements. Capital, technology and the consequent large-scale industrial production was characteristic of all European Jewish agriculture.

Finally, except for the degree and extent to which hired labour was used, -and in the case of the Kibbutzim, the race or nationality of the labourers-, all agricultural settlements exploited labour power and used it as a basis for expanding the economy.

The findings of this chapter strongly refute the Zionist claim that the Palestinians failed to "succeed" as the European Jewish settlers did because of their "traditional" and "backward" culture. The history of agricultural development in Palestine, has proved without any doubt that the threat to the indigenous agriculturists was anything but "natural" or "cultural". (44) The threat, instead was a direct result of the British and Zionist colonial powers controlling the Palestinian economy during this period.

At every stage in its development, capitalism emerged and expanded at the expense and by the exploitation of the indigenous rural economy. All components of the rural structure, i.e., land, natural

resources and labour power were subjugated and made heavily dependent on the developing economy.

The relationship of exploitation between the two economies, as this chapter has revealed and as will be further elaborated in the next chapter, was the prime mover in the changing history of Palestine. While the dialectical relationship of domination and subordination can be attributed to all social formations experiencing capitalist development through a colonial power, the Palestinian experience remains historically specific.

In the colonies, the subordination of the colonized economy eventually leads to its full dependency on the colonial capitalist economy. This is equally true in the case of settler colonial formations. As the South African and Rhodesian cases show, the native population in both economies were turned into reservoirs for cheap labour exploited by the capitalist economy (Wolpe, 1980; Arrighi, 1973).

The colonial settler experience in Palestine demonstrates rather different characteristics. The economic subordination of the indigenous Palestinian working classes to the European Jewish capitalist economy formed only one aspect of the developing economic structure. The other aspect of the developing structural reality was the exclusion of the indigenous working classes from the dominant capitalist economy. Contradictory as this relationship of exploitation/exclusion might appear, it was this precise relationship which characterized the Zionist colonial movement in Palestine. A better appreciation of the nature and implication of this phenomenon requires further investigation into the social and class relations in the labour market. The sixth and final chapter in this study will address this issue.

FOOT NOTES

Chapter Five

- 1) M. Bernestein, "Jewish Colonization in Palestine", International Labour Review, 1934, Vol XXX, No. 5, p. 632.
- 2) Between 1932 and 1937, P.L. 39,517,000 of capital generated in Europe was invested in agriculture. Of this amount, P.L. 7,600,000 or 19 per cent were invested in citrus only. See, Gozansky, Hitpathut ha-kapitalism... in op.cit, p. 104.
- 3) Calculated from Statistical Abstract of Palestine, 1937-8, Table, 31 p. 28. According to Gozansky, between 1930-42, 26 thousand Jews immigrated to Palestine bringing with them a total of P.L. 26 million, an average of over P.L. one thousand each. Gozansky Hitpathut.. in op.cit, p. 198.
- 4) Compiled from Statistical Abstract of Palestine, 1939, p. 39.
- 5) Ra'if Khouri, "al-Qadiyya al-Falastiniyya" in at-Tariq, Beirut, March 31, 1946, cited in Maxime Rodinson Israel, A Colonial Settler State? (Monard Press, New York, 1976).
- 6) "Falastin", August, 29, 1930 in CO 733/192/2.
- 7) Survey of Palestine, 1945-46, Chapter IX p. 376.
- 8) "Simpson's Report", in op cit, p. 75.
- 9) Mikvey Yisrael was established in the late 19th century by the Jewish Colonial Trust. For an indepth analysis of late 19th century Zionist colonial enterprise in Palestine, see Tuma, E. Dirasat fi al-Suhyouniah al-mua'asirah [Studies in Modern Zionism] (Acre, 1982).
- 10) "Simpson's Report", op.cit, p. 80.
- 11) For more on the role of the Technion in developing agriculture, see abu-Rjeyli, al-ziraa'a al-yahoudieh fi falastin al-muhtalla [Jewish Agriculture in Occupied Palestine], (Palestine Reseach Centre;

Beirut, 1970), pp. 58-64.

12) Article 3, of the 1928 "Exemption from Taxation Ordinance" stipulates: "No tithe shall be payable on the produce of any land utilized for the purpose of agricultural instruction or research and certified as such annually by the competent authority". see CO 733/139/9.

Moreover, the "Rural Property Tax 1933" exempted from taxes all newly established buildings for industry, all experimental and developmental land and all land with newly planted fruit trees. see CO 733/267/1J.

13) "Simpson's Report", p. 80.

14) Ibid., p. 76.

15) See a despatch from the Secretary of State for the Colonies to the High Commissioner, dated March 1933 in CO 733/229/10. Also in CO 733/229/10 file no. 576.

16) In his *Zionism and Territory*, Kimmerling suggests that government's land policies throughout had favoured Arabs over Jews. According to him: "...from 1921 many government land tracts were allocated to Arab and only a minority (about 20 per cent) to Jewish settlement and industry". He further adds, "until the end of the 1930s, Jewish land purchases did not harm a large stratum of Arabs, but rather represented a potential threat and created an impression that Jews had the ability to buy everything". See Kimmerling, *Zionism and Territory* (University of California, 1983), p. 36.

Kimmerling assumptions, it must be noted are baseless. In fact data suggests the contrary. By 1946, 1,807,300d. or 28 per cent of the total agricultural land in Palestine was in the hands of European

Jewish settlers. Of this, an estimated 175,088d. were directly leased to them, for long periods, by the state. About 100,000d. or 57 per cent of the "state land", in fact, did not belong to the state.

The official terminology used to describe this land was "land with titles not yet settled", meaning that the state has not yet been able to prove that the land does not belong to its owners. On this issue, one government official wrote: "all state land under titles not yet settled contain large areas which at land settlement may be found not to belong to Government".

In contrast, however, during the same period the fallaheen received 17,591d. only, under long term lease. Government land policies at the time were, in fact criticised by its own officials who in 1945 stated: "The Jews have a substantial advantage over the free disposal of Government land. see Survey of Palestine, 1945-46, Chapt. VII, pp. 267-68; Chapt. IX, p. 372.

17) See a despatch by Luke, Officer Administering the government, to M.P. Amery, September 29, 1929 in CO 733/160/14.

18) "Government Role in advancing agriculture in Palestine", in CO 733/264/17. In another despatch by Luke, an Officer Administering the Government, it was written that 'the Jewish villagers' administered by the Zionist Organization prefer to take the loan in cash and make their own arrangement..". See "despatch..", dated 26/9/28 in CO 733/160/14.

19) Survey of Palestine, 1945-46, Chapt. IX, Table 6 p. 379.

20) Ibid., p. 378. Until late 1940, dairy farming made up two thirds of all agricultural production excluding citrus. See abu-Rjeyli, al-ziraa' al-yahoudieh.., op. cit, p. 137.

21) Commenting on the phenomenon of the displacement or take over of

small-scale by large-scale production, Lenin states:

[T]he fundamental and principal trend of capitalism in the displacement of small-scale by large-scale production, both in industry and in agriculture. But this displacement should not be interpreted merely as immediate expropriation. Displacement also implies the ruin of the small farmers and a worsening condition on their farms, a process that may go on for years and decades. This deterioration assumes a variety of forms, such as the small farmer's overwork or malnutrition, his heavy debt, worse feed and poorer care of livestock in general, poorer husbandry-cultivation, fertilization and the like- as well as technical stagnation on the farm, etc.

Lenin, *Collected Works*, (Progress Publishers, 1977) Vo. 22 p. 70.

22) *Survey of Palestine, 1945-46*, Chapt. IX, p. 382.

23) Etinger, Usishkin and Goldberg were the owners and directors of a Jewish colonial company called "Giolah" (meaning Savior). Etinger's share of the founding capital in this company was estimated at 100,000 Rubils. These big financiers have also invested in the Jewish Colonial Trust as well as the Anglo-Palestine Company which became the central Bank for colonization activities. See Doukhan-Landau, *The Zionist Companies for Land Purchase in Palestine*, (Jerusalem, 1979), pp. 197-200.

Usishkin, it must also be added was the Head of the Keren Kayemet. See Rayman, *The Kibbutz Community and Nation Building* (Princeton University Press, 1981) p. 33.

24) *Survey of Palestine, 1945-46*, p. 373.

25) In his 1987 edition of *The Tyranny of Work*, Rinehart changed his position on the Kibbutz. The Kibbutz as an example of 'workers control of the means of production' was dropped from his section on "Solutions to alienated Labour'. See Rinehart, *The Tyranny of Work* (Harcourt Brace Jovanovich, Canada, 1987). new edition.

26) "Simpson's Report", in op cit, p. 53.

27) Ibid.,

28) See FO 731/14500/ 1930 E- 6575.

29) See a letter by the High Commissioner, Chancellor, to the Colonial Officer, Shuckburgh, in CO 733/182/2, File, no. 700/30.

Imprisonment and heavy fines used to punish Jewish farmers for leasing land to Arabs has become a systematic policy for the Jewish state. Israel's plan for the Judaization of the whole of Palestine was unveiled in 1976 after the Day of the Land. The leaking out of what was considered top secret document in the Israeli Cabinet, the "Koenig Memorandum" reveals the most blatant racist policy of the Israeli state. see "The Koenig report: Demographic Racism in Israel" in Merip Reports: Middle East Research and Information Project, 1979.No. 51. A complete English version can be found in Foreign Broadcast Information service, September, 14, 1976.

30) Computed from Survey of Palestine, 1945-46, Chapt. IX, pp. 372-73.

31) Ibid., p. 373.

32) Cited in "Simpson's Report", pp. 43-44. The Keren Kayemet policy of land purchase and lease was deemed objectionable by various Zionist leaders. In a decypher by one Zionist leader, Harvey, dated, September, 12, 1930 a similar concern was voiced:

Area cultivable proves to be 4 million dunams less than was expected. Conditions on which Jewish National Fund purchases and leases land are...[blank]..and more land should not be allowed to pass to that Fund until conditions radically altered. Jews possess large reserves of land not yet settled sufficient to enable settlement to continue for a number of years.

see FO 371/ E 4546.

33) See Abdel-Wahab Kayyali, "al-Kibbutz" aw al-mazari' -l-jamai'yah fi israeel [The "Kibbutz" or the collective farms in Israel], (Palestine Research Centre, Beirut: 1966) pp. 121-130.

34) See a letter by the High Commissioner, Chancellor, to the Colonial Officer, Shuckburgh, File no. 700/30 in CO 733/182/2.

35) Calculated from Kayyali, al-Kibbutz... in op.cit, pp. 121-130.

36) On the White Paper of 1937 and the consequent changes in some of the government policies, see K. Stein, The Land Question of Palestine, op cit., pp. 59-71.

37) See, Kalkas, B. "A Chronicle of Events", in Abu-Lughud, E. (ed.) The Transformation of Palestine, (Evanston, 1971) pp. 237-270. See also my unpublished manuscript, "Colonialism and National Liberation Movements: The Palestinian Struggle, 1920-40".

38) in FO 371/20820/E 6749.

39) By 1959, 20 per cent of the total income in all the Kibbutzim came from industry, see Kayyali, " al-Kibbutz"... op.cit., p. 56.

40) Differentiating between the Jewish settlers who immigrated to Palestine out of religious and cultural convictions, that is those "who had come.. to keep their ancient laws, the Torah", and the 20th century Zionist settlement, Tabenkin noted:

They [early settlers] studied law from scrolls and letters, we rewrite ours on the landscape, on the hills and the valleys, releasing the ancient land from its arid desolation.

