**"Salvation of the Country"**

**The Untold Story of Tobacco in Mandatory Palestine**

Abstract

Historical research has hardly paid attention to the existence of a tobacco market in Palestine, although tobacco was one of the largest industries operating under the British rule. This forgotten chapter of Palestine's history is the focus of the article. Government documents infer two contending visions of this market, one of salvation and another of destruction. Following the links made and unmade between them demonstrates how interrelated issues – such as deregulation, agricultural cooperation and quality standardization – become detached. As techno-scientific deliberations around the ‘problem of quality' became the prominent feature of the tobacco market, they also constructed the backwardness of Palestine’s growers, shaping a flawed government intervention.

Keywords: Tobacco; British Mandate; Deregulation; Agricultural Cooperation; Government Intervention; Quality; British-American Tobacco Company, backwardness

Little is known about the existence of an active tobacco market and extensive cigarette manufacturing industry in Mandatory Palestine. Yet archival documents reveal that tobacco was in fact one of the largest industries in the local economy. As such, it attracted the government’s attention: government documents indicate attempts at a long-term policy regarding all market aspects. This article focuses on this forgotten chapter in the country’s socioeconomic history.

There is very little scholarship on the regulation of the tobacco industry and the way it unfolded on the ground. The colonial imagination - both in its form as an acclaimed project and in its so-called critical approach - is largely occupied by the story of citrus and Jaffa Oranges, which, from the mid-1920s, became the main export industry of both Arab and Jewish farmers.[[1]](#endnote-2) And yet it was tobacco that had once been projected as foundational to the prosperity of Palestine.

The purpose of this study is to tell an untold story, filling a historiographical lacuna in studies on Palestine’s economy in general and the tobacco industry in particular.[[2]](#endnote-3) The story of Palestinian tobacco will be bound by the borders of the Mandatory state, as a territorial and administrative-governmental unit.[[3]](#endnote-4) It will be told by following the vast administrative, technical and institutional links made and unmade between, roughly, 1921 and 1947, as well as the socioeconomic reality they were designed to shape.

In this article I confront two contending visions of this market, weaved from exchanges between various government officials in Department of Agriculture and fisheries, Department of Customs and Excise, several Governorates, Commissioner of Commerce and Industry, the Attorney General, the Food Controller, the chief Secretary and the High Commissioner of Palestine. In some of these exchanges, the voice of non-government actors such as farmers, manufacturers, and smokers, is also heard. The gap between the relatively meager literature on the tobacco market and the extensive government correspondence dealing with it raises questions regarding the stability of this market and the ways in which it was, or was not, assembled.

The first two sections of the article lay down two confronting visions for the Palestinian tobacco market: one of prosperity and salvation and another of instability and crisis. The following section will trace the developments connecting these two visions. Finally, the last section will offer some conclusions as for the conditions which enabled only one of them to become a reality.

**A Vision for Palestine**

A vision for Palestine, crafted during the first half of the 1920s, presents a country which “agriculturally and economically” owes much of its prosperity to “the cultivation of tobacco of sufficiently good quality to find a ready sale in foreign markets”; a country whose very “salvation” depends on “high-class” tobacco.[[4]](#endnote-5) A broader vision follows: “The Government will benefit directly from the increased revenue from tobacco land taxes, and indirectly through the improved buying power of the inhabitants. The balance of trade will be readdressed, the general standard of living will be improved, and the country will be able to support a much larger population.”[[5]](#endnote-6)

In this vision the cultivation and industrial processing of tobacco is the best of both worlds, realizing the international commitments of the British Empire to develop Palestine for all its inhabitants and yet to also facilitate a Jewish National Home. Tobacco’s yield in economic development will increase the “absorptive capacity” of the country - namely sustaining the influx of Jewish immigrants - while benefitting the agricultural sector and the commercial-industrial classes of Palestinian Arabs.[[6]](#endnote-7) Palestine prospers in peace.

The policy of the government is key to success. In 1924 the Director of the Department of Agriculture and Fisheries (DAF) consults the Chief Secretary on how to formulate “a clearly defined policy” for “our only really promising agricultural industry.”[[7]](#endnote-8) It is time to follow up on the 1921 swift deregulation of the tobacco industry, sweeping away previous Ottoman rules.[[8]](#endnote-9) Free to prosper through private enterprise Palestine expects “a yearly consumption of all tobacco products, reaching approximately the value of 1,000,000$ for the whole of Palestine, as soon as the freely competitive market gets to operating smoothly.”[[9]](#endnote-10)

 The prosperity the cultivation of tobacco bestows on Palestine is largely owed to British American Tobacco (BAT), among the world’s biggest conglomerates. BAT looks favorably on Palestine. “A large proportion of the tobacco factories in Palestine are now controlled by a British Tobacco Company,” that has “done much to improve the quality of the tobacco grown and its preparation.”[[10]](#endnote-11) BAT is a major buyer and has its own stake in training local farmers to improve the quality of their yields, and so “has rendered a valuable service to the country.”[[11]](#endnote-12) BAT is placing orders, pushing demand, creating optimistic expectations about the export potential of Palestinian tobacco, thereby also encouraging more farmers to shift to the prosperous industry.

To foster prosperity the government introduces the 1925 Tobacco Ordinance, regulating the market and seeing to its logical calculated operations of cultivation and production. The new Ordinance stipulates that rural land tax on tobacco fields would be replaced by an excise tax on factory-produced tobacco. The new taxation system is better suited for industrial cultivation by subjecting the growers to the efficiency and profit considerations of the manufacturers.[[12]](#endnote-13) Thanks to the Tobacco Ordinance, however, “the whole position changed and the cultivation, manufacture and sale of tobacco were brought under strict revenue control […] [it] has been of benefit to the industry and the people as a whole.”[[13]](#endnote-14)

All in all, the vision is realized through reasoned cooperation between growers, manufacturers, buyers, and government officials. So much so that “state fostered cooperation in tobacco growing may well prove to be the panacea for most of the economic difficulties” of Palestine.[[14]](#endnote-15) The government envisions a deviation from non-intervention: “in a matter that promises such beneficial results the Government should take the initiative […] The situation is an exceptional situation and merits exceptional action by the Government.”[[15]](#endnote-16) Indeed it is “urged most strongly that the Government should not maintain their attitude that it is contrary to precedent and custom for a Government to accept any responsibility or to take any active part in what may be described to be in any way commercial undertaking.”[[16]](#endnote-17)

Governmental deliberations begin around a national, state fostered, cooperative society “irrespective of racial distinctions.” A cooperative uniting both Arab and Jewish tobacco growers in the country is perceived as optimal: mutual need and common interest ensure their “harmonious association.”[[17]](#endnote-18) The cooperative establishes tobacco-processing factories, employs foreign experts who guarantee the quality of its products, and spreads a wide net of agents who sell tobacco in Palestine and beyond. Members - under the caring guidance of the government’s DAF - are learnt in selecting imported seeds, in the latest techniques of fertilization, in operating modern machinery, and in establishing and applying a grading system that ensures the high quality of their products.

The tobacco market in Palestine reaches a fine balance: encouraging private enterprise in a free market spirit while introducing finely tuned regulations checking on the size of cultivation areas and on the number of licensed growers. The free market operates, the government offers encouragement and corrective, and Palestine enjoys a prosperous industry.

**A Vision Undone**

A contending vision for Palestine, portrayed during the second half of the 1940s, presents thousands of tobacco growers who live a life of “fear and restlessness.”[[18]](#endnote-19) These are “consequent upon the non-stabilization” of the local tobacco market, which is “manifested in the financial crisis to which the growers were exposed during many years,” as they were forced to sell their crops “at very low prices putting them under huge debts.”[[19]](#endnote-20) This instability is bounded by the “non-organization of the tobacco plantation,” which could otherwise “have a good affect on the individual and the country.” There is no “department to supervise the planting and bettering of the crop,” and no “financial programme” the grower can “follow to secure a decent leaving.”[[20]](#endnote-21)

It is within this setting that eight tobacco cooperative societies are established in the Galilee, guided by the Arab Workers Union in Haifa. By 1946 these societies consist of at least 700 growers.[[21]](#endnote-22) The largest one is in Tarshiha and smaller ones in Suhmata, Deir al-Qasi, Fassuta, Kafr Sumei’, Iqrit, Tarbikha, Nabi Rubin, and Mi’ilya. These societies try to bring together and represent the interests of small-scale farmers. Their effort is carried against all odds. The situation is dire and growers - specifically small-scale farmers - need the support of the government. Thirteen petitions follow, addressing issues of concern such as licensing, tax rates, new marketing channels, collectively controlled sales, tools and facilities for better cultivation and curing, price control and access to high grade seeds.[[22]](#endnote-23)

Michel Abcarius, a Beirut-born member of the Mandate administration, offers an overview of the state of affairs in the tobacco industry

The price is laid down by the manufacturers, and they take all they want and what remains is sometimes destroyed. The reason for this is said to be that the quality produced is not exportable; and one wonders why Government has ceased to take an active interest in this branch of production. There seems to be is little doubt but that better varieties could be produced and methods of curing improved. Yet no research work undertaken by the Department [DAF], no instructions are employed and little is known of the activities of the Department in this filed. The cultivators - all Arabs - continue to produce for manufacturers on whose goodwill they depend.[[23]](#endnote-24)

J. C. Eyre - an agricultural adviser whose career spanned senior positions in East Africa and Northern Rhodesia before landing at the 1950s Middle East Office in London – elaborates on this issue as well. In Palestine he serves as the Deputy Director of DAF and it is in this capacity that in 1945 he paints a somber picture of the tobacco market. British American Tobacco (BAT) dominate the market, ruthlessly deploying monopolistic practices.[[24]](#endnote-25) BAT has a controlling share in the Haifa-based Arab company Qaraman, Dick & Salti that operates Mabruk, the largest cigarette factory in Palestine.[[25]](#endnote-26) BAT also took over three other local cigarette factories: two in Jerusalem and Nablus as well as the Maspero Frères in Jaffa, which was the second largest factory in the country.[[26]](#endnote-27)

BAT’s subsidiaries are using “devious methods” in order to hold “domination over the growers” and to be able “to dictate the prices they will pay.”[[27]](#endnote-28) Qaraman dictates both the pricing and quality-grading of crops, “obtaining quite an appreciable quantity of tobacco for nothing, merely by telling the growers that they do not want their tobacco as it is of too poor quality.”[[28]](#endnote-29) The company encourages farmers to cultivate excess amounts of Tobacco by offering advance payments and promising to buy large quantities. At the end of the season it buys smaller amounts than it promised, pushing prices further down, creating surplus supplies, and leaving growers under perpetual debt. The overall result is that “the majority of the growers are more in the nature of paid labourers than independent farmers.”[[29]](#endnote-30)

 BAT - through its buyers and agents in Palestine - is also minded to sow discord and mistrust among growers, to cultivate the tensions between small and big farms, and in general to lower the spirits of growers. “The influence of the manufacturers is exercised,” writes Eyre, “by the not uncommon method of financing influential villagers either directly or indirectly, and it is the practice to pay these agents far better prices than other growers receive. The agents are used to spread rumours and generally to put the growers in a suitable frame of mind in relation to the buyers.”[[30]](#endnote-31) Aware of the situation, the cooperative societies cater to “the small grower” and warn against “the demands of the big tobacco growers which aim at weakening the small growers. The big growers claim that they represent the interests of all growers when in point of fact they are inspired by cigarette manufacturers.”[[31]](#endnote-32)

Eyre observes that BAT pursue similar practices also in South Africa, Rhodesia and Nyasaland, always with devastating effects on local growers. In Palestine the manufacturers undermine governmental intervention to secure fairer prices: “If a Government organisation cured, baled and sold the leaf fair prices would have to be paid to the growers. These prices probably would be larger than the average prices… and I have little doubt that manufacturers would embarrass the scheme by offering individual influential growers higher prices.”[[32]](#endnote-33) Eyre, not unlike the buyers, thinks that a systemic solution could only come by “raising the standard of quality.”[[33]](#endnote-34) However this requires government assistance, coordinated actions, and much improved methods of cultivation and curing.

Yet Eyre also believes - alongside other colonial officers – that the cooperative societies cannot solve the problem, as they “are of no use to anyone, especially to the growers.”[[34]](#endnote-35) In the eyes of British colonial officers, the buyers are perhaps to blame for deflated prices and sowing discord, but the problem is compounded by the backwardness of the growers. It is a continuation of an ‘old problem’. Already in the early 1930s the Hope-Simpson Report noted the “commonly expressed” view that “the Arab will not cooperate. It is said that one attempt was made to form a cooperative society of the tobacco growers, but that the society failed owing to the disloyalty of its members. The great probability is that the cause of failure might be found either in ignorance of the principles of cooperation or in the constitution of society.”[[35]](#endnote-36)

Deprived of governmental support, restricted by the licensing and distribution rules of the Ordinance, and constantly pressured by well-organized manufacturers, small-scale farmers turn to smuggling and informal local sales. And although smuggling has already been widespread before the British Mandate, after the deregulation the amounts of tobacco traded in the black market grow significantly.[[36]](#endnote-37) Eyre admits that “if it were not for the other principal industry of these areas which I gather is smuggling; the people would be very much worse off than they are.”[[37]](#endnote-38)

This is what happens when the industry is “left entirely to private enterprise.”[[38]](#endnote-39) On the one hand, the government does little to rectify the dire situation of growers as it cannot “conceive of their entrusting the care of their tobacco to anyone else” and does not see the tobacco societies as “deserving bodies.”[[39]](#endnote-40) On the other hand, it has become captive to the power of the manufacturers and their “deplorable” practices: the Tobacco Ordinance grants the government powers to impose limits on the area destined for the cultivation of tobacco in order to minimize the risk of over production. Yet over-production persists, seemingly because “the limits have been based unreservedly upon manufacturers estimates” that aimed precisely at that.[[40]](#endnote-41)

Not only that the buyers create surpluses which they later refuse to buy, in 1946 they also boycott the crops of the cooperative societies, inflicting severe losses on the cultivators and exacerbating the crisis in the market.[[41]](#endnote-42) The government does little and the predictions for 1947 are as bad as before: “tobacco cultivators would suffer heavy damages, and thousands of Arab families which live on this form of agriculture, will be displaced and dispersed.”[[42]](#endnote-43) For cultivators, the vision of a prosperous industry of tobacco in Palestine had been turned into a nightmare.

There are no solid beginnings or a definite end to this story, but there are some observable links between the vision of the early 1920s and the realities of the 1940s. I now turn to discuss them.

**Between a Vision and Its Unmaking**

Tobacco was cultivated in Palestine prior to the British Mandate, albeit on a relatively limited scale. Under Ottoman rule, cultivation and manufacturing of tobacco were subject to a government monopoly and required a special license. The British civil government appointed in Palestine in 1921 revoked these restrictive regulations and opened the tobacco market for competition, encouraging many farmers, both Arabs and Jews, to plant tobacco in their fields.[[43]](#endnote-44)

According to a senior government official, experiments identified two tobacco varieties suitable for the local soil, and experts reported that extensive areas in the Acre governorate were suitable for cultivating high-quality Turkish tobacco. These reports attracted great interest and the modest quantities of quality seeds then available in Palestine quickly ran out. According to estimates, the Acre governorate alone would produce some 600 tons of tobacco a year, and if similar growth occurred elsewhere, large export surpluses would accumulate.[[44]](#endnote-45) Towards 1923, the “tobacco rush” began: within a single year, the crop more than doubled, and within three years, it grew almost sevenfold.[[45]](#endnote-46) Given that prior to WWI, only small amounts of *baladi* (local) tobacco were grown, this change was significant.[[46]](#endnote-47)

Together with the development of the agricultural sector, the deregulation of the tobacco market promoted industrialization processes, and cigarette factories began operating. In 1923, 17 factories already operated around the country.[[47]](#endnote-48) In 1927, BAT controlled the largest factories-manufacturers in Palestine. Tobacco factories “gave employment to a large number of work people engaged not only in the actual manufacture of tobacco and cigarettes, but in the baling, grading and storing of leaf […] The manufacture of cigarette boxes, which has been established as a subsidiary industry, is also employing large numbers of people.”[[48]](#endnote-49) So much that, in government’s view, “the tobacco industry today probably employs more people than any other one industry.”[[49]](#endnote-50)