Tabenkin, The Kibbutz: a Non-Utopian Commune (Yad Tabenkin, Israel, 1985) p. 91. See also, Flapan, The Birth of Israel: Myths and Realities (Pantheon Books, New York, 1987).

41) CO 733/182/2, File, no. 700/30.

42) For more on settlers' attacks on the Arab villagers of Zubeidat, see, FO 371/18957, E 1311. Also, "Periodical Appreciation Summary" 13/35 in FO 371/18957/ C.I.D.

43) The "Haganah" was not a secret military force, nor the representative of an anti imperialist settler community, as some authors claim (Emmanuel, 1972). In fact, many members of the "Haganah" have received their initial training as British army and police service men. Moreover, various "court cases" gathered from the British Archives strongly suggest that the government was aware of many cases of arms smuggling conducted by the "Haganah". Equally important is the revelation made by various reports to the effect that the government itself was active in militarizing the "Haganah" by placing arms in various settlements. See a C.I.D. report, dated, Dec. 1934, in FO 371/18975/ E 1325.

During the Palestinian revolution of 1936-39, the Haganah played an important role together with the British army and police in suppressing the anti-imperialist indigenous revolution.

Only in the latter part of the 1930s and early 1940s, when it began to see itself as "the foundation for an effective defense ...for a sovereign people...and moved toward the institutionalization of a shadow nation-state" that this force began to assume certain degrees of independence from the British colonial power.(Rayman, 1981: 37-38)

During this period the "Haganah" began to direct its attacks against both the indigenous Palestinians and the British government. It defied British policies stated in its "White Paper" of 1937, partly by bringing illegal immigrants to Palestine and partly by "stocking" illegal settlement (Criden and Glebb,1974:233; Tabenkin,1985:62).

Despite all this, however, it must be pointed out that during the

late 1930s and early 1940s, the relationship between the British colonial government and the Zionist leadership in Palestine began to take a new course, and develop real conflicts, the understanding of which requires further research.

44) This argument was bluntly put by Harry Viteles, General Manager, Central Bank of Co-operative Institutions in Palestine when he wrote:

The great aptitude of the Jewish mind for economic organization, backed by a democratically moulded racial spirit and organized financial support, naturally and without political intent threatens the agricultural existence of this section of a great race whose social traditions are an obstruction on the road to economic independence which co-operation offers.

See, Harry Viteles, "Community Farming in Palestine", in **Year Book of Agricultural Co-operation in the British Empire**. (P.S. King and Son, London, 1936) p. 314

Chapter Six

The Subjugation of Labour to Capital

In spite of all the forces which hindered the full integration of the Palestinian working class into the European Jewish capitalist economy, this chapter will demonstrate that the exploitation of this class was the most crucial factor in the reproduction and further expansion of the capitalist mode of production.

Indigenous Palestinian workers were absorbed and exploited by both the state and European Jewish capitalist sectors of the economy. This exploitation took place at various levels. These workers were exploited as a class, on racial (or national grounds) and, in the case of women, on the basis of sex.

A special role in the exploitation process was played by the General Federation of Jewish Labour, the Histadrut. The Histadrut's exclusivist policy of Jewish labour which was aimed at excluding the indigenous Palestinian workers from the European capitalist economy did not prevent their exploitation as various writers claim (Flapan, 1979; Kimmerling, 1983). On the contrary, these policies enhanced further the subordination of the indigenous workers to the dominant European Jewish economy.

The Palestinian working class, it will further be demonstrated, was not marginal or passive. The forces of oppression which accompanied the capitalist development in Palestine triggered massive political resistance among the workers.

In the literature to date, there are two major theoretical frameworks applied to the study of labour. The first maintains a separation between the Jewish capitalist and the indigenous pre-

capitalist economies, arguing that the two sectors developed independently. The second approach posits a direct relationship between both economies.

Adherents of the first approach argue that the Jewish capitalist economy established itself in total isolation from the indigenous traditional peasant economy (Ohana,1979:1981; Eisenstadt,1974: 1985; Ben Porat,1986). For these authors there is no question of the Jewish capitalist sector having exploited the indigenous peasants. If anything, they argue, the Jewish capitalist economy benefitted indigenous Palestinians by opening up employment opportunities and by exchanging Jewish capital for indigenous Arab land. (1) Even "liberal" authors such as Kimmerling believed that this was indeed the case. He comments:"Indeed, the Arab social and economic structure did benefit considerably from Jewish presence" (Kimmerling, 1983:69).

The so-called independent Jewish entity in Palestine is explained by one prominent Israeli scholar as a product of what he calls "the absorbing society" (Eisenstadt, 1958). Early Jewish settlers, Eisenstadt writes, created an independent Jewish entity because of their strong will. These settlers were equipped with Zionist (socialist) ideals,most notably the ideal of Jewish self reliance, and were therefore able to prepare the settlement for future Jewish immigrants (Eisenstadt,1958:387).

This account, as various Israeli critical writers have pointed out, was and continues to be the most common Zionist or Israeli official belief. In their *The Rich Families*, Frenkel and Bichler provide a more comprehensive account of the perpetuation of the "myth about the Israeli society". Their account of this romanticized version of Jewish

settlement is as follows:

A group of pioneers, strongly committed to the Zionist ideal arrived first to Palestine in late 19th century..They found the country wild and unpopulated...They started from scratch to work the land and prepare it for successive pioneers....More pioneers followed and all began to dry swamps, revive their culture..(Frenkel and Bichler,1984:14)

The view of Palestine as a barren land, was reiterated recently by another Israeli writer. In his 1987 "The formation of Working Class in Palestine", Ben-Porat suggests that the "Jewish pioneers", which were composed of the class of independent farmers and workers, built everything from scratch. 'They imported their socialist ideologies and organizational skills from Europe and created their own conditions of labour, their own modes of production and their autonomy' (Ben-Porat,1986:pp.446-456). Only once in this article does Ben-Porat mention the indigenous population.

This framework, moreover, places particular emphasis on the policy of "Jewish Labour". It is argued that the introduction of this policy ensured the process of separation and contributed further to the autonomous status of the Jewish economy. Jewish settlers, it is maintained, did not want to be seen as colonizers exploiting other nations. They therefore introduced the policy of "Jewish Labour" which forced them to rely on their own national labour power (Sussman,1974:68-70; Kimmerling,1983:51).

The contention that Palestine's economy was composed of two separate sectors has been strongly criticised. Non-Marxist and Neo-marxist scholars alike reject the notion that the capitalist economy developed independently from the indigenous peasant economy (Zureik,1979; Sussman, 1974; Flapan, 1979; Carmi and Rosenfeld, 1980).

While many authors accept the presence of a direct relationship between the two economies, they do not all agree on the exact nature of this relationship.

Some authors maintain that interdependence and interchangeability characterised the relationship between the two sectors. Jewish capital, it is claimed, was exchanged for Arab land, produce and labour power (Flapan, 1979; Kimmerling, 1983). Authors in this perspective reject the notion that the relationship between the Jewish capitalist economy and the indigenous non-capitalist was one of exploitation. An example is Flapan's dismissal of the argument that Jewish capital in Palestine was colonial or exploitative in nature. 'Unlike colonialism in Algiers and other parts of the Middle East', Flapan argues, 'the Jewish presence in Palestine had improved the standard of living of the indigenous Palestinians' (Flapan, 1979: pp. 68-69).

Neo-Marxists, on the other hand, assert that the relationship between the two economies was one of exploitation. Yet the full proletarianization of the fallaheen, it is argued, was never realized during British colonialism. The Arab labour force which was created in the process was primarily a migrant force. This force only left the village temporarily when wage employment outside was available. These proletarians were able to maintain their status as peasant proletarian throughout by drawing their major income from the village and supplementing it by selling their labour power outside. It is therefore claimed that they were only partially exploited by capital (Carmi and Rosenfeld, 1980; Zureik, 1979).

Emphasis in this approach is placed on the relationship between the village and the employer. It is argued that the internal structure

of the Arab village is the reason for the indigenous economy's failure to develop capitalistically. Due to overpopulation, the land inheritance system and the lack of investment in the village, Arab villages, it is maintained, were inherently underdeveloped and the villagers always underemployed. This state, it is further argued, places the employer at an advantage. Since there was always abundant labor at his disposal he could exploit the peasant proletariat as he pleased without fear of running out of potential replacements. Hence, Carmi and Rosenfeld contend that the employer could get away with paying "a replacement or alternative cost only", rather than the worker's cost of production (Carmi and Rosenfeld, 1980:190-92).

While this neo-Marxist position provides a more adequate description of the relationship between capital and labour than the other, non-marxist approaches described above, it nonetheless also contains some major problems. It makes use of the articulation of modes of production thesis which has been extensively employed in the study of the South African and Rhodesian economies (Arrighi, 1973; Burawoy, 1976; Wolpe, 1980) and shares some conceptual problems associated with these studies.

At the theoretical level, this approach has been criticised as functionalist and a-historic, for it fails to explain the origin of various key phenomena, such as the origin of the class of migrant labour and the relationship between this class and colonial capitalism. In this framework the class of semi-peasant semi-proletariat is assumed to be static in nature and that it exists because it is functional to capitalism. Associated with this is also the assumption that the pre-capitalist economy is static and incapable of generating changes from within. This is emphatically demonstrated

in the notions "village overpopulation" and "underdevelopment" used to describe the pre-capitalist economy (Arrighi,1973, Carmi and Rosenfeld,1980).

Another major criticism launched against the articulation of modes of production thesis is its failure to explain why capitalism necessarily needs this unstable labour force (Burawoy,1976). In his *The Development of Capitalism in Russia*, Lenin pointed out that the great advantages provided by this semi-proletarian class to the agricultural and industrial capitalist are only temporary. In the long run, Lenin states, capital prefers the stable and totally free proletariat over this class (Lenin,1977).

The application of the articulation of modes of production framework to the Palestinian economy is particularly problematic because of the historical specificity of Zionist colonization. As pointed out in earlier chapters, the expropriation of the Palestinian peasants from their land and, in some cases, their eviction from their villages was a condition of the transfer of the land to the Zionists. The emergence of a class of totally free proletarians was a necessary feature of the expropriation process.

In order to understand why the indigenous Palestinian labour power was cheap one must go beyond the mere economics of the village/employer relationship. Economic considerations were not the only factor in the exploitation of indigenous Palestinian workers. The colonial state and the Zionist authorities played a crucial role in the exploitation process.

Finally, characteristic of these frameworks is their failure to identify the political character of the migrant class. By avoiding

this question authors imply that the migrant labour force created and reproduced by colonial capitalism is necessarily passive and docile. Burawoy, for instance, states that by employing migrant workers the capitalist can avoid potential economic losses, due to strikes and other work disturbances usually associated with unionized labour bodies (Burawoy, 1974). This position, it will be argued, is inaccurate since it exaggerates the extent to which repression can effectively work, while at the same time, underestimates the real power of the labour force in challenging repression.