By 1924 Jewish farmers were also in a full swing of benefitting from the tobacco market. A “very active” Jewish Cooperative society of tobacco growers hosted by the Mikveh Yisrael Agricultural school, was “handling, curing and marketing practically all the tobacco crop in the Jaffa District, and is extending its operations to other areas.” [[50]](#endnote-51) Alongside it, a “Palestine Arab Tobacco Growers Co-operative Society” offered growers to come together in a joined business endeavor.[[51]](#endnote-52)

All in all, the tobacco rush had been pushed by unprecedented demand. In 1925, “local manufacturers and the buyers representing the larger Egyptian and Continental firms have placed unexpectedly large orders,” presenting high demand for Palestine tobacco.[[52]](#endnote-53) By this time, BAT had already controlled the lion’s share of the Egyptian tobacco industry, and the buyer was probably BAT itself, or Eastern, its Egyptian subsidiary responsible for its Middle-Eastern operations.[[53]](#endnote-54) Palestinian growers responded by unchecked expansion of cultivated areas, tying themselves to the company as forward buying became “a feature of this season's market.”[[54]](#endnote-55)

Towards the culmination of the tobacco rush the government had become minded to rationalize the organization of the market. This period witnessed debates among British officials about the best means to do it. Some saw a role for the government in “the financing of necessary loans to the smaller planters; insurance of the crop and organisation of sales.”[[55]](#endnote-56) The possibility of a fully state-managed cooperative was also considered: “Government may establish an organisation through which, a cooperation between the growers and Government is formed. Farmers to grow the varieties […] guided by our Field Staff […] A similar organisation is carried out in Rumania where the Government realised the difficulties of the farmers.”[[56]](#endnote-57) An Arab-Jewish tobacco cooperative had been considered for “the political value of […] a general rapprochement on the basis of a common interest in tobacco-planting.”[[57]](#endnote-58) Such cooperation between communities “would be cheaply bought” by, for example, tax breaks.[[58]](#endnote-59)

The joint cooperative plan gained the support of Mikveh Yisrael school principal Eliyahu Krause, “the moving spirit in the Jewish Tobacco Growers' Society.”[[59]](#endnote-60) Subsequently it was suggested it will serve as the nucleus for a countrywide Jewish-Arab cooperative.[[60]](#endnote-61) Should that prove impossible “on account of political or racial differences,” government will oversee that the two cooperative societies “would collaborate to prevent competition and ensure their members a fair share of tobacco sales to local factories.”[[61]](#endnote-62) Yet as the government considered various cooperative plans the “astounding lack of co-ordination obtaining in the moment” had become apparent, not "only between communities, but also between different Jewish agencies an even neighbouring colonies.” Governmental officials began to acknowledge that “little more difficulty is anticipated in associating Arab and Jew in a common endeavour.”[[62]](#endnote-63)

One of the main issues a tobacco cooperative would have solved was the question of financing the crop in the earlier stages. However, the issue of credit to growers exposed some of the difficulties. In farms affiliated with the Jewish Colonization Association (JCA), the problem was solved by providing an advance of 250 Palestinian Pounds for every dunam (four acres) of tobacco by the Co-operative Organization of Jewish Colonists.[[63]](#endnote-64) Other Jewish growers received advance payments from the Lubliner cigarette factory.[[64]](#endnote-65) As for the Arab sector, the government failed to enlist the Maspero Frères factory for a similar scheme.[[65]](#endnote-66) At the absence of other venues of credit, and with the government unwilling to create its own lending schemes, Arab growers were “left to exploit the possibilities of collective credit” (namely were expected to establish effective cooperative societies).[[66]](#endnote-67)

Government officials kept urging that “duplication should be avoided and the two associations already projected […] should be merged under one general management.”[[67]](#endnote-68) However, gradually it dawned on the officials that the originally envisioned plans for cooperative societies, let alone an all-national one, were not common to fruition. As for the organization of Arab cooperative societies, one official lamented that [we] “must reckon with actualities and amongst them the practical impossibility in present circumstances of any but an Englishman who has the support of the Government obtaining the requisite measure of confidence and co-operation by Arab fellahin.”[[68]](#endnote-69) In 1924, the Director of DAF acknowledged that

It must therefore be decided at the earliest possible moment, unless our only really promising agricultural industry is to receive a serious check, whether (a) the department is to be strengthened in personnel and material to meet this new situation; (b) practical encouragement and official supervision afforded to societies or companies now under organisation or projected; or (c ) the development of the industry entirely to private enterprise.[[69]](#endnote-70)

A recorded attempt to create a committee that would enhance governmental assistance to tobacco growers and develop a comprehensive policy had, according to available sources, also did not materialize. A governmental initiative for a countrywide tobacco cooperative was recurred time after time in documents from the 1930s and ‘40s but had never been realized.[[70]](#endnote-71)

 Already in 1924 some officials began to worry that the combination of a tobacco rush with the lack of organized cooperative societies, would lead to falling prices “to an unremunerative level,” to loss of government revenue and, in general, to a situation in which “the present enthusiasm of the cultivators for tobacco growing will be replaced with pessimism, the unfavourably situation of agriculture generally will become still more aggravated.”[[71]](#endnote-72)

Indeed, in the second half of the 1920 the tobacco rush led to a severe crisis: “in 1924 the prices of tobacco were very high… encouraging growers to put under tobacco very large areas, which caused over production than what the local factories needed.”[[72]](#endnote-73) Prices continued to fall until in 1929 the crisis reached its peak.[[73]](#endnote-74) Farmers abandoned the market: in 1929, there were 3,687 growers (3,130 of them in the north), and three years later their number dropped to 1,675. In the Jewish sector most colonies gave up on cultivating tobacco, leaving the market mainly in Arab hands.[[74]](#endnote-75)

Several reports, written at various points, tried to provide explanations and corrections. One report stated that the unchecked expansion of the market led to cultivation in unsuitable areas and, compounded with unskilled labor, led to poor quality crops and the plummeting of prices.[[75]](#endnote-76) The Hope-Simpson report attributed the problem to the “poor quality” of Palestinian tobacco.[[76]](#endnote-77) In 1933 another official also put blame on the tobacco manufacturers who “worked against the scheme, when in 1924-1925 the Government endeavoured to form a co-operative society for the Tobacco Growers.”[[77]](#endnote-78)

BAT had begun consolidating its hold over the market even before purchasing the local factories, but after the crisis it achieved a dominant position. In 1934 BAT “virtually controls four of the most considerable factories in Palestine.” But, as the Chief Secretary mentioned, the company “does not in consequence enjoy a monopoly; for several other and substantial factories are able to maintain themselves independently.”[[78]](#endnote-79)

When, in 1934, tobacco growers from Tarshiha area complained about the low prices that Qaraman offered them, the director of the department of Customs and Excise (DCE) rebuked them, writing that “Tobacco growers constantly complain of the poor prices realised and this is attributed to the larger factories being controlled by one Company. It would be better if there was more competition, but I cannot find that the factories do not give fair prices for the best crops of tobacco and the real cause of the low prices existing, in my opinion, is over-production.”[[79]](#endnote-80)

Surpluses harmed the growers, but they were also bad for the government who lost revenue as excess crops were traded illegally in the black market. Tobacco was indeed a profit-yielding crop; according to data from the 1933-34 tax year locally grown tobacco represented 6.23% of all state revenues.[[80]](#endnote-81) Acknowledged by Tarshiha’s growers, they suggested that government will restrict cultivation areas to prevent smuggling. Reluctantly, committed to *laissez-faire*, A. G. Wauchope - the High Commissioner of Palestine - wrote that “[w]hile I have no wish to interfere unduly with the freedom of cultivators to grow tobacco, I am satisfied of the necessity in the interests' of revenue to subject cultivation to a somewhat stronger control […].”[[81]](#endnote-82)

Government intervention came in the form of amendments to the Tobacco Ordinance, primarily aiming at solving the issue of low-quality surplus crops. In 1934 the Ordinance was amended so that it would limit tobacco cultivation under “unsuitable conditions.”[[82]](#endnote-83) After recurring surpluses, in 1938 a further amendment stipulated that the Director of DCE would yearly determine the total area of tobacco cultivation and allocate licenses to a limited number of cultivators.[[83]](#endnote-84)