The recent history of the labour movement in South Africa is proof of the inadequacy of this approach. Despite the imposition of a state of emergency there, the labour movement in South Africa proved to be both economically and politically powerful. In 1987 alone South African industry lost about 9 million work-hours because of labour unrest. Moreover, the political power of the Black working class has become a real threat to white rule. For example, in June, 1988, 2 million to 3 million workers were able to defy the two year old state of emergency imposed on them by staging a nation-wide strike demanding radical economic and political changes. (2)

As this chapter will demonstrate, the same phenomenon occurred in Palestine. Strong resistance by the indigenous Palestinian peasants and working class was widespread throughout the colonial period. The machinery of repression employed against the indigenous Palestinians has been successful in facilitating the reproduction and expansion of capitalism. However, this same machinery failed to suppress the political will for resistance among the working population.

The Formation of the Indigenous Palestinian Working Class

The incipient formation of the Palestinian proletariat began in the late 19th century with the development of capitalism in agriculture. In 1890 there were about 400 Arab families living and working in the settlement of Rishon Lezion which was also populated by 40 Jewish families. In 1911 about 1,000 temporary Arab workers were employed in the settlement of Petah Tekva which had 600 Jewish residents (Kimmerling, 1983:44). Yet, it was only during British colonialism that the actual formation of a large force of indigenous Palestinian working class took place. Partly due to heavy taxation and the forceful expropriation of the peasants and partly due to the Zionist land policy which resulted in the "extra-territorialization" of the land (3), many peasants were driven out of their land and became totally dependent on wage labour.

The indigenous Palestinian proletariat were not excluded from the capitalist economy. Rather, due to the increasing demand for labour, a large section of this proletariat was absorbed by both the state and the European Jewish capitalist sectors. Johnson-Crosbie's findings quoted earlier estimated the landless, who were totally dependent on wage labour for their subsistence, at about 29 per cent of the total rural population. They also found that among the 47 per cent of the peasants classified as land owners, a large part had to supplement its income through wage labour. (4)

Although, officially, the Zionist authorities in Palestine refused to accept Johnson-Crosbie's findings for ideological reasons, some Israeli writers, notably, Sussman, found these figures to be largely accurate. Sussman believed that during the 1920s over 20 per cent of

the indigenous Palestinian population were totally dependent on wage labour as the only source of income. He estimated the Arab families dependent on wage labour in the late 1920 at 21 thousand compared to 7 thousand Jewish workers (Sussman, 1974:36-37).

Johnson-Crosbi's investigation, however, was only concerned with the rural proletariat, the landless agricultural wage labourers. These figures did not include the urban proletariat which were composed of the industrial labourers in construction, in the harbour and other non-agricultural occupations. According to a 1931 survey, industrial wage labourers were estimated at 5,318 Arab families compared to 5,611 Jewish families. An earlier survey conducted in 1928 put the total number of wage labourers at 13,000 wage workers, of which 7,000 were believed to be Jews and the rest Arabs (Sussman, 1974:37).

Contrary to the belief that most Palestinian workers were agricultural migrant labourers, a survey conducted by Arab labour organizations in 1930 concluded that non-agricultural wage labourers were the main component of this labour force. The First Arab Labour Congress held in 1930 estimated the total Palestinian labour force at 70,000, of which, 50,000 Arabs and 20,000 Jews. The Arab labour force was distributed as follows: 15,000 or 30 per cent employed in agriculture; 15,000 or 30 per cent in construction and other public works; 7,000 or 14 per cent worked in manufacturing, such as tobacco, soap..etc.,; 3,000 in railways; 2,000 in the harbour and 8,000 worked as drivers, carriers, etc.,. (5) Furthermore, with the development of the competitive market various sectors within the rural population became proletarianized.

Besides the direct agricultural producers proper, small family-based industries which could not compete in the developing market were

shut down and their labourers, and in many cases owners, were forced to sell their labour power in the urban centres. A 1936 report showed that out of 12 soap factories which were operating in the city of Jaffa in 1930 only four factories remained in operation by 1936. The same report revealed that the overall value of exported soap between 1931 and 1935 dropped by about 260 per cent. (6) Other non agrarian industries were also affected in the process, for example, the sea-shell industry which in 1925 exported goods valued at P.L. 70,000. In 1930 this industry exported goods to the value of P.L. 11,532, a decline of about 650 per cent from 1925. By 1935, the value of exported sea-shells products had plummeted to only P.L. 3,778. (7)

As the Palestinian rural economy became ruined, it could not absorb the large force of redundant workers created by the process. Labourers were forced to look for work in the more developed sectors of the economy, such as private agriculture, industry or construction. Many could not find work. But for those who did, conditions under which they had to work, as the following analysis will show, were appalling.

Working Conditions within the Arab Labour Force

The thousands of indigenous labourers working in agriculture were placed in extremely exploitative conditions. Employed on a daily basis, they were relegated to the most menial and unskilled jobs. They were recruited largely by the citrus groves as pickers, packers, tree planters, or as general agricultural workers. They worked for an average of 10-12 hours per day, while a working day of as long as 16 hours was not infrequent among many agricultural workers. (8)

A survey conducted by the Jewish Farmers Association revealed that

between 1931-33, the daily wage paid to an Arab agricultural laborer was 80-120 mils for an average of 10 hours a day, compared to 175-200 mils received by a Jewish laborer doing the same job for 8 hours only. (9)

In the Jewish private settlements, Arab workers were given the lowest paid jobs while the more skilled, better paying jobs were reserved for the Jewish workers. An examination of the wages of Jewish and Arab workers in 1929 reveals the following: Out of all Jewish workers employed in the private settlements, the majority or 61.7 per cent were paid 200-299 mils per day; 18.4 per cent received 150-199 mils a day; 15.4 per cent received 300-499 mils per day; 2.6 per cent received 450 mils and over, and only 2.2 per cent of the Jewish agricultural force received the daily wages of 0-149 mils. (10) In contrast, for the same year the highest daily wage paid for an Arab agricultural worker was 250-300 mils per day. This was paid to tractor mechanics, a job held by very few Arabs. (11)

Arab workers in almost all occupations were paid much less than Jewish workers. Wage differentials were a systematic phenomenon throughout the economy during British period. The following tables show the differences in wages received by Arab and Jewish laborers between 1931 and 1938.

Table,1: Average Daily Wages (in mils) Paid in Selected Industries for Arab and Jewish Labourers*

Occupation	1931	1934	1935	1936	1937	1938
Unskilled Labour: (Arab)						
Building Workers	125	125	140	140	137	125
(Jewish)	275	350	375	350	350	350
Cigarette Packers						
(Arab Men)	105	85	85	65	85	85
(Jewish Men)	--	--	--	--	--	--
Cigarette Packers						
(Arab Women)	70	85	85	115	115	---
(Jewish Women)	125	210	175	210	210	213
Workers in Oil						
Mills (Arab)	150	200	200	200	200	250
(Jewish)	350	385	400	400	415	390
Tile Makers (Arab)						
(Jewish)	200	250	325	300	275	250
(Jewish)	300	400	400	375	350	300
Semi-Skilled Labour: Metal						
Workers (Arab)	175	200	175	175	175	175
(Jewish)	250	325	325	300	300	300
Skilled Labour"						
Masons (Arab)	500	575	550	550	425	350
(Jewish)	550	675	650	625	625	600
Plasterers (Arab)						
(Jewish)	325	375	375	320	325	325
(Jewish)	450	700	625	625	575	500
Cabinet Makers						
(Jewish)	300	300	300	300	275	300
(Jewish)	425	600	550	525	450	375
Stone Dressers						
(Jewish)	275	350	300	275	275	225
(Jewish)	350	650	575	550	550	500

Source: Calculated from **Statistical Abstract of Palestine, 1939, Table,107, p.97.**

* Average daily working hours, for an Arab worker is 8 to 10, while for a Jewish worker fixed at 8 hour.

In all occupations with both Jewish and Arab labourers, the Arab wage was at least half of that received by the Jewish worker. In "unskilled" construction labour where the majority of Arab workers were concentrated, the average daily wage received by an Arab worker throughout 1931-38 was 156 mils, compared to 294 mils or over 188 per cent more received by the Jewish labourer. (Table 1) Considering the fact that the Arab labourer spent an average of 2 extra hours on the job, the rate of wage discrimination and consequently of the Arab labourer's exploitation was even higher.

A striking phenomenon in this table was the rate of discrimination in some low paying jobs such as cigarette packing. Due to the low wages paid in this industry Jewish male workers shunned this occupation. This industry, therefore, predominantly employed indigenous Arab male and female workers who out of sheer economic necessity were forced to consider any job offer. A 1936 report on the largest tobacco factory in Nazareth which had about 400 workers revealed that most workers were composed of "Arab children, women and elder men". (12) According to the Report, workers in this factory spent, in average, 13 hours per day, receiving an average of 50-70 mils a day. This is consistent with the average rates of wages tobacco women workers received between the years 1931-1933. Statistics for these three years reveal that the daily wage of an Arab woman in tobacco leaf sorting averaged 70 mils for 10 working hours per day, compared to 130 mils paid for a Jewish woman doing the same job and working for 8 hours a day. (13) Arab women workers were exploited

not only on the basis of their class, they were also discriminated against on gender and national or racial grounds as well. (14)

In fact as Table 1 shows, racial discrimination in the labour force was even higher than sexual discrimination. While Jewish women working in this industry received an average daily wage of about 182 mils, Arab men in the same job were paid an average of 95.5 mils or about half of the Jewish female wage, and 99 mils for Arab women.

The destruction of the indigenous rural economy during the first decade of British rule compounded with the 1929 World economic recession had its influence not only on the fallaheen but on other workers as well. With unemployment at its peak during this period, labourers were willing to accept any wage if only they could find work.

Speaking of a relatively prosperous section of the Arab working class in late 1920s, Simpson wrote:

These men..had enjoyed a certain measure of ease and prosperity in the past, but [their] conditions had deteriorated during recent years. There were master-masons who used to employ a number of subordinates, yet now are only not in a position to employ any assistants, but are themselves destitute, owing to the inability to find work.(15)

Equally affected by the changes were existing wages for various sections of the working classes. The drop in wages among skilled workers was staggering during this period. For example, the wage rates for skilled artisans, carpenters and stone-dressers fell by 50 per cent in 1930. (16) A similar situation emerged among workers in the indigenous industries who had previously enjoyed relative prosperity. A survey published in 1937 revealed that while a laborer in a sea-shell factory used to receive 250-600 mils per day between 1919-1925,

in 1934-35 his wage dropped to 80-130 mils, or by 300-500 per cent. This was also true for laborers in the soap industry where wages dropped from 250-500 mils per day in 1930 to no more than 120 mils for day and night shifts in 1935-36. It is important to mention here that wages here do not take into account the high inflation rate which was also characteristic of the Palestinian economy during this period.

(17) In fact, most affected by Palestine's economic conditions during this period was precisely the class of urban proletarians traditionally ignored by most authors. As the further discussion reveals, the numerous members of this class experienced living conditions which proved to be harsher than those faced by the rural proletarians. The thousands of wage labourers who flooded to the cities were, like their rural counterparts, relegated to the most menial, unskilled, low paying jobs. In economic terms, the only difference between the urban and rural proletarians was that in times of unemployment or underemployment -which were not infrequent in Palestine- the urban proletariat could not turn to the land, the house or the village for social or economic support.

To appreciate the living conditions under which the indigenous Palestinian urban proletariat existed, the results of a survey of 1000 working class families in Jaffa will be analysed. This survey was conducted by the Arab Workers' Society and presented in 1937 to the Royal Commission. Otherwise known as the Peel Commission, this commission was sent to Palestine in late 1936 to "investigate the reasons of the Palestinian revolt".

The major finding of this survey was that the overwhelming majority of the workers were paid extremely low wages. These wages were low in absolute terms, that is in relation to the costs of living in Jaffa.

They were also low compared to wages received by Jewish workers performing similar jobs.

According to the survey: 570 workers or 57 per cent of all male bread-winners were earning less than 2750 mils per month; 245 or 24.5 per cent less than 4250 mils; 120 or 12 per cent less than 6000 mils; 45 less than 10,000; 15 less than 12,000 and 5 workers only earned less than 15,000 mils per month. -The five workers with the highest income bracket were described as exceptionally high skilled workers who had been in their jobs for 20 years or over-.

Living costs in the town of Jaffa were very high. According to government estimates the cost of consumer goods for an average family for 1936 was 5,059 mils a month. If rent, clothing and other necessary expenses (i.e., transportation, medical care..etc.) were to be included, the family expenditures per month would rise to a total of 11,500 mils, an average cost far below the reach of the majority of workers. Rent, in particular was excessively high. The majority of workers were unable to afford a decent home. They lived under zinc or wooden roofed shelters, on which they also had to pay high rent, estimated at P.L.3-5 per year. Even the more prosperous amongst them, the survey added, had to rent stone shacks in the outskirts of Jaffa for P.L.5-10 a year.

In most families, the survey further revealed, one bread-winner was insufficient. Women and children were also forced to sell their labour power to supplement the family income. Women and children were employed in the private service sector as house servants. Highly exploited in these jobs, the women were reportedly paid 1000-2000 mils a month while the children earned 250-1000 mils per month.

Nevertheless, the additional income brought to the household by other family members could not alleviate the bad living conditions of the majority of the workers. The overwhelming majority of the workers, estimated at 95 per cent were indebted either to the employer or to other shop-keepers.

In conclusion, the survey added ,98 per cent of all the workers had a standard of living far below the subsistence level. Of the workers surveyed 93 per cent were illiterate and 14 per cent could barely manage to sign their names.(18)

The survey which focused on Arab workers' living conditions did not provide data on Jewish wages for the same year (1936) nor did it specify the nature of jobs occupied. Yet, based on data presented earlier (Table 1) it is possible to obtain a sense of the wage differentials between the indigenous Palestinian and Jewish working classes. According to Table 1, an average Jewish worker (occupying jobs ranging from the least paid unskilled to the highest paid skilled ones) in 1936 received an average wage of labour 452 mils per day. Providing that the worker was successfully employed for the whole month, say 25 days, the monthly income for a Jewish laborer would be 11,300 mils. Compared to figures provided in the survey, this average was close to the income bracket of 12,000 mils which represented the income of 15 workers only or 1.5 per cent of the labor force surveyed.

Even when compared to the lowest wages paid to the male Jewish worker (unskilled laborer, Table 1) whose monthly wages were estimated at 7,500 mils, one finds that over 69 per cent of the Arab workers surveyed received far less than the least paid Jewish worker during the same year.

Jaffa, which was Palestine's main commercial and financial centre

was the labour centre for a very large number of Palestinian workers. And for most of these workers, living conditions were appalling. the following testimony by a Palestinian union leader describes the situation:

Thousands of unskilled workers in Jaffa cannot afford a house to sleep in- they sleep in tin huts or in the open. the rent of a decent room in Jaffa amounts to about two thirds of the wages of an unskilled worker. The fallah in his own village is spared this expense, he does not have to sleep in the open and he does not pay rent. For 18 years past, hardly a single house has been built for the laborers or the poor; the municipality does not build them and no one feels that it pays to build for them commercially...I am not exaggerating if I say that in some seasons in Jaffa, when the oranges are being loaded, some 10-15 thousand people live in the city and its suburbs without a single proper latrine. That may pass unnoticed in a village, but in a city it becomes sickening. Thousands live in tin huts without the most elementary accomodation and without any water supply except that they can carry in small jars from a far distance. I observed that in many of the hut-colonies, they hardly use more than a cubic meter of water a month. (19)

Low wages and poor working and living conditions were worsened by the widespread unemployment which characterised the Palestinian economy during that period.

Unemployment under British Colonialism

The phenomenon of unemployment has been a controversial issue for many Israeli official writers. Most believe that Palestine's economy in general, and the Jewish one in particular, experienced very little, if any, unemployment during British colonialism (Ohana,1981; Kimmerling,1983; Flapan,1979). It is argued that, due to the influx of Jewish capital, Palestine's economy flourished. Sussman, for instance, admits that there was unemployment among both Arabs and Jews during

the 1920's but claims that unemployment in the 1930s and 1940s, particularly among the Jewish working class, was non-existent (Sussman, 1974:36).

Despite the absence of 'official machinery for the registration of unemployed workers or for the collection of statistics of unemployment' (Survey of Palestine, 1945-46 p.733), the following analysis will demonstrated that the (Zionist) official position on Jewish unemployment was motivated by ideological and political factors and is not supported by the available data. Unemployment was not only endemic amongst the Arabs but was also widespread amongst Jewish workers.

To begin with, unemployment among the indigenous Palestinian workers was staggering. In 1930, the Supreme Moslem Council estimated the number of unemployed Arabs at 30-35 thousand workers. That is, of an Arab labor force which during this period numbered 50 thousand, over 60 per cent were unemployed. (20)

In his survey of Palestine in 1930, Simpson collected data from various sources showing the magnitude of unemployment among Arab workers. According to this survey, in Haifa alone in 1930, there were 2,050 unemployed Arabs and 4,000 in and around Jaffa. In the town of Ramleh, 120 applicants were received for one post of scavenger overseer. (21)

The seriousness of unemployment during this period was acknowledged by all District Officers. For example, when asked whether labor supply in Palestine was sufficient to a big project the government intended to build, the Director of the Public Works Department said:

There is no difficulty whatever in obtaining all

the labor required for this Department..Even if Jewish immigration were to cease altogether, there would be no difficulty in obtaining the personnel necessary to complete these undertakings. (22)

Unemployment among Arabs working in the Jewish private settlements was also widespread, estimated in 1930 at 52.9 per cent (Sussman, 1974:38).

Increasing proletarianization and peasant migration to the towns; the influx of Jewish settlers to Palestine; employment restrictions on indigenous Palestinian workers; and deteriorating economic conditions largely affected by the 1929 World Depression, the following will further prove, were all instrumental in accelerating unemployment during the 1930s.

Unemployment among the indigenous Palestinians during the 1930s was very serious particularly among urban proletarians. In Jaffa alone in late 1935, unemployed workers were estimated at 2,270, reaching 4,000 in early 1936. High figures were also recorded for Haifa and Qalqilia; 4,500 and 1,300 respectively. Altogether unemployment within the urban Arab labor force, particularly among construction and industry workers, was put at 25,000, with some cities such as Nazareth, Ramallah and Beit Lahem reaching a rate of 75 per cent. (23)

Unemployment within the indigenous agricultural sector was also high during the 1930s, reaching 66.3 per cent in 1936 (Sussman, 1974:38).

Authors who claim that unemployment did not affect the Jewish population often support their claim by pointing to the influx of Jewish capital to Palestine, particularly after 1930. What these authors, however, ignore is the fact that it was not only capital which was entering Palestine. Alongside the capitalist settlers, there

was also a very large number of workers who immigrated to Palestine seeking employment. The pattern of Jewish immigration in the 1930s, as the following two tables show, was fundamentally different than that which had occurred during the 1920s. The influx of Jewish capital during the 1930s could not alleviate the existing economic problems.

Table 2: Jewish Immigration Between 1932-38

Category	Number	% of total immigrants	% of total immigrants in (1-5)
1. persons with P.L.1000 and upwards	21,408	11.1	
2. persons with no less than P.L. 500	103	0.05	
3. persons with no less than P.L. 250	1,061	0.55	
4. persons with minimum monthly income of P.L. 4	572	0.3	23.7
5. Dependents on (1-3)	22,680	11.7	
6. Workers	50,384	26.0	
7. Dependents on workers	40,894	21.1	
8. Dependent on Palestinian residents and others	56,112	29.0	
Total	193,415	100	100

Source: Statistical Abstract of Palestine, 1937-38, Table 31, p. 38; Statistical Abstract of Palestine, 1939, p. 32

Table 3: Immigration Classification During the 1920s. (24)

Year	Total Immigrants	Money Owners	Students	Workers	Dependents
1922	7844	1365	-----	3310	3169
1923	7421	1002	-----	4371	2048
1924	12856	5319	-----	5343	2194
1925	33801	11923	-----	1616	5717
1926	13081	1676	105	9102	2198
1927	2713	414	45	1311	943
1928	2178	792	53	708	625
1929	5249	739	71	3585	854
1930	4944	479	64	3436	965
Total:	90087	23709	338	32782	18713

Source: Gertz, (ed.) *Statistical Handbook of Jewish Palestine*, Jerusalem, 1947, p. 103 in Elias Saed, 1969:pp.41-42

As demonstrated in Tables 2 and 3, the number of Jewish immigrants who entered Palestine during the 1930s had by far exceeded that during the 1920s. Moreover, further pressure on the economy was also exerted by the imbalanced distribution of settlers over the years. For example, from a yearly average of 4,555 Jewish immigrants entering Palestine between 1930-31, the number of immigrants in 1932 rose to 9,553. In a two year period only, between 1933-35, 132 thousand legal and about 20-30 thousand illegal Jewish immigrants entered the country (Saed,E., 1969:37).

In addition to its overall small scale, immigration during the 1920s was largely a middle class phenomenon. Of these immigrants (Table 2), 26.2 per cent, defined as "money owners", were described as small business men (Saed,E. 1969:41; Gozansky, 1986:106) and 36.4 per cent as independent workers. In contrast, however, the large-scale immigration during the 1930s was characterized by two extreme classes: the capitalist class, defined as "owners of P.L.1,000 or over" comprising 11.1 per cent of the total immigrants and the workers and

their dependents making up 76.1 per cent of the total immigrants (table 3). This new type of Jewish immigration in the 1930s placed further pressure on the Palestinian economy, particularly on its state of unemployment.

Jewish unemployment was particularly visible in the agricultural settlements. At his visit to the large settlement of Petah-Tekva, the Chief Immigration Officer commented:

The presence of men and women without work could not be concealed. The representative of the local trade union admitted about 200 unemployed but assured us that this was merely a temporary matter...The local police estimated unemployment at between 300 and 350, a figure that is probably more accurate. (25)

In the five largest private settlements Sussman estimated Jewish unemployment at 32.4 per cent (Sussman, 1974:38). In 1930, official estimates put the number of Jewish unemployed at about 1,300 people.