Consequently, the DCE began playing a pivotal role in the tobacco market, and some government correspondences criticized it: “the ordinance left the entire authority of allocating licenses exclusively to the Director of the DCE,” yet it was argued, the latter did not consult with the local authorities at all, and the licenses were allocated in a largely “arbitrary manner.”[[84]](#endnote-85) The Galilee District Commissioner proposed delegating some authority to the municipalities by appointing tobacco committees comprise of one representative each of the municipality, DAF, DCE and the village elders.[[85]](#endnote-86) In his response, Director of DCE rejected these claims as they were “impractical and cumbersome.”[[86]](#endnote-87) Later it was suggested the limitation of cultivation areas wasn’t arbitrary at all; it was made according to the demands of the manufacturers themselves, and thereby “could inevitably have only one result.”[[87]](#endnote-88)

It was this reality that tobacco growers confronted when, in 1944, they formed cooperative societies. Their exchanges and meeting protocols with government officials illustrate their needs and troubles, but even more so they uncover the government’s attitude that prevented it from accepting almost all their demands.[[88]](#endnote-89) The issue of decent facilities for the storage and curing of tobacco was a case in point. The use of appropriate warehouses was an essential condition for growing high-quality tobacco.[[89]](#endnote-90) Eyre conceded that “a better quality of leaf could be produced if it was wilted under controlled conditions of temperature and humidity instead of being subjected to the desiccating winds of summer.”[[90]](#endnote-91) He also conceded that “many of the peasants could not afford proper buildings and rooms for curing their tobacco in a better way” but was doubtful whether they would give the necessary attention to detail even if they had the rooms.[[91]](#endnote-92) Writing in almost open contempt, Eyre stated that

in another country I should recommend the establishment of co-operative or Government managed curing barns and rooms staffed by trained men who would produce good tobacco of recognised standards of quality. However, I am very dubious indeed as to whether a venture of this nature would have any success in Arab villages […] I am quite certain that the tobacco growers would only co-operate to break any scheme which deprived them of the satisfaction of striking individual bargains with the buyers and of obtaining better prices than their neighbours for inferior tobacco.[[92]](#endnote-93)

Rejecting the request of the societies for financial support, the Director of DCE wrote that “one of the basic principles of cooperative societies is self-help and I consider the local growers […] should endeavour to provide their own funds for building tobacco stores […]. Government assistance might come at a later date when it is evident the societies are deserving bodies.”[[93]](#endnote-94) Eyre also argued that “unless this is done by the growers on their own initiative they will revert to their normal methods of storage as soon as the present surplus has been liquidated. The tobacco growers are very distrustful of each other and I cannot conceive of their entrusting the care of their tobacco to anyone else.”[[94]](#endnote-95)

Not only curing tobacco was affected; since cultivators had “no proper facilities” also “bailing and grading is unsatisfactory.” The growers had “to bring their tobacco to the factories for grading and thus, to a large extent, are in the hands of the factories.”[[95]](#endnote-96) Tobacco growers repeatedly complained the factory is the one grading the tobacco, determining the quality and prices of tobacco “to the detriment of the growers,” but they have to accept them as they are not authorized to market their tobacco themselves.[[96]](#endnote-97) Already in 1937 Tobacco growers from Mi’ilya argued the “factories do not pay enough for the good quality and perhaps too much for the bad quality, i.e. there is not sufficient differentiation between the prices of different grades,” thus there is no incentive to produce the high quality varieties that yield a lower crop.[[97]](#endnote-98)

However, when members of the tobacco societies wanted to know if “government [is] aware of the bad treatment given to tobacco growers by the factories in respect of grading and prices,” the only answer received was “no answer.”[[98]](#endnote-99) In the eyes of the British officials the cultivators of tobacco used “primitive” methods and prioritized “quantity rather than quality.”[[99]](#endnote-100) Obviously, without creating variation between grades, no stable quality standards could have been set, and no high-quality tobacco could have been grown. This understanding was reached by the government as late as 1947:

Differences in price must, as far as possible, be related to quality and type. The possibility of defining a certain number of grades is worth consideration; this must be done with consultation with the buyers. If the buyers would then go a step further and offer certain prices for the different grades it would encourage the growers to improve quality and avoid, at least, some of the gross errors in treatment. […] The buyers may not wish to commit themselves to prices for the lower qualities; this would not matter much, provided they stated and advertised the prices for the top grades.[[100]](#endnote-101)

By 1947, the vision of a “salvation of the country” through high-class Palestinian tobacco, was shattered. Several key events and issues therefore spread between the hopes of the 1920s and the disillusionment of the 1940s: a free-market logic, crop surpluses, foreign corporations, monopolistic interests, ethnic prejudices and even a vague concept of “quality”. The relations between them changed over the years, stabilizing and destabilizing the tobacco market. In what follows I will discuss some of these links, examining how government affirmed some of them while misrecognizing or disallowing others.

**(Dis)connecting the Dots**

The Mandatory government was committed to the economic development of Palestine yet was ineffective in correcting market failures. Its liberal logic required restricting its intervention in the economy, while still promoting the self-organizing capacities of civil society.[[101]](#endnote-102) This tension was evident in other industries as well. In the citrus industry for example, there was a clear trend of deepening government intervention – over the years the government not only provided the industry with direct funding, but also with indirect administrative support.[[102]](#endnote-103) When crises affected the tobacco industry and tobacco growers demanded that the government take similar steps, it failed to intervene.[[103]](#endnote-104)

The case of the tobacco market manifests the tension between the British government’s efforts to promote its interests and those of the local population by deregulating the economy, and the effects of this colonialist logic on the local population. Together with abandoning its cooperative initiative the government passed the Tobacco Ordinance, replacing a government-grower alliance with a government-manufacturer one, as the latter took on the role of the taxpayer. Once received that role, BAT could leverage the alliance to its own aims. For BAT, an unstable market suffering from recurring crises of crop surpluses and falling prices was desirable. At the same time, a divided Arab society whose members found it difficult to cooperate served its economic interests.[[104]](#endnote-105)Yet BAT’s fraudulent practices were enabled by the political and economic conditions largely created by the government; clearly demonstrating the declared non-interventionist policy was also a form of intervention.

Torn between free market ideology and state intervention, the deregulation of the tobacco market was never complete. When the government did deliberately intervene, it was a flawed intervention, stemming from the negative presumptions of its officials regarding the Arab *fellahin.* According to Nadan, the British assumption that the *fallahin* were unable to manage themselves economically and that their socioeconomic institutes were “irrational” had a deep effect on government policies.[[105]](#endnote-106) The British government did seek to benefit the rural population in Palestine but did so by investing in rationalization plans designed to replace local institutes by Western ones, resulting in economic failure. Due to significant investment in these reforms, only little funds were invested in infrastructures and agricultural technologies that could have been much more effective.[[106]](#endnote-107)

A similar logic applies to the tobacco market. The “backwardness of the growers” prevented the governments investment in infrastructure, like appropriate warehouses to cure and store tobacco. Although the idea of a tobacco cooperative was raised by government officials many times, when it became a reality at the growers’ own initiative, they rejected it. Their prejudices, believing that Palestinian peasants are unable to cooperate and overcome their irrational passion for conspiracies and intrigues, affected their willingness to support the societies and led to an ineffective tobacco policy.

Instead of improving the Palestinian tobacco, governments actions contributed to its poor quality. In fact, in the first years of the British rule the government invested in the improvement of tobacco quality by distributing seeds, providing professional training and publishing practical articles in the press. Yet these actions were taken mainly in the 1920s. While several officials have continued to recommend actions such as appointing instructors and experts, setting up an experimental tobacco station, and creating agreed standards for tobacco curing and grading - most of them were not implemented.[[107]](#endnote-108) In 1934 one official warned, “failing such actions taken by Government, the situation remains as it is; a continual grumble and dispute between growers and factories, and the farmers and Government.”[[108]](#endnote-109)

Nevertheless, as its non-interventionism deepened the government treated tobacco-related issues increasingly in terms of quality. As it realized the economic potential of tobacco was not exhausted, a growing techno-scientific emphasis was put on the “quality problem” as the market’s key issue. All the other market problems - such as surpluses, low prices and failure in foreign markets - were cast in those terms. In response to various demands of the grower’s cooperative societies, it was repeatedly stated that “there is little that can be done except improving the quality of Palestinian tobacco.”[[109]](#endnote-110)

In early Mandate documents, the organization of growers is presented as a way of achieving high-quality tobacco, but as the years went by, the two previously interrelated problems became decoupled. By framing the tobacco market through the quality problem, organizational and administrative problems were translated into technical and engineering problems. Palestinian tobacco became a “case,” an object whose “problems” could be measured and analyzed by a form of knowledge that seemed to be located outside the object itself, thus able to encompass it in full.[[110]](#endnote-111) The Mandatory government was informed as well as empowered by that techno-scientific authority it appropriated, enabling it to create the distinction between the quality of a raw material such as tobacco and the nature of the socioeconomic organization in which it was rooted.

In government exchanges the quality of tobacco was constructed of natural elements such as suitable lands and quality seeds, but also of the different procedures such as planting, curing, bailing and grading of tobacco, which required skilled technique and expertise. British officials shouldered the blame of “poor quality” on the “unskilled” growers whose “methods of curing and grading are primitive,” and since “inferior tobacco is saleable and it is difficult to persuade the peasants to produce anything better”.[[111]](#endnote-112) In their eyes the growers “chose to accept the blandishments of the tobacco, rather than the advice of the District Administration.”[[112]](#endnote-113)

The fact that grading was unstandardized and done by the manufacturers was seemingly unrelated. In practice though, while quality grades are meant to reflect the inherent attributes of any material, say tobacco, they also grade the human and social formations producing it.[[113]](#endnote-114) Tobacco grades and the growers’ social status mutually constituted each other: as governments policy constructed the Palestinian tobacco’s low quality, it also constructed the backwardness and “low quality” of Palestine’s growers. In constructing the backwardness of the growers, government could ignore BAT’s methods of grading, pricing and manipulating, just as it could ignore its own responsibility to their tribulations.

Actions made by the government – such as the establishment of the centralized licensing system – could not solve the surplus problem. Unlike the cooperative plan wherein it would have been an active stakeholder, under this system the government apparently had a limited technical role. In practice, the system deepened the government’s intervention enforcing its own regulations on who would grow tobacco, where and how much. Torn between *laissez faire* and intervention it was flawed intervention that turned a promising source of income, employment, and cooperation into a deplorable state of affairs.

An alternative tobacco market, implying a different interpretation to quality, may be glimpsed through attention the illegal tobacco market. By 1945 it was clear that crop surpluses were fueling the black market. The tobacco societies asked the government to issue export licenses also to merchants, as these were limited to manufacturers only, arguing they could export to neighboring countries through their personal contacts. The Galilee District Commissioner observed that “the existence of smuggling shows that there is some market” that growers may exploit.[[114]](#endnote-115) This demand - the only one amongst the various demands made by the cooperative societies - was adopted. The following year over one hundred tons of tobacco were exported by non-manufacturers. Smuggling turned from “illegal trade” into evidence of the demand for Palestinian tobacco, whose quality was now considered satisfactory.

By the 1940s quality completely moved away from government regulation or grower’s cooperation and became connected with the *fellahin*’s lack of understanding and expertise, reinforcing their “constructed backwardness.” Among British officials, unskilled backward growers producing low quality became the main explanation for the deteriorating state of the Palestinian tobacco market, as well as for the government’s inability to bring change. These forced separations between tobacco quality, cooperation and regulation were also a form of divide and conquer. In framing the market in terms of the “quality problem” tobacco became not only an object of government control but also a means to control others.

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This article does not aim to encompass the history of tobacco production in Palestine or to draw lines between the case of tobacco and other social, economic and political arenas central in its history. Future studies based on more diverse archival or oral materials could examine issues only touched upon in the present study.[[115]](#endnote-116) These include the Jewish tobacco cultivation and manufacture and their role in the Zionist project; the British government’s relations with the Ottoman tobacco monopoly and their negotiations to settle their debts (which continued for most of the Mandate period); the government’s various legislative amendments and its taxation policy; and of course the question of fracture and continuity between the Mandate and Israeli tobacco markets.