Jewish unemployment was also serious during the 1930s. While official statistics are absent, police reports contain ample evidence on the severity of this phenomenon. In June 8th, 1935, "Davar" the Histadrut newspaper reported:

Conditions of employment during the last weeks have grown worse..Hundreds of cheap labourers [Arabs] are employed in seasonal work..and the Jewish labourer goes idle..The help from our central organizations is required in order to avoid undesired developments, especially at the present time. (26)

While one report acknowledged that: "... many Jewish labourers are undergoing severe hardships..." (27), another said:

The situation in Haifa in regard to unemployment is serious and the majority of Jewish labourers are only working 2 or 3 days each week. (28)

Underemployment, was also widespread among Jewish workers. As one document revealed, Jewish workers were content to accept half of their

normal wages if only they could find work. (29) The severity of unemployment among the Jewish labour force, furthermore, led the General Federation of Jewish Labour (Histadrut) to resort to providing cheap food services to its labouring population. The phenomenon of "Jewish labour kitchens" was widespread in most Jewish settlements. On this one report stated:

The Jewish labour Kitchens are alleviating the plight of Jewish labourers by supplying them with 3 meals (a day) at a cost of only 50 mils as compared with 100-150 mils during the earlier period. (30)

If Jewish unemployment was serious, as the preceding data show, why then was it ignored by the official literature? The decision to conceal information about unemployment was politically motivated. In fact, data reveal that the Histadrut authorities intentionally concealed information on unemployment and silenced other labour bodies who attempted to reveal it. In a secret dispatch sent by the British Central Intelligence Department (C.I.D) in January 1936 the following was reported:

The Histadrut are endeavouring to conceal the true state of affairs in connection with unemployment among Jews... Speakers at public meetings often touch upon the subject of unemployment and the Histadrut endeavours to stop the speech or persuade the speaker to change the subject... During the month of December it is understood that at least five Jewish firms were forced into bankruptcy." (31)

And, in another document:

It is reported that the Histadrut is reticent regarding the existing state of unemployment, and is concealing employment figures, despite requests to make them known by the Poale-Zion Party. (32)

Concealing unemployment data was deemed necessary by the Histadrut in order to encourage further settlement and carry on in the building

of the Jewish state. To admit publicly that unemployment was serious, and that the economy of Palestine could not afford to absorb new immigrants, would have been tantamount to committing political suicide by jeopardizing the whole project of Zionist colonization.

The Zionist leaders in Palestine knew that by telling the truth about unemployment they would provide an excuse for the colonial government to answer the demands of the Palestinians to halt immigration and further Jewish settlements. They also knew that reporting unemployment and harsh economic conditions would discourage intended immigrants from all classes, particularly when political conditions in Palestine throughout these years were tense, and indigenous violent resistance was widespread.

This policy did not go unnoticed by various Arab labour organizations. The Arab Workers' Society criticised this policy as false propaganda aimed at deceiving the international community and particularly the intended Jewish immigrants. In its report to the "Peel Commission", the Society wrote:

The claim that the Palestinian economy was flourishing during the 1930s is false. This false impression is aimed at alluring Jewish capitalists to immigrate and convincing the civilized world of the profits....Jewish immigration and the Jewish national home is making.. By masking and concealing the truth from the world.,-at the expense of both Jewish and Arab workers- the Zionists chose to side with Jewish capitalism and British colonialism.
(33)

This analysis has so far revealed two major points. It has demonstrated that in the process of capitalist development, a large force of indigenous Palestinian labourers was totally alienated from its previous means of production and was placed under the complete subjugation of capital. And secondly, that throughout the economy, all

sections of the working classes were facing extreme levels of exploitation. Unemployment was high, underemployment was widespread and the economic conditions were in general very poor.

Yet, the poorest paid among the workers, it was shown, were the indigenous Palestinians. These workers, rural and urban proletariat, semi-peasants and fully expropriated peasants alike were all placed under worse conditions than their Jewish counterparts. This finding, in fact, suggests that there is more to the exploitation of the indigenous Palestinian working class than the mere factor of the internal village structure as various authors suggest.

As the following shows, racial discrimination served as an effective means of further depreciating the value of Arab labour power. Both the colonial state and the Zionist authorities practiced racial discrimination against the indigenous Palestinian working population.

Racial Discrimination in the Labour Force

The discrimination against the indigenous Palestinian workers on national or racial grounds was systematic throughout the economy. Arab workers were faced with an open policy of racial discrimination practiced against them not only by the Zionist authorities but also by the colonial state.

The common belief that government departments of public works, notably its War and Police departments during the second World War, provided relief to the masses of indigenous workers (Kimmerling, 1983; Taqqu, 1980) is only partially true. Neither in general, nor in this particular example, was the government, to say the least, concerned with Arab employment.

In fact, the most vital economic resources in Palestine, such as the construction of the biggest electricity generating station in the country, the extraction of salt from the Dead Sea, and the setting up of a modern transportation and road system were given to Jewish concessionaries (Zureik, 1979:59).

Moreover, during the Second World War when government needed to expand its police and military projects, it gave most contracts to Jewish employers. For example, out of 61 Police buildings financed by government: 27 or 44.3 per cent were offered to Jewish contractors; 12 buildings or 19.7 per cent were constructed by direct Departmental labour; 18 or 29.5 per cent by Jewish and Arab contractors; 8 by unspecified contractors and 6 buildings or 9.8 per cent only were given to Arab contractors.(34)

In almost all government jobs, Arab workers were given the unskilled jobs while the better paying skilled jobs were given to Jewish workers. Arab workers in government enterprises received far below the average wage paid to their Jewish counterparts for the same job. (35) For example in the Department of Public Works, the wages paid for Arabs per one man-day worked throughout 1942-45 were at least half of the wages paid for the Jewish worker. For the year 1942-43, wages received by an Arab worker calculated per one man-day were estimated at 220 mils, compared to 470 mils paid for similar work performed by a Jewish labourer: 270 mils for Arabs and 558 for Jews in 1943-44; and 349 mils compared to 752 in 1944-45.

The gap between Jewish and Arab wages was even greater when employment was obtained through a contractor (an Arab or a Jew), rather than directly from the government. Wages paid by the contractor

for the same period were as follows: 270 mils to an Arab worker compared to 620 mils to the Jewish worker in 1942-43; 445 and 976 in 1943-44; and 530 compared to 1,058 mils in 1944-45 respectively. (36)

Wage differentials between Arab and Jewish workers was practiced in all departmental works. It was present in the Railway, Ports, the Department of Posts, Telegraphs and Telephones as well as in all government funded municipal corporations. (37)

In an even more blatant form of racial discrimination, the state project establishing Arab schools in the Arab quarter of Jaffa was given to Jewish contractors and Jewish labourers only. For the workers of Jaffa, many of whom were either underemployed or unemployed, this practice was seen as a serious breach of their national and political rights. Despite the fierce resistance put up by the Arab workers, which resulted in the arrest of 28 Arab workers and the injuring of others, the state's response was to keep the contracts in Jewish hands but to allow 50 per cent of the labour force to be Arabs, although even these would not be paid as well as the Jewish labourers. (38)

Despite the fact that most government revenues were appropriated from the indigenous direct producers, this money was used primarily to enhance the European Jewish economy. Large sums of public money spent on opening roads between the Jewish settlements. In contrast, Arab villagers were used as what amounted to slave labour doing construction work on roads needed by government for military purposes. The road between Ramalla-Jaffa, built by Arab indenture labour was one example of this practice. (39) This is in addition to racial abuses, kicks and beatings suffered by Arab workers in the work place. (40)

Both the colonial state and the Zionist settler capitalist class exploited the indigenous Palestinian workers on racial grounds. They

operated on the premise that, unlike the civilized and organized Jewish workers, the Arab workers would be content with a lower standard of living. These acts were justified by the colonizers' view of the colonized. British and Zionist literature contains ample references to concepts such as "peasant culture", "backward people" and "traditional mined population", all of which were used to justify these policies. (41)

For instance, in a confidential letter by the Resident Engineer at Haifa Harbour Works, to Dr. T. Drummond Shields, General Secretary of State for the Colonies, the following reasons were given as to why Arab workers were assigned to temporary and daily work with a daily wage of 150 mils compared to the 250-500 mils paid to Jewish workers: 1) No Jewish worker wants to take a daily job; 2) No Arab workers are given piece work; 3) Jewish workers deserve a higher pay for their "leading hands and skilled workmen.....The Arabs are satisfied with 9 hours of work.. and want even more...".

In conclusion the Resident Engineer wrote:

The "natural bent" of the Arab is , as you are probably aware, to work from sunrise to sunset, and I believe that in this country to work an 8 hour day would be undesirable and uneconomic.. (42)

Racial or national discriminatory policies were even more severe when employed by the Zionist authorities in Palestine and particularly by the main Jewish labour agency, the Histadrut.

The Histadrut: A Racist Colonial Enterprise

A detailed account of the Histadrut's profit oriented character and its difference from other labour unions known to the West, has been provided by the author elsewhere. (43) For the purpose of this

study, only the discriminatory policies of this agency will be analysed.

The Histadrut was not just a "labour" organization. Established by the World Zionist Organization in 1920, the Histadrut functioned as the most powerful political body in the colonization process. With blank immigration certificates supplied to it by the government, the Histadrut exercised full authority over the immigration process. It decided who could immigrate, who should be sent to the co-operative settlements and also who would not be admitted as an immigrant.

Far from being "egalitarian", "socialist" or "democratic" as various writers claim, the Histadrut, in principle and in practice was moulded by racially discriminatory policies. (44) By definition, the Histadrut excluded all non-Jewish workers from its membership. Class and racial discrimination were at the core of the Histadrut policy of immigration. Intended immigrants were prioritized according to a set of categories established by it. While "a free hand", to use the words of the Investigating Committee into the Histadrut's Immigration Policies, was given to capitalist settlers, restrictions were placed on poorer classes. An investigation of the Histadrut's policy of immigration revealed that settlers in the agricultural co-operatives were threatened by the Histadrut that unless they paid back loans given to them, they would be replaced by other settlers. (45)

A vital criterion in the Histadrut's policy of immigration was also the ideological or political creed of the settler. (46) Writing on this issue, Simpson observes: "In the great majority of cases the immigrant would have no chance of a permit, unless he were persona grata. (47) The "persona grata", as the Chief Immigration Officer

noted, were those "prospective immigrants who were best qualified to assist the establishment of the Jewish national home". That is, those who will "adhere to boycotting outside labour and what currently exists in Zionist colonies [namely, Arab labourers]..". (48)

The principle of Jewish Labour was used by the Histadrut as a device to promote an exclusivist, and, if possible, purely Jewish economy over an overwhelmingly Arab social structure. However, the objective conditions under which the Palestinian economy evolved during British rule, made the implementation of this device quite difficult. In the process, this policy discriminated not only against the indigenous Palestinian workers but also against other sections within the Jewish working class.

Faced with the abundance of cheap Arab labour, the Zionist authorities tried to implement the principle of Jewish labour by importing Jewish labourers who could compete with the indigenous workers. By the early 20th century, a delegation from Hapoe'l Ha-Tzai'r (Zionist socialist) party was sent to Yemen to bring Jewish workers to Palestine. By the early 1920s over 20,000 Yemenite Jews were brought to Palestine to work in agriculture (Kimmerling, 1983:34). But this relatively small force of labourers had very little effect. More Arab proletariat were created in the process of land expropriation and more unemployed were seeking jobs.

During the 1920s and 30s, when attention was focused on the immigration of European Jews, the Zionist authorities in Palestine resorted to different tactics. In an attempt to expand the scope of the Jewish labour, the Histadrut turned their general principle of utilizing Jewish labour into a binding policy which forced all Jewish employers to recruit their labourers from within its Labour Schedules.

Largely for its economic disadvantages, but partly also for its political implication, this policy was resented by various sections within the Jewish bourgeoisie. Despite the influx of Jewish settlers to Palestine, Arab labour, which was cheap and more experienced, particularly within the agricultural sector of the economy, was still heavily in demand.