**Notes**

1. Karlinsky, *Citrus Blossoms*. Unlike the citrus agriculture, tobacco was grown predominantly by Arab growers like olives, another large industry central in Palestine’s agriculture and economic history, see: Reger, *Planting Palestine*. [↑](#endnote-ref-2)
2. The importance of each piece of information about the economy of the Arab sector is particularly salient given the imbalance between the richness and diversity of the economic information produced during the Mandate period in the Jewish economy and about it, compared to the scarcity of materials about the Arab economy (Metzer, *The Divided Economy of Mandatory Palestine*, 14). [↑](#endnote-ref-3)
3. One of the main revisions in the historiography of Mandatory Palestine is the reemphasis on British presence as a decisive factor in shaping local socioeconomic processes. For example see: Smith, *The Roots of Separatism in Palestine*; Metzer, *The Divided Economy of Mandatory Palestine*.; El-Eini, *Mandated Landscape*.; Nadan, *The Palestinian Peasant Economy under the Mandate*.; Gross, “Hamediniyut hakalkalit shel hamimshal habriti” (The economic policy of the British mandatory government). [↑](#endnote-ref-4)
4. “If the growing of high-class tobacco is a success in Palestine, it will be the salvation of the country.” Memorandum on tobacco cultivation and industry in: District Governor Haifa to Chief Secretary, December 12, 1923: Israel State Archives, Jerusalem, ISA-MandatoryOrganizations-MandateFishery-000nduz. [↑](#endnote-ref-5)
5. *Ibid.* [↑](#endnote-ref-6)
6. In the 1920s British officials were Concerned that Jewish immigration will exhaust the ‘absorptive capacity’ of Palestine by reducing the areas of Arab-held cultivable lands and restricting employment opportunities for Arabs absorptive capacity (see Reichman, Katz, and Paz, “The Absorptive Capacity of Palestine, 1882-1948”; Sasson and Shamir, “The 1931 Census of Palestine and the Statistical (Un)Making of an Arab Landless Class”). The same terminology was also used later only referred to locally produced tobacco which was “in excess of the absorptive capacity of Palestine factories” (Director of DCE to the Chief Secretary, 14 October 1940: ISA-MandatoryOrganizations-MandateFishery-000nduz). [↑](#endnote-ref-7)
7. Director of DAF to Chief Secretary, February 4, 1924: ISA-MandatoryOrganizations-MandateFishery-000nduz. [↑](#endnote-ref-8)
8. Under Ottoman rule, cultivation and manufacturing of tobacco were subject to a government monopoly and required a special license. A tobacco monopoly called *Regie Cointeressee des Tabacs de l'Empire Ottoman* was established in 1883 and dominated the market. The British government’s negotiations with the Ottoman tobacco monopoly to settle the debts to which continued for most of the Mandate period (and are archived it the British National Archives.) [↑](#endnote-ref-9)
9. Commerce Reports, Volume 2, Issue 142, Bureau of Foreign and Domestic Commerce, Department of Commerce, USA, 20 June 1921. [↑](#endnote-ref-10)
10. A Memorandum titled “Observations by the Director of Customs, Excise and Trade upon the cultivation of tobacco in Palestine,” January 3, 1934: ISA-MandatoryOrganizations-MandateFishery-000ndv0. [↑](#endnote-ref-11)
11. *Ibid.* [↑](#endnote-ref-12)
12. El-Eini, *Mandated Landscape*, 122. For a comprehensive and critical review of the Tobacco Ordinance see: Zlocisti, *The Cultivation and Manufacture of Tobacco in Palestine*. [↑](#endnote-ref-13)
13. Observations by the Director of Customs, Excise and Trade upon the cultivation of tobacco in Palestine,” January 3, 1934: ISA-MandatoryOrganizations-MandateFishery-000ndv0. [↑](#endnote-ref-14)
14. Memorandum on tobacco cultivation and industry in: District Governor Haifa to Chief Secretary, December 12, 1923: ISA-MandatoryOrganizations-MandateFishery-000nduz. [↑](#endnote-ref-15)
15. *Ibid.* [↑](#endnote-ref-16)
16. *Ibid.* [↑](#endnote-ref-17)
17. *Ibid.* [↑](#endnote-ref-18)
18. Report of the Secretary of the Farmers Cooperation Society for the Disposal of Tobacco Crop, June 29, 1947: ISA-MandatoryOrganizations-MandateFishery-000nduy. [↑](#endnote-ref-19)
19. *Ibid.* [↑](#endnote-ref-20)
20. *Ibid.* [↑](#endnote-ref-21)
21. *Ibid.* [↑](#endnote-ref-22)
22. Secretary of Arab Labour Society of Palestine to the Director of Agriculture and Fisheries, October 15, 1946 (ISA-MandatoryOrganizations-MandateFishery-000ndv0); Rabah Shureih Secretary of the Tobacco Marketing Coop. Society Ltd., Tarshiha to the High Commissioner, August 21, 1946 (ISA-MandatoryOrganizations-SecretaryMining-0007sa8); Rabah Shureih Secretary of the Tobacco Marketing Coop. Society Ltd., Tarshiha to the High Commissioner, November 20, 1946 (ISA-MandatoryOrganizations-SecretaryMining-0007sa8); Secretary of the Executive Council of the Agricultural Cooperative Societies Congress, Palestine Arab Workers Society, to the Chief Secretary, November 15, 1947 (ISA-MandatoryOrganizations-MandateFishery-000nduy); Secretary of the Executive Council of the Agricultural Cooperative Societies Congress, Palestine Arab Workers Society, to the Assistant District Commissioner, Acre, September 28, 1947 (ISA-MandatoryOrganizations-MandateFishery-000nduy); Report of the Secretary of the Farmers Cooperation Society for the Disposal of Tobacco Crop in the Government Meeting, June 30, 1947 (ISA-MandatoryOrganizations-MandateFishery-000nduy); Secretary of the Executive Council, Palestine Arab Workers Society, Cooperative Section to the Chief Secretary, May 27, 1947 (ISA-MandatoryOrganizations-MandateFishery-000nduy); Executive Council of the Conference of the Agricultural Cooperative Societies for Tobacco Marketing to the Food Controller, September 2, 1947 (ISA-MandatoryOrganizations-SecretaryCommerce-000ohxi); Secretary of the Executive Council, Palestine Arab Workers Society, Cooperative Section to the Director of Agriculture and Fisheries, May 30, 1947 (ISA-MandatoryOrganizations-MandateFishery-000nduz); Petition to Chief Secretary, undated (ISA-MandatoryOrganizations-MandateFishery-000nduz); The Agricultural Cooperative Societies for Marketing Tobacco to the Director of Customs and Excise, January 23, 1947 (ISA-MandatoryOrganizations-SecretaryMining-0007sa8); Secretary of the Executive Council of the Agricultural Cooperative Societies, Palestine Arab Workers Society, to the Chief Secretary, October 4, 1947 (ISA-MandatoryOrganizations-SecretaryAgri-000oeht); Secretary of the Executive Council of the Conference Agricultural Cooperative Societies, Palestine Arab Workers Society, to the Chief Secretary, April 25, 1947 (ISA-MandatoryOrganizations-SecretaryAgri-000oeht). [↑](#endnote-ref-23)
23. (*Palestine through the Fog of Propaganda*, 155). [↑](#endnote-ref-24)
24. Director of DAF to Chief Secretary, August 24, 1945: ISA-MandatoryOrganizations-SecretaryAgri-000oehs. [↑](#endnote-ref-25)
25. The historiography of Palestine’s economy describes an agricultural sector that was mainly Arab and a manufacturing sector that was mainly Jewish. In the tobacco industry, however, the situation was different: the four largest factories were owned by Arabs and the fifth largest, Dubek, was in Jewish hands. This distinction may be found in multiple studies, e.g. Eliachar, “The Palestine Government’s Census of Industry, 1920”; Avitzur, *The Industrial Revolution in Palestine*; Gozansky, *The Development of Capitalism in Palestine*; Metzer, *The Divided Economy of Mandatory Palestine.*  [↑](#endnote-ref-26)
26. Agricultural Officer, North District to Director of DAF, 8 December 1933: ISA-MandatoryOrganizations-MandateFishery-000nduz. [↑](#endnote-ref-27)
27. Director of DAF to Chief Secretary, August 24, 1945: ISA-MandatoryOrganizations-SecretaryAgri-000oehs. [↑](#endnote-ref-28)
28. *Ibid.* [↑](#endnote-ref-29)
29. *Ibid.* [↑](#endnote-ref-30)
30. *Ibid.* [↑](#endnote-ref-31)
31. The Agricultural Cooperative Societies for Marketing Tobacco to Chief Secretary, February 27, 1947: ISA-MandatoryOrganizations-SecretaryMining-0007sa8. Also see: The Agricultural Cooperative Societies for Marketing Tobacco to Director of DCE, January 23, 1947: ISA-MandatoryOrganizations-SecretaryMining-0007sa8. [↑](#endnote-ref-32)
32. Director of DAF to Chief Secretary, August 24, 1945: ISA-MandatoryOrganizations-SecretaryAgri-000oehs. [↑](#endnote-ref-33)
33. Director of DAF to Chief Secretary, January 22, 1947: ISA-MandatoryOrganizations-SecretaryMining-0007sa8. [↑](#endnote-ref-34)
34. Assistant District Commissioner, Acre to District Commissioner, Galilee: July 10, 1947: ISA-MandatoryOrganizations-SecretaryAgri-000oeht. [↑](#endnote-ref-35)
35. Hope-Simpson, *Palestine*, Chapter VII: Agricultural Development, Section (D) Cooperation. These views regarding the Arab *fellahin* were common in British exchanges, as well as in official publications. For another example: “The Palestine fellah is placid by temperament but prone to fierce personal and family quarrels. He is easily swept by passion into a state of unreasoning excitement. The basis of his organisation is the clan. The boundaries of his world are the confines of his village. It is noteworthy that at no point in Palestine history is there any evidence of collaboration between several Arab villages in any constructive undertaking." (Fabian Colonial Bureau, *Co-Operation in the Colonies*, 95–119). [↑](#endnote-ref-36)
36. Informal economic associations active in the Mandate period are also described in studies on the smuggling on other products. See, e.g. Ram, “Hashish Traffickers, Hashish Consumers, and Colonial Knowledge in Mandatory Palestine.” [↑](#endnote-ref-37)
37. Director of DAF to Chief Secretary, August 24, 1945: ISA-MandatoryOrganizations-SecretaryAgri-000oehs. [↑](#endnote-ref-38)
38. Director of DAF to Chief Secretary, February 4, 1924: ISA-MandatoryOrganizations-MandateFishery-000nduz. [↑](#endnote-ref-39)
39. Director of DAF to Chief Secretary, January 22, 1947: ISA-MandatoryOrganizations-SecretaryMining-0007sa8. [↑](#endnote-ref-40)
40. Acting Commissioner of Commerce and Industry to Chief Secretary, April 14, 1947: ISA/AM/1/M/4305. A minor relaxation came in 1946: out of a total of 950 tons for which export licenses were granted, 102 tons had been allocated to non-manufacturers. [↑](#endnote-ref-41)
41. Director of DCE to Chief Secretary, December 30, 1946: ISA-MandatoryOrganizations-SecretaryAgri-000oeht. [↑](#endnote-ref-42)
42. The Secretary Executive Council Conference of Agricultural Cooperative Societies to the Chief Secretary, November 15, 1947: ISA-MandatoryOrganizations-SecretaryAgri-000oeht. [↑](#endnote-ref-43)
43. Zlocisti, *The Cultivation and Manufacture of Tobacco in Palestine*, 19–33. [↑](#endnote-ref-44)
44. Memorandum on tobacco cultivation and industry in: District Governor Haifa to Chief Secretary, December 12, 1923: ISA-MandatoryOrganizations-MandateFishery-000nduz. [↑](#endnote-ref-45)
45. Himadeh, *Economic Organization of Palestine*, 162. [↑](#endnote-ref-46)
46. Zlocisti, *The Cultivation and Manufacture of Tobacco in Palestine*, 8. [↑](#endnote-ref-47)
47. Zlocisty, p.12 [↑](#endnote-ref-48)
48. Director of DCE to Director of DAF, May 22, 1934: ISA-MandatoryOrganizations-MandateFishery-000ndv0. [↑](#endnote-ref-49)
49. *Ibid.* [↑](#endnote-ref-50)
50. Director of DAF to Chief Secretary, February 4, 1924: ISA-MandatoryOrganizations-MandateFishery-000nduz. [↑](#endnote-ref-51)
51. Director of DAF to Chief Secretary, February 1, 1924: ISA-MandatoryOrganizations-MandateFishery-000nduz. The 1930 Hope-Simpson Report also mentions a short-lived cooperative of Arab tobacco growers in the 1920s: “It is said that one attempt was made to form a cooperative society of the tobacco growers, but that the society failed owing to the disloyalty of its members” (Sir John Hope-Simpson, *Palestine: Report on Immigration, Land Settlement and Development*, 1930). A failed attempt at such a cooperative is also mentioned by El-Eini, but she does not provide the reasons for its failure (El-Eini, “Government Fiscal Policy in Mandatory Palestine in the 1930s,” 318. [↑](#endnote-ref-52)
52. Director of DAF to Director of the Imperial Institute, London, February 25, 1925: ISA-MandatoryOrganizations-MandateFishery-000nam1. [↑](#endnote-ref-53)
53. Cox, *The Global Cigarette*, 140. [↑](#endnote-ref-54)
54. Director of DAF to Director of the Imperial Institute, London, February 25, 1925: ISA-MandatoryOrganizations-MandateFishery-000nam1. [↑](#endnote-ref-55)