The strongest rejection of the policy of mandatory employment of labourers listed in the Histadrut's Labour Schedules came from the capitalist farmers for whom cheap labour, which came primarily from the indigenous Palestinians but also from the Yemenite Jews, was indispensable to the operation of their private farms.

In a response to the Histadrut's policy, Smilansky, the Head of the "Jewish Farmers Federation" wrote:

Jewish farmers were not prepared to erect a Chinese wall between themselves and their Arab neighbours. Such a basis was unjustified on economic as well as political grounds... Farmers were quite prepared to accept it as their duty to employ a majority of Jewish labour but they must have the right to employ some Arabs as well. To take their Jewish labour only from the Exchange of the Labour Federation would involve difficulties and expenses, it limited the free field of recruitment of labour and specially militated against the employment of Yemenites who were excellent agricultural workers but for the most part did not belong to the Labour Federation. (49)

In the early 1930s, when none of the political mechanisms proved adequate, the Histadrut resorted to the use of force and violence in implementing its exclusivist labour policy. Terror squads, referred to by the Histadrut as "Labour Guards", were formed in almost all settlements employing Arab labour and were also sent to various construction sites with Arab employees including those operated by

government employers. Composed of unemployed or new settlers looking for work, these "Labour Guards" were often engaged in disrupting the labour process and attacking both Arab workers and Jewish employer.

The following incident took place in Kfar-Saba settlement (previously the Arab village of Milabbis) :

On Nov. 20th, 1933, a dispute arose in Kfar Saba at the grove of Mr. Rapaport, who had sold his fruit to an Arab merchant. The conditions of sale provided that Jews should be employed for all work in the groves, but that the fruit would be transported (unpacked) to the merchant's packing house where his own labourers would do the packing.

Mr. Rapaport applied to the Labour Office of the Federation of Labour for fifteen labourers to pick fruit. Fifteen Jewish labourers arrived at the grove and worked for two hours on Nov. 19th. On instruction from the Labour Committee these labourers then left the Grove. Mr. Rapaport was informed by the Committee that, unless his fruit was packed by Jewish labour no Jews would be allowed to work in his grove.

Mr. Rapaport replied that he had to abide by the contract of sale. On the morning of Nov. 23d, about 40 members of the Federation of Labour formed a picket at Mr. Rapaport's grove. When the first lorry loaded with unpacked fruit arrived at the gate of the grove, its further progress was obstructed by the picketers. The police who were present, ordered the picketers to disperse, but this order was disobeyed. Some of the picketers then returned towards Kfar Saba. On their way they met two [Jewish] farmers and assaulted them. One of the farmers was slightly injured, the other more seriously. Later in the morning a number of labourers approached the house of Mr. Rapaport and threw stones and other missiles, breaking three windows. (50)

Attacks on Arab workers was reported in almost all agricultural settlements. (51) Harrassment of Arab workers by Jewish "labour guards" was also reported in various construction sites with Arab employees. (52)

In another incident in late 1934 it was reported that "Blood was

shed when the Histadrut forced an Arab contractor and his workers out of work". (53)

The Zionist exclusivist policy of Jewish Labour aggravated the exploitation of the working classes in general and of the indigenous Palestinians in particular. For the indigenous Palestinian workers, this policy meant further unemployment and underemployment. It also meant that more and more Arab labourers were forced to sell their labour power at any cost in order to survive.

Racial discrimination practiced by the colonial state and the Zionist authorities, it is suggested, was a major factor in the depreciation of labour power both in terms of working conditions and wages. Moreover, the depreciation of the value of Arab workers was used by independent Jewish capitalists as a means to extract more surplus value from the Jewish labourer by threatening him with the Arab labourer.

One important question which emerges from the analysis so far concerns the reaction of the subjected working population to these exploitative conditions. Was there resistance to this oppression and, if so, what form did this resistance take?

Although most of the literature has tended to belittle the importance of the indigenous Palestinian opposition to British and Zionist rule, historical documents provide ample evidence of Palestinian resistance. Workers' resistance to these policies was not confined to the frequent individual incidents documented earlier. An organized working class struggle also emerged during this period.

In "Colonialism and National Liberation Movements: An analysis of the Palestinian Struggle between 1920-40", I have provided a detailed

analysis of the various Palestinian rebellions which occurred between 1920 and 1940.(54) In that study, it was shown that in less than two decades, from 1920-1936, Palestine experienced four major political movements which included several months of general strikes and two armed struggles.

The major emphasis in that study was placed on the qualitative change in the struggle. It was argued that in contrast to the overwhelmingly nationalistic character of the peasant resistance during the 1920s, resistance during the 1930s was driven by political and economic concerns.

The 1933 revolt and 1936-39 revolution demonstrated the increased role of working class leadership over the traditional national bourgeoisie. This change, it was argued, was also reflected in the nature of the demands presented by the resistance forces. The peasant revolts of the 1920s were driven by anti-settler and anti-land confiscation sentiments and their demands centred on a return to the status quo with a national governing body. The revolutionary demands raised during the 1930s focused primarily on the dismantling of the colonial state, the imperialist policies of which were seen as the basis for their subjugation. (55) Additional data gathered in the course of the current research further supports the claim that throughout the British colonial period the Palestinians had a history of strong resistance. Both the Fallaheen and the working class were actively involved in this opposition.

Earlier in this chapter it was argued that, despite its advantages over other frameworks of analysis, the neo-marxist approach fails to adequately explain the political status of the class of migrant labourers or semi-peasants. Inherent in this approach is the notion

that societies tend to remain stable and that social mobility or change is very limited.

It has commonly been maintained that the Palestinian fallaheen were passive, interested only in day-to-day life and didn't consider politics to be their personal concern (Kimmerling,1983; Ohana,1981). Some authors have even pitied the Fallaheen for their state of "illiteracy" and lack of awareness to what goes around them (Stein,1984:38). When reference is made to any of the political movements in which the fallaheen were involved such as the 1929 peasant revolt or the 1936-39 revolution, their role in them is often distorted. Palestinian resistance is described as the work of a small elite who fought amongst itself more than against any enemy, mostly in order to restore its lost political pride. It is maintained that these elites, predominantly the heads of Hamulas, had their own bands or gangs. The masses of the peasants are described as 'sheep who follow the orders of their masters' (Ohana, 1978; Taqqu, 1980).

According to British official reports these Fallaheen were not passive, unaware of their surroundings or inactive. To the contrary, data show that in the 1920 demonstrations against the Balfour Declaration and in the 1929 revolt, the fallaheen had a clear and defined perspective on their national aspirations. On both occasions the Fallaneen demanded a national government and expressed fear and resentment at the prospect of a Jewish national home.

The lack of organization among the fallaheen and their state of so called "illiteracy" did not impede their political awareness. A detailed view of the political consciousness of the fallaheen is presented in the following report by the Shaw Commission, which was

sent to Palestine in 1930 to study the causes for the 1929 peasant revolt. The reference to the Fallaheen will be quoted at length since it highlights various aspects of the revolt usually absent in the literature:

It has been argued before us that the Arab Fallah takes no personal interest in politics and that the present state of popular feeling, which in every village and most country districts finds its expression in such cries as "down with the Balfour Declaration" and in demands for a national government is the result of propaganda promoted artificially and for personal ends by men who wish to exploit what may be, so far as they are concerned, quite genuine grievances...

The contention that the Fallah takes no personal interest in politics is not supported by our experience in Palestine. No one who has been about the country as we have been and who has listened to the applause which greeted many passages in the addresses read to us by village heads and sheikhs could doubt that villagers and peasants alike are taking a very real and personal interest both in the effect of the policy of establishing a national home and in the question of the development of self-governing institutions in Palestine.

No less than 14 Arabic newspapers are published in Palestine and in almost every village there is some one who reads from the papers to gatherings of those villagers who are illiterate. During the long season of the year when the soil cannot be tilled the villagers, having no alternative occupation, discuss politics and it is not unusual for part of the address in the Mosques on Friday to be devoted to political affairs.

In conclusion, the report added: "The Arab Fallaheen and villagers are therefore probably more politically minded than many of the people of Europe". (56)

Alongside the transformation from peasantry to proletariat there also emerged a qualitative change in the forms of political resistance amongst the Fallaheen. Unlike their Jewish counterparts whose working conditions were officially guaranteed by the Histadrut, Palestinian

workers' attempts to form separate labour organizations were often disrupted and Arab union leaders were frequently jailed. When the first Arab Labour Congress was held in 1930, less than half of the labour delegates could attend, the rest were either in prison or under house arrest. Moreover, labour newspapers were often banned, workers' strikes were violently crushed and licenses to form unions were almost always denied. (57)

To form their own organizations Arab workers did not only have to face the opposition of the state. They also had to combat the Histadrut which often tried to intervene in their affairs and, in more than one instance, broke their strikes. (58) Perhaps more important was the fact that these workers had to fight an internal enemy for whom organized labour had become a threat to their political status.

During the 1930s, when Arab workers' organizations were formed in almost every major city and village in Palestine, traditional leaders, mainly Heads of large Hamulas, began to feel threatened. In a move to counter the growing power of labour organizations they began to form similar organizations and to infiltrate the labour movement. Their role as mediators between the state employer and the Arab workers was more disruptive than beneficial to the labour movement. (59)

The indigenous Palestinian working class struggled at various fronts. At the pure economic front, workers' demands for higher pay, less working hours and better working conditions were voiced through the frequent strikes they waged. Between 1931 and 1933, not a single month passed without at least one strike. These strikes affected almost every industrial sector and thousands of Arab workers. (60)

In 1935, one year before the 1936-39 revolution, striking Arab

workers shut down large sections of the economy. In April of that year, 50 Arab workers at the Iraqi Petroleum Company went on strike for higher wages and improved labour conditions. In a show of solidarity, 90 other workers from the mechanical section of the I.P.C joined their strike. Later, they were also joined by the electricians and depot workers who made up about 130 workers. According to one British report, the strike of the I.P.C spread to many other places. Over 500 workers, mostly Arabs in the Railway and Harbour sectors went on strike during the same period. (61)

Labour organizations contributed substantially to the growth of class awareness among the Arab workers. Through literacy campaigns and the establishment of special committees to relieve distressed peasants and unemployed workers, labour organizations during the 1930s began to attract large sections of the Palestinian working population. (62)

Working class influence was best demonstrated in the strong alliance they formed with the fallaheen during the 1936 revolution. In an unprecedented move, demands were, for the first time, raised against the indigenous ruling bourgeoisie. Throughout most of the revolution, peasants refrained from paying taxes or tithes. They burned large estates and in 1937 peasants and workers gained control of a large part of central and northern Palestine. (63)

Despite the Zionist attempts at segregating them from their Jewish counterparts and the harrassment of the Labour Guards, Arab workers demonstrated a clear understanding of their political environment. Class solidarity across national lines, i.e., between Arab and Jewish workers was attempted more than once during the 1920s. In 1924 Jewish and Arab Workers in the Railway sector formed together their first

non-sectarian union. However, by 1930, due to the racist policies of the Histadrut, the union was disrupted and Arab workers were forced to form their own separate union.(64)

Through speeches, conferences and other labour gatherings, Arab labour unions distinguished between Zionist authorities and the Jewish workers. While Zionism was seen as an ally of British imperialism and a tool of colonialism, Arab labour bodies tried to present the Jewish workers as the victims of this movement.