55. Memorandum on tobacco cultivation and industry in: District Governor Haifa to Chief Secretary, December 12, 1923: ISA-MandatoryOrganizations-MandateFishery-000nduz. [↑](#endnote-ref-56)
56. Agricultural Officer, North District to Director of DAF, December 8, 1933: ISA-MandatoryOrganizations-MandateFishery-000nduz. [↑](#endnote-ref-57)
57. Director of DAF to Chief Secretary, February 1, 1924: ISA-MandatoryOrganizations-MandateFishery-000nduz. [↑](#endnote-ref-58)
58. Sub-district Governor Acre to Chief Secretary, January 15, 1924: ISA-MandatoryOrganizations-MandateFishery-000nduz. [↑](#endnote-ref-59)
59. *Ibid.* [↑](#endnote-ref-60)
60. Unknown writer to Chief Secretary, January 20, 1924: ISA-MandatoryOrganizations-MandateFishery-000nduz. [↑](#endnote-ref-61)
61. *Ibid.* [↑](#endnote-ref-62)
62. Director of DAF Haifa to Chief Secretary, February 1, 1924: ISA-MandatoryOrganizations-MandateFishery-000nduz. [↑](#endnote-ref-63)
63. Director of DAF to Chief Secretary, February 4, 1924: ISA-MandatoryOrganizations-MandateFishery-000nduz. [↑](#endnote-ref-64)
64. The Lubliner Brothers were cigarette manufacturers from Berlin who immigrated to Palestine in 1923 in order to build a new factory. To produce cigarettes at the intended scope, they payed advances for all the tobacco crops of Jewish growers in the Galilee. The deal was coordinated by Trade and Industry Department of the World Zionist Organization, who contacted the Association of Farmers in the Lower Galilee. Subsequently, following the tobacco rush and the resulting crisis, the brothers went bankrupt and closed the factory (Ever Hadani, *The Settlement in the Lower Galilee*, 467-85). [↑](#endnote-ref-65)
65. “The former company has entered into contracts, involving advances payments, with certain Jewish colonies. Neither agency is, however, apparently prepared to lend money to Arab planters…” (Director of DAF to Chief Secretary, February 4, 1924: ISA-MandatoryOrganizations-MandateFishery-000nduz). The *Maspero Frères* Company, a subsidiary of the British American Tobacco Company, was active in Egypt and in 1911 established a cigarette factory in Jaffa. It was closed when the Ottoman Empire entered the Great War, but reopened in 1921 (Cox, *The Global Cigarette*, 140). When the company decided to reopen the factory, it sent one of its employees to Palestine – Yosef Victor Lup, a Jew from Turkish origin who oversaw another factory in Alexandria. After examining if the lands in Palestine were suitable for tobacco cultivation, he began encouraging Jewish farmers to cultivate it, mainly in the Galilee colonies (Tidhar, *Encyclopedia of the Pioneers*, 676-77). [↑](#endnote-ref-66)
66. Director of DAF Haifa to Chief Secretary, February 1, 1924: ISA-MandatoryOrganizations-MandateFishery-000nduz. [↑](#endnote-ref-67)
67. *Ibid.* [↑](#endnote-ref-68)
68. District Governor, Haifa to Chief Secretary, December 12, 1923: ISA-MandatoryOrganizations-MandateFishery-000nduz. [↑](#endnote-ref-69)
69. Director of DAF to Chief Secretary, February 4, 1924: ISA-MandatoryOrganizations-MandateFishery-000nduz. [↑](#endnote-ref-70)
70. See various files at Israel State Archives, mainly: ISA-MandatoryOrganizations-MandateFishery-000nduz, ISA-MandatoryOrganizations-MandateFishery-000nam1, ISA-MandatoryOrganizations-MandateFishery-000ndv0. [↑](#endnote-ref-71)
71. Memorandum on tobacco cultivation and industry in: District Governor Haifa to Chief Secretary, December 12, 1923: Israel State Archives, Jerusalem, ISA-MandatoryOrganizations-MandateFishery-000nduz. [↑](#endnote-ref-72)
72. Agricultural Officer, North District to Director of DAF, 8 December 1933: ISA-MandatoryOrganizations-MandateFishery-000nduz. [↑](#endnote-ref-73)
73. While prices kept falling, Tobacco revenue to Government “has been continually increasing,” as mentioned bythe Agricultural Officer (Agricultural Officer, North District to Director of DAF, December 8, 1933: ISA-MandatoryOrganizations-MandateFishery-000nduz). For more on Government from tobacco see: Himadeh, *Economic Organization of Palestine*. [↑](#endnote-ref-74)
74. According to Giladi, "Tobacco works played an important role in the transition from the critical days of the end of the Third Aliya to the prosperity at the beginning of the Fourth Aliya. When the hectic tobacco season of 1924 ended, it turned out that the tobacco rush had no economic justification and no future prospects, but that seasons enabled hundreds of Hebrew workers to settle down in the colonies, creating the opportunity for the conquest of labor there” (Giladi, *The Yishuv during the Fourth Aliya*, 71-74). [↑](#endnote-ref-75)
75. Himadeh, *Economic Organization of Palestine*, 162. [↑](#endnote-ref-76)
76. According to Hope-Simpson, “Efforts should be made to foster the cultivation of a better grade of tobacco, experts in manipulation and in packing being employed to teach the cultivators. There is every prospect that high quality tobacco could be grown in Palestine.” See: Sir John Hope-Simpson, *Palestine: Report on Immigration, Land Settlement and Development*, 1930. [↑](#endnote-ref-77)
77. Agricultural Officer, North District to Director of DAF, December 8, 1933: ISA-MandatoryOrganizations-MandateFishery-000nduz. [↑](#endnote-ref-78)
78. Chief Secretary to Government of Iraq, November 12, 1934: ISA-MandatoryOrganizations- SecretaryCommerce-000vbdc. [↑](#endnote-ref-79)
79. Director of DCE to Director of DAF, May 22, 1934: ISA-MandatoryOrganizations-MandateFishery-000ndv0. [↑](#endnote-ref-80)
80. Himadeh, *Economic Organization of Palestine*, 512. [↑](#endnote-ref-81)
81. High Commissioner of Palestine to Principal Secretary of the State for the Colonies, February 3, 1934: ISA-MandatoryOrganizations-MandateFishery-000ndv0. [↑](#endnote-ref-82)
82. *Ibid.* [↑](#endnote-ref-83)
83. Memorandum written by the Director of DCE to Chief Secretary, September 1940: ISA-MandatoryOrganizations-MandateFishery-000nduy. Also see: El-Eini, *Mandated Landscape*, 123. [↑](#endnote-ref-84)
84. District Commissioner, Galilee District to Chief Secretary, June 28, 1940: ISA-MandatoryOrganizations-MandateFishery-000nduy. [↑](#endnote-ref-85)
85. *Ibid.* [↑](#endnote-ref-86)
86. Director of DCE to Chief Secretary, September 20, 1940: ISA-MandatoryOrganizations-MandateFishery-000nduy. [↑](#endnote-ref-87)
87. Acting Commissioner of Commerce and Industry to Chief Secretary, April 14, 1947: ISA-MandatoryOrganizations-SecretaryAgri-000oeht. [↑](#endnote-ref-88)
88. For a summary of the societies demands, see: Assistant District Commissioner, Acre, to District Commissioner, Galilee, June 4, 1947: ISA-MandatoryOrganizations-MandateFishery-000nduy. [↑](#endnote-ref-89)
89. Tobacco Marketing Cooperative Society, Tarshiha to the Higher Commissioner, August 21, 1946: ISA-MandatoryOrganizations-SecretaryMining-0007sa8. [↑](#endnote-ref-90)
90. Director of DAF to Chief Secretary, August 24, 1945: ISA-MandatoryOrganizations-SecretaryAgri-000oehs. [↑](#endnote-ref-91)
91. *Ibid.* [↑](#endnote-ref-92)
92. *Ibid.* [↑](#endnote-ref-93)
93. Director of DCE to Chief Secretary, 27 September 1946: ISA-MandatoryOrganizations-SecretaryMining-0007sa8. The Governor of Acre thought that stalling until further evidence of self-help was “good in theory but unrealistic” because of the power of buyers to undermine organized farmers. His views were not accepted, see: Assistant District Commissioner Acre to Director of DAF and Director of DCE, June 4, 1947: ISA-MandatoryOrganizations-MandateFishery-000nduy. [↑](#endnote-ref-94)
94. Director of DAF to Chief Secretary, January 22, 1947: ISA-MandatoryOrganizations-SecretaryMining-0007sa8. [↑](#endnote-ref-95)
95. General Secretary of the General Agricultural Council, February 2, 1938: ISA-MandatoryOrganizations-MandateFishery-000nduz. [↑](#endnote-ref-96)
96. *Ibid.* [↑](#endnote-ref-97)
97. Record of Meeting with Tobacco Manufacturers and Growers in Villages during Tour of the North by the Director of Agriculture and Fisheries, accompanied by the Office Superintendent and Agricultural Officer, Northern District, during March 11-14, 1937: ISA-MandatoryOrganizations-MandateFishery-000nduz. [↑](#endnote-ref-98)
98. Minutes of the meeting held in Acre to discuss the position of tobacco growers, June 30, 1947: ISA-MandatoryOrganizations-SecretaryAgri-000oeht. [↑](#endnote-ref-99)
99. Director of DAG to Chief Secretary, 22 April 1938: ISA-MandatoryOrganizations-MandateFishery-000nam1; Director of DAG to Chief Secretary, April 24, 1945: ISA-MandatoryOrganizations-SecretaryAgri-000oehs. [↑](#endnote-ref-100)
100. Director of DAF to the Chief Secretary, April 29, 1947: ISA-MandatoryOrganizations-SecretaryAgri-000oeht. [↑](#endnote-ref-101)
101. Gross, “The Economic Policy of the British Mandatory Government in Palestine.” According to the mandate's preamble, it was granted to Britain "for the purpose of giving effect to the provisions of Article 22 of the Covenant of the League of Nations." That article, which concerns entrusting the "tutelage" of colonies formerly under German and Turkish sovereignty to "advanced nations," specifies communities that "have reached a stage of development where their existence as independent nations can be provisionally recognized subject to the rendering of administrative advice and assistance by a Mandatory until such time as they are able to stand alone.” [↑](#endnote-ref-102)
102. It appointed an advisory committee to the citrus industry with DAF representation (in 1929, the department appointed a “Chief Plantations Officer” to deal with citrus affairs); other representatives included the Jewish cooperative directors and major traders, and the heads of the Arab industry, who owned many citrus groves but also controlled the citrus trade and shipping agencies.From 1931-36, it convened 39 times, or six times a year on average. When profitability began to fall in the second half of the 1930s, the government deepened its intervention in the citrus industry, reduced the agricultural property tax, and changed its customs policy. The extent of government intervention in the industry is also evident by the scope and nature of the applicable legislation; the regulation did not apply only to matters such as taxation or shipping licenses, but also to the quality of exported fruits, their size and the timing of their shipping. Karlinsky, *Citrus Blossoms*, 233-38. [↑](#endnote-ref-103)
103. For example: Petition from Co-operative Tobacco Societies to the High Commissioner, November 20, 1946: ISA-MandatoryOrganizations-MandateFishery-000ndv0; Assistant Inspector General, Palestine Police Force to Chief Secretary, April 30, 1947: ISA-MandatoryOrganizations-SecretaryAgri-000oeht; Secretary of the Executive Council of Tobacco Growers Cooperative Societies, May 30, 1947: ISA-MandatoryOrganizations-MandateFishery-000nduz. Unlike the cultivation of tobacco, that Arab citrus production was based on private entrepreneurship by capitalists concentrated mainly in Jaffa, which later expanded into the center of the country. In Tulkarm, for example the citrus industry was based on investments by capitalists who were both local and from Jerusalem and Nablus (Karlinsky, *Citrus Blossoms*, 102-3). Tobacco growers, on the other hand, were peasants who held or rented small plots in the Galilee, a mountainous area far from the centers of government. [↑](#endnote-ref-104)
104. While the organizational capabilities of the Jewish population have been extensively discussed in historical and sociological studies, those of the Arab population have been discussed seldom and usually as a comparison with the Jewish population, for example: [↑](#endnote-ref-105)
105. Nadan, *The Palestinian Peasant Economy under the Mandate*, 339–40. [↑](#endnote-ref-106)
106. For example, the government tried to replace the Ottoman system of land ownership with a modern state registry, and the informal credit system of private lenders by a formal bank-based credit system. Nadan shows how the high interest in the informal system was the result of an agriculture that did not rely on irrigation but was exposed to the elements, as well as to political upheavals, and not – as the British thought – of the peasants’ natural tendency to avoid repayments or the exploitative nature of their Palestinian lenders. [↑](#endnote-ref-107)
107. Correspondence in these matters may be found in various files, including:

ISA-MandatoryOrganizations-MandateFishery-000nam1, ISA-MandatoryOrganizations-MandateFishery-000nduz, ISA-MandatoryOrganizations-MandateFishery-000ndv0, ISA-MandatoryOrganizations-SecretaryAgri-000oehs, ISA-MandatoryOrganizations- MandateFishery-000np6h. [↑](#endnote-ref-108)
108. Director of DAF to Agricultural Officer Haifa, May 14, 1934; ISA-MandatoryOrganizations-MandateFishery-000ndv0. [↑](#endnote-ref-109)
109. Minutes of the meeting held in Acre to discuss the position of tobacco growers, June 30, 1947: ISA/AM/1/M/4305. [↑](#endnote-ref-110)
110. Mitchell, *Rule of Experts*, 100. [↑](#endnote-ref-111)
111. Director of DAF to the Chief Secretary, April 24, 1945: ISA-MandatoryOrganizations-MandateFishery-000nduy. [↑](#endnote-ref-112)
112. District Commissioner Galilee district to the Chief Secretary, September 21, 1942: ISA-MandatoryOrganizations-MandateFishery-000ndv0. [↑](#endnote-ref-113)
113. Agricultural Officer, Northern District to Director of DAF, May 18, 1934: ISA-MandatoryOrganizations-MandateFishery-000ndv0. [↑](#endnote-ref-114)
114. District Commissioner, Galilee District to Chief Secretary, November 30, 1945: ISA-MandatoryOrganizations-SecretaryAgri-000oehs. [↑](#endnote-ref-115)
115. See: Fahoum, “Tobacco Cultivation in Palestine,” forthcoming.

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