In conclusion, this analysis strongly suggests that no serious study can adequately understand the history of Palestine without understanding the indigenous labour movement. Despite the fact that it was still in its first stages of formation and that it had to fight both internal and external forces which tried to suppress it, the Palestinian labour movement did grow and develop. In fact, by the mid 1930s working class power presented itself as an alternative to the traditional power based on family lines.

The argument that it might not be functional or desirable for capital to have a free class of potentially organized working class, and that capital could employ various means, through the state and other power organizations, to check the growth of such a class has been proven inadequate within the Palestinian context.

The economic history of Palestine provides a particular form of colonial capitalist settler rule where sheer economic exploitation was not the only decisive factor. Zionist colonial policies were materialized in two contradictory processes. For one, these policies resulted in maintaining Palestinian pre-capitalist relations of production and consequently exploited indigenous labour power as a cheap source of labour for the reproduction and further expansion of

European (Jewish). On the other hand, the Zionist colonial settler policies aimed at the total ruination of the Palestinian social relations by replacing the indigenous Palestinian labour force with a Jewish settler one.

Also proven, in this chapter was the inadequacy of the argument that migrant labour power is particularly advantageous for the reproduction and expansion of capitalism because it is both cheap and unorganized. However, as demonstrated earlier, cheap labour power is not an attribute only of the class of migrant labourers. Full proletariat whose only means of survival were obtained by selling their labour power, can also be used as cheap labourers.

Racial discrimination can be employed as a mechanism to maintain and reproduce the same class, i.e., the migrant labourers. However, in the Palestinian case, it also resulted in the creation of more proletarians. At the same time, these newly formed proletarians were exploited as if they were still half-peasants half-proletariat.

It is this contradictory nature of capital which was characteristic of the Palestinian colonial experience. Its economic deprivation, political suppression and the racial discrimination practiced against it, this chapter has shown, have all stimulated the growth of the indigenous labour movement, the development of the working class ideology and the working class struggle. The economic history of Palestine was not only one of colonialism, exploitation and subjugation, but also one of anti-colonial, anti-imperialist and anti-Zionist resistance.

FOOT NOTES

Chapter VI

1) Granovsky put it clearly when he stated:

Arabs overlooked the fact that Jewish colonialism brings many benefits to the Arab economy and represents perhaps the only way to improve their situation..it alone, by bringing technical skills, and tremendous stores of human energy into the country, is capable of putting an end to the hundreds of years old Arab stagnation and of paving the way to a new development. Granovsky, A. Land Policy in Palestine (New York, 1940),p.7.

2) The Globe and Mail, June, 4, 1988.

3)Referring to this point, Simpson wrote:

Actually the result of the purchase of land in Palestine by the Jewish National Fund has been that land has been extra-territorialized. It ceases to be land from which the Arab can gain any advantage either now or at any time in the future. Not only can he never hope to lease or to cultivate it, but, by the stringent provisions of the lease of the Jewish National Fund he is deprived for ever from employment on that land..The land is in mort-main and inalienable. "Simpson's Report", p. 54.

4) See Chapter 3 which deals with the expropriation of land.

5) See, "The First Arab Congress", Haifa, Dec. 11, 1930, in Budeiri, M. The development of the Arab Labour Movement in Palestine. (Jerusalem, 1979) pp. 163-66. This book which contains documents on labour conditions for the years 1919-1948 is the only published manuscript on this issue. The book lacks pagination. Page numbers appearing in this work are added to the book.

6) The decline in the value of exported soap during the 1930s was as follows: P.L. 206,259 in 1930; P.L. 119,941 in 1931; P.L. 108,101 in 1932; P.L. 79,342 in 1933; P.L. 71,532 in 1934 and P.L. 79,311 in

1935. See "Testimony of George Mansour, Secretary of Arab Workers' Association" to the Peel Commission, 19/1/1937 in The Royal Commission's Report of 1937, p. 299.

7) Ibid, p. 298.

8) Until their eviction and replacement by Jewish workers in 1924 Arab agricultural workers employed in Jewish agricultural settlements were estimated at 6,500. By 1935 there were another 6,200 Arab agricultural workers employed in the private settlements.

9) "Report and Enquiry" in International Labour Review, 1931, Vol. 23, no.1.

10) Ibid., p. 234

11) Ibid., p. 251

12) "Forward", March, 1929 in Budeiri, M. op.cit, p. 155.

13) Statistical Abstract of Palestine, 1933, Tables, 73,74.

14) The pattern of class, racial and gender exploitation continued to be practiced against Palestinian women both with Israeli citizenship as well as those in the Occupied Territories. For more on this issue, see my Family, Women and Social Change in the Middle East: The Palestinian Case (Canadian Scholars' Press, Toronto:1987) pp.44-45. See also Rockwell, S. "Palestinian Women Workers in the Israeli Occupied Gaza Strip", in Journal of Palestine Studies, Vol. XI, No.2, Winter 1985.

15) "Simpson's Report", p. 135.

16) Ibid., p. 134.

17) See "Testimony of George Mansour" in op.cit., p. 290.

18) Ibid., pp. 290-292.

19) Ibid., p. 292.

20) Cited in "Simpson's Report", in op cit., p. 133.

- 21) Ibid., p. 134.
- 22) Ibid., p. 134.
- 23) In "Testimony of George Mansour", in op cit., p. 294.
- 24) It must be noted here that Gertz does not specify the category "money owners". However, its is widely believed that this category refers to those who own P.L. 250 and over. See Tamar,Gozansky. histpathut.. in op. cit. p. 106.
- 25) "Simpson's Report", pp. 74-75.
- 26) See "Periodical Appreciation Summary", C.I.D. no. 1/36 50/G/S, in FO 371/200018/ File 36.
- 27) Ibid.,
- 28) Ibid.,
- 29) "Periodical Appreciation Summary", C.I.D No.2/36 in FO 371/200018, E-1293.
- 30) Ibid.,
- 31) Op.cit., File, no. 1/36.
- 32) Op.cit., File, no. 2/36.
- 33) "Testimony of George Mansour" in op cit. pp. 307-308.
- 34) Survey of Palestine, 1945-46, Chapt. XVII, p. 773.
- 35) Ibid., p. 774.
- 36) Calculated from Survey of Palestine,1945-46,Chapt. XVII, Table 1, p. 775.
- 37) State discriminatory policies were also manifested in the differential treatment which Jewish and Arab municipalities received. Thus, Jewish municipalities, in more than one instance, were exempted from taxes, while Arab village councils were fined for not paying their arrears. In 1929, for example, the government remitted a debt of

P.L. 75,000 and guaranteed a loan to the Tel-Aviv council to enable it to "establish its finances" see a confidential despatch from the Secretary of States for the Colonies, to the High Commissioner, dated March, 1933. in CO 733/229/10, File, 17226/33.

38) In relation to this incident, it was reported that when work at the cite began, hundreds of Arab workers waged protests for several days, during which they clashed with Jewish employers and workers. See, "Testimony of George Mansour", op cit. pp. 301-302.

39) Ibid.,

40) For more on the treatment of Arab workers, see "Forward", March, 1929, in Budeiri, The Development..., op.cit., p. 154.

41) See, Harry Viteles, "Community Farming in Palestine", in Year Book of Agricultural Co-Operation in the British Empire (P.S. King and Sons, London, 1936) p. 314.

42) CO 733/184/6, File, 19816, No. 14/C/436.

43) The Histadrut's heavy dependence on international capital, as Frenkel and Bichler pointed out, has always meant a certain degree of political dependence on these capitalists. Among the major capitalist investors in the Histadrut were the Rothschilds of Britain and France; the Bronfmans and the Blumefields of Canada and the Rottbergers of the U.S.A. In their study the authors showed that Edmon de Rothschild owns 50 per cent of the shares in the Solel Boneh and had always enjoyed the upper hand in appointing the directors of the Histadrut. see, Frenkel and Bichler atzulat ha-mamoun bi-yisrael [The origin of money in Israel] (Cadima, 1984) p. 160.

44) See Eisenstadt, "Israel" in Rose, A. (ed.) The Institutions of Advanced Societies (Minneapolis, 1958) pp. 404-406. In his 1985 The Transformation of Israeli Society, Eisenstadt reiterated the same

position on the Histadrut emphasizing what he calls "the original egalitarian qualities of the Histadrut". These traits according to him were altered under Israel due to an outside force, namely "bureaucratization". Eisenstadt, *The Transformation of Israeli Society* (London; Weidenfeld and Nicolson, 1985) pp. 132-135.

45) "Simpson's Report", op cit. pp. 123-124. see also Tamar, Gozansky. *hitpathut...*, op cit. p. 108.

46) In late 1920, the Histadrut claimed to represent 27,000 Jewish workers with their families. By late 1940s, its membership rose to 140,000. See "Simpson's Report", op cit., p. 126.: *Survey of Palestine, 1945-46*, Chapt. XV11, p. 757.

Nonetheless, the Histadrut did exclude various groups from its membership. Thus, in addition to the exclusion of Arab workers, the Histadrut rejected membership of Jewish workers affiliated with the Communist Party, the Tehiya religious movement and the Yemenite Arab Jews. See *Survey of Palestine, 1945-46* p. 757.

47) "Simpson's Report", p. 121.

48) *Ibid.*, pp. 121-122.

49) See "Extracts from notes of an interview granted by the Chief Secretary on the 19th of December, 1931 to a deputation from the Jewish farmers' Federation", dated, 21/12/1931, in CO 733/250/1, enclosure VI, File, 72041.

50) *Ibid.*,

51) Thus, for example, on Nov. 21, it was reported that :

Arab packers at the grove of Mr. Levy and Mr. David Eber at Bnei Brak settlement were obstructed and prevented by picketers of the Federation of Labour from carrying out their work. Similar incidents were reported in many other settlements.

See a letter by R.E.H Crosby, Chief Secretary, District Commissioner, Southern District, dated, 29, Nov. 1933, Enclosure no. 111, 1954, CO 733/250/1 File no. 720411.

52) In his testimony to the "Royal Commission" of 1937, George Mansour, an Arab union leader, stated:

The Histadrut forced the Cement and stone factories near Haifa to fire Arab workers..Although it was the Arab workers who built these industries with their blood -three Arab workers died in work related accidents and others were permanently injured- tens of workers were fired in 1936.

See "Testimony of George Mansour", op.cit., p. 302.

53) Ibid., p. 297.

54) See my "Colonialism and National Liberation Movements: An analysis of the Palestinian Struggle between 1920-40", unpublished manuscript, presented at the Learned Society, Guelph, Canada, June, 1984.

55) Ibid., For an elaborate account of the events of the 1936-39 Revolution, see Kalkas, B. "a Chronicle of Events", in Abu-Lughud, E. (ed.) The Transformation of Palestine (Northwestern University Press, Evanston: 1971) pp. 237-270.

56) "Exerpts from the Shaw Commission", in CO 733/177/4.

57) See Budeiri, M. op.cit., pp. 197-226.

58) On the interventionist role of the Histadrut in various Arab strikes, see, Budeiri, op.cit.,

59) The growth of the workers' organizational movement during the 1930s began to threaten the political power of the traditional leadership. In the same period, two political parties were established: the Independence Party headed by the Hussayni family; and the Opposition Party headed by the Nashashibi's. These parties were involved in desrupting independent trade unions and attempting to

split workers' unity on family lines. See Budeiri, op.cit., pp. 222-224.

In my *Family, Women and Social Change:..*, I showed how direct state intervention in reviving the political control of traditional leaders was used as a technique by both the British colonial government and Israel to control the Palestinian popular resistance.

60) Jabra Nicola. "The Strike Movement Among the Arab Workers in Palestine", in Budeiri, op.cit., pp. 208-209.

61) See, FO 371/18957/E C.I.D, 6/36.

62) For more information on the activities of the workers' organizations, see Budeiri, op.cit., see also "Testimony of George Mansour", in op.cit.,

In a secret letter to Cuncliffe-Lister, Principal Secretary for the Colonies, Wauchope, the High Commissioner, made a special reference to the "aid committees" established by Arab labour bodies for the relief of "Wadi Hawareth Arabs". see, CO 733/251/1 ref. V/26/34, June, 1935.

63) See my "Colonialism and National Liberation Movements..", op.cit.,

64) In 1924, 300 Arab and Jewish railway workers formed the first official union in Palestine. The union which was often obstructed by both the Histadrut and other Palestinian national organizations was able to survive the pressure until 1930 when the Histadrut dismantled it by force. see Gozansky *Hitpathut...*, op.cit., p. 217, see also Budeiri, op.cit., p.218.

Conclusion

In these concluding pages, I wish to re-evaluate, briefly, the main conceptual and empirical findings of this research study, suggesting some areas which deserve more attention and warrant further investigation.

This study has examined some major aspects of change and development undergone by the Palestinian socio-economic structure in the first half of the twentieth century, with particular emphasis placed on changes in the class structure.

In setting the ground for examining these processes, the first task of the study is to establish a conceptual framework capable of placing Palestine within its historical context. This has been done by examining, critically, a variety of theoretical frameworks introduced by a number of schools including, the Marxist, neo-marxist and "Orientalist" paradigms for analysing change and development in Third World social formations. We have singled out two particular conceptual frameworks, the "Asiatic Mode of Production", and the notion of the "Articulation of Modes of Production" applied largely to describe African socio-economic experiences.

Our critical examination suggests that the concepts advanced were, to say the least, inadequate for grasping pre-capitalist social formations. An alternative conceptual approach which would take into account the dynamic history of Palestine was, consequently, formulated. Comparative studies done in various parts of the Third World, and consulted throughout our enquiry, along with both old and fresh empirical data on Palestine, furnish an adequate basis for using the Marxist method of Historical Materialism. This approach, it is

argued, allows for a more comprehensive and credible treatment of Palestine's twentieth century's history, by examining it in continuum, linking changes in its social and class structure to developments prior to the advent of the modern colonial era.

The empirical data provided on changes in the class structure in rural Palestine over the period from late nineteenth century to 1947, have tended, largely, to support our theoretical propositions. Thus, the analysis of late nineteenth century Palestine, (Chapter, 11), established that Palestine's socio-economic formation was already experiencing important changes affecting its forces and relations of production. These changes, it was shown, were generated from within (i.e., internal) and without (external) the national economy.

Data based on relatively new historical material and particularly the two manuscripts related to land tenure systems in Palestine have consolidated and given further credence to this approach, facilitating, in the process, our understanding of the pre-capitalist mode of production. Palestine's pre-capitalist mode of production, we conclude, was neither feudal, nor "Asiatic," nor for that matter "linear or tribal." The characteristic features of Palestine's socio-economic structure were analysed, using concepts specific to that particular history. This structure, it was demonstrated, was not immobile or stagnant but continually changing under internal and external pressures.

By the early 1920s, and with the beginning of British and Zionist colonization, Palestine's rural economy and its class structure had already begun to undergo a significant, albeit uneven transformation process, thus preparing the grounds for the expropriation of the

fallaheen. In this phase of the process, we argue, the mediation of legal, political and sheer force employed by the colonial state and the Zionist authorities, (Chapter 111) played a crucial role in facilitating further and expediting the process of change and development. However, the social cost to the Palestinians, of this accelerated transformation, as we have shown, was, at once, enormous and catastrophic.

More specifically, It was demonstrated (Chapter 111) that the so-called issue of 'land transfer' was not a simple and peaceful matter of sale and purchase as most of the current literature suggests, but rather, one of peasant and land expropriation. This process was made possible largely because of the mediation of the colonial state apparatuses. Archival and other data presented in relation to the question of land expropriation proved methodologically significant in this case. Contrary to the logic that mediates the bulk of Zionist and Israeli official literature which persistently promotes the notion that Jewish settlers in Palestine did not replace or displace indigenous Palestinians, the cases of the Marj, Zeita and Wadi al-Hawareth proved, beyond any shade of doubt, that the process was anything but peaceful or harmless. The point often made by Marxists on the extra-economic coercive measures employed by the state during the transformation process (Marx, 1977; Luxemburg, 1951) has received a special consideration here. The policies of taxation, imprisonment and collective punishment imposed on the fallaheen for failure to pay debts, has speeded up class differentiation within the Palestinian rural economy, creating a large pool of landless proletariat and a potent source for cheap labor.

Alongside the legal and political forces which have directly

contributed to the depeasantization and eventual proletarianization of the fallaheen, a process of capitalist development in certain branches of agricultural production (i.e., citrus and olive) had been initiated, enhancing further the process of change by indirectly - through competition- displacing a section of the independent peasant producers. In support of this argument, archival data documenting individual and group bankruptcies and ruination were presented. The culmination of a fairly long process of change expressed in land and peasant expropriation, taxation, capitalist competition and heavy peasant indebtedness, (Chapter IV) found its articulation in the acceleration of rural class differentiation and contradiction as well as in the overall ruination of the Palestinian rural economy.

The culmination of the process of capitalist transformation of an economy and the consequent capitalist transformation of its rural class structure, Marxists point out, expresses changes in both the forces of production as well as the relations of production (Marx, 1977; Lenin, 1960; Bradby, 1980; Bagchi, 1982; Saleh, 1979). Such capitalist penetration in agriculture was demonstrated in our study through a detailed analysis (Chapter V) of the changes in production techniques, with special reference to the role of capital investment in agriculture, the use of technology and machinery and the transformation of large-scale extensive and labour intensive agriculture into small-scale capital intensive commercial enterprises. Some of the ultimate consequences of the process of capitalist development of agricultural production, expressed in the gradual decline and eventual ruination of the rural agrarian economy are also highlighted.

However, and as we have pointed out throughout this study, changes in Palestine's agrarian economy in the first half of the twentieth century have been mediated by more than one "foreign" force, namely, British colonialism and Zionism as a settler colonial movement. It has been shown that in terms of the actual colonial policies, (e.g., legalizing land expropriation, taxation, and the use of other practices), Palestine's colonial experience was not very different from other 'typical' or 'classical' cases of colonialism. However, what was historically specific to the Palestinian process of transition under colonialism was the presence of another colonial settler form of rule with a distinct ideological and political design.

The influx of European Jewish capital and human resources into Palestine, which was legalized by the British authorities, had a crucial impact on the path and direction of Palestine's change processes. The Zionist colonial movement, treated here as the ruling and overriding ideology of the European Jewish settlement enterprise, was involved in displacing indigenous cultivators and appropriating their land, in controlling and owning the vital natural resources and, finally, in reaping direct economic profits by exploiting indigenous Palestinian labour power.

However, short term economic gains, as we have pointed out at various junctions in our argument (Chapters, IV, V and, particularly VI) were not the only or even the prime motive of Zionist settlement in Palestine. In fact, long term political and strategic ends sought by this movement, have, in many instances, outweighed sheer economic considerations. The Zionist authorities' overriding concern of establishing a Jewish state in Palestine was articulated through a

multifaceted set of specific, yet consistent policies and practices. This was evidenced in three major ideological manifestations; "Jewish market"; "Jewish land" and "Jewish labour" (Chapters, IV, V, and VI) which were implemented through legal and illegal means by the ruling Zionist body.

The Zionist policies of "occupation of land and labour," in particular, received a special attention in this Thesis (Chapters V and VI respectively). Against one stream of scholarship produced or echoed largely by Israeli official writers and other sympathetic theorists which denies or plays down the correlation between the "Jewish" and the indigenous Palestinian economies, we have repositied other scholars' assertions (Rodinson, 1981; Owen, 1981; Turner, 1978; 1984; Asad, 1979; Zureik, 1979) that the reproduction and expansion of the European Jewish capitalist economy has, to a large extent, depended on the exploitation of the indigenous Palestinian labour power. European Jewish capitalist exploitation of indigenous Palestinian labour power was extensively discussed in Chapter VI. In this respect, we have identified some historical parallels between the Zionist racial (national) discriminatory policies of "Jewish labour and Jewish land" and other settler economies, such as South Africa and Rhodesia.

However, these policies had different long term strategic objectives. The Zionist settlement in Palestine was not concerned with maintaining the indigenous Palestinian labour power (as a source of cheap labour) so much as it was geared towards the establishment of a new exclusively Jewish economy.

The implementation of the long term political/ideological ends of

the Zionist movement, we argue, found its expression, in the main, in the two most important socio-economic institutions of the "Kibbutz" and the "Histadrut". Viewed from this perspective, the "Kibbutz" (Chapter V) and the "Histadrut" (Chapter VI) were seen as essential mechanisms for the materialization of the long term political/national ends of the Zionist movement in Palestine. Moreover, so far as the real character and working of these institutions are concerned, our study demonstrates that the "Kibbutz" and the "Histadrut" were not operating separately from or outside the wider socio-economic system but, rather, from within as an integral part of the developing capitalist structure. By tending to the fairly complex nature of the Zionist settler movement in Palestine, and going beyond the mere short term economic interests, this study has highlighted the historical specificity of this movement pointing out its historical parallels and variance as well.

Finally, this study does not claim to provide final answers to all complex issues it raises. In fact, as with most historical research, this one was not without some difficulties and limitations. Unreliability of government censuses compounded with the specific problem that all censuses on rural Palestine were conducted with the aim of perfecting taxation system, have placed some limitations on our treatment of Palestine rural classes. A similar data source problem was also evident during our research of the issue of unemployment. The latter problem as British officials admitted, lay in that "There exist no official machinery for the registration of unemployed workers or for the collection of statistics of unemployment" (Survey of Palestine, 1945-46, Ch. XVII, p. 733).

Before I conclude, I wish to point to two issues which, within the

main scope of our enquiry have not been sufficiently developed. The first deals with the relationship between the dominant settler (capitalist) class and the colonial state. Traditional Marxists tend to view the state as a mechanism for the reproduction, expansion, and consolidation of the dominant mode of production, and consequently perceive of the relationship between the settler capitalist class and the colonial state as generally a harmonious one grounded in mutual co-operation. Based on some findings related to late 1930s and early 1940s in Palestine, we suggest (Chapter V) that the course of this relationship was undergoing important changes. One potential area for further research would be the emergence, for example, of the "Haganah" (later, the Israeli Defence Forces) as a military apparatus which eventually challenged the authority of the British government in a violent manner.

The other issue which was not within the immediate focus of our study, yet one of great importance both conceptually and in terms of its empirical implications, is the relationship between the indigenous Arab and the European (Jewish) working classes. For, unlike the classic Marxist approach to the question of the nature of class conflicts and contradictions, our study (Chapter Six) suggest that class conflicts and antagonisms were not only between labourers and capitalists but were among working classes (Jewish and Arab) as well. One potential area for further investigation would be, the extra-economic factors, namely, political, ideological, ethnic (national) and family involved in class formations and struggles of a transitory economy.

